

Cash Dividend

January 08, 2014

Exchange/Memo ID: 203258

ONN / OCC ID: 33895



ADJUSTED PENN NATIONAL GAMING, INC. - FURTHER ADJUSTMENT/SPECIAL DIVIDEND (ELECTION)

Ex - Distribution Date: 01/09/2014

DESCRIPTION:

Options on Penn National Gaming Inc. (adjusted option symbol PENN1) were adjusted on November 4, 2013 (see OCC Information Memo #33413). The new deliverable for PENN1 options became 1) 100 Penn National Gaming, Inc. (PENN) Common Shares and 2) 100 Gaming and Leisure Properties, Inc. (GLPI) Common Shares.

Gaming and Leisure Properties, Inc. (GLPI) has declared an \$11.85 Special Dividend to GLPI Common Shareholders. GLPI Shareholders have the right to elect to receive the Special Dividend in Common Stock (share election) or cash (cash election), both subject to proration. In aggregate, the amount of cash to be distributed will be 20% of the total distribution, with the remainder to be paid in the form of GLPI Common Shares. The Election Deadline is February 10, 2014. GLPI Shareholders who fail to make an election will receive the dividend in the form of shares, subject to proration if the 20% cash requirement has not been met. If non-electing shares are prorated, the exact amount of cash and Common Shares to be received by non-electing shareholders will be determined by the company after the Election Deadline on a date to be announced.

The Ex distribution Date will be January 9, 2014. The Payable Date is February 18, 2014. The Record Date is January 13, 2014.

Adjusted PENN1 options must be further adjusted to reflect the Special Dividend as described below.

Exercise Consideration - On January 9, 2014, the deliverable for PENN1 will reflect the additional amount of stock and potentially cash distributed for the dividend to shareholders who failed to make a valid election. PENN1 Call option holders who do not wish to receive the Special Dividend in the form distributed for non-electing shareholders, must exercise their options in sufficient time in advance of the contract adjustment to observe all conditions of the election. In all cases, it is the sole responsibility of persons holding call options seeking to participate in the election to determine when to exercise their options and to comply with all terms and conditions of the election.

Contract Adjustments:

Pursuant to the By-Laws of the Options Clearing Corporation ("OCC"), the below options will be adjusted as follows.

Adjustment Date: **01/09/2014**

Option Symbol: PENN1 remains PENN1

Underlying Security: PENN1 remains PENN1

Contract Multiplier: 1

Strike Divisor: 1

New Multiplier: 100

Strike Price: **Remains the Same**

New Deliverable/Contract: Cash in lieu of fractional GLPI shares, if any
An additional amount of GLPI Common Shares and potentially cash valued at approximately \$1,185.00 (\$11.85 x 100)
100 Gaming and Leisure Properties, Inc. (GLPI) Common Shares
100 Penn National Gaming, Inc. (PENN) Common Shares

On Wednesday, January 8th, 2014, immediately after the BOX close, all resting orders for PENN1 in the order book will be canceled by the BOX Market Operations Center. If a BOX Participant wishes to enter orders for the new PENN1 series, the BOX Participant will need to reenter the orders before the open on Thursday, January 9th, 2014.

Pricing Considerations: Until the exact amount of additional GLPI shares and potentially cash to be included in the PENN1 deliverable is determined, the underlying price for PENN1 will be determined as follows:

$$\text{PENN1} = \text{PENN} + \text{GLPI} + 11.85$$

Additional Exchange Info:

Old Option Symbol	Old PutCall Code	Old Strike Price	Old Contract Date	New Option Symbol	New PutCall Code	New Strike Price	New Contract Date
PENN1	C/P	25.00	01/18/2014	PENN1	C/P	25.00	01/18/2014
PENN1	C/P	30.00	01/18/2014	PENN1	C/P	30.00	01/18/2014
PENN1	C/P	35.00	01/18/2014	PENN1	C/P	35.00	01/18/2014
PENN1	C/P	40.00	01/18/2014	PENN1	C/P	40.00	01/18/2014
PENN1	C/P	45.00	01/18/2014	PENN1	C/P	45.00	01/18/2014
PENN1	C/P	50.00	01/18/2014	PENN1	C/P	50.00	01/18/2014
PENN1	C/P	55.00	01/18/2014	PENN1	C/P	55.00	01/18/2014
PENN1	C/P	60.00	01/18/2014	PENN1	C/P	60.00	01/18/2014
PENN1	C/P	65.00	01/18/2014	PENN1	C/P	65.00	01/18/2014
PENN1	C/P	70.00	01/18/2014	PENN1	C/P	70.00	01/18/2014
PENN1	C/P	75.00	01/18/2014	PENN1	C/P	75.00	01/18/2014
PENN1	C/P	80.00	01/18/2014	PENN1	C/P	80.00	01/18/2014
PENN1	C/P	85.00	01/18/2014	PENN1	C/P	85.00	01/18/2014
PENN1	C/P	30.00	04/19/2014	PENN1	C/P	30.00	04/19/2014
PENN1	C/P	35.00	04/19/2014	PENN1	C/P	35.00	04/19/2014
PENN1	C/P	40.00	04/19/2014	PENN1	C/P	40.00	04/19/2014
PENN1	C/P	45.00	04/19/2014	PENN1	C/P	45.00	04/19/2014
PENN1	C/P	50.00	04/19/2014	PENN1	C/P	50.00	04/19/2014
PENN1	C/P	55.00	04/19/2014	PENN1	C/P	55.00	04/19/2014
PENN1	C/P	60.00	04/19/2014	PENN1	C/P	60.00	04/19/2014
PENN1	C/P	65.00	04/19/2014	PENN1	C/P	65.00	04/19/2014
PENN1	C/P	70.00	04/19/2014	PENN1	C/P	70.00	04/19/2014

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Disclaimer:

This Information Memo summarizes corporate events affecting listed options. No warranty of accuracy or completeness is given with respect to the summary. Option series information is based on series existing at OCC at the time this Memo was generated.

Contact Information:

Questions regarding this memo can be addressed to the BOX Market Operations Center at 617-235-2291 or toll free at 1-866-768-8845.