



May 15, 2006

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: Rule Certification: HedgeStreet Amends Payout Criteria for all NAR
Binary Hedgelet Contracts – Submission pursuant to Commission
Regulation §40.6(a)**

Dear Secretary Webb:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), §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 of amendments to the Payout Criteria for the existing NAR Binary Hedgelet Contracts (“Contracts”) currently offered under Quarterly duration and represented by Rules 12.71(f), 12.72(f), 12.73(f), 12.74(f), 12.75(f), and 12.76(f). The amendments to the Payout Criteria for 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 additions on Tuesday, May 16, 2006.

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

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.

Sincerely,

Stephanie Ford
Vice President, Legal & Compliance

cc: Clarissa Manansala – HedgeStreet , Inc.



EXHIBIT A

Amendment to Rules 12.71(f), 12.72(f), 12.73(f), 12.74(f), 12.75(f), 12.76(f)
(The following new Rule additions are underlined and deletions are stricken out)

RULE 12.71 NAR CHICAGO 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 NAR Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) QUARTERLY NAR CHICAGO BINARY CONTRACTS

(1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than X (rounded to the nearest five thousand dollars (\$5,000)) - \$10,000.

(2) Binary Hedgelet Contract ~~1~~2: One Contract will have a Payout Criterion of greater than X (rounded to the nearest five thousand dollars (\$5,000)).

(3) Binary Hedgelet Contract ~~2~~3: One Contract will have a Payout Criterion of greater than X (rounded to the nearest five thousand dollars (\$5,000)) + \$10,000.

(4) [except for renumbering, this rule is unchanged]

(g) – (o) [unchanged]

RULE 12.72 NAR LOS ANGELES 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 NAR Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) QUARTERLY NAR LOS ANGELES BINARY CONTRACTS



(1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than X (rounded to the nearest five thousand dollars (\$5,000)) - \$15,000.

(2) Binary -Hedgelet Contract 4~~2~~: One Contract will have a Payout Criterion of greater than X (rounded to the nearest five thousand dollars (\$5,000)).

(3) Binary Hedgelet Contract 2~~3~~: One Contract will have a Payout Criterion of greater than X (rounded to the nearest five thousand dollars (\$5,000)) + \$15,000.

(4) [except for renumbering, this rule is unchanged]

(g) – (o) [unchanged]

RULE 12.73 NAR MIAMI 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 NAR Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) QUARTERLY NAR MIAMI BINARY CONTRACTS

(1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than X (rounded to the nearest five thousand dollars (\$5,000)) - \$20,000.

(2) Binary Hedgelet Contract 4~~2~~: One Contract will have a Payout Criterion of greater than X (rounded to the nearest five thousand dollars (\$5,000)).

(3) Binary Hedgelet Contract 2~~3~~: One Contract will have a Payout Criterion of greater than X (rounded to the nearest five thousand dollars (\$5,000)) + \$20,000.

(4) [except for renumbering, this rule is unchanged]

(g) – (o) [unchanged]

RULE 12.74 NAR NEW YORK 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 NAR Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) QUARTERLY NAR NEW YORK BINARY CONTRACTS

(1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than X (rounded to the nearest five thousand dollars (\$5,000)) - \$15,000.

(2) Binary Hedgelet Contract 12: One Contract will have a Payout Criterion of greater than X (rounded to the nearest five thousand dollars (\$5,000)).

(3) Binary Hedgelet Contract 23: One Contract will have a Payout Criterion of greater than X (rounded to the nearest five thousand dollars (\$5,000)) + \$15,000.

(4) [except for renumbering, this rule is unchanged]

(g) – (o) [unchanged]

RULE 12.75 NAR SAN DIEGO 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 NAR Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) QUARTERLY NAR SAN DIEGO BINARY CONTRACTS

(1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than X (rounded to the nearest five thousand dollars (\$5,000)) - \$20,000.

(2) Binary Hedgelet Contract 12: One Contract will have a Payout Criterion of greater than X (rounded to the nearest five thousand dollars (\$5,000)).

(3) Binary Hedgelet Contract 23: One Contract will have a Payout Criterion of greater than X (rounded to the nearest five thousand dollars (\$5,000)) + \$20,000.

(4) [except for renumbering, this rule is unchanged]

(g) – (o) [unchanged]



RULE 12.76 NAR SAN FRANCISCO 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 NAR Binary Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows:

(i) QUARTERLY NAR SAN FRANCISCO BINARY CONTRACTS

(1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than X (rounded to the nearest five thousand dollars (\$5,000)) - \$25,000.

(2) Binary Hedgelet Contract ~~1~~₂: One Contract will have a Payout Criterion of greater than X (rounded to the nearest five thousand dollars (\$5,000)).

(3) Binary Hedgelet Contract ~~2~~₃: One Contract will have a Payout Criterion of greater than X (rounded to the nearest five thousand dollars (\$5,000)) + \$25,000.

(4) [except for renumbering, this rule is unchanged]

(g) – (o) [unchanged]

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