



**HEDGE
Street**

RECEIVED
JUN 1 2007
11 2:45
OFFICE OF THE SECRETARY

June 1, 2007

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[®] Amends the Weekly Payout Criteria for
Certain Binary 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 amend the Weekly Payout Criteria for the following six (6) Binary Contracts:

RULE 12.20 CRUDE BINARY CONTRACTS
RULE 12.21 CURRENCY EXCHANGE EUR/USD BINARY CONTRACTS
RULE 12.23 CURRENCY EXCHANGE USD/YEN BINARY CONTRACTS
RULE 12.27 GOLD BINARY CONTRACTS
RULE 12.29 NATURAL GAS BINARY CONTRACTS
RULE 12.31 SILVER BINARY CONTRACTS

All amendments and additions to these Contracts are defined in Exhibit A. The rule deletions are stricken out and the amendments and/or additions are underlined.

HedgeStreet intends to implement these rule amendments on Monday, June 4, 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.



**HEDGE
Street**

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.



EXHIBIT A

Amendments to Rules 12.20, 12.21, 12.23, 12.27, 12.29, and 12.31

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

RULE 12.20 CRUDE OIL 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 Crude Oil Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) [unchanged]

(ii) **WEEKLY CRUDE OIL BINARY HEDGELET CONTRACTS**

~~(1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest \$1.00) – \$3.00.~~

~~(2) Binary Hedgelet Contract 2: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest \$1.00) – \$2.00.~~

~~(3) Binary Hedgelet Contract 3: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest \$1.00) – \$1.00.~~

~~(4) Binary Hedgelet Contract 4: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest \$1.00).~~

~~(5) Binary Hedgelet Contract 5: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest \$1.00) + \$1.00.~~

~~(6) Binary Hedgelet Contract 6: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest \$1.00) + \$2.00.~~

~~(7) Binary Hedgelet Contract 7: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest \$1.00) + \$3.00.~~

~~(8) In each case above, “Y” equals the last Crude Oil Price rounded to the nearest one dollar (\$1.00) as reported by the Source Agency.~~



- (1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest fifty cents (\$0.50)) - \$2.50.
- (2) Binary Hedgelet Contract 2: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest fifty cents (\$0.50)) - \$2.00.
- (3) Binary Hedgelet Contract 3: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest fifty cents (\$0.50)) - \$1.50.
- (4) Binary Hedgelet Contract 4: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest fifty cents (\$0.50)) - \$1.00.
- (5) Binary Hedgelet Contract 5: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest fifty cents (\$0.50)) - \$0.50.
- (6) Binary Hedgelet Contract 6: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest fifty cents (\$0.50)).
- (7) Binary Hedgelet Contract 7: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest fifty cents (\$0.50)) + \$0.50.
- (8) Binary Hedgelet Contract 8: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest fifty cents (\$0.50)) + \$1.00.
- (9) Binary Hedgelet Contract 9: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest fifty cents (\$0.50)) + \$1.50.
- (10) Binary Hedgelet Contract 10: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest fifty cents (\$0.50)) + \$2.00.
- (11) Binary Hedgelet Contract 11: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest fifty cents (\$0.50)) + \$2.50.
- (12) In each case above, "Y" equals the last Crude Oil Price rounded to the nearest fifty cents (\$0.50) as reported by the Source Agency.

(iii) [unchanged]

(g) – (o) [unchanged]

RULE 12.21 CURRENCY EXCHANGE EUR/USD 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 EUR/USD Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) [unchanged]

(ii) WEEKLY EUR/USD BINARY CONTRACTS

~~(1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.005) – 0.015.~~

~~(2) Binary Hedgelet Contract 2: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.005) – 0.010.~~

~~(3) Binary Hedgelet Contract 3: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.005) – 0.005.~~

~~(4) Binary Hedgelet Contract 4: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.005).~~

~~(5) Binary Hedgelet Contract 5: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.005) + 0.005.~~

~~(6) Binary Hedgelet Contract 6: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.005) + 0.010.~~

~~(7) Binary Hedgelet Contract 7: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.005) + 0.015.~~

~~(8) In each case, “Y” equals the last EUR/USD price rounded to the nearest 0.005 as reported by the Source Agency.~~

(1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.0025) – 0.0150.

(2) Binary Hedgelet Contract 2: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.0025) – 0.0125.

(3) Binary Hedgelet Contract 3: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.0025) – 0.0100.



(4) Binary Hedgelet Contract 4: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.0025) – 0.0075.

(5) Binary Hedgelet Contract 5: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.0025) – 0.0050.

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

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

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

(9) Binary Hedgelet Contract 9: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.0025) + 0.0050.

(10) Binary Hedgelet Contract 10: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.0025) + 0.0075.

(11) Binary Hedgelet Contract 11: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.0025) + 0.0100.

(12) Binary Hedgelet Contract 12: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.0025) + 0.0125.

(13) Binary Hedgelet Contract 13: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.0025) + 0.0150.

(14) In each case, “Y” equals the last EUR/USD price rounded to the nearest 0.0025 as reported by the Source Agency.

(iii) [unchanged]

(g) – (o) [unchanged]

RULE 12.22 [unchanged]

RULE 12.23 CURRENCY EXCHANGE USD/YEN 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/YEN Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) [unchanged]

(ii) WEEKLY USD/YEN BINARY CONTRACTS

~~(1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.005) – 1.50.~~

~~(2) Binary Hedgelet Contract 2: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.005) – 1.0.~~

~~(3) Binary Hedgelet Contract 3: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.005) – 0.50.~~

~~(4) Binary Hedgelet Contract 4: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.005).~~

~~(5) Binary Hedgelet Contract 5: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.005) + 0.50.~~

~~(6) Binary Hedgelet Contract 6: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.005) + 1.0.~~

~~(7) Binary Hedgelet Contract 7: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.005) + 1.50.~~

~~(8) In each case, “Y” equals the last USD/YEN price rounded to the nearest 0.005 as reported by the Source Agency.~~

(1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.25) – 1.50.

(2) Binary Hedgelet Contract 2: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.25) – 1.25.

(3) Binary Hedgelet Contract 3: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.25) – 1.00.



(4) Binary Hedgelet Contract 4: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.25) – 0.75.

(5) Binary Hedgelet Contract 5: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.25) – 0.50.

(6) Binary Hedgelet Contract 6: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.25) – 0.25.

(7) Binary Hedgelet Contract 7: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.25).

(8) Binary Hedgelet Contract 8: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.25) + 0.25.

(9) Binary Hedgelet Contract 9: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.25) + 0.50.

(10) Binary Hedgelet Contract 10: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.25) + 0.75.

(11) Binary Hedgelet Contract 11: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.25) + 1.00.

(12) Binary Hedgelet Contract 12: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.25) + 1.25.

(13) Binary Hedgelet Contract 13: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest 0.25) + 1.50.

(14) In each case, “ Y ” equals the last USD/YEN price or value rounded to the nearest 0.25 as reported by the Source Agency.

(iii) [unchanged]

(g) – (o) [unchanged]

RULES 12.24 – 12.26 [unchanged]

RULE 12.27 GOLD 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 Gold Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) [unchanged]

(ii) WEEKLY GOLD BINARY CONTRACTS

~~(1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest \$5.00) – \$15.00.~~

~~(2) Binary Hedgelet Contract 2: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest \$5.00) – \$10.00.~~

~~(3) Binary Hedgelet Contract 3: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest \$5.00) – \$5.00.~~

~~(4) Binary Hedgelet Contract 4: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest \$5.00).~~

~~(5) Binary Hedgelet Contract 5: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest \$5.00) + \$5.00.~~

~~(6) Binary Hedgelet Contract 6: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest \$5.00) + \$10.00.~~

~~(7) Binary Hedgelet Contract 7: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest \$5.00) + \$15.00.~~

~~(8) In each case, “Y” equals the last Gold price rounded to the nearest five dollars (\$5.00), as reported by the Source Agency.~~

(1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest \$2.50) - \$12.50.

(2) Binary Hedgelet Contract 2: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest \$2.50) - \$10.00.

(3) Binary Hedgelet Contract 3: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest \$2.50) - \$7.50.



(4) Binary Hedgelet Contract 4: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest \$2.50) - \$5.00.

(5) Binary Hedgelet Contract 5: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest \$2.50) - \$2.50.

(6) Binary Hedgelet Contract 6: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest \$2.50).

(7) Binary Hedgelet Contract 7: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest \$2.50) + \$2.50.

(8) Binary Hedgelet Contract 8: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest \$2.50) + \$5.00.

(9) Binary Hedgelet Contract 9: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest \$2.50) + \$7.50.

(10) Binary Hedgelet Contract 9: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest \$2.50) + \$10.00.

(11) Binary Hedgelet Contract 9: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest \$2.50) + \$12.50.

(12) In each case, "Y" equals the last Gold price rounded to the nearest two dollars and fifty cents (\$2.50), as reported by the Source Agency.

(iii) [unchanged]

(g) – (o) [unchanged]

RULE 12.28 [unchanged]

RULE 12.29 NATURAL GAS 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 Natural Gas Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:



- (i) [unchanged]
- (ii) WEEKLY NATURAL GAS BINARY

CONTRACTS

~~(1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest fifty cents (\$0.50)) - \$1.50.~~

~~(2) Binary Hedgelet Contract 2: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest fifty cents (\$0.50)) - \$1.00.~~

~~(3) Binary Hedgelet Contract 3: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest fifty cents (\$0.50)) - \$0.50.~~

~~(4) Binary Hedgelet Contract 4: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest fifty cents (\$0.50)).~~

~~(5) Binary Hedgelet Contract 5: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest fifty cents (\$0.50)) + \$0.50.~~

~~(6) Binary Hedgelet Contract 6: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest fifty cents (\$0.50)) + \$1.00.~~

~~(7) Binary Hedgelet Contract 7: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest fifty cents (\$0.50)) + \$1.50.~~

~~(8) In each case above, "Y" equals the last Expiration Value of Natural Gas rounded to the nearest fifty cents (\$0.50) as reported by the Source Agency.~~

(1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest twenty cents (\$0.20)) - \$1.00.

(2) Binary Hedgelet Contract 2: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest twenty cents (\$0.20)) - \$0.80.

(3) Binary Hedgelet Contract 3: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest twenty cents (\$0.20)) - \$0.60.

(4) Binary Hedgelet Contract 4: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest twenty cents (\$0.20)) - \$0.40.



(5) Binary Hedgelet Contract 5: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest twenty cents (\$0.20)) - \$0.20.

(6) Binary Hedgelet Contract 6: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest ten cents (\$0.10)).

(7) Binary Hedgelet Contract 7: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest twenty cents (\$0.20)) + \$0.20.

(8) Binary Hedgelet Contract 8: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest twenty cents (\$0.20)) + \$0.40.

(9) Binary Hedgelet Contract 9: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest twenty cents (\$0.20)) + \$0.60.

(10) Binary Hedgelet Contract 10: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest twenty cents (\$0.20)) + \$0.80.

(11) Binary Hedgelet Contract 11: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest twenty cents (\$0.20)) + \$1.00.

(12) In each case, "Y" equals the last Expiration Value of Natural Gas rounded to the nearest twenty cents (\$0.20), as reported by the Source Agency.

(iii) [unchanged]

(g) – (o) [unchanged]

RULE 12.30 [unchanged]

RULE 12.31 SILVER 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 Silver Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) [unchanged]

(ii) WEEKLY SILVER BINARY CONTRACTS



- ~~———— (1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest twenty five cents (25)) – 75.~~
- ~~———— (2) Binary Hedgelet Contract 2: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest twenty five cents (25)) – 50.~~
- ~~———— (3) Binary Hedgelet Contract 3: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest twenty five cents (25)) – 25.~~
- ~~———— (4) Binary Hedgelet Contract 4: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest twenty five cents (25)).~~
- ~~———— (5) Binary Hedgelet Contract 5: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest twenty five cents (25)) + 25.~~
- ~~———— (6) Binary Hedgelet Contract 6: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest twenty five cents (25)) + 50.~~
- ~~———— (7) Binary Hedgelet Contract 7: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest twenty five cents (25)) + 75.~~
- ~~———— (8) In each case above, “Y” equals the last Silver Price rounded to the nearest twenty five cents (25) as reported by the Source Agency.~~

(1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest ten cents (10)) – 50.

(2) Binary Hedgelet Contract 2: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest ten cents (10)) – 40.

(3) Binary Hedgelet Contract 3: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest ten cents (10)) – 30.

(4) Binary Hedgelet Contract 4: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest ten cents (10)) – 20.

(5) Binary Hedgelet Contract 5: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest ten cents (10)) – 10.

(6) Binary Hedgelet Contract 6: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest ten cents (10)).



(7) Binary Hedgelet Contract 7: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest ten cents (10)) + 10.

(8) Binary Hedgelet Contract 8: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest ten cents (10)) + 20.

(9) Binary Hedgelet Contract 9: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest ten cents (10)) + 30.

(10) Binary Hedgelet Contract 10: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest ten cents (10)) + 40.

(11) Binary Hedgelet Contract 11: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest ten cents (10)) + 50.

(12) In each case, "Y" equals the last Silver Price rounded to the nearest ten cents (10), as reported by the Source Agency.

(iii) [unchanged]

(g) – (o) [unchanged]

RULES 12.32 – 12.60 [unchanged]

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