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OFC. OF THE SECRETARIAT

April 12, 2005

VIA EMAIL: 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: HedgeStreet, Inc. Offers "Refer-A-Friend" Program

Dear Secretary Webb:

HedgeStreet, Inc. ("HedgeStreet"), a designated contract market ("DCM") and derivatives clearing organization ("DCO"), is planning to initiate a Refer-A-Friend Program (the "Program") that will allow current HedgeStreet members to extend, to other non-member participants, special referrals to register for membership with HedgeStreet and participate in a 60-day offer at no cost to the new member. The duration of the Program will commence on Friday, April 15, 2005 and will continue on through Thursday, June 30, 2005 (the "Program Period").

The purpose of this letter is to i) notify the Commission of HedgeStreet's intention to initiate the Program at the start of business on Friday, April 15, 2005; and ii) outline the relevant terms and conditions of the Program.

The Program

As a fully electronic, non-intermediated, retail-based contract market, HedgeStreet is primarily focused on the retail investor and optimizing his/her trading experience as an Exchange member. As current members, over time, may tend to invite other people to research the products HedgeStreet currently offers, the Exchange would like to tender rewards (subject to the terms and restrictions referenced in the following section) to those who have already participated in the incentives of our marketplace, as well as to those who can potentially benefit from the Exchange in the near future. HedgeStreet recognizes that by demonstrating its products and services via its web site, it is providing an education to the general public about the unique instruments we have designed that are only available for trading on HedgeStreet. We believe that this is conducive to the Exchange in its maintenance of a positive industry response thus far.



The terms and restrictions that will apply to the Program are as follows:

- The HedgeStreet member who is eligible to refer another participant to HedgeStreet will be known as the “Referrer”;
- Any non-member who is referred to HedgeStreet by an existing member will be known as the “Referee”;
- Once the referral is received by HedgeStreet, each Referee will be contacted only once via electronic mail unless otherwise requested by the Referee;
- All participants of this offer must comply with the existing restrictions and requirements set forth under the HedgeStreet eligibility and application procedures represented by Chapter 3 of the HedgeStreet Rulebook, including, but not limited to, Chapter 3.1(a)(i) which specifically states that an individual must be “old enough to enter into a legally enforceable contract”;
- This Program will not award gifts of cash value. Rewards for those participating in this program will include (i) a \$50 gift certificate to the Referrer which will be redeemable towards purchases made through Amazon.com, Inc.; and (ii) 60 days of free trading for the Referee.
- Referrer parties will receive their rewards when their designated Referee(s) first place a trade on HedgeStreet;
- Consequently, Referee parties are given the incentive to trade with no fees for a period of 60 calendar days (from the date on which they are notified of the referral).
- Final Settlement and Redemption fees still apply towards all executed trades;
- Limit of three (3) total referrals, per member/per household;
- HedgeStreet checks the validity of all referrals. A referral may be deemed invalid if one or more of the following are true; (i) multiple email addresses were used for the same person. A refer-a-friend recipient may only be offered a referral once; (ii) if two (2) or more people refer the same refer-a-friend offer recipient, only one Referrer will be rewarded on a first come, first serve basis.
- At no time will HedgeStreet sell any personal information. Please see the HedgeStreet Privacy Policy for further information on how HedgeStreet uses and maintains member information;
- Free trading privileges are non-transferable, and are void upon cancellation of membership with HedgeStreet; and
- It is the responsibility of both the Referee and Referrer to follow the rules of the offer and to accurately identify themselves to HedgeStreet.



The Promotion will expire at the close of business on Thursday, June 30, 2005.

Regulatory Issues

All outgoing email correspondence to Referee parties will comply with the Can-Spam Act of 2003 (the "Act"). HedgeStreet recognizes that the Act requires the inclusion of (i) a return email address that is valid for at least 30 calendar days; (ii) a physical address in the body of the message; (iii) a statement that the email is a form of solicitation; (iv) a statement that HedgeStreet will not send any further correspondence to the offer recipient unless requested otherwise by the recipient.

HedgeStreet does not believe that any additional surveillance measures are necessary at this time.

HedgeStreet hereby certifies that the Promotion complies with the Commodity Exchange Act, as amended, and the Commissions regulations adopted thereunder.

Should you have any questions or require additional information, please do not hesitate to contact the undersigned at (650) 638-3511 or sford@hedgestreet.com.

Sincerely,

Stephanie Ford
Vice President, Legal & Compliance