



**HEDGE  
Street**

September 21, 2006

VIA EMAIL: [secretary@cftc.gov](mailto: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® intends to increase the Maximum Settlement Value for the Binary Mortgage Rate (30-Year Fixed Rate Mortgage) Contracts to \$100 – 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 increase the maximum Settlement Value for its Binary Mortgage Rate (30-Year Fixed Rate Mortgage) Contracts to from \$10 to \$100. As a result of the increase in the maximum Settlement Value amount, HedgeStreet is amending the reporting level for these Contracts in order to accommodate the larger maximum Settlement Value as shown in Exhibit A under Rule 12.67(h).

HedgeStreet will first issue the Binary Mortgage Rate (30-Year Fixed Rate Mortgage) Contracts with a maximum Settlement Value of \$100 on Friday, September 22, 2006. Since the current Binary Mortgage Rate (30-Year Fixed Rate Mortgage) Contracts that have a maximum Settlement Value of \$10 had a Last Trade Date of Wednesday, September 20, 2006, there will be no open interest in such \$10 contracts upon the close of business on Thursday, September 21, 2006.

All amendments to the above-referenced Contracts are defined in Exhibit A. Any rule deletions are stricken out while the amendments and/or additions are underlined. No substantive opposing views were expressed to HedgeStreet with respect to these amendments.

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](mailto:sford@hedgestreet.com).

Sincerely,

Stephanie Ford  
Vice President, Legal & Compliance

cc: Tom Leahy – CFTC  
Phil Colling – CFTC  
Clarissa Manansala – HedgeStreet, Inc.

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OFFICE OF THE SECRETARY



**EXHIBIT A**

Amendments to Rule 12.67 only

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

**RULE 12.67 MORTGAGE RATE (30 YR FRMS) BINARY HEDGELET  
CONTRACTS**

(a) - (g) [unchanged]

(h) REPORTING LEVEL – The Reporting Level for the Mortgage Rate 30-Year FRM Binary Hedgelets shall be ~~125,000~~ 25 Contracts.

(i) - (l) [unchanged]

(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 Mortgage Rate 30-Year FRM Binary Contract is ~~\$10~~ \$100.

(n) – (o) [unchanged]

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