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October 30, 2008

Via E-Mail: submissions@cftc.gov

Mr. David Stawick
Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
3 Lafayette Centre
1155 21st Street, N.W.
Washington D.C. 20581

RE: **Rule Certification: HedgeStreet's listing of new Germany 30 Binary Hedgelet Contracts – Submission pursuant to Commission Regulations §§ 40.2 and 40.6(a)**

Dear Mr. Stawick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended ("Act"), and sections 40.2 and 40.6(a) of the regulations promulgated by the Commodity Futures Trading Commission (the "Commission") under the Act (the "Regulations"), HedgeStreet, Inc. ("HedgeStreet") hereby submits to the Commission the terms and conditions of the HedgeStreet Germany 30 Binary Contract (the "Binary Contract"). The Binary Contract, which is a cash-settled binary option, will have an Expiration Value that is calculated based on an average of the most recent trade prices in the underlying futures contract, the DAX® Futures Contract (the "DFC"), immediately prior to the Binary Contract's expiration.

In Exhibit A, HedgeStreet has set forth the text of new HedgeStreet Rule 12.75 to reflect all of the terms and conditions of the new Binary Contract in accordance with Commission Regulations §§40.2 and 40.6.

The DFC is traded on Eurex®, which currently lists DFC's with quarterly expirations (March, June, September, and December). It is offered in the United State pursuant to Commission no-action relief received in 1994.[1] The DFC is currently a deep and liquid futures market. The index which underlies the DFC is the DAX® index (the "Index"). A widely traded cash market currently exists on the Frankfurt Stock Exchange for the securities that comprise the Index.

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[1] On December 20, 1994, the CFTC issued a No-Action Letter to Deutsche Terminbörse (a predecessor of Eurex) with respect to the offer and sale of the DFC in the United States. CFTC Interpretative Letter No. 94-98, [1994-1996 Transfer Binder] Comm. Fut. L. Rep. (CCH) ¶26,277 (Dec. 20, 1994).

HedgeStreet has no ownership or other interest in either the cash market for the securities that comprise the Index or the DFC. In addition, HedgeStreet is not affiliated with the Eurex, and neither Eurex, Inc., nor any of its respective affiliates sponsor or endorse HedgeStreet or its products, including the Binary Contract, in any way. HedgeStreet, however, is a signatory to the International Information Memorandum of Understanding & Agreement, as is Eurex. In addition, HedgeStreet is joining the Intermarket Surveillance Group ("ISG"), and the Frankfurt Stock Exchange, which is operated by Deutsche Börse, also is an affiliate ISG member.

The Binary Contract will be offered with one-day and one-week durations. With respect to each Binary Contract listed, the underlying futures contract will be the nearest DFC, up to and including the Friday of the week immediately preceding the final settlement of that particular DFC. On the business day that immediately succeeds such a Friday, the underlying futures contract for each Binary Contract will roll over to the next quarterly DFC. Because the Expiration Value of the Binary Contract "rolls over" to the prices of the next-to-expire DFC approximately one week before the expiration the underlying DFC, the Binary Contract will never have an Expiration Value based upon the final settlement price (or an average of trade prices) at a DFC maturity when it converges with the Index value. Thus, the Binary Contract Expiration Value will be linked to the DFC rather than to the Index.

HedgeStreet, as the Source Agency, will calculate an Expiration Value for each Binary Contract by taking the last twenty-five (25) DFC trade prices immediately prior to the expiration of the Germany 30 Binary Contract, removing the highest five (5) DFC prices and the lowest five (5) DFC prices, using the remaining fifteen (15) DFC prices to calculate the Expiration Value. The calculation is a simple average of all fifteen (15) remaining DFC prices.

The calculation methodology for the Expiration Values mitigates the possibilities of manipulation or any party trading with advance knowledge of the Expiration Value prior to expiration of the Binary Contract. The underlying DFCs are traded in real-time; it is not possible for an "early" release of DFC trade prices or the relevant Expiration Value for the Binary Contract to occur, as trading in the Binary Contract on the HedgeStreet exchange ceases concurrently with the fixing of the relevant prices that will be used in calculating the Expiration Value. On the Expiration Date, HedgeStreet will publish on its website the Expiration Value for each listed Binary Contract at least 15 minutes after that expiration of the Binary Contract.

As explained above, the Binary Contract is a binary option on an actively traded broad-based securities index futures contract, the DFC, and its pricing will be based solely upon DFC prices. Because the DFC is itself based upon an index which is not a "narrow-based security index" as defined in Section 1a(25) of the Act, the Binary Option is within the Commission's exclusive regulatory jurisdiction.

HedgeStreet intends to implement these rule additions and list the Binary Contract effective at the start of business on Monday, November 3, 2008.
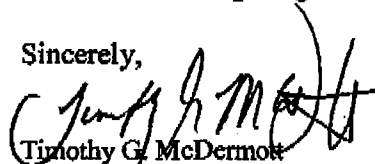
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No substantive opposing views were expressed to HedgeStreet with respect to these additions.

HedgeStreet hereby certifies that the Binary Contract and clearing of the Binary Contract, including all rules defining the terms and conditions of said Binary Contract contained herein, comply with the 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 by telephone at (312) 884-0171 or by email at tmcdermott@hedgestreet.com.

Sincerely,

Timothy G. McDermott
General Counsel and Chief Compliance Officer

CC: DMOSubmission@cftc.gov
Jon Hultquist – CFTC (Acting Branch Chief, DMO, Chicago)
Tom Leahy – CFTC
Riva Adriance – CFTC
Nancy Markowitz – CFTC

Ed Dasso – NFA
Yossi Beinart - HedgeStreet, Inc.

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<u>EXHIBIT A</u>

New Rule 12.75

RULE 12.75 HEDGESTREET GERMANY 30 BINARY HEDGELET CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Germany 30 Binary Hedgelet Contracts issued by HedgeStreet.

(b) UNDERLYING – The Underlying for this Class of Binary Contracts is the price (in Euro Currency) of the DAX® Futures contracts ("DFC") traded on the Eurex® exchange (Eurex).[1] The DFC trade prices that will be used for the Underlying will be taken from four (4) DFC delivery months: March, June, September, or December (each a "DFC Delivery Month"). The specific DFC Delivery Month that will be used as the Underlying will be based on the DFC represented in the following schedule of dates for September 2008 through December 2009:

Start Date	End Date	DFC Delivery Month Used as the Underlying and to Calculate the Expiration Value
9/13/2008	12/12/2008	Eurex DAX December 2008 Future (expires 12/19/08)
12/13/2008	3/13/2009	Eurex DAX March 2009 Future (expires 3/20/09)
3/14/2009	6/12/2009	Eurex DAX June 2009 Future (expires 6/19/09)
6/13/2009	9/11/2009	Eurex DAX September 2009 Future (expires 9/18/09)
9/12/2009	12/11/2009	Eurex DAX December 2009 Future (expires 12/18/09)

On the date listed in the 'Start Date' column above, the DFC trade prices to be used for the Underlying and to calculate the Expiration Value will be the DFC trade prices for the corresponding DFC Delivery Month listed. For instance, beginning on September 13, 2008, HedgeStreet will use the Eurex DAX December 2008 future prices as the Underlying and will use trade prices for the December 2008 DAX futures contract to calculate the Expiration Value on the Expiration Date for the relevant Germany 30 Binary Contract.

(c) SOURCE AGENCY – The Source Agency is HedgeStreet.

(d) TYPE – The type of Contract is a Binary Hedgelet Contract.

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[1] Eurex® and DAX® are registered marks of Deutsche Börse AG. HedgeStreet, Inc. is not affiliated with the Eurex or Deutsche Börse AG, and neither Eurex nor its affiliates sponsor or endorse HedgeStreet, Inc. or its products in any way. In particular, the HedgeStreet Germany 30 Binary Option Contracts are not sponsored, endorsed, sold or promoted by Eurex or Deutsche Börse AG.

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(e) ISSUANCE – For each planned release by the Source Agency of the Underlying, HedgeStreet will issue various Hedgelet Contracts, each of a different Series. A new issuance of Hedgelet Contracts will commence no later than two (2) business days following the Expiration Date.

(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 Germany 30 Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY GERMANY 30 BINARY HEDGELET CONTRACTS, 11:30 AM (ET) CLOSE

(1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than X - 140.

(2) Binary Hedgelet Contract 2: One Contract will have a Payout Criterion of greater than X - 120.

(3) Binary Hedgelet Contract 3: One Contract will have a Payout Criterion of greater than X - 100.

(4) Binary Hedgelet Contract 4: One Contract will have a Payout Criterion of greater than X - 80.

(5) Binary Hedgelet Contract 5: One Contract will have a Payout Criterion of greater than X - 60.

(6) Binary Hedgelet Contract 6: One Contract will have a Payout Criterion of greater than X - 40.

(7) Binary Hedgelet Contract 7: One Contract will have a Payout Criterion of greater than X - 20.

(8) Binary Hedgelet Contract 8: One Contract will have a Payout Criterion of greater than X.

(9) Binary Hedgelet Contract 9: One Contract will have a Payout Criterion of greater than X + 20.

(10) Binary Hedgelet Contract 10: One Contract will have a Payout Criterion of greater than X + 40.

(11) Binary Hedgelet Contract 11: One Contract will have a Payout Criterion of greater than X + 60.

(12) Binary Hedgelet Contract 12: One Contract will have a Payout Criterion of greater than $X + 80$.

(13) Binary Hedgelet Contract 13: One Contract will have a Payout Criterion of greater than $X + 100$.

(14) Binary Hedgelet Contract 14: One Contract will have a Payout Criterion of greater than $X + 120$.

(15) Binary Hedgelet Contract 15: One Contract will have a Payout Criterion of greater than $X + 140$.

(16) In each case above, "X" equals the Germany 30 reference price, as calculated by the Source Agency, rounded to the nearest twenty (20).

(ii) WEEKLY GERMANY 30 BINARY HEDGELET CONTRACTS, 11:30 AM (ET) CLOSE

(1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than $X - 200$.

(2) Binary Hedgelet Contract 2: One Contract will have a Payout Criterion of greater than $X - 150$.

(3) Binary Hedgelet Contract 3: One Contract will have a Payout Criterion of greater than $X - 100$.

(4) Binary Hedgelet Contract 4: One Contract will have a Payout Criterion of greater than $X - 50$.

(5) Binary Hedgelet Contract 5: One Contract will have a Payout Criterion of greater than X.

(6) Binary Hedgelet Contract 6: One Contract will have a Payout Criterion of greater than $X + 50$.

(7) Binary Hedgelet Contract 7: One Contract will have a Payout Criterion of greater than $X + 100$.

(8) Binary Hedgelet Contract 8: One Contract will have a Payout Criterion of greater than $X + 150$.

(9) Binary Hedgelet Contract 9: One Contract will have a Payout Criterion of greater than $X + 200$.

(10) In each case above, "X" equals the Germany 30 reference price, as calculated by the Source Agency, rounded to the nearest value ending in either twenty-five (25) or seventy-five (75).

(iii) HedgeStreet may list additional Germany 30 Binary Hedgelet Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for the Germany 30 Binary Hedgelet Contracts shall be $0.25.

(h) REPORTING LEVEL – The Reporting Level for the Germany 30 Binary Hedgelets shall be 1,750 Contracts.

(i) POSITION LIMIT – The Position Limits for the Germany 30 Binary Hedgelets shall be 2,500 Contracts.

(j) LAST TRADING DATE – The Last Trading Date in a Series is the same date as the Expiration Date.

(k) SETTLEMENT DATE – The Settlement Date in a Series is the same date as the Expiration Date.

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date for which the relevant DFC daily settlement price is released by the Source Agency.

(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 Germany 30 Binary Hedgelet Contract is $100.

(n) EXPIRATION VALUE – The Expiration Value is the level of the Germany 30 release number on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) DFC trade prices just prior to the close of trading of the Germany 30 Binary Contract and removing the highest five (5) DFC trade prices and the lowest five (5) DFC trade prices, using the remaining fifteen (15) DFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) remaining DFC trade prices.

(o) CONTINGENCIES – If no daily settlement price of the relevant DFC is announced by the Source Agency, the Settlement Date will be delayed until such daily settlement price for that Series is released and publicly available.

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