



Regulatory Circular RG03-46

TO: CBOE Membership

FROM: Office of the Chairman

DATE: June 27, 2003

RE: Exchange Policy Statement on Sexual and Other Forms of Harassment

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CBOE is issuing this Circular as a reminder of its commitment to provide a workplace that fosters respect and that promotes positive and productive relationships among the membership, member employees and CBOE employees. Consistent with this objective, CBOE's policy prohibits its members and member employees from discriminating against or harassing any member, member employee or CBOE employee on the basis of race, color, sex, religion, national origin, ancestry, citizenship, age, disability, marital status, military status, sexual orientation or other basis prohibited by law. **CBOE is committed to maintaining an environment free from sexual and other forms of harassment and it will not tolerate sexual or other forms of harassment on its premises. CBOE plans to conduct mandatory educational sessions in September and October 2003 for its members that will address this policy as well as other related policies and practices.**

Additionally, sexual and other forms of harassment, as described below, may violate CBOE's Constitution and Rules, including but not limited to Rules 6.20(b) - Admission to and Conduct on the Trading Floor and 4.1 - Just and Equitable Principles of Trade. Members are responsible for conducting themselves in accordance with the CBOE's Constitution and Rules and may also be responsible for the conduct of their employees and ensuring that they do not engage in sexual or other forms of harassment or discrimination at the Exchange.

The following question and answer summary specifically addresses important aspects of harassment. Please read it carefully.

**Q: WHAT CONSTITUTES SEXUAL HARASSMENT?**

**A:** *Sexual advances, requests for sexual favors, or other verbal, written or physical conduct of a sexual nature may constitute sexual harassment. Sexual harassment may also include, explicitly or implicitly, implying that such favors are expected as part of the job or that rejection might affect employment or other decisions concerning the individual and include situations where submission to or rejection of the advance may have the effect of unreasonably interfering with job performance or creating a hostile, intimidating or offensive work environment.*

**Q: WHAT ARE SPECIFIC EXAMPLES OF SEXUAL HARASSMENT?**

**A:** *Sexual harassment may include distributing or displaying materials (for example, electronically or through printed copy) of a sexually explicit nature, touching or physical intimidation, as well as sexual statements, teasing or jokes of a sexual nature. The following are examples of conduct that may constitute sexual harassment and which is expressly prohibited by the Exchange.*

(OVER)

- *Displaying material of a sexual nature or with sexual overtones (e.g., scantily clad or naked women or men) on the trading floor or elevator or CBOE's premises via computer or the Internet, including as a screen saver.*
- *Requests or demands for sexual favors, accompanied by an implied or overt promise of preferential treatment.*
- *Unnecessary touching of an individual, for example, patting, pinching, hugging or repeatedly brushing against another individual's body.*
- *Graphic, verbal commentary about an individual's body, sexual prowess and/or sexual deficiencies.*
- *Repeated sexual jokes, propositions or unwanted flirtations or advance.*

**Q: WHAT CONSTITUTES WORKPLACE HARASSMENT?**

**A:** *Physical or verbal conduct that denigrates or shows hostility or aversion toward an individual because of race, color, religion, sex, national origin, age, ancestry, disability, military or veteran status, citizenship, marital status, sexual orientation or any other legally protected status.*

**Q: WHAT ARE SPECIFIC EXAMPLES OF WORKPLACE HARASSMENT?**

**A:** *Harassment includes but is not limited to: epithets, slurs, negative stereotyping, threatening or hostile acts, sexual acts, written or graphic material that denigrates or shows hostility toward an individual or group and that is disseminated on walls, bulletin boards, computers, or elsewhere on CBOE's premises, or circulated on CBOE's premises, or at any other CBOE sponsored event or social occasion. For example, distribution of faxes, photocopies, emails or other materials that make fun of, or show hostility towards, a person or group because of race, color, religion, sex, national origin, age, ancestry, disability, military or veteran status, citizenship, marital status or sexual orientation constitutes harassment and will not be tolerated.*

**Q: WHAT STEPS SHOULD BE TAKEN IF SOMEONE BELIEVES HE/SHE IS BEING HARASSED?**

**A:** *Members and others who believe they may have been harassed or discriminated against on the trading floor are strongly encouraged to contact Andrew Spiwak, CBOE's Director Legal Division and Chief Enforcement Attorney, at (312) 786-7483, or Margaret Williams, Vice President in CBOE's Department of Market Regulation at (312) 786-7834.*

**Q: WHAT HAPPENS IF A COMPLAINT IS FILED?**

**A:** *The matter will be investigated by the Exchange and appropriate action will be taken. Confidentiality will be maintained in an investigation to the extent reasonably possible. In the event the complaint involves a member, or an associated person of a member, the matter may be referred to the Business Conduct Committee, which will determine whether Exchange Rules 6.20 (b) and/or 4.1 have been violated and appropriate action will be taken. Such actions could include suspensions, fines, censure or other appropriate action.*

For further information about this Circular, please contact Joanne Moffic-Silver, General Counsel at (312) 786-7462 or Patrick Sexton, Assistant General Counsel at (312) 786-7467.