# HedgeStreet.
## EXCHANGE

March 19, 2008

Via E-Mail: submissions@cftc.gov

Mr. David Stawick
Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
3 Lafayette Centre
1155 21ˢᵗ Street, N.W.
Washington D.C. 20581

RE:     Rule Certification: HedgeStreet® Amendment to the Daily and Weekly Payout Criteria
        for Crude Oil and Gold Binary Contracts – Submission pursuant to Commission
        Regulation §40.6(a)

Dear Secretary Stawick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the Act"), and §40.6(a) of
the regulations promulgated by the Commodity Futures Trading Commission (the "Commission")
under the Act, HedgeStreet, Inc. ("HedgeStreet") hereby submits to the Commission its intent to
make the following changes effective beginning on Monday, March 24 2008:

**Amendment to the Daily and Weekly Payout Criteria for Certain Binary Contracts**
An amendment to the Daily and/or Weekly Payout Criteria for the following Binary Contracts:

RULE 12.20     CRUDE BINARY CONTRACTS
RULE 12.27     GOLD BINARY CONTRACTS

The aforementioned amendments are summarized in Exhibit A. The applicable rule amendments are
defined in Exhibit B. Any rule deletions are stricken out while the amendments and/or additions are
underlined.

HedgeStreet intends to make all of the aforementioned amendments effective at the start of business
on Monday, March 24, 2008.

No contracts that have open interest will be affected by these amendments.
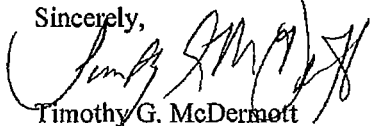
No substantive opposing views were expressed to HedgeStreet with respect to any of these actions.

HedgeStreet hereby certifies that the Contracts and the clearing of the Contracts, including all rules
defining the terms and conditions of said Contracts contained herein, comply with the Act and the
Commission Regulations adopted thereunder.

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## EXCHANGE

Should you have any questions regarding the above, please do not hesitate to contact me by telephone at (312) 674-4835 or by email at tmcdermott@hedgestreet.com.

Sincerely,

Timothy G. McDermott
General Counsel and Chief Compliance Officer

CC:  DMOSubmission@cftc.gov
     Kevin Pepple – CFTC (Acting Branch Chief, DMO, Chicago)
     Tom Leahy – CFTC
     Riva Adriance – CFTC
     Nancy Markowitz – CFTC

     Ed Dasso – NFA
     Yossi Beinart - HedgeStreet, Inc.

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# HedgeStreet.
## EXCHANGE

## EXHIBIT A

| HedgeStreet Rule | Binary Asset | Duration/ Close Time | Action | Effective Date | Max Settlement Value |
|---|---|---|---|---|---|
| 12.20 | Crude Oil | Daily/Weekly 2:30pm ET | Amend Payout Criteria | 3/24/2008 | No change ($100) |
| 12.27 | Gold | Daily/Weekly 1:30pm ET | Amend Payout Criteria | 3/24/2008 | No change ($100) |

**EXHIBIT B**

**Amendments to Rules 12.20, 12.27**
*(The following new Rule additions are underlined and deletions are stricken out)*

RULE 1.1 – RULE 12.19 [unchanged]

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) DAILY CRUDE OIL BINARY HEDGELET CONTRACTS, 2:30 PM (ET) CLOSE

(1) ~~Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than X (rounded to the nearest one dollar ($1.00)) - $5.00.~~

(2) ~~Binary Hedgelet Contract 2: One Contract will have a Payout Criterion of greater than X (rounded to the nearest one dollar ($1.00)) - $4.00.~~

(3) ~~Binary Hedgelet Contract 3: One Contract will have a Payout Criterion of greater than X (rounded to the nearest one dollar ($1.00)) - $3.00.~~

(4) ~~Binary Hedgelet Contract 4: One Contract will have a Payout Criterion of greater than X (rounded to the nearest one dollar ($1.00)) - $2.00.~~

(5) ~~Binary Hedgelet Contract 5: One Contract will have a Payout Criterion of greater than X (rounded to the nearest one dollar ($1.00)) - $1.00.~~

(6) ~~Binary Hedgelet Contract 6: One Contract will have a Payout Criterion of greater than X (rounded to the nearest one dollar ($1.00)).~~

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

(8) ~~Binary Hedgelet Contract 8: One Contract will have a Payout Criterion of greater than X (rounded to the nearest one dollar ($1.00)) + $2.00.~~

(9) ~~Binary Hedgelet Contract 9: One Contract will have a Payout Criterion of greater than X (rounded to the nearest one dollar ($1.00)) + $3.00.~~

(10) ~~Binary Hedgelet Contract 10: One Contract will have a Payout Criterion of greater than X (rounded to the nearest one dollar ($1.00)) + $4.00.~~

(11) ~~Binary Hedgelet Contract 11: One Contract will have a Payout Criterion of greater than X (rounded to the nearest one dollar ($1.00)) + $5.00.~~

(12) ~~In each case above, "X" equals the last Crude Oil Price rounded to the nearest one dollar ($1.00) as reported by the Source Agency.~~

(1) <u>Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than X (rounded to the nearest fifty cents ($0.50)) - $4.50.</u>

(2) <u>Binary Hedgelet Contract 2: One Contract will have a Payout Criterion of greater than X (rounded to the nearest fifty cents ($0.50)) - $4.00.</u>

(3) <u>Binary Hedgelet Contract 3: One Contract will have a Payout Criterion of greater than X (rounded to the nearest fifty cents ($0.50)) - $3.50.</u>

(4) <u>Binary Hedgelet Contract 4: One Contract will have a Payout Criterion of greater than X (rounded to the nearest fifty cents ($0.50)) - $3.00.</u>

(5) <u>Binary Hedgelet Contract 5: One Contract will have a Payout Criterion of greater than X (rounded to the nearest fifty cents ($0.50)) - $2.50.</u>

(6) <u>Binary Hedgelet Contract 6: One Contract will have a Payout Criterion of greater than X (rounded to the nearest fifty cents ($0.50)) - $2.00</u>

(7) <u>Binary Hedgelet Contract 7: One Contract will have a Payout Criterion of greater than X (rounded to the nearest fifty cents ($0.50)) - $1.50.</u>

(8) <u>Binary Hedgelet Contract 8: One Contract will have a Payout Criterion of greater than X (rounded to the nearest fifty cents ($0.50)) - $1.00.</u>

(9) <u>Binary Hedgelet Contract 9: One Contract will have a Payout Criterion of greater than X (rounded to the nearest fifty cents ($0.50)) - $0.50.</u>

(10) <u>Binary Hedgelet Contract 10: One Contract will have a Payout Criterion of greater than X (rounded to the nearest fifty cents ($0.50)).</u>

(11) <u>Binary Hedgelet Contract 11: One Contract will have a Payout Criterion of greater than X (rounded to the nearest fifty cents ($0.50)) + $0.50.</u>

(12) Binary Hedgelet Contract 12:  One Contract will have a Payout Criterion of greater than X (rounded to the nearest fifty cents ($0.50)) + $1.00.

(13) Binary Hedgelet Contract 13:  One Contract will have a Payout Criterion of greater than X (rounded to the nearest fifty cents ($0.50)) + $1.50.

(14) Binary Hedgelet Contract 14:  One Contract will have a Payout Criterion of greater than X (rounded to the nearest fifty cents ($0.50)) + $2.00.

(15) Binary Hedgelet Contract 15:  One Contract will have a Payout Criterion of greater than X (rounded to the nearest fifty cents ($0.50)) + $2.50.

(16) Binary Hedgelet Contract 16:  One Contract will have a Payout Criterion of greater than X (rounded to the nearest fifty cents ($0.50)) + $3.00.

(17) Binary Hedgelet Contract 17:  One Contract will have a Payout Criterion of greater than X (rounded to the nearest fifty cents ($0.50)) + $3.50.

(18) Binary Hedgelet Contract 18:  One Contract will have a Payout Criterion of greater than X (rounded to the nearest fifty cents ($0.50)) + $4.00.

(19) Binary Hedgelet Contract 19:  One Contract will have a Payout Criterion of greater than X (rounded to the nearest fifty cents ($0.50)) + $4.50.

(20) In each case above, "X" equals the last Crude Oil Price rounded to the nearest fifty cents ($0.50) as reported by the Source Agency.

(ii) WEEKLY CRUDE OIL BINARY HEDGELET CONTRACTS, 2:30PM ET CLOSE

(1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest value ending in ~~fifty cents ($0.50)~~ either twenty-five cents ($0.25) or seventy-five cents ($0.75)) - $6.00.

(2) Binary Hedgelet Contract 2:  One Contract will have a Payout Criterion of greater than Y (rounded to the nearest value ending in ~~fifty cents ($0.50)~~ either twenty-five cents ($0.25) or seventy-five cents ($0.75)) - $4.00.

(3) Binary Hedgelet Contract 3:  One Contract will have a Payout Criterion of greater than Y (rounded to the nearest value ending in ~~fifty cents ($0.50)~~ either twenty-five cents ($0.25) or seventy-five cents ($0.75)) - $2.00.

(4) Binary Hedgelet Contract 4:  One Contract will have a Payout Criterion of greater than Y (rounded to the nearest value ending in ~~fifty cents ($0.50)~~ either twenty-five cents ($0.25) or seventy-five cents ($0.75)).

(5) Binary Hedgelet Contract 5: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest value ending in ~~fifty cents ($0.50)~~ either twenty-five cents ($0.25) or seventy-five cents ($0.75)) + $2.00.

(6) Binary Hedgelet Contract 6: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest value ending in ~~fifty cents ($0.50)~~ either twenty-five cents ($0.25) or seventy-five cents ($0.75)) + $4.00.

(7) Binary Hedgelet Contract 7: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest value ending in ~~fifty cents ($0.50)~~ either twenty-five cents ($0.25) or seventy-five cents ($0.75)) + $6.00.

(8) In each case above, "Y" equals the last Crude Oil Price rounded to the nearest value ending in ~~fifty cents ($0.50)~~ either twenty-five cents ($0.25) or seventy-five cents ($0.75), as reported by the Source Agency.

(iii) [unchanged]

(g)- (o) [unchanged]

RULE 12.21 – RULE 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) DAILY GOLD BINARY CONTRACTS, 1:30 PM (ET) CLOSE

(1) ~~Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $5.00) - $25.00.~~

(2) ~~Binary Hedgelet Contract 2: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $5.00) - $20.00.~~

(3) ~~Binary Hedgelet Contract 3: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $5.00) - $15.00.~~

(4) ~~Binary Hedgelet Contract 4: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $5.00) - $10.00.~~

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

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

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

(8) ~~Binary Hedgelet Contract 8: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $5.00) + $10.00~~

(9) ~~Binary Hedgelet Contract 9: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $5.00) + $15.00.~~

(10) ~~Binary Hedgelet Contract 10: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $5.00) + $20.00~~

(11) ~~Binary Hedgelet Contract 11: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $5.00) + $25.00.~~

(12) ~~In each case, "X" 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 X (rounded to the nearest $2.50) - $22.50.

(2) Binary Hedgelet Contract 2: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $2.50) - $20.00.

(3) Binary Hedgelet Contract 3: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $2.50) - $17.50.

(4) Binary Hedgelet Contract 4: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $2.50) - $15.00.

(5) Binary Hedgelet Contract 5: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $2.50) - $12.50.

(6) Binary Hedgelet Contract 6: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $2.50) - $10.00

(7) Binary Hedgelet Contract 7: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $2.50) - $7.50.

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

(9) Binary Hedgelet Contract 9: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $2.50) - $2.50.

(10) Binary Hedgelet Contract 10: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $2.50).

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

(12) Binary Hedgelet Contract 12: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $2.50) + $5.00.

(13) Binary Hedgelet Contract 13: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $2.50) + $7.50.

(14) Binary Hedgelet Contract 14: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $2.50) + $10.00.

(15) Binary Hedgelet Contract 15: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $2.50) + $12.50.

(16) Binary Hedgelet Contract 16: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $2.50) + $15.00.

(17) Binary Hedgelet Contract 17: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $2.50) + $17.50.

(18) Binary Hedgelet Contract 18: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $2.50) + $20.00.

(19) Binary Hedgelet Contract 19: One Contract will have a Payout Criterion of greater than X (rounded to the nearest $2.50) + $22.50.

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

(ii) WEEKLY GOLD BINARY CONTRACTS, 1:30PM ET

(1) Binary Hedgelet Contract 1: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest value ending in ~~fifty cents ($0.50)~~ either twenty-five cents ($0.25) or seventy-five cents ($0.75)) - $30.00.

(2) Binary Hedgelet Contract 2: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest value ending in ~~fifty cents ($0.50)~~ either twenty-five cents ($0.25) or seventy-five cents ($0.75)) - $20.00.

(3) Binary Hedgelet Contract 3: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest value ending in ~~fifty cents ($0.50)~~ either twenty-five cents ($0.25) or seventy-five cents ($0.75)) - $10.00.

(4) Binary Hedgelet Contract 4: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest value ending in ~~fifty cents ($0.50)~~ either twenty-five cents ($0.25) or seventy-five cents ($0.75)).

(5) Binary Hedgelet Contract 5: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest value ending in ~~fifty cents ($0.50)~~ either twenty-five cents ($0.25) or seventy-five cents ($0.75)) + $10.00.

(6) Binary Hedgelet Contract 6: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest value ending in ~~fifty cents ($0.50)~~ either twenty-five cents ($0.25) or seventy-five cents ($0.75)) + $20.00.

(7) Binary Hedgelet Contract 7: One Contract will have a Payout Criterion of greater than Y (rounded to the nearest value ending in ~~fifty cents ($0.50)~~ either twenty-five cents ($0.25) or seventy-five cents ($0.75)) + $30.00.

(8) In each case, "Y" equals the last Gold price rounded to the nearest value ending in ~~fifty cents ($0.50)~~ either twenty-five cents ($0.25) or seventy-five cents ($0.75), as reported by the Source Agency.

(iii) [unchanged]

(g) - (o) [unchanged]

RULE 12.28 – RULE 12.74          [unchanged]

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