HEDGE Street

August 1, 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

RE: **Rule Certification: HedgeStreet® Amends the Daily/ Spot Payout
Criteria in Various Binary Contracts – Submission pursuant to
Commission Regulation §40.6(a)**

Dear 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 Payout Criteria in the
following Binary Contracts:

Rule 12.60   Currency Exchange EUR/USD Binary Hedgelet Contracts
Rule 12.61   Currency Exchange GBP/USD Binary Hedgelet Contracts
Rule 12.62   Currency Exchange USD/YEN Binary Hedgelet Contracts
Rule 12.63   Currency Exchange USD/CHF Binary Hedgelet Contracts
Rule 12.66   Gold Binary Hedgelet Contracts
Rule 12.78   Currency Exchange USD/CAD Binary Hedgelet Contracts

The amendments to the Payout Criteria for the above-referenced Contracts are
defined in Exhibit A. Any rule deletions are stricken out while the amendments
and/or additions are underlined.

HedgeStreet intends to implement these rule additions/ amendments on Wednesday,
August 2, 2006.

No substantive opposing views were expressed to HedgeStreet with respect to these
amendments.

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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.

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EXHIBIT A

Amendments to Rules 12.60-12.63, 12.66, and 12.78
(The following new Rule additions are underlined and deletions are stricken out)

RULE 12.60 CURRENCY EXCHANGE EUR/USD BINARY HEDGELET CONTRACTS

    (a) - (e) [unchanged]

    (f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by HedgeStreet at the time the Binary Contracts are initially issued. For the EUR/USD Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

        (i) DAILY EUR/USD BINARY CONTRACTS, 12 PM (ET) and 3 PM (ET) CLOSE

    (1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) - 0.0125.

    (2) Binary Hedgelet Contract 2: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) - 0.0100.

    (3) Binary Hedgelet Contract ~~1~~3: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) - 0.0075.

    (4) Binary Hedgelet Contract ~~2~~4: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) - 0.0050.

    (5) Binary Hedgelet Contract ~~3~~5: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) - 0.0025.

    (6) Binary Hedgelet Contract ~~4~~6: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025).

    (7) Binary Hedgelet Contract ~~5~~7: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0025.

    (8) Binary Hedgelet Contract ~~6~~8: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0050.

(9) Binary Hedgelet Contract ~~7~~9: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0075.

(10) Binary Hedgelet Contract 10: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0100.

(11) Binary Hedgelet Contract 11: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0125.

(12) [except for renumeration, this rule is unchanged]

(ii) DAILY EUR/USD BINARY CONTRACTS, 8 PM (ET) CLOSE

(1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) - 0.0150.

(2) Binary Hedgelet Contract ~~1~~2: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) - 0.0125.

(3) Binary Hedgelet Contract ~~2~~2: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) - 0.0100.

(4) Binary Hedgelet Contract ~~3~~4: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) - 0.0075.

(5) Binary Hedgelet Contract ~~4~~5: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) - 0.0050.

(6) Binary Hedgelet Contract ~~5~~6: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) - 0.0025.

(7) Binary Hedgelet Contract ~~6~~7: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025).

(8) Binary Hedgelet Contract ~~7~~8: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0025.

(9) Binary Hedgelet Contract ~~8~~9: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0050.

(10) Binary Hedgelet Contract ~~9~~10: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0075.

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(11) Binary Hedgelet Contract ~~10~~11: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0100.

(12) Binary Hedgelet Contract ~~11~~12: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0125.

(13) <u>Binary Hedgelet Contract 13: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0150.</u>

(14) [except for renumeration, this rule is unchanged]

        (iii) [unchanged]

        (iv) [unchanged]

(g) - (o) [unchanged]

RULE 12.61 CURRENCY EXCHANGE GBP/USD BINARY HEDGELET CONTRACTS

(a) - (e) [unchanged]

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by HedgeStreet at the time the Binary Contracts are initially issued. For the GBP/USD Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

      (i) DAILY GBP/USD BINARY CONTRACTS

(1) <u>Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) – 0.0150.</u>

(2) Binary Hedgelet Contract ~~1~~2: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) – 0.0125.

(3) Binary Hedgelet Contract ~~2~~3: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) – 0.01.

(4) Binary Hedgelet Contract ~~3~~4: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) – 0.0075.

(5) Binary Hedgelet Contract ~~4~~5: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) – 0.005.

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(6) Binary Hedgelet Contract ~~56~~6: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) – 0.0025.

(7) Binary Hedgelet Contract ~~6~~7: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025).

(8) Binary Hedgelet Contract ~~7~~8: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0025.

(9) Binary Hedgelet Contract ~~8~~9: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.005.

(10) Binary Hedgelet Contract ~~9~~10: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0075.

(11) Binary Hedgelet Contract ~~10~~11: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.01.

(12) Binary Hedgelet Contract ~~11~~12: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0125.

(13) <u>Binary Hedgelet Contract 13: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0150.</u>

(14) [except for renumeration, this rule is unchanged]

(ii) [unchanged]

(g) - (o) [unchanged]

RULE 12.62 CURRENCY EXCHANGE USD/YEN BINARY HEDGELET CONTRACTS

(a) - (e) [unchanged]

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by HedgeStreet at the time the Binary Contracts are initially issued. For the USD/YEN Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY USD/YEN BINARY CONTRACTS

(1) <u>Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.25) – 1.50.</u>

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(2) Binary Hedgelet Contract ~~1~~2: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.25) – 1.25.

(3) Binary Hedgelet Contract ~~2~~3: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.25) – 1.0.

(4) Binary Hedgelet Contract ~~3~~4: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.25) – 0.75.

(5) Binary Hedgelet Contract ~~4~~5: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.25) – 0.50.

(6) Binary Hedgelet Contract ~~5~~6: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.25) – 0.25.

(7) Binary Hedgelet Contract ~~6~~7: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.25).

(8) Binary Hedgelet Contract ~~7~~8: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.25) + 0.25.

(9) Binary Hedgelet Contract ~~8~~9: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.25) + 0.5.

(10) Binary Hedgelet Contract ~~9~~10: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.25) + 0.75.

(11) Binary Hedgelet Contract ~~10~~11: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.25) + 1.0.

(12) Binary Hedgelet Contract ~~11~~12: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.25) + 1.25.

(13) Binary Hedgelet Contract 13: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.25) + 1.50.

(14) [except for renumeration, this rule is unchanged]

(ii) [unchanged]

(g) - (o) [unchanged]

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RULE 12.63 CURRENCY EXCHANGE USD/CHF BINARY HEDGELET
CONTRACTS

(a) - (e) [unchanged]

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will
be set by HedgeStreet at the time the Binary Contracts are initially issued. For the
USD/CHF Binary Hedgelet Contract, the Payout Criteria for the Contracts will be
set as follows:

(i) DAILY USD/CHF BINARY CONTRACTS

(1) <u>Binary Hedgelet Contract 1: One Contract will have a Payout
Criterion of greater than X (rounded to the nearest 0.0025) – 0.0150.</u>

(2) Binary Hedgelet Contract 1<u>2</u>: One Contract will have a Payout
Criterion of greater than X (rounded to the nearest 0.0025) – 0.0125.

(3) Binary Hedgelet Contract 2<u>3</u>: One Contract will have a Payout
Criterion of greater than X (rounded to the nearest 0.0025) – 0.01.

(4) Binary Hedgelet Contract 3<u>4</u>: One Contract will have a Payout
Criterion of greater than X (rounded to the nearest 0.0025) – 0.0075.

(5) Binary Hedgelet Contract 4<u>5</u>: One Contract will have a Payout
Criterion of greater than X (rounded to the nearest 0.0025) – 0.005.

(6) Binary Hedgelet Contract 5<u>6</u>: One Contract will have a Payout
Criterion of greater than X (rounded to the nearest 0.0025) – 0.0025.

(7) Binary Hedgelet Contract 6<u>7</u>: One Contract will have a Payout
Criterion of greater than X (rounded to the nearest 0.0025).

(8) Binary Hedgelet Contract 7<u>8</u>: One Contract will have a Payout
Criterion of greater than X (rounded to the nearest 0.0025) + 0.0025.

(9) Binary Hedgelet Contract 8<u>9</u>: One Contract will have a Payout
Criterion of greater than X (rounded to the nearest 0.0025) + 0.005.

(10) Binary Hedgelet Contract 9<u>10</u>: One Contract will have a Payout
Criterion of greater than X (rounded to the nearest 0.0025) + 0.0075.

(11) Binary Hedgelet Contract 10<u>11</u>: One Contract will have a Payout
Criterion of greater than X (rounded to the nearest 0.0025) + 0.01.

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(12) Binary Hedgelet Contract ~~11~~12: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0125.

(13) <u>Binary Hedgelet Contract 13: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0150.</u>

(14) [except for renumeration, this rule is unchanged]

(ii) [unchanged]

(g) - (o) [unchanged]

RULES 12.64-12.65 [unchanged]

RULE 12.66 GOLD BINARY HEDGELET CONTRACTS

(a) - (e) [unchanged]

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by HedgeStreet at the time the Binary Contracts are initially issued. For the Gold Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY GOLD BINARY CONTRACTS, 11:30 AM (ET) and 1:30 PM (ET) CLOSE

(1) <u>Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than X (rounded to the nearest \$2.50) - \$12.50.</u>

(2) <u>Binary Hedgelet Contract 2: One Contract will have a Payout Criterion of greater than X (rounded to the nearest \$2.50) - \$10.00.</u>

(3) Binary Hedgelet Contract ~~1~~3: One Contract will have a Payout Criterion of greater than X (rounded to the nearest \$2.50) - \$7.50.

(4) Binary Hedgelet Contract ~~2~~4: One Contract will have a Payout Criterion of greater than X (rounded to the nearest \$2.50) - \$5.00.

(5) Binary Hedgelet Contract ~~3~~5: One Contract will have a Payout Criterion of greater than X (rounded to the nearest \$2.50) - \$2.50.

(6) Binary Hedgelet Contract ~~4~~6: One Contract will have a Payout Criterion of greater than X (rounded to the nearest \$2.50).

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(7) Binary Hedgelet Contract 57: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $2.50) + $2.50.

(8) Binary Hedgelet Contract 68: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $2.50) + $5.00.

(9) Binary Hedgelet Contract 79: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $2.50) + $7.50.

(10) Binary Hedgelet Contract 10: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $2.50) + $10.00.

(11) Binary Hedgelet Contract 11: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $2.50) + $12.50.

(12) [except for renumeration, this rule is unchanged]

(ii) [unchanged]

(iii) [unchanged]

(g) - (o) [unchanged]

RULES 12.67 – 12.77 [unchanged]

RULE 12.78 CURRENCY EXCHANGE USD/CAD BINARY HEDGELET CONTRACTS

(a) - (e) [unchanged]

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by HedgeStreet at the time the Binary Contracts are initially issued. For the USD/CAD Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) SPOT USD/CAD BINARY CONTRACTS

(1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) – 0.0150.

(2) Binary Hedgelet Contract 12: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) – 0.0125.

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(3) Binary Hedgelet Contract ~~2~~3: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) – 0.01.

(4) Binary Hedgelet Contract ~~3~~4: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) – 0.0075.

(5) Binary Hedgelet Contract 4~~5~~: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) – 0.005.

(6) Binary Hedgelet Contract ~~5~~6: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) – 0.0025.

(7) Binary Hedgelet Contract 6~~7~~: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025).

(8) Binary Hedgelet Contract ~~7~~8: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0025.

(9) Binary Hedgelet Contract ~~8~~9: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.005.

(10) Binary Hedgelet Contract ~~9~~10: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0075.

(11) Binary Hedgelet Contract ~~10~~11: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.01.

(12) Binary Hedgelet Contract ~~11~~12: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0125.

(13) <u>Binary Hedgelet Contract 13: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0150.</u>

(14) [except for renumeration, this rule is unchanged]

(ii) [unchanged]

(g) - (o) [unchanged]

RULES 12.79 – 12.84 [unchanged]

[End Rulebook]