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February 5, 2007

VIA EMAIL: [secretary@cftc.gov](mailto: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® a) Amends the Weekly Payout Criteria for both the Currency Exchange GBP/USD Variable Payout Contracts and the Currency Exchange USD/CHF Variable Payout Contracts; and b) files new Terms and Conditions for the Currency Exchange USD/CAD Variable Payout Contracts – Submission pursuant to Commission Regulation §40.2 and §40.6**

Dear Acting Secretary Donovan:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and §40.2 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 a) amend the Payout Criteria for both its Currency Exchange GBP/USD Variable Payout Contracts and its Currency Exchange USD/CHF Variable Payout Contracts. HedgeStreet also submits to the Commission b) the terms and conditions for its new Currency Exchange USD/CAD Variable Payout Contracts; [the underlined Contracts referenced in (a)-(b) will be collectively known as the “Contracts”]. All corresponding rule additions/ amendments to the above-referenced Contracts are defined in Exhibit A in accordance with Commission Regulation §40.6. Any rule deletions are stricken out while the amendments and/or additions are underlined. HedgeStreet has also included under Exhibit A new HedgeStreet Rule 12.49 to reflect all of the terms and conditions of the new Currency Exchange USD/CAD Variable Payout Contracts.

HedgeStreet intends to implement the corresponding rule additions/ amendments to all Contracts referenced above at the start of business on Tuesday, February 6, 2007.

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



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

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](mailto:sford@hedgestreet.com).

Sincerely,

Stephanie Ford  
Vice President, Legal & Compliance

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



**EXHIBIT A**

Amendments to Rules 12.3 and 12.5 and the addition of new Rule 12.49  
(The following new Rule additions are underlined and deletions are stricken out)

RULES 12.1-12.2 [unchanged]

RULE 12.3 CURRENCY EXCHANGE GBP/USD VARIABLE PAYOUT  
CONTRACTS

(a) - (e) [unchanged]

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by HedgeStreet at the time the Variable Payout Contracts are initially issued. For the Variable Payout Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows;

~~(i) WEEKLY VARIABLE GBP/USD CONTRACT~~

- ~~(1) CAP – The Cap shall be  $X + 0.05$~~
- ~~(2) FLOOR – The Floor shall be  $X - 0.05$~~
- ~~(3) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 500.~~

(i) WEEKLY VARIABLE GBP/USD CONTRACTS

(1) WEEKLY VARIABLE PAYOUT CONTRACT 1

- aa) CAP – The Cap shall be  $X$ .
- bb) FLOOR – The Floor shall be  $X - 0.01$ .
- cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10,000.

(2) WEEKLY VARIABLE PAYOUT CONTRACT 2

- aa) CAP – The Cap shall be  $X + 0.005$ .
- bb) FLOOR – The Floor shall be  $X - 0.005$ .
- cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10,000.



(3) WEEKLY VARIABLE PAYOUT CONTRACT 3

aa) CAP – The Cap shall be  $X + 0.01$ .

bb) FLOOR – The Floor shall be  $X$ .

cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10,000.

(4) In each case, “X” equals the last reported GBP/USD price, rounded to the nearest ~~0.01~~ 0.005, as reported in the GBP/USD foreign currency market at ~~5PM ET on the previous business day before the~~ immediately prior to the listing of the Weekly Variable GBP/USD Contract is listed for trading on HedgeStreet.

(ii) – (iii) [unchanged]

(g) - (o) [unchanged]

RULE 12.4 [unchanged]

RULE 12.5 CURRENCY EXCHANGE USD/CHF VARIABLE PAYOUT CONTRACTS

(a) - (e) [unchanged]

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by HedgeStreet at the time the Variable Payout Contracts are initially issued. For the Variable Payout Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows;

~~(i) WEEKLY VARIABLE USD/CHF CONTRACT~~

~~(1) CAP – The Cap shall be  $X + 0.05$~~

~~(2) FLOOR – The Floor shall be  $X - 0.05$~~

~~(3) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 500.~~

(i) WEEKLY VARIABLE USD/ CHF CONTRACTS

(1) WEEKLY VARIABLE PAYOUT CONTRACT 1

aa) CAP – The Cap shall be  $X$ .

bb) FLOOR – The Floor shall be  $X - 0.01$ .



cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10,000.

(2) WEEKLY VARIABLE PAYOUT CONTRACT 2

aa) CAP – The Cap shall be  $X + 0.005$ .

bb) FLOOR – The Floor shall be  $X - 0.005$ .

cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10,000.

(3) WEEKLY VARIABLE PAYOUT CONTRACT 3

aa) CAP – The Cap shall be  $X + 0.01$ .

bb) FLOOR – The Floor shall be  $X$ .

cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10,000.

(4) In each case, “X” equals the last reported USD/CHF price, rounded to the nearest ~~0.01~~ 0.005, as reported in the USD/CHF foreign currency market at 5PM ET on the previous business day before the immediately prior to the listing of the Weekly Variable USD/CHF Contract is listed for trading on HedgeStreet.

(ii) – (iii) [unchanged]

(g) - (o) [unchanged]

RULES 12.6 – 12 48 [unchanged]

RULE 12.49 CURRENCY EXCHANGE USD/CAD VARIABLE PAYOUT CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Currency Exchange USD/CAD (“USD/CAD”) Variable Payout Hedgelet Contracts issued by HedgeStreet.

(b) UNDERLYING – The Underlying for this Class of Contracts is the US the US Dollar/ Canadian Dollar, herein referred to as “USD/CAD” as quoted in US dollars per Canadian Dollar as calculated by the Source Agency using a proprietary algorithm which takes a sampling of prices obtained from the spot USD/CAD foreign currency market.

(c) SOURCE AGENCY – The Source Agency is HedgeStreet.



(d) TYPE – The Type of Contract is a Variable Payout Hedgelet Contract.

(e) ISSUANCE – For each planned release by the Source Agency of the Underlying, HedgeStreet will issue various Hedgelet Contracts, each of a different Series. A new issuance of Hedgelet Contracts will commence no later than two (2) business days following the Expiration Date.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by HedgeStreet at the time the Variable Payout Contracts are initially issued. For the Variable Payout Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY VARIABLE USD/CAD CONTRACTS

(1) WEEKLY VARIABLE PAYOUT CONTRACT 1

aa) CAP – The Cap shall be X.

bb) FLOOR – The Floor shall be X – 0.01.

cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10,000.

(2) VARIABLE PAYOUT CONTRACT 2

aa) CAP – The Cap shall be X + 0.005.

bb) FLOOR – The Floor shall be X – 0.005.

cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10,000.

(3) VARIABLE PAYOUT CONTRACT 3

aa) CAP – The Cap shall be X + 0.01.

bb) FLOOR – The Floor shall be X.

cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10,000.

(4) In each case, “X” equals the last reported USD/CAD price, rounded to the nearest 0.005, as reported in the USD/CAD foreign currency market immediately prior to the listing of the Weekly Variable USD/CAD Contract for trading on HedgeStreet.



(ii) HedgeStreet may list additional Variable Payout Hedgelet Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for USD/CAD Variable Payout Hedgelets shall be \$0.01.

(h) REPORTING LEVEL – The Reporting Level for the USD/CAD Variable Payout Hedgelets shall be 12,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for USD/CAD Variable Payout Hedgelets.

(j) LAST TRADING DATE – The Last Trading Date in a Series is the same date as the Settlement Date.

(k) SETTLEMENT DATE – The Settlement Date of the Contract shall be the same date as the Expiration Date.

(l) EXPIRATION DATE – The Expiration Date of the Contract shall be the date on which the USD/CAD Expiration Value is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of either a Short or Long Variable Payout Contract on Settlement Date. The Settlement Value of a Variable Payout Hedgelet Contract is determined as described in the definition for Long and Short Variable Payout Hedgelet Contracts.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of USD/CAD released by the Source Agency on the Expiration Date.

(o) CONTINGENCIES – If no level is actually announced on the Expiration Date due to a delay, postponement or otherwise in such release announcement by the Source Agency, the Settlement Date will be delayed until the Underlying number is released for that Series.

[End Rulebook]

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