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OFFICE OF THE SECRETARIAT
2009 MAY 7 PM 4 14

May 6, 2009

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[®] Rule Amendments regarding its Self-Regulatory function— Submission pursuant to Commission Regulation §40.6(a)

Dear Mr. 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 amend its rules regarding its self-regulatory functions. As previously discussed with Commission staff, these changes are being made in connection with the termination of HedgeStreet’s Regulatory Services Agreement with the National Futures Association (“NFA”) and the assumption by HedgeStreet of those functions previously delegated to NFA. In addition to the rule amendments contained herein, HedgeStreet has hired additional compliance staff and invested in compliance systems, which steps have been presented to with Commission staff. HedgeStreet has also taken steps to address points raised by Commission staff regarding the exercise of its self-regulatory function related to the fact that an affiliate of HedgeStreet acts as a market maker on the Exchange. In particular, HedgeStreet will continue to maintain appropriate separation between the Market Maker and HedgeStreet’s audit trail data and compliance systems and is establishing a board-level Regulatory Oversight Committee comprised of “public directors” as described in the Commission’s pending guidance on Core Principle 15.

The effective date of the amendments will be May 8, 2009.

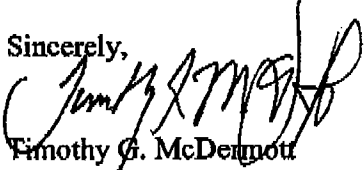
No substantive opposing views were expressed to HedgeStreet with respect to any of these actions.

HedgeStreet hereby certifies that the revisions contained herein, comply with the Act and the Commission Regulations adopted thereunder.

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Should you have any questions regarding the above, please do not hesitate to contact me by telephone at (312) 884-0171 or by email at timcdermott@hedgestreet.com.

Sincerely,



Timothy G. McDermott
General Counsel and Chief Compliance Officer

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

Ed Dasso – NFA
Yossi Beinart - HedgeStreet, Inc.

EXHIBIT A

1.1	Amend Various Definitions in Rule 1.1	5/8/2009
2.1	Amended Various Definitions in Rule 2.1	5/8/2009
2.2	Specified Board Restrictions in Rule 2.2	5/8/2009
2.3	Specified Officers and Duties in Rule 2.3	5/8/2009
2.4	Added Additional Requirements for Emergency Rules in Rule 2.4	5/8/2009
2.5	Defined Regulatory Oversight Committee, Including Duties in Rule 2.5	5/8/2009
2.6	Refined Language Regarding Voting By Interested Board Members in Rule 2.6	5/8/2009
2.8	Refined Language Regarding Prohibition on Use of Material, Non-Public Information in Rule 2.8	5/8/2009
3.2	Refined Language to Reflect "Regulatory Agency" in Rule 3.2	5/8/2009
9.1	Refined Language and Amended Manner For Retaining Records in Rule 9.1	5/8/2009
9.2	Amended Language to Reflect the Addition and Duties of the "Compliance Department" in Rule 9.2	5/8/2009
9.3	Amended Language to Reflect the "Compliance Department" and the Duties of the Hearing Officer in Rule 9.3	5/8/2009
9.4	Added NFA and Public Disciplinary Notice Requirements in Rule 9.4	5/8/2009
9.6	Amended Language to Reflect "Chief Regulatory Officer" and Condensed Duties in Rule 9.6	5/8/2009

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EXHIBIT B

Amendments to Rules Rules 1.1, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, , 2.8, 3.2, 9.1, 9.2, 9.3, 9.4 and 9.6
(The following new Rule additions are underlined and deletions are stricken out)

RULE 1.1 DEFINITIONS

When used in these Rules:

(a) - (p) [Unchanged]

(g) "Regulatory Agency" means any government body, including the Commission and Securities and Exchange Commission, and any organization, whether domestic or foreign, granted authority under statutory or regulatory provisions to regulate its own activities and the activities of its members, and includes HedgeStreet, any other clearing organization or contract market, any national securities exchange or clearing agency, the National Futures Association ("NFA") and the Financial Industry Regulatory Authority ("FINRA").

(r)(e) "Series" means all Hedgelets of the same Class having identical terms, including Payout Criterion and Expiration Date.

(s) (e) "Settlement Date" means the date on which money is paid to the account of a Member who has the right to receive money pursuant to a Variable Payout Hedgelet Contract or Binary Hedgelet Contract held until Expiration, and on which money is paid from the account of a Member who is obligated to pay money pursuant to a Variable Payout Hedgelet Contract held until Expiration. Unless otherwise specified in these Rules, the Settlement Date is the same day as the Expiration Date.

(t)(s) "Settlement Value" means the amount paid to the accounts of holders of in-the-money Contracts. The minimum Settlement Value of a Binary Hedgelet Contract is \$10. The Settlement Value of a Variable Payout Hedgelet Contract is determined as described in the definition for Long and Short Variable Payout Hedgelet Contracts.

(u)(e) "Short Variable Payout Hedgelet Contract" means (i) the right to receive at the time the Contract is closed or on the Settlement Date any positive number resulting from subtracting from the Opening Trade Value (A) the Closing Trade Value, if the Variable Payout Hedgelet Contract was closed by an offsetting transaction before Expiration, or (B) the Expiration Value, if the Variable Payout Hedgelet Contract was held to Expiration, and then multiplying the resulting figure by the Dollar Multiplier and (ii) the obligation to pay at the time the Contract is closed or on the Settlement Date any positive number resulting from subtracting the Opening Trade Value from (A) the

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Closing Trade Value, if the Variable Payout Hedgelet Contract was closed by an offsetting transaction before Expiration, or (B) the Expiration Value, if the Variable Payout Hedgelet Contract was held to Expiration, then multiplying the resulting figure by the Dollar Multiplier.

~~(v)~~~~(u)~~ “Source Agency” means the agency that publishes the Underlying economic indicator and/or Expiration Value for any Hedgelet Contract.

~~(w)~~~~(v)~~ “Speculative Position Limits,” or “Position Limit” means the maximum position, either net long or net short, in one Series or a combination of various Series of a particular Class that may be held or controlled by one Member as prescribed by HedgeStreet and/or the CFTC.

~~(x)~~~~(w)~~ “Trade Day” means the regular trading session on any given calendar date and the evening session, if any, on the immediately preceding calendar date, as specified in Rule 5.11.

~~(y)~~ ~~(x)~~ “Type” means the classification of a Hedgelet as a Variable Payout Hedgelet Contract or a Binary Hedgelet Contract.

~~(z)~~~~(y)~~ “Underlying” means the index, rate, risk, measure, instrument, differential, indicator, value, contingency, occurrence, or extent of an occurrence the Expiration Value of which determines whether (and, in the case of a Variable Payout Hedgelet Contract, to what extent) a Hedgelet Contract is in-the-money.

~~(aa)~~~~(z)~~ “Variable Payout Hedgelet Contract” means a Long Variable Payout Hedgelet Contract and/or a Short Variable Payout Hedgelet Contract (such Variable Payout Hedgelet Contracts are also referred to as “Bungee” Contracts or “Bungees”).

~~(bb)~~~~(aa)~~ “12PM” or “12:00 PM” means 12:00 Noon

CHAPTER 2 MARKET GOVERNANCE

RULE 2.1 POWERS OF HEDGESTREET’S BOARD OF DIRECTORS

The board of directors of HedgeStreet has the power to manage and direct HedgeStreet, including but not limited to the power to define the standards for membership in the Exchange and groups of people who may access the secure portions of HedgeStreet’s website, the power to amend, adopt, or repeal these Rules, and the power to oversee the business conduct of Members and impose penalties for violation of these Rules.

RULE 2.2 RESTRICTIONS ON WHO MAY BE MEMBERS OF THE BOARD, MEMBERS OF DISCIPLINARY COMMITTEES, MEMBERS OF



ARBITRATION OR OVERSIGHT PANELS, OR TEN PERCENT OR GREATER OWNERS

Commission Regulation 1.63 prohibits certain individuals who have been charged with, or have been found to have committed, disciplinary offenses (as defined in that section) within the past three years from serving ~~on the HedgeStreet board of directors or any disciplinary committee of HedgeStreet~~. ~~No HedgeStreet will not permit any individual subject to disqualification under Commission Regulation 1.63(b) may serve on the HedgeStreet from serving on its~~ board of directors, any of its disciplinary committees (including serving as compliance officer or hearing officer), oversight panels, or arbitration panels. Additionally, HedgeStreet will not permit any individual subject to disqualification under Commission Regulation 1.63(b) to own 10% or more of HedgeStreet or to serve as a HedgeStreet hearing officer. ~~An amended version of Commission Regulation 1.63 is a Rule of HedgeStreet and is included for your information in Chapter 11 of these Rules.~~

RULE 2.3 OFFICERS OF HEDGESTREET

(a) HedgeStreet has a ~~five~~ seven -member board of directors elected by a majority vote of all shareholders of HedgeStreet. Each director serves a one year term. Each director, including a director elected to fill a vacancy, shall hold office until his successor is elected and qualified or until his earlier resignation or removal.

(b) HedgeStreet has a chief executive officer, chief operating officer ~~president~~, secretary, and treasurer, and chief regulatory officer (collectively, the "Management Team"). These officers are appointed and may be dismissed (with or without cause) by majority vote of the board of directors or the shareholders.

(c) The chief executive officer of HedgeStreet must be a member of the board of directors. In the absence of the chairman, the chief executive officer will perform the chairman's duties. In the event of a disagreement between the chief executive officer and the board or the chairman of the board as to an exchange matter, the chairman and/or board shall control.

(d) Subject to the direction of the board of directors, ~~and the chief executive officer, the president~~ will manage the overall day-to-day business of the exchange ~~and is the chief operating officer of the exchange~~. In the absence of the chief executive officer, the chief operating officer ~~president~~ will perform the chief executive officer's duties.

(e) The chief operating officer is responsible for managing the corporation's day-to-day activities and operations, including issues related to marketing, sales, production and personnel.

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(f) ~~(e)~~ The treasurer of HedgeStreet will be responsible for all funds and stock of HedgeStreet and in general perform all duties incident to the office of treasurer and such other duties as from time to time may be assigned by the chief executive officer or the board of directors. If the function of the office of the treasurer is outsourced to a service provider, the chief executive officer shall be responsible for oversight of this function.

(g) ~~(f)~~ The secretary of HedgeStreet will keep the minutes of the meetings of the board and in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned by the chief executive officer or the board of directors.

(h) ~~(g)~~ The chief regulatory officer of HedgeStreet will be responsible for managing the day-to-day regulatory functions of the Exchange.

RULE 2.4 EMERGENCY RULES

(a) HedgeStreet may adopt emergency Rules in response to the emergencies that are described in paragraph (c) of this Rule. In the event of one of those emergencies, the board of directors or at least two members of the Management Team may, without giving prior notice to, or securing prior approval from, the Commission, adopt a temporary emergency rule to address the emergency. Adoption of a temporary emergency rule by the board of directors requires the affirmative vote of two-thirds of the members of the board at a meeting of the board at which a quorum is present. HedgeStreet may count a member of the board of directors who abstains from voting on a temporary emergency rule to determine whether a quorum exists. Adoption of a temporary emergency rule by the management team requires the written authorization and acknowledgement of two members of the management team, indicating the emergency action to be taken and the reasons for that action, before the action is taken.

(b) Any temporary emergency rule adopted under this Rule may authorize HedgeStreet to act as the board of directors or management team deems necessary or appropriate to meet the emergency, and those actions may adversely affect the your ability to trade on the Market. Therefore, the chance of an emergency is one of the risks that market participants you should consider when deciding whether to trade on the Market.

(c)- (f) [Unchanged]

RULE 2.5 COMMITTEES AND SUBCOMMITTEES

(a) The HedgeStreet board of directors may create, appoint members of the board to serve on, and delegate powers to, committees and subcommittees.

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(b) A majority of any committee or subcommittee will constitute a quorum, and a majority of a quorum is necessary for committee or subcommittee action. A committee or subcommittee may act by unanimous consent in writing, including by electronic mail, without a meeting.

(c) HedgeStreet's board of directors shall appoint a Regulatory Oversight Committee comprised of board members who are "public directors" as defined in the Acceptable Practices under Core Principle 15 in Commission Regulation Part 38, Appendix B. The ROC shall oversee HedgeStreet's regulatory program on behalf of the board. The board shall delegate sufficient authority, dedicate sufficient resources, and allow sufficient time for the ROC to fulfill its mandate. The ROC shall:

(i) Monitor HedgeStreet's regulatory program for sufficiency, effectiveness, and independence;

(ii) Oversee all facets of the program, including trade practice and market surveillance; audits, examinations, and other regulatory responsibilities; and the conduct of investigations;

(iii) Review the size and allocation of the regulatory budget and resources; and the number, hiring and termination, and compensation of regulatory personnel;

(iv) Supervise HedgeStreet's chief regulatory officer, who will report directly to the ROC;

(v) Prepare an annual report assessing HedgeStreet's self-regulatory program for the board of directors and the Commission, which sets forth the regulatory program's expenses, describes its staffing and structure, catalogues disciplinary actions taken during the year, and reviews the performance of disciplinary committees and panels;

(vi) Recommend changes that would ensure fair, vigorous, and effective regulation; and

(vii) Review significant regulatory proposals and advise the board as to whether and how such changes may impact regulation.

RULE 2.6 VOTING BY INTERESTED BOARD MEMBERS

~~Commission regulations governing contract markets, such as HedgeStreet, exempt those markets from Commission Regulation 1.69. However, Core Principle 15 of Section 5(d) of the CEA requires that contract markets have adequate procedures to prevent conflicts of interest. In this regard Therefore, HedgeStreet has adopted provisions an~~

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~~amended-version~~ of Commission Regulation 1.69 as a Rule of HedgeStreet. Commission Regulation 1.69 prohibits a member of the HedgeStreet board of directors or any disciplinary or oversight committee or subcommittee from taking part in any deliberations or voting on any matter in which the board, committee, or subcommittee member has an interest or has a relationship with a named party in interest. Regulation 1.69 also requires disclosure by board, committee, or subcommittee members of interests and relationships in certain circumstances. HedgeStreet board, committee, and subcommittee members shall not deliberate or vote on any matter in which the board, committee, or subcommittee member has an interest or has a relationship with a named party in interest and shall disclose such interests in accordance with Regulation 1.69. See also Regulation 1.69 as amended to be made applicable to HedgeStreet is a Rule of HedgeStreet and is included in Chapter 11 of these Rules.

RULE 2.7 [Unchanged]

RULE 2.8 PROHIBITION ON USE OF MATERIAL, NON-PUBLIC INFORMATION

(a) Commission Regulation 1.59 prohibits employees and members of the board of directors of HedgeStreet from using or disclosing material, non-public information gained through their employment or board service in certain circumstances. This Rule prohibits the use and disclosure forbidden by Commission Regulation 1.59. In this regard, HedgeStreet has adopted provisions of ~~As amended, a form of~~ Regulation 1.59 as is a Rule of HedgeStreet and is set forth in Chapter 11 of these Rules for your information.

(b) No member of the board of directors or any committee established by the board of directors or these Rules will use or disclose material, non-public information obtained as a result of participation on the board of directors or such committee for any purpose other than the performance of official duties as a board or committee member.

(c) No employee, consultant, or member of the board of directors or any committee of HedgeStreet will disclose to any other person material, nonpublic information obtained as a result of such person's employment for purposes inconsistent with such person's official duties.

(d) No employee, consultant, or member of the board of directors or any committee of HedgeStreet will trade for such person's account, or for or on behalf of any other account, in any commodity interest on the basis of any material, non-public information obtained through special access related to the performance of such person's duties as an employee, consultant, or member of the board of directors or committee.

(e) For purposes of this Rule, the terms "material information," "non-public information," "linked exchange", "commodity interest," and "related commodity interest" have the same meanings as they do in Commission Regulation 1.59.

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(f) Any director, officer, or employee of HedgeStreet who violates any provision of this Rule will be required to indemnify HedgeStreet for any losses, damages, or costs caused by that violation.

RULE 2.9 LIMITATION ON TRADING BY AFFILIATES

Except for any duly authorized Market Maker, no affiliate of HedgeStreet nor any employee thereof may trade on any HedgeStreet Market for such affiliate's or employee's own account.

CHAPTER 3 MEMBERS

RULE 3.1 [Unchanged]

RULE 3.2 MEMBER OBLIGATIONS

(a) [Unchanged]

(b) As a Member, you consent to allow HedgeStreet to provide all information HedgeStreet has about you, including your trading activity, to the Commission or any other Regulatory Agency ~~regulatory or self-regulatory body~~, law enforcement authority, or judicial tribunal, including (as may be required by information sharing agreements or other contractual, regulatory, or legal provisions) foreign regulatory or self-regulatory bodies, law enforcement authorities, or judicial tribunals.

(c) [Unchanged]

RULE 3.3 - RULE 3.5 [Unchanged]

CHAPTER 4 - CHAPTER 8 [Unchanged]

CHAPTER 9 RULE ENFORCEMENT

RULE 9.1 MONITORING THE MARKET

HedgeStreet's trading system will record and store for a period of not less than 5 years in a searchable, read-only database a record of all data entered into the HedgeStreet trading system, including the Member's identity and the information in Rule 5.4. Such records shall be maintained in a readily available manner during the first two years. ~~Programs are run on this data by HedgeStreet and by an organization with which HedgeStreet has entered into an agreement to provide certain~~ shall conduct market surveillance and trade practice surveillance using this data with ~~services, and these~~

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programs designed to will alert HedgeStreet or its market/trade practice surveillance services provider when potentially unusual trading activity takes place. HedgeStreet or its services provider will initiate review and, where appropriate, investigate ~~ions upon receipt of notice of such~~ unusual trading activity, and HedgeStreet will review and further investigate any reports of such activity provided by its market surveillance services provider. HedgeStreet will also investigate any time it has other reason to believe that inappropriate activity of any sort is taking place on the Market or its website.

RULE 9.2 INVESTIGATIONS, HEARINGS, AND APPEALS

(a) HedgeStreet has a compliance department consisting of one or more compliance staff officers. ~~The Chief Regulatory Officer is responsible for overseeing the compliance department. The Compliance Department shall~~ officers investigate unusual trading activity or other activity that ~~the Compliance Department has~~ compliance officers have reasonable cause to believe could constitute a violation of these Rules. HedgeStreet retains hearing officers, who adjudicate findings by ~~the Compliance Department~~ compliance officers that are disputed by Members. Hearing officers and ~~the Compliance Department~~ compliance officers may not communicate regarding the merits of a matter brought before the hearing officer without informing the Member who is the subject of the communication of its substance and allowing the Member an opportunity to respond. ~~The Compliance Department~~ Compliance officers and hearing officers may compel testimony, subpoena documents, and require statements under oath from any Member or its authorized representative. ~~Compliance officers, a~~ Hearing officers, Compliance Department staff and other employees or agents of HedgeStreet working under their supervision, may not be a Member or an authorized representative of a Member or trade, directly or indirectly, in any commodity interest traded on or subject to the rules of any registered contract market.

(b) Upon the conclusion of any investigation, ~~the Compliance Department by a compliance officer, the officer~~ will draft a document detailing the facts that led to the opening of the investigation, the facts that were found during the investigation, and ~~the Compliance Department's compliance officer~~ analysis and conclusion. If the ~~Compliance Department compliance officer~~ concludes that there is reasonable cause to believe a Member has violated HedgeStreet's Rules or other applicable statutes or regulations, the ~~Compliance Department~~ compliance officer will submit by electronic mail to the Member whose activity is the subject of the investigation a report that will include:

- (i) the reason the investigation was begun;
- (ii) the charges or a summary of the charges;
- (iii) the response, if any, or a summary of the response;

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(iv) a summary of the investigation conducted;

(v) findings and conclusions as to each charge, including which of these Rules the Member or its authorized representative violated, if any; and

(vi) the penalty, if any, proposed by the Compliance Department.
~~the compliance officer.~~

(c) If the Compliance Department institutes an investigation in which any affiliate of HedgeStreet is a subject, HedgeStreet's Chief Regulatory Officer shall notify the Commission's Division of Market Oversight of that fact. At the conclusion any such investigation, the Chief Regulatory Officer shall provide the Commission's Division of Market Oversight with a copy of the documentation specified in subparagraph (b) of this Rule.

~~(d)~~ ~~(e)~~ The Member whose activity is the subject of the investigation may contest the Compliance Department's ~~the compliance officer~~ findings by forwarding a response to those findings by electronic mail to the Compliance Department ~~the compliance officer~~ within 15 days. The Member has a right to examine the evidence relied upon by the Compliance Department ~~the compliance officer~~. The Member's response must contain a detailed response to the findings and conclusions as to each charge and any other information the Member thinks is relevant.

~~(e)~~ ~~(d)~~ If the findings of the Compliance Department ~~the compliance officer~~ are not contested by the Member, HedgeStreet will deem those findings admitted by the Member and impose the penalty (if any) proposed by the Compliance Department ~~the compliance officer~~. The Member will be notified of the imposition of any penalty by electronic mail.

~~(f)~~ ~~(e)~~ If the findings of the Compliance Department ~~the compliance officer~~ are contested, the Compliance Department's ~~the compliance officer~~ report and the Member's response will be submitted to a HedgeStreet hearing officer. The hearing officer will conduct a telephonic hearing with the Compliance Department ~~the compliance officer~~ and the Member within 20 days of receipt of the Member's response contesting the Compliance Department's ~~the compliance officer~~ finding and/or proposed sanction and, within 20 days after that hearing, issue findings, which will be delivered to the Member by electronic mail. Prior to the hearing, the parties may (but need not) submit proposed findings, briefs, and exhibits (including affidavits), and during the hearing the parties may present witnesses. The telephonic hearing will be recorded, and all information submitted by the parties (including the Compliance Department's report and the Member's response) as well as the recording of the hearing, will be preserved by the Compliance Department, along with the hearing officer's findings, as the record of the

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proceedings (the "hearing record"). The findings of the hearing officer will contain the following information:

- (i) a brief description of the allegations;
- (ii) a brief summary of the evidence received;
- (iii) findings and conclusions;
- (iv) a declaration of any penalty to be imposed on the Member as the result of the findings and conclusions;
- (v) the effective date and duration of that penalty; and
- (vi) a statement that the Member has the right to appeal any adverse decision by the hearing officer to the HedgeStreet board of directors, but must do so within 15 days.

(g) ~~(f)~~ Either the Member or the Compliance Department ~~the compliance officer~~ may appeal the decision of the hearing officer within 15 days by filing an appeal by electronic mail with the HedgeStreet board of directors and forwarding a copy to the other parties to the appeal. Any penalties will be stayed pending appeal unless the hearing officer determines that a stay pending appeal would likely be detrimental to the exchange, other Members, or the public. The board of directors will review the hearing record and any information submitted by the Compliance Department ~~the compliance officer~~ and the Member on appeal and issue its decision, which shall be final. The member shall be notified of the decision by electronic mail. The hearing record, any information submitted on appeal, and the board's decisions shall be preserved as the record on appeal. The decision will contain the information listed in paragraph (e) of this Rule, except for (e)(vi), and will also contain:

- (i) a statement that any person aggrieved by the action may have a right to appeal the action pursuant to Part 9 of the Commission's Regulations, within 30 days of service; and
- (ii) a statement that any person aggrieved by the action may petition the Commission for a stay pursuant to Part 9 of the Commission's Regulations, within 10 days of service.

RULE 9.3 SETTLEMENT OF INVESTIGATIONS

(a) HedgeStreet may enter into settlements with any Member or its authorized representative who is the subject of an investigation. The Member, or its authorized representative, ~~or a compliance officer~~ may initiate a settlement offer. Any settlement

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offer shall be forwarded to a HedgeStreet hearing officer with a recommendation by the Compliance Department the compliance officer that the proposed settlement be accepted, rejected, or modified. A settlement offer may be withdrawn at any time before it is accepted by the hearing officer.

(b) The hearing officer may accept, ~~or reject, or offer a modification to the a~~ proposed settlement, and the decision of the hearing officer will be final. In addition, the hearing officer may propose a modification to the proposed settlement for consideration by the Member or its authorized representative and the Compliance Department.

(c) Any settlement under this Rule will be written and will state:

(i) the charges or a summary of the charges;

(ii) the response, if any, or a summary of the response;

(iii) a summary of the investigation conducted;

(iv) findings and conclusions as to each charge, including each act the person charged was found to have committed or omitted, be committing or omitting, or be about to commit or omit, and each of these Rules that such act or practice violated, is violating, or is about to violate; and

(v) any penalty imposed and the penalty's effective date.

(d) Failed settlement negotiations, or withdrawn settlement offers, will not prejudice a Member or otherwise affect subsequent procedures in the rule enforcement process.

RULE 9.4 NOTICE AND PUBLICATION OF DECISION

(a) HedgeStreet will provide to the person charged and to the Commission a copy of an adverse investigation report, appeal determination, or settlement within 30 days after it becomes final in accordance with the provisions of Commission Regulation 9.11.

(b) Within 30 days after a decision becomes final, notice of any decision providing that a Member is suspended, expelled, disciplined or denied access to the Exchange shall be provided to the National Futures Association for inclusion in its internet accessible database of disciplinary matters. Additionally, HedgeStreet will publish promptly report such decisions the outcome of all disciplinary proceedings and settlements on its website.

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RULE 9.5 PENALTIES

As a result of a disciplinary proceeding or as part of a settlement, HedgeStreet may impose one or more of the following penalties:

- (a) a letter of warning, censure, or reprimand;
- (b) a fine or penalty fee;
- (c) suspension of membership status or privileges for a specified period, including partial suspension of such privileges (for example, suspension of trading privileges in particular types of Contracts or of placement of certain types of orders); and
- (d) revocation of membership status or privileges, including partial revocation of such privileges (for example, revocation of trading privileges in particular types of Contracts or of placement of certain types of orders).

RULE 9.6 SUMMARY SUSPENSION

(a) HedgeStreet may summarily suspend or restrict a Member (or any of its authorized representative's) privileges if the Chief Regulatory Officer ~~chairman and the chief executive officer~~ believes suspension or restriction is necessary to protect the commodity futures markets, HedgeStreet, the public, or other Members. ~~If either the chief executive officer or the chairman or an entity with whom the chief executive officer or chairman is associated has a financial, personal, or other direct interest in the matter that is the basis of the summary action, the chief executive officer and/or chairman will not make any decision with respect to summary action and that decision will instead be made by a member of the board of directors chosen by a compliance officer to act in the place of the chief executive officer and/or chairman.~~

(b) Whenever practicable HedgeStreet will notify the Member whose privileges are to be summarily suspended by electronic mail before the action is taken. If prior notice is not practicable, the Member shall be served with notice by electronic mail at the earliest opportunity. This notice shall:

- (i) state the action taken or to be taken;
- (ii) briefly state the reasons for the action;
- (iii) state the time and date when the action became or becomes effective and its duration; and
- (iv) state that any person aggrieved by the action may petition the Commission for a stay of the effective date of the action pending a hearing pursuant to Part 9 of the Commission's Regulations, within 10 days of service.

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(c) The Member whose privileges are to be summarily suspended shall be given an opportunity for appeal under the procedures outlined in Rule 9.2(f) of these Rules. The decision affirming, modifying, or reversing the summary suspension shall be furnished by electronic mail to the suspended Member and the Commission no later than one business day after it is issued. The decision shall contain:

- (i) a description of the action taken and the reasons for the action;
- (ii) a brief summary of the evidence received during the appeal process;
- (iii) findings and conclusions;
- (iv) a determination as to whether the summary action that was taken should be affirmed, modified, or reversed;
- (v) a declaration of any action to be taken against the suspended Member as the result of that determination;
- (vi) the effective date and duration of that action;
- (vii) a determination of the appropriate relief based on the findings and conclusions;
- (viii) a statement that any person aggrieved by the action may have a right to appeal the action pursuant to Part 9 of the Commission's Regulations, within 30 days of service; and
- (ix) a statement that any person aggrieved by the action may petition the Commission for a stay pursuant to Part 9 of the Commission's Regulations, within 10 days of service.

RULE 9.7 REPRESENTATION BY COUNSEL

A Member has the right to retain and be represented by counsel during any and all proceedings under this Chapter.

CHAPTER 10 - CHAPTER 12 [Unchanged]

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[End Rulebook]