



U.S. COMMODITY FUTURES TRADING COMMISSION

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March 30, 2010

Timothy G. McDermott, Esquire
General Counsel and Chief Regulatory Officer
North American Derivatives Exchange, Inc.
311 South Wacker Drive
Suite 2675
Chicago, Illinois 60606

Re: Request by North American Derivatives Exchange that the Commission Amend its Order of Designation as a Contract Market.

Dear Mr. McDermott:

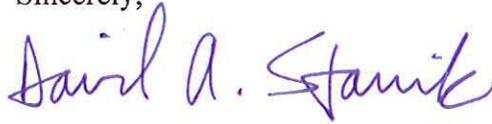
North American Derivatives Exchange, Inc. ("Nadex"), formerly known as HedgeStreet, Inc., has submitted, pursuant to Section 5 of the Commodity Exchange Act ("Act"), 7 U.S.C. § 7, a request, ("Nadex Request"), that the Commodity Futures Trading Commission ("Commission") further amend the Order, initially issued on February 18, 2004 and amended December 5, 2005, designating Nadex as a contract market ("Designation Order"), to enable Nadex to provide intermediation on its market. The Commission has reviewed the materials submitted and has determined to grant Nadex's Request for an amendment to its Designation Order, pursuant to Sections 5 and 6(a) of the Act, 7 U.S.C. §§7 and 8(a), subject to the terms and conditions of the accompanying order.

The amended Designation Order is based upon, among other things, written submissions, explanations, and representations provided by Nadex describing the manner in which it will operate as well as specific representations as set forth in the Commission's Order. In connection with those representations, the Commission notes that for the specific representation that Nadex will provide monthly reports of all exceptions generated by Nadex's surveillance systems that relate to potentially suspicious trading involving any affiliate of Nadex, those reports should be provided by Nadex to the appropriate person as directed by the head of the Compliance Section of the Division of Market Oversight.

The Commission notes that the following items are considered "rules" under Part 40 of the Commission's regulations and that, accordingly, changes thereto should be submitted to the Commission for review pursuant to 5c(c) of the Act, 7 U.S.C. § 7a-2(c), and Part 40 of the Commission's regulations: (1) the exchange trading system and (2) any policies and procedures.

The Commission further notes that Nadex must inform the Commission of any material modification to the operation of the Exchange, including changes in the trading algorithm or changes in Nadex's self-regulatory program.

Sincerely,



David A. Stawick
Secretary of the Commission