

RAN-01-11
February 14, 2001

TO: All PCX Member and Member Organizations

FROM: Department of Regulatory Policy

SUBJECT: Rules Relating to Prohibition of Harassment
(File No. SR-PCX-00-46)

On February 7, 2001 The Securities and Exchange Commission approved an Exchange rule proposal relating to prohibition of Harassment. New Rule 6.2(g) makes it conduct inconsistent with just and equitable principles of trade for any member, member organization or associated person of a member or member organization to engage, directly or indirectly, in any conduct that threatens, harasses, intimidates, constitutes a refusal to deal or retaliates against another member because such member;

- 1) Has made a proposal to any exchange or other market to list or trade any option issue;
- 2) Has advocated or made proposals concerning the listing or trading of an option issue on any exchange or other market;
- 3) Has commenced making a market in or trading any option issue on any exchange or other market;
- 4) Seeks to increase the capacity of any options exchange or the options industry to disseminate quote or trade data;
- 5) Seeks to introduce new option products; or
- 6) Seeks to act competitively.

Following is the text of Rule 6.2(g). Questions regarding this notice may be addressed to Hassan Abedi, Attorney, at (415) 393-5958.

EXHIBIT A

Text of the Proposed Rule Change:¹

¶ 4733 Admission to and Conduct on the Options Trading Floor

Rule 6.2(a) – (f) No change.

(g) It is conduct inconsistent with just and equitable principles of trade for any member, member organization or associated person of a member or member organization to engage, directly or indirectly, in any conduct that threatens, harasses, intimidates, constitutes a “refusal to deal” or retaliates against any member, member organization or associated person of a member or member organization because such member, member organization or associated person of the member or member organization:

- (1) has made a proposal to any exchange or other market to list or trade any option issue;
- (2) has advocated or made proposals concerning the listing or trading of an option issue on any exchange or other market;
- (3) has commenced making a market in or trading any option issue on any exchange or other market;
- (4) seeks to increase the capacity of any options exchange or the options industry to disseminate quote or trade data;
- (5) seeks to introduce new option products or;
- (6) seeks to act competitively.

¹ New text is underscored.