



**HEDGE
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OFFICE OF THE SECRETARIAT

October 4, 2006

VIA EMAIL: secretary@cftc.gov

Ms. Eileen A. Donovan, Acting Secretary
Secretary of the Commission
Commodity Futures Trading Commission
3 Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

RE: Rule Certification: HedgeStreet® intends to add new Daily Payout Criteria in two (2) Binary Currency Contracts – Submission pursuant to Commission Regulation §40.6(a)

Dear Acting Secretary Donovan:

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 certifies with the Commission its intent to add new Payout Criteria for both the Daily USD/CHF Binary Hedgelet Contracts and the Daily USD/CAD Binary Hedgelet Contracts (the “Contracts”). HedgeStreet is also correcting a typographical error in Rule 12.78(f)(ii).

HedgeStreet intends to implement the amendments to the Contracts at the start of business on Thursday, October 5, 2006.

All amendments to the above-referenced Contracts are defined in Exhibit A. Any rule deletions are stricken out while the amendments and/or additions are underlined.

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

Should you have any questions regarding the above, please do not hesitate to contact Stephanie Ford by telephone at (650) 638-3511 or by email at sford@hedgestreet.com.

Sincerely,

Stephanie Ford
Vice President, Legal & Compliance

cc: Tom Leahy – CFTC
Phil Colling – CFTC
Clarissa Manansala – HedgeStreet, Inc.

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EXHIBIT A

Amendments to Rule 12.63 and Rule 12.78

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

RULE 12.63 CURRENCY EXCHANGE USD/CHF BINARY HEDGELET CONTRACTS

(a) - (e) [unchanged]

(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 USD/CHF Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY USD/CHF BINARY CONTRACTS 12 NOON (ET) CLOSE and 3PM (ET) CLOSE

(1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) – 0.0125.

(2) Binary Hedgelet Contract 2: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) – 0.0100.

(3) Binary Hedgelet Contract 3: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) – 0.0075.

(4) Binary Hedgelet Contract 4: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) – 0.0050.

(5) Binary Hedgelet Contract 5: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) – 0.0025.

(6) Binary Hedgelet Contract 6: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025).

(7) Binary Hedgelet Contract 7: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0025.

(8) Binary Hedgelet Contract 8: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0050.



(9) Binary Hedgelet Contract 9: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0075.

(10) Binary Hedgelet Contract 10: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0100.

(11) Binary Hedgelet Contract 11: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0125.

(12) In each case, "X" equals the last USD/CHF price or value rounded to the nearest 0.0025 as reported by the Source Agency.

(+) (ii) DAILY USD/CHF BINARY CONTRACTS 8 PM (ET) CLOSE

(1) - (13) [unchanged]

(14) In each case, "X" equals the last USD/CHF price or value rounded to the nearest 0.0025 as reported ~~in the spot USD/CHF foreign currency market at 5PM ET on the previous business day~~ by the Source Agency.

(+) (iii) [except for renumeration, this rule is unchanged]

(g) - (o) [unchanged]

RULES 12.64 – 12.77 [unchanged]

RULE 12.78 CURRENCY EXCHANGE USD/CAD BINARY HEDGELET CONTRACTS

(a) - (e) [unchanged]

(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 USD/CAD Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) DAILY USD/CAD BINARY CONTRACTS 12 NOON (ET) CLOSE and 3PM (ET) CLOSE

(1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) – 0.0125.



(2) Binary Hedgelet Contract 2: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) – 0.0100.

(3) Binary Hedgelet Contract 3: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) – 0.0075.

(4) Binary Hedgelet Contract 4: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) – 0.0050.

(5) Binary Hedgelet Contract 5: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) – 0.0025.

(6) Binary Hedgelet Contract 6: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025).

(7) Binary Hedgelet Contract 7: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0025.

(8) Binary Hedgelet Contract 8: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0050.

(9) Binary Hedgelet Contract 9: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0075.

(10) Binary Hedgelet Contract 10: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0100.

(11) Binary Hedgelet Contract 11: One Contract will have a Payout Criterion of greater than X (rounded to the nearest 0.0025) + 0.0125.

(12) In each case, “X” equals the last USD/CAD price or value rounded to the nearest 0.0025 as reported by the Source Agency.

(i)-(ii) SPOT DAILY USD/CAD BINARY CONTRACTS 8 PM (ET) CLOSE

(1) - (13) [unchanged]

(14) In each case, “X” equals the last USD/CAD ~~rate~~ price or value rounded to the nearest 0.0025 as reported ~~in the spot USD/CAD foreign currency market at 5PM ET on the previous business day~~ by the Source Agency.

(ii) (iii) [except for remuneration, this rule is unchanged]



(g) - (o) [unchanged]

RULES 12.79 – 12.86 [unchanged]

[End Rulebook]