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July 5, 2007

VIA ELECTRONIC MAIL: secretary@cftc.gov

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

Re: Certification: HedgeStreet intends to a) List a new Class of EPS Binary Contracts; and b) Amend the Payout Criteria for the Current Apple EPS Binary Contracts

Dear Acting Secretary Donovan:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the "Act"), and §40.2 and §40.6 of the regulations promulgated by the Commodity Futures Trading Commission, (the "Commission") HedgeStreet, Inc. ("HedgeStreet") plans to introduce for trading an additional EPS Binary Contract (the "3M Contract") that will have an Underlying based on the Quarterly EPS of the following company (the "Company"¹):

3M[®]

The rule additions are defined in Exhibit A in accordance with Commission Regulation §40.6. The rule deletions are stricken out and the amendments or additions are underlined.

HedgeStreet described the benefit of offering such contracts on a DCM as well as the legal justification that binary contracts on corporate earnings are not options on securities but are options on excluded commodities under the sole jurisdiction of the CFTC in a certification filed with the Commission on May 10, 2007 ("Original Submission"). Also in the Original Submission, HedgeStreet demonstrates that the Contracts meet DCM Core Principal No. 3 in that it is not readily susceptible to manipulation and meets the guidelines in Appendix A - Guideline No. 1 to the Commission's Part 40 Regulations.

HedgeStreet understands that it has an on-going obligation to comply with its amended DCM order which requires that HedgeStreet maintain sufficient liquid

¹ 3M[®] is a registered service mark of 3M Company. HedgeStreet, Inc. is not affiliated with the aforementioned Company and neither the Company, nor its affiliates, sponsor or endorse HedgeStreet, Inc. in any way.

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assets to continue to meet its obligations to comply with the Designation Criteria and Core Principles and shall not list for trading any contract that has an expiration date beyond the date at which HedgeStreet's cash and cash equivalents are estimated to be depleted, pursuant to an analysis by the Commission.

No substantive opposing views have been expressed to HedgeStreet with respect to the proposed rule changes.

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 there under.

Lastly, HedgeStreet amends the payout criteria to the current Apple EPS Binary Contracts (the "Apple Contracts"), as represented by Rule 12.61, by modifying the strike width for the Apple Contracts from \$0.01 to \$0.05.

HedgeStreet intends to list the 3M Contracts for trading and implement its corresponding rule additions on July 6, 2007. The amendments to the Apple Contracts shall also be made effective on the same day.

* * * *

Please do not hesitate to contact me at (650) 638-3511 if you or anyone else at the Commission has questions regarding these proposed rule changes/ additions.

Sincerely,

Stephanie Ford
Vice President, Legal/Compliance

Cc: Clarissa Manansala – HedgeStreet
Tom Leahy – CFTC
Phil Colling – CFTC



EXHIBIT A

Amendments to Rule 12.61 and Addition of New Rule 12.70

RULE 12.61 – APPLE² EPS BINARY CONTRACT

(a) – (e) [unchanged]

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

(i) APPLE EPS EVENT DERIVATIVES CONTRACTS

(1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of X greater than \$0.70.

(2) Binary Hedgelet Contract 2: One Contract will have a Payout Criteria of X greater than \$0.71.

(3) Binary Hedgelet Contract 3: One Contract will have a Payout Criteria of X greater than \$0.72.

(4) In each case, X equals the Quarterly Apple EPS released by the Source Agency. Additional Series of Apple EPS Contracts will be listed in consecutive increments of ~~\$0.04~~ \$0.05 and the Payout Criteria will have a value less than the lowest existing Payout Criteria or greater than the highest existing Payout Criteria. For example, if the lowest Payout Criteria value currently is \$0.70, an additional Series of Apple EPS Contract may be listed at ~~\$0.69~~ \$0.65. If the highest Payout Criteria value is currently ~~\$0.72~~ \$0.75, an additional Series of Apple EPS Contract may be listed at ~~\$0.73~~ \$0.80. Each additional Payout Criterion will be a number rounded to the nearest ~~\$0.04~~ \$0.05. Additional Payout Criteria will adhere to this format and additional Series of Contracts may be added on any day up to and including the last trading day for a Series.

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

(g) – (n) [unchanged]

RULES 12.62 – 12.69 [unchanged]

² Apple[®] is a registered trademark of Apple, Inc. HedgeStreet, Inc. is not affiliated with Apple, Inc. and neither the Apple, Inc. nor its affiliates, sponsor or endorse HedgeStreet, Inc. in any way.



RULE 12.70 – 3M³ EPS BINARY CONTRACT

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the 3M Quarterly Earnings Per Share⁴ (“Quarterly EPS”) Event Derivatives Binary Contracts (“3M EPS Contracts”) issued by HedgeStreet.

(b) UNDERLYING – The Underlying for this Class of Contracts is the level of the Quarterly EPS of 3M Company (“3M”) for a specific fiscal calendar quarter, measured in U.S. dollars, as reported by 3M in an 8-K Report filed with the Securities and Exchange Commission (“SEC”) or, if no such report is issued, then as reported in 3M’s 10-Q Quarterly Report or 10-K Annual Report, as applicable, filed with the SEC. The Quarterly EPS shall be the figure presented in the financial information in such report(s) as the net income per common share of stock (non-diluted basis) for the relevant fiscal quarter. This Class of Contracts shall be referred to as 3M EPS Contracts.

(c) SOURCE AGENCY – The Source Agency is 3M Company.

(d) TYPE – The Type of Contract is a Binary 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 sooner 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 Contracts are initially issued. The Payout Criteria of the Contracts will be set as follows:

(i) 3M EPS EVENT DERIVATIVES CONTRACTS

(1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of X greater than \$1.15.

(2) Binary Hedgelet Contract 2: One Contract will have a Payout Criteria of X greater than \$1.17.

(3) Binary Hedgelet Contract 3: One Contract will have a Payout Criteria of X greater than \$1.19.

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⁴Earnings Per Share or EPS means a portion of a company’s profit allocated to each outstanding share of common stock. For example, a corporation that earned \$20 million in 2006 and currently has 20 million shares outstanding would report earnings of \$1 per share. The figure is calculated after taxes, preferred shareholders and bondholders have been paid. (See *Barron’s Financial Guides; Dictionary of Finance and Investment Terms, Third Addition (1991)*)



(4) In each case, X equals the Quarterly 3M EPS released by the Source Agency. Additional Series of 3M EPS Contracts will be listed in consecutive increments of \$0.02 and the Payout Criteria will have a value less than the lowest existing Payout Criteria or greater than the highest existing Payout Criteria. For example, if the lowest Payout Criteria value currently is \$1.15, an additional Series of 3M EPS Contract may be listed at \$1.13. If the highest Payout Criteria value is currently \$1.19, an additional Series of 3M EPS Contract may be listed at \$1.21. Each additional Payout Criterion will be a number rounded to the nearest \$0.02. Additional Payout Criteria will adhere to this format and additional Series of Contracts may be added on any day up to and including the last trading day for a Series.

(ii) HedgeStreet may list additional 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 3M EPS Contracts shall be \$0.50.

(h) REPORTING LEVEL – The Reporting Level for the 3M EPS Contracts shall be 12,500 Contracts.

(i) POSITION LIMIT – There are currently no Position Limits for 3M EPS Contracts.

(j) LAST TRADING DATE – The Last Trading Date for these Contracts is one (1) business day prior to the date on which 3M has scheduled to release its Quarterly EPS as represented on its website for the fiscal quarter covered by the Contract. If the earnings announcement date is delayed by the Source Agency to a later date in the future (e.g. a date that occurs after the date previously announced by the Source Agency), then the Last Trading Date will remain set, but the Settlement Date will be delayed until any of the Forms 8-K, 10-K or 10-Q, as applicable, have been officially released by the Source Agency. If the earnings announcement date is rescheduled by the Source Agency to an accelerated date (e.g. a date that is earlier than the date previously announced by the Source Agency), HedgeStreet will adjust the Last Trading Date to be one (1) business day prior to the rescheduled (earlier) earnings announcement date. No trading in 3M EPS Contracts will occur after the Last Trading Day.

(k) SETTLEMENT DATE – The Settlement Date of the Contract shall be the date on which the Expiration Value is released by the Source Agency or, if such date is not a business day, the following business day.

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



(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in the money Contract on the Settlement Date. The Settlement Value of an in the money 3M EPS Contract is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the value of the 3M EPS as released by the Source Agency.

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