



October 31, 2006

VIA EMAIL: secretary@cftc.gov

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

CFTC. OFFICE OF THE SECRETARY

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RE: Rule Certification: HedgeStreet® a) Amends Rule 1.1(a); and b) Intends to Increase the Maximum Settlement Value for Various Binary Contracts to \$100; Submission made pursuant to Commission Regulation §40.6(a)

Dear Acting Secretary Donovan:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and §40.6(a) of the regulations promulgated by the Commodity Futures Trading Commission (the “Commission”) under the Act, HedgeStreet, Inc. (“HedgeStreet”) hereby certifies with the Commission its intent to amend the definition of Rule 1.1(a) in order to broaden the definition of the term “Settlement Value” as it relates to all Binary Hedgelet Contracts.

Additionally, HedgeStreet intends to increase the maximum Settlement Value of the following Binary Contracts (“Contracts”) from \$10 to \$100:

Category	HedgeStreet Rule	Asset/ Duration	Effective Date	NEW Maximum Settlement Value	NEW Minimum Tick Size
Currencies	12.60	Daily (12PM, 3PM, 8PM ET CLOSE) & Weekly EUR/USD	11/01/06	\$100	\$0.50
	12.61	Daily (12PM, 3PM, 8PM ET CLOSE) GBP/USD	11/01/06	\$100	\$0.50
	12.62	Daily (12PM, 3PM, 8PM ET CLOSE) USD/YEN	11/01/06	\$100	\$0.50
	12.63	Daily (12PM, 3PM, 8PM ET CLOSE) USD/CHF	11/01/06	\$100	\$0.50
	12.78	Daily (12PM, 3PM, 8PM ET CLOSE) USD/CAD	11/01/06	\$100	\$0.50



As a result of the increase in the maximum Settlement Value amount, HedgeStreet is amending the reporting level for these Contracts and the Minimum Tick size in order to accommodate the larger maximum Settlement Value.

HedgeStreet will first issue the Contracts with the increased Settlement Value and Minimum Tick size on Wednesday, November 1, 2006. Since the current Contracts that have a Settlement Value of \$10 and a Minimum Tick of \$.05 have a Last Trade Date of Tuesday, October 31, 2006, there will be no open interest in such Contracts upon the close of business on Tuesday, October 31, 2006.

The amendments for these Contracts are defined in Exhibit A. The rule deletions are stricken out and the amendments and/or additions are underlined. No substantive opposing views were expressed to HedgeStreet with respect to these amendments.

Should you have any questions regarding the above, please do not hesitate to contact Stephanie Ford by telephone at (650) 638-3511 or by email at sford@hedgestreet.com.

Sincerely,

Stephanie Ford
Vice President, Legal & Compliance

cc: Tom Leahy – CFTC
Phil Colling – CFTC
Clarissa Manansala – HedgeStreet, Inc.



EXHIBIT A

Amendments to Rules 1.1, 12.60, 12.61, 12.62, 12.63, and 12.78

(The following new Rule additions are underlined and deletions are stricken out)

RULE 1.1 DEFINITIONS

When used in these Rules:

(a) **“Binary Hedgelet Contract”** means the right to receive a fixed Settlement Value of ~~\$10~~ per contract, from HedgeStreet on the Settlement Date dependent upon whether you are holding a long position or short position in a Binary Hedgelet. If you are holding a long position in a Binary Hedgelet, you have the right to receive a fixed Settlement Value from HedgeStreet on the Settlement Date, if, and only if, the Binary Contract’s Payout Criteria encompasses the Expiration Value at Expiration. Conversely, if you are holding a short position in a Binary Hedgelet, you have the right to receive a fixed Settlement Value if, and only if, the Binary Contract’s Payout Criteria does NOT encompass the Expiration Value at Expiration.

CHAPTER 2 – CHAPTER 11 [unchanged]

RULE 12.60 CURRENCY EXCHANGE EUR/USD BINARY HEDGELET CONTRACTS

(a) – (f) [unchanged]

(g) **MINIMUM TICK** – The Minimum Tick size for EUR/USD Binary Hedgelets shall be ~~\$0.05~~ \$0.50.

(h) **REPORTING LEVEL** – The Reporting Level for the EUR/USD Binary Hedgelets shall be ~~125,000~~ 12,500 Contracts.

(i) – (l) [unchanged]

(m) **SETTLEMENT VALUE** – The Settlement Value is the amount paid to the holder of the in the money Contract on the Settlement Date. The Settlement Value of an in the money EUR/USD Binary Contract is ~~\$10~~ \$100.

(n) – (o) [unchanged]

RULE 12.61 CURRENCY EXCHANGE GBP/USD BINARY HEDGELET CONTRACTS



(a) – (f) [unchanged]

(g) MINIMUM TICK – The Minimum Tick size for the GBP/USD Binary Hedgelets shall be ~~\$0.05~~ \$0.50.

(h) REPORTING LEVEL – The Reporting Level for the GBP/USD Binary Hedgelets shall be ~~125,000~~ 12,500 Contracts.

(i) – (l) [unchanged]

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in the money Contract on the Settlement Date. The Settlement Value of an in the money GBP/USD Binary Contract is ~~\$10~~ \$100.

(n) – (o) [unchanged]

RULE 12.62 CURRENCY EXCHANGE USD/YEN BINARY HEDGELET CONTRACTS

(a) – (f) [unchanged]

(g) MINIMUM TICK – The Minimum Tick size for the USD/YEN Binary Hedgelets shall be ~~\$0.05~~ \$0.50.

(h) REPORTING LEVEL – The Reporting Level for the USD/YEN Binary Hedgelets shall be ~~125,000~~ 12,500 Contracts.

(i) – (l) [unchanged]

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in the money Contract on the Settlement Date. The Settlement Value of an in the money USD/YEN Binary Contract is ~~\$10~~ \$100.

(n) – (o) [unchanged]

RULE 12.63 CURRENCY EXCHANGE USD/CHF BINARY HEDGELET CONTRACTS

(a) – (f) [unchanged]

(g) MINIMUM TICK – The Minimum Tick size for the USD/CHF Binary Hedgelets shall be ~~\$0.05~~ \$0.50.



(h) REPORTING LEVEL – The Reporting Level for the USD/CHF Binary Hedgelets shall be ~~125,000~~ 12,500 Contracts.

(i) – (l) [unchanged]

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in the money Contract on the Settlement Date. The Settlement Value of an in the money USD/CHF Binary Contract is ~~\$10~~ \$100.

(n) – (o) [unchanged]

RULES 12.64-12.77 [unchanged]

RULE 12.78 CURRENCY EXCHANGE USD/CAD BINARY HEDGELET CONTRACTS

(a) – (f) [unchanged]

(g) MINIMUM TICK – The Minimum Tick size for the USD/CAD Binary Hedgelets shall be ~~\$0.05~~ \$0.50.

(h) REPORTING LEVEL – The Reporting Level for the USD/CAD Binary Hedgelets shall be ~~125,000~~ 12,500 Contracts.

(i) – (l) [unchanged]

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in the money Contract on the Settlement Date. The Settlement Value of an in the money USD/CAD Binary Contract is ~~\$10~~ \$100.

(n) – (o) [unchanged]

RULE 12.79 – 12.86 [unchanged]

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