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July 8, 2004

VIA EMAIL: [secretary@cftc.gov](mailto: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: Self-Certification filing amending HedgeStreet Rule 3.1(a),(b), 3.5(d) and 6.3**

Dear Secretary Webb:

In accordance with Commission Regulation 40.6(a)(2) and (3), HedgeStreet, Inc. ("HedgeStreet") hereby files with the Commission the amendments described below with the text of the rules stated in Exhibit A. The rule deletions are stricken out and the amendments or additions are underlined. HedgeStreet intends to implement these amendments on July 9, 2004. No substantive opposing views were expressed to HedgeStreet with respect to these amendments. HedgeStreet hereby certifies that HedgeStreet's Rules, as amended by these amendments, comply with the Commodity Exchange Act, as amended, and the Commission's regulations adopted thereunder.

#### **DESCRIPTION OF AMENDMENTS**

##### **Rule 3.1, 3.5(d) and 6.3**

HedgeStreet has changed these rules to provide members greater flexibility in funding their accounts. Previously, HedgeStreet only permitted members to fund their accounts from United States Bank accounts. The rule changes are intended to allow members to fund their accounts from United States financial institutions that are currently subject to all Bank Secrecy Act requirements.

##### **Rule 3.5(d)**

HedgeStreet has changed these rules to reduce the fees for certain banking transactions on HedgeStreet.



## EXHIBIT A

### RULE 3.1 APPLICATIONS, CLASSIFICATIONS, AND PRIVILEGES

(a) To be eligible to become a HedgeStreet Member:

(i) if you are an individual, you must reside in the United States and have an bank account or bank accounts with a in the United States financial institution, subject to all of the requirements of the Bank Secrecy Act ("BSA"), that you will use to fund your HedgeStreet account at the HedgeStreet settlement bank and to receive funds from your HedgeStreet account, and you must certify that you are old enough to enter into a legally enforceable contract, that you have read and understand the HedgeStreet Risk Disclosure Statement and Membership Agreement, that you agree to be bound by these Rules, and that you will trade only for yourself and will not trade as an intermediary for any other person or entity;

(ii) if you are an entity, you must be organized in the United States, have an bank account or bank accounts with a in the United States financial institution, subject to all of the requirements of the BSA, that you will use to fund your HedgeStreet account at the HedgeStreet settlement bank and to receive funds from your HedgeStreet account, and you must certify that you are validly organized, in good standing, and authorized by your governing body and, if relevant, documents of organization, to trade commodities, futures and options contracts, that you have read and understand the HedgeStreet Risk Disclosure Statement and Membership Agreement, that you agree to be bound by these Rules, and that the individual authorized to trade your account will trade only for you and will not trade for him/herself or as an intermediary for any other entity or person.

(b) In order to become a Member, you must complete and submit the HedgeStreet on-line membership application, provide HedgeStreet with any other information HedgeStreet may request, and fund your HedgeStreet account by transferring to the customer segregated funds account at HedgeStreet's settlement bank an initial deposit of no less than \$500 in funds from your bank account at an financial institution located in the U.S and subject to all BSA requirements. If you are a Member applicant but not an individual, you must designate an individual who is authorized to trade in your account.

### RULE 3.5 DUES, FEES, AND EXPENSES PAYABLE BY MEMBERS

Rule 3.5 (a) – (c) remain unchanged



(d) HedgeStreet or its settlement bank will also deduct from your account expenses incurred in connection with your trading or account activity, such as fees for wire transfers, check processing via e-ValuCheck, as follows:

| Transfer Type   | Fee    |
|---|--------|
| New <del>Bank</del> <u>Financial Institution</u> Account Set-Up Fee | \$10   |
| Each E-Value Check (EVC) Deposit                                    | \$1.75 |
| Wire Transfer Deposit greater than \$10,000 w/Email                 | \$0    |
| Wire Transfer Deposit less than \$10,000 w/Email                    | \$7520 |
| Wire Transfer Deposit greater than \$10,000 w/out Email             | \$2510 |
| Wire Transfer Deposit less than \$10,000 w/out Email                | \$100  |
| Automated Clearing House (ACH) Withdrawal                           | \$2.00 |
| Wire Transfer Withdrawal (exception)                                | \$75   |
| Check Withdrawal (exception)  | \$100  |
| Bounced check (exception)   | \$25   |

### RULE 6.3 SETTLING MEMBER WITHDRAWAL REQUESTS

Within one settlement bank business day of when a Member requests to withdraw funds from its HedgeStreet account, HedgeStreet will transmit such request to its settlement bank in electronic batch mode transmission. The settlement bank will process that request and send those funds to the ~~United States bank~~ United States financial institution, subject to all BSA requirements, registered with HedgeStreet by the Member (unless the Member has unsatisfied outstanding obligations on HedgeStreet, in which case HedgeStreet may retain such balances as necessary to satisfy such obligations or until the Member otherwise satisfies such obligations). You should refer to Rule 3.5(d) for all fees and costs associated with withdrawal of funds from your HedgeStreet account.

\* \* \*

Should you have any questions regarding the above, please do not hesitate to contact me.



Sincerely,

Stephanie Ford  
Vice President, Legal & Compliance