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May 10, 2005

VIA EMAIL: secretary@cftc.gov

Ms. Jean A. Webb
Secretary of the Commission
Commodity Futures Trading Commission
3 Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

RE: HedgeStreet, Inc. – Active Trader Pricing Schedule

Dear Secretary Webb:

HedgeStreet, Inc. (“HedgeStreet”), a designated contract market (“DCM”) and derivatives clearing organization (“DCO”), is planning to initiate a new Active Trader Pricing Schedule (“Active Trader Pricing”). In addition to the Active Trader Pricing, HedgeStreet is reducing the initial minimum deposit requirement from \$500 to \$100 for all new HedgeStreet Members. Therefore, any applicant who opens an account on HedgeStreet is only required to deposit \$100 as opposed to the higher \$500 amount.

The terms of the Active Trader Pricing will include:

1. Minimum Trading Fee of \$5.00 for Standard Pricing is replaced with \$0.00. This means that for trades of less than 100 Hedgelets, Active Traders pay \$.05 per Hedgelet, Standard Traders pay \$5.00. (Standard Traders are Members that do not qualify for Active Trader Pricing);
2. Beginning in the month of April 2005, any Member that traded more than 20 times in a calendar month is qualified to receive Active Trader Pricing;
3. If, while receiving Active Trader Pricing, a Member does not execute 60 trades in 2 successive calendar quarters, the member will be changed from an active trading status to standard pricing status.

The following chart summarizes Active Trader Pricing Schedule:

Number of Hedgelets Traded	Yes/No Hedgelets	Variable Hedgelets
Up to 1000	\$.05 per Hedgelet	\$.05 per Hedgelet
1001 – 10,000	\$.04 per Hedgelet	\$.04 per Hedgelet
10,001 – 100,000	\$.03 per Hedgelet	\$.03 per Hedgelet
100,001+	\$.02 per Hedgelet	\$.02 per Hedgelet
Subscription of unlimited Hedgelets	FREE for buying both Yes and No Hedgelets	Not Applicable

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The purpose of this letter is to notify the Commission of HedgeStreet's intention to initiate the Active Trader Pricing Schedule on Wednesday, May 11, 2005.

The Active Trader Pricing Schedule

As a fully electronic, non-intermediated, retail-based contract market, HedgeStreet is primarily focused on the retail investor and optimizing his/her trading experience as an exchange member. In appreciation of our most actively traded members, HedgeStreet continues to implement ways of increasing market liquidity while gaining new market data in the products currently offered on the exchange.

Regulatory Issues

HedgeStreet hereby certifies that the Promotion complies with the Commodity Exchange Act, as amended, and the Commissions regulations adopted thereunder.

Should you have any questions or require additional information, please do not hesitate to contact the undersigned at (650) 638-3511 or sford@hedgestreet.com.

Sincerely,

Stephanie Ford
Vice President, Legal & Compliance