

December 21, 2004

VIA EMAIL: 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: Certification: HedgeStreet filing amendments to Rule 5.4(e) –
Submission pursuant to Commission Regulation 40.6**

Dear Secretary Webb:

In accordance with Commission Regulation 40.6, HedgeStreet, Inc. (“HedgeStreet”) hereby files with the Commission an amendment to HedgeStreet Rule 5.4(e) in order for said rule to be consistent with the recent amendment to HedgeStreet’s Order as a derivatives clearing organization in accordance with Commission Regulation 40.6. This amendment to HedgeStreet Rule 5.4(e) can be found in Exhibit A

Please note that these new rule additions are underlined and referenced in Exhibit A. HedgeStreet intends to implement these rule additions on Wednesday, December 22, 2004.

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

HedgeStreet certifies that the aforementioned rule change complies with the Act, as amended, and the Commission’s regulations adopted thereunder.

Sincerely,

Stephanie Ford
Vice President, Legal & Compliance

EXHIBIT A

RULE 5.4 TRADING CONTRACTS

(a) – (d) [unchanged]

(e) Notwithstanding anything to the contrary in Rule 5.4(b)(iii), each Market Maker shall have the ability to enter orders for Variable Payout Hedgelets on the market, i) for which it does not have an offsetting position, ii) without having the necessary funds available in its account at the time of order acceptance by HedgeStreet, and iii) without “blocking” the necessary funds to satisfy such orders. Instead, a Market Maker Order for a Long Variable Payout Hedgelet and/or a Short Variable Payout Hedgelet will be placed on the Market immediately when entered. When a Market Maker enters an order, for which it does not have an offsetting position, and the order is matched with an order of another Member, HedgeStreet will check the Market Maker’s account to ensure that the Market Maker has sufficient funds to cover its maximum loss under the Contract. If the Market Maker does not have the necessary funds, the Market Maker Order will be cancelled prior to execution. If the Market Maker does have sufficient funds, HedgeStreet will execute the trade. When a Market Maker enters an order, for which it does have an offsetting position, and the order is matched by another Member, HedgeStreet will execute the trade. Upon trade execution, HedgeStreet will debit the Market Maker’s account in an amount necessary to cover the maximum loss, as defined in Rule 5.4(b)(iii), under the Variable Payout Hedgelet Contract(s) it is entering into.

(f) [unchanged]