



February 18, 2005

VIA EMAIL: [secretary@cftc.gov](mailto:secretary@cftc.gov)

Ms. Jean A. Webb  
Secretary of the Commission  
Commodity Futures Trading Commission  
3 Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**RE: Rule Certification: HedgeStreet filing amendment to Rule 1.1(a) & (i)  
– Submission pursuant to Commission Regulation §40.6(a)**

Dear Secretary Webb:

In accordance with Commission Regulation §40.6(a)(2) and (3), HedgeStreet, Inc. ("HedgeStreet") hereby files with the Commission an amendment to HedgeStreet Rule 1.1(a) and (i) in order to clarify the definitions of both Cap and Floor as they relate to Variable Payout Hedgelet contracts. This amendment to HedgeStreet Rule 1.1(a) and (i) can be found in Exhibit A and please note that any new text additions are underlined. HedgeStreet intends to implement this rule amendment on Tuesday, February 22, 2005.

No substantive opposing views were expressed to HedgeStreet with respect to this amendment.

HedgeStreet certifies that the aforementioned rule amendment complies with the Commodity Exchange Act, as amended, and the Commission's regulations adopted thereunder.

Should you have any questions regarding the above, please do not hesitate to contact me.

Sincerely,

Stephanie Ford  
Vice President, Legal & Compliance

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**EXHIBIT A**

**RULE 1.1 DEFINITIONS**

(a) "Cap" means the maximum rate, level, amount, measure or other value of the Underlying of a Variable Payout Hedgelet Contract that may be the Expiration Value or the Closing Trade Value. If the actual rate, level, amount, measure, or other value of the Underlying meets or exceeds the Cap on the Expiration Date, the Cap will be the Expiration Value.

(b – h) [unchanged]

(i) "Floor" means the minimum rate, level, amount, measure, or other value of the Underlying of a Variable Payout Hedgelet Contract that may be the Expiration Value or the Closing Trade Value. If the actual rate, level, amount, measure or other value of the Underlying meets or falls below the Floor on the Expiration Date, the Floor will be the Expiration Value.

(j – bb) [unchanged]

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Washington, D.C. 20581

**RE: Rule Certification: HedgeStreet filing amendment to Rule 5.14 –  
Submission pursuant to Commission Regulation §40.6(a)**

Dear Secretary Webb:

Pursuant to Commission Regulation §40.6(a)(2) and (3), HedgeStreet, Inc. (“HedgeStreet”), a designated contract market (“DCM”) and derivatives clearing organization (“DCO”), hereby files with the Commission an amendment to HedgeStreet Rule 5.14 (the “Rule”) in order to commence the application of additional terms and conditions to those existing speculative position limits represented by the Rule. This amendment to the Rule can be found in Exhibit A and please note that all new text additions are underlined. HedgeStreet intends to implement this rule amendment on Tuesday, February 22, 2005.

No substantive opposing views were expressed to HedgeStreet with respect to this amendment.

HedgeStreet certifies that the aforementioned rule amendment complies with the Commodity Exchange Act, as amended, and the Commission’s regulations adopted thereunder.

Should you have any questions regarding the above, please do not hesitate to contact me.

Sincerely,

Stephanie Ford  
Vice President, Legal & Compliance

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## EXHIBIT A

### RULE 5.14 SPECULATIVE POSITION LIMITS

(a – d) [unchanged]

(e) Position limits shall apply to i) all positions in accounts for which any person by power of attorney or otherwise, directly or indirectly holds positions or controls trading; and ii) positions held by two or more persons acting pursuant to an express or implied agreement or understanding the same as if the positions were held by, or the trading of the position were done by, a single individual.