



February 14, 2007

VIA EMAIL: [secretary@cftc.gov](mailto:secretary@cftc.gov)

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

**RE: Certification: HedgeStreet provides Additional Information on Two (2) Market Maker Programs originally submitted to the Commission on January 26, 2007– 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") certifies with the Commission amendments to the two (2) market maker programs (collectively "Market Maker Programs") that were both originally submitted to the Commission on January 26, 2007 ("Original Submissions"). Additional information relating to the Market Maker Programs was submitted under confidential treatment in the Original Submission pursuant to Commission Regulation §145.9.

All additional information relating to each of the Market Maker Programs are found in Exhibit A. The terms Market Maker 1 and Market Maker 2 referred to in Exhibit A are used solely for the purpose of distinguishing the obligations and benefits of each market maker.

There were no substantive opposing views expressed in approving these amendments.

Should you have any questions regarding the above, please do not hesitate to contact the undersigned 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: Clarissa Manansala – HedgeStreet, Inc.  
Riva Adriance - Commodity Futures Trading Commission

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## EXHIBIT A

### **Market Maker 1 Program**

#### Market Maker 1 Obligations

Commencing on February 1, 2007 ("Effective Date") and continuing for an initial period of two (2) years, unless terminated in accordance with the terms of the market maker agreement, Market Maker 1 shall, in normal market conditions (unless prevented from doing so as a result of market anomalies or as otherwise provided in accordance with the terms of the market maker agreement) continuously quote on the HedgeStreet exchange competitive, non-exclusive two sided markets inside of the maximum spread at a defined minimum size in all current HedgeStreet products defined in Table 1 at a minimum between the times of 6AM - 2PM Pacific Time.

**TABLE 1**

**\$100 Copper Binary**  
**\$100 Gold Binary**  
**\$100 Silver Binary**  
**\$100 EUR/USD**  
**\$100 GBP/USD**  
**\$100 USD/CAD**  
**\$100 USD/CHF**  
**\$100 USD/YEN**  
**\$100 CRUDE OIL**  
**\$100 HEATING OIL**  
**\$100 NATURAL GAS**  
**\$100 HOUSING BINARIES**  
**\$100 HURRICANES BINARIES**  
**\$100 ECONOMIC**  
**DERIVATIVES BINARIES**  
**\$100 Fed Funds Binaries**  
**\$100 FUTURES**

#### Market Maker 1 Benefits

As consideration for fulfilling the aforementioned obligations, Market Maker 1 or another related or affiliated entity will receive benefits, including, but not limited to, the following:

#### Fee Waiver Period



Market Maker 1 shall not be required to pay any transaction-based exchange fees to HedgeStreet during the first six (6) months following the Effective Date. After the expiration of said six (6) month period, the exchange fees will be set by HedgeStreet with the approval of its Board in accordance with the terms of the market maker agreement.

Warrants

Subject to the terms and conditions defined in the Warrant Agreement, which was submitted under Appendix B of the Original Submission pursuant to Commission Regulation §145.9, Market Maker 1 shall subscribe for and purchase, from HedgeStreet, warrants that are exercisable into preferred shares in amounts defined in such Original Submission.



## **Market Maker 2 Program**

### **Market Maker 2 Obligations**

Commencing on or before March 1, 2007 ("Effective Date") and continuing for an initial period of two (2) years, unless terminated in accordance with the terms of the market maker agreement, Market Maker 2 shall, at least 95% of the time, in normal market conditions quote on the HedgeStreet exchange two sided markets equal to or inside of the maximum spread at a defined minimum size in all current HedgeStreet products defined in Table 2 at a minimum between the times of 6AM - 2PM Pacific Time.



**\$100 Copper Binary**  
**\$100 Gold Binary**  
**\$100 Silver Binary**  
**\$100 EUR/USD**  
**\$100 GBP/USD**  
**\$100 USD/CAD**  
**\$100 USD/CHF**  
**\$100 USD/YEN**  
**\$100 CRUDE OIL**  
**\$100 HEATING OIL**  
**\$100 NATURAL GAS**  
**\$100 HURRICANES BINARIES**  
**\$100 ECONOMIC**  
**DERIVATIVES BINARIES**  
**\$100 Fed Funds Binaries**  
**(Front meeting)**

### **Market Maker 2 Benefits**

As consideration for fulfilling the aforementioned obligations, Market Maker 2 will receive one or more of the following benefits:

#### **No Fees**

Market Maker 2 shall not be required to pay any transaction-based Exchange Fees to HedgeStreet during the first six (6) months following the Effective date. After the expiration of said six (6) month period, the Exchange Fees will be set by HedgeStreet with the approval of its Board, but subject to certain conditions, restrictions and limitations set forth in the Market Maker Agreement.



### Warrants

Subject to the terms and conditions defined in the Warrant Agreement, which was submitted under Appendix B of the Original Submission pursuant to Commission Regulation §145.9, the parent of Market Maker 2 may exercise the warrants and purchase from HedgeStreet, preferred shares in amounts defined in such Original Submission.