

UNITED STATES OF AMERICA

Before the

COMMODITY FUTURES TRADING COMMISSION

In the Matter of the Application of Hedge Street, Inc.
For Registration as a Derivatives Clearing Organization

ORDER OF REGISTRATION

Hedge Street, Inc. (HedgeStreet) has submitted, pursuant to Section 5b of the Commodity Exchange Act (Act), 7 U.S.C. §7a-1, an application for registration as a derivatives clearing organization (DCO) for the clearing of transactions entered into on the designated contract market HedgeStreet, and the Commodity Futures Trading Commission (Commission) has reviewed the application and the complete record in this matter. Hedgestreet is seeking to register as a DCO in that it intends to arrange or provide, on a multilateral basis, for the settlement of obligations resulting from contracts executed by participants in the DCO. Under such circumstances, HedgeStreet meets the definition of a DCO in Section 1a(9)(A)(ii) of the Act, 7 U.S.C. § 1a(9)(A)(ii). The Commission finds that HedgeStreet has demonstrated that it has complied with the requirements under the Act and the Commission's regulations thereunder applicable to it. Therefore,

IT IS ORDERED, under Section 5b of the Act, that the application of HedgeStreet for registration as a DCO is granted for the purpose of clearing contracts executed on the HedgeStreet contract market.

IT IS FURTHER ORDERED, that:

(1) HedgeStreet shall limit its activity as a registered DCO to clearing fully paid-up, cash-settled, binary options listed for trading on the contract market HedgeStreet, Inc. as described in its Application for DCO registration dated December 19, 2003 (the “Application”);

(2) as stated in the Application, no intermediary will handle participants’ funds or orders in connection with purchasing contract bundles or entering orders for the sale or purchase of contracts on HedgeStreet;

(3) Hedge Street shall remain in compliance with the core principles set forth in Section 5b of the Act, and fulfill each of the various representations made in connection with its application to the Commission for DCO registration; and

(4) Hedge Street shall inform the Commission immediately of any information regarding any event, circumstance, or situation concerning any of its operations as a DCO that detracts from its ability to continue complying with any of the core principles set forth in Section 5b of the Act as demonstrated in its application materials submitted to the Commission for DCO registration.

Issued in Washington, D.C., this 18th day of February 2004.

By the Commission

Jean A. Webb
Secretary of the Commission