



RECEIVED
C.F.T.C.

2005 JUN -1 PM 2:42

OFFICE OF THE SECRETARIAT

June 1, 2005

Ms. Jean A. Webb
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, NW
Washington, DC 20581

RE: Certification: Amendments to existing Terms and Conditions of certain Fixed Payout Hedgelet Contracts – Submission pursuant to CFTC Regulation §40.6

Dear Secretary Webb:

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 submits to the Commission amendments to the terms and conditions of Gasoline Fixed Payout Hedgelet Contracts and Crude Oil Fixed Payout Hedgelet Contracts as follows:

- a) Amendment to the Payout Criteria of both the Quarterly Gasoline Contracts (now represented by Rules 12.9(f)(ii)(1)-(3)) and the Year-End Gasoline Contracts (now represented by Rules 12.9(f)(iii)(1)-(3)); and
- b) Amendment to the Payout Criteria of both the Quarterly Crude Oil Contracts (now represented by Rules 12.28(f)(iv)(1)-(3)) and the Year-End Crude Oil Contracts (now represented by Rules 12.28(f)(v)(1)-(3)).

The terms and conditions of the aforementioned Contracts are defined in Exhibit A in accordance with Commission Regulation §40.6. The rule deletions are stricken out and the amendments or additions are underlined. HedgeStreet intends to make these rule amendments effective on Wednesday, June 1, 2005.

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

HedgeStreet hereby certifies that the Contracts and the clearing of the Contracts, including all rules defining the terms and conditions of said Contracts contained herein, complies with the Act and the Commission Regulations adopted thereunder.

Should you have any questions, please contact the undersigned at sford@hedgestreet.com or (650) 638-3511.

Sincerely,

Stephanie Ford
Vice President, Legal & Compliance



EXHIBIT A

(The following new Rule additions are underlined and deletions are stricken out)

RULE 12.9 GASOLINE CONTRACTS

(a) – (e) [unchanged]

(f) PAYOUT CRITERION – The two Contracts in each of the Hedgelet Pairs will have Payout Criteria which are mutually exclusive of each other, while being collectively exhaustive. The Payout Criterion for each Contract in the Hedgelet Pair will be set by HedgeStreet at the time the Hedgelet Pairs are initially issued. For the Hedgelet Pairs, the Payout Criteria of the Contracts in the Pair will be set as follows;

(i) [unchanged]

(ii) QUARTERLY GASOLINE CONTRACTS

~~(1) Hedgelet Pair 1: One Contract will have a Payout Criterion of greater than ZZ+\$0.10, and one Contract will have a Payout Criterion of less than or equal to ZZ+\$0.10.~~

(1) Hedgelet Pair 1: One Contract will have a Payout Criterion of less than ZZ-\$0.10, and one Contract will have a Payout Criterion of greater than or equal to ZZ-\$0.10.

(2) Hedgelet Pair 2: One Contract will have a Payout Criterion of greater than or equal to ZZ-\$0.10 and less than or equal to ZZ+\$0.10, and one Contract will have a Payout Criterion of less than ZZ-\$0.10 or greater than ZZ+\$0.10.

(3) Hedgelet Pair 3: One Contract will have a Payout Criterion of greater than ZZ+\$0.10, and one Contract will have a Payout Criterion of less than or equal to ZZ+\$0.10.

(4) [except for renumbering, this rule is unchanged; Former Rule 12.9(f)(ii)(2) now changed to 12.9(f)(ii)(4).]

(iii) YEAR-END GASOLINE CONTRACTS

(1) Hedgelet Pair 1: One Contract will have a Payout Criterion of less than A-\$0.10, and one Contract will have a Payout Criterion of greater than or equal to A-\$0.10.

(2) Hedgelet Pair 2: One Contract will have a Payout Criterion of greater than or equal to A-\$0.10 and less than or equal to A+\$0.15, and one Contract will have a Payout Criterion of less than A-\$0.10 or greater than A+\$0.15.



(3) Hedgelet Pair 3: One Contract will have a Payout Criterion of greater than A+\$0.15, and one Contract will have a Payout Criterion of less than or equal to A+\$0.15.

(1) ~~Hedgelet Pair 1: One Contract will have a Payout Criterion of less than A-\$0.05, and one Contract will have a Payout Criterion of greater than or equal to A-\$0.05.~~

(2) ~~Hedgelet Pair 2: One Contract will have a Payout Criterion of greater than or equal to A-\$0.05 and less than or equal to A+\$0.05, and one Contract will have a Payout Criterion of less than A-\$0.05 or greater than A+\$0.05.~~

(3) ~~Hedgelet Pair 3: One Contract will have a Payout Criterion of greater than or equal to A+\$0.05, and one Contract will have a Payout Criterion of less than or equal to A+\$0.05.~~

(4) [unchanged]

(iv) [unchanged]

(g) – (o) [unchanged]

RULE 12.10 – 12.27 [unchanged]

RULE 12.28 CRUDE OIL CONTRACTS

(a) – (e) [unchanged]

(f) PAYOUT CRITERION – The two Contracts in each of the Hedgelet Pairs will have Payout Criteria which are mutually exclusive of each other, while being collectively exhaustive. The Payout Criterion for each Contract in the Hedgelet Pair will be set by HedgeStreet at the time the Hedgelet Pairs are initially issued. For the Hedgelet Pairs, the Payout Criteria of the Contracts in the Pair will be set as follows;

(i) – (iii) [unchanged]

(iv) QUARTERLY CRUDE OIL CONTRACTS

(1) ~~Hedgelet Pair 1: One Contract will have a Payout Criterion of greater than ZZ+\$5.00, and one Contract will have a Payout Criterion of less than or equal to ZZ+\$5.00.~~

(1) Hedgelet Pair 1: One Contract will have a Payout Criterion of less than ZZ+\$1.00, and one Contract will have a Payout Criterion of greater than or equal to ZZ+\$1.00.



(2) Hedgelet Pair 2: One Contract will have a Payout Criterion of greater than or equal to ZZ+\$1.00 and less than or equal to ZZ+\$6.00, and one Contract will have a Payout Criterion of less than ZZ+\$1.00 or greater than ZZ+\$6.00.

(3) Hedgelet Pair 3: One Contract will have a Payout Criterion of greater than ZZ+\$6.00, and one Contract will have a Payout Criterion of less than or equal to ZZ+\$6.00.

(4) [except for renumbering, this rule is unchanged; Former Rule 12.28(f)(iv)(2) now changed to 12.28(f)(iv)(4).]

(v) YEAR-END CRUDE OIL CONTRACTS

(1) ~~— Hedgelet Pair 1: One Contract will have a Payout Criterion of greater than A+\$12.50, and one Contract will have a Payout Criterion of less than or equal to A+\$12.50.~~

(1) Hedgelet Pair 1: One Contract will have a Payout Criterion of less than A+\$2.50, and one Contract will have a Payout Criterion of greater than or equal to A+\$2.50.

(2) Hedgelet Pair 2: One Contract will have a Payout Criterion of greater than or equal to A+\$2.50 and less than or equal to A+\$7.50, and one Contract will have a Payout Criterion of less than A+\$2.50 or greater than A+\$7.50.

(3) Hedgelet Pair 3: One Contract will have a Payout Criterion of greater than A+\$7.50, and one Contract will have a Payout Criterion of less than or equal to A+\$7.50.

(4) [except for renumbering, this rule is unchanged; Former Rule 12.28(f)(v)(2) now changed to 12.28(f)(v)(4).]

(vi) [unchanged]

(g) – (o) [unchanged]

[the remainder of this page is intended to be blank]