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November 13, 2008

Via E-Mail: [submissions@cftc.gov](mailto:submissions@cftc.gov)

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

**RE: Rule Certification: HedgeStreet<sup>®</sup> Amendment to Expiration Value for Certain Currency Binary Contracts – 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 the Expiration Value for certain Currency Binary Contracts represented in the following Rules:

RULE 12.21 CURRENCY EXCHANGE EUR/USD BINARY CONTRACTS  
RULE 12.22 CURRENCY EXCHANGE GBP/USD BINARY CONTRACTS  
RULE 12.23 CURRENCY EXCHANGE USD/YEN BINARY CONTRACTS  
RULE 12.24 CURRENCY EXCHANGE USD/CHF BINARY CONTRACTS  
RULE 12.39 CURRENCY EXCHANGE USD/CAD BINARY CONTRACTS

The effective date of the amendments will be November 17, 2008:

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.

No contracts that have open interest will be affected by these amendments.

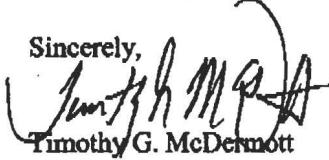
No substantive opposing views were expressed to HedgeStreet with respect to any of these actions.

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.

# HedgeStreet. EXCHANGE

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 [tmcdermott@hedgestreet.com](mailto:tmcdermott@hedgestreet.com).

Sincerely,



Timothy G. McDermott  
General Counsel and Chief Compliance Officer

CC: [DMOSubmission@cftc.gov](mailto: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**

12.21	EUR/USD	All (Intraday, Daily, Weekly)	Amend Expiration Value criteria	11/17/2008
12.22	GBP/USD	All (Intraday, Daily, Weekly)	Amend Expiration Value criteria	11/17/2008
12.23	USD/YEN	All (Intraday, Daily, Weekly)	Amend Expiration Value criteria	11/17/2008
12.24	USD/CHF	All (Intraday, Daily, Weekly)	Amend Expiration Value criteria	11/17/2008
12.39	USD/CAD	All (Intraday, Daily, Weekly)	Amend Expiration Value criteria	11/17/2008

**EXHIBIT B**

**Amendments to Rules 12.21, 12.22, 12.23, 12.24, 12.39**

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

RULE 1.1 – RULE 12.20 [Unchanged]

**RULE 12.21 CURRENCY EXCHANGE EUR/USD BINARY HEDGELET CONTRACTS**

(a) – (m) [Unchanged]

(n) **EXPIRATION VALUE** – The Expiration Value is the price or value of EUR/USD as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) Midpoints just prior to the close of trading of the EUR/USD Binary Contract and removing the highest five (5) Midpoints and the lowest (5) Midpoints. A simple average of the remaining fifteen (15) EUR/USD Midpoints is used to calculate the Expiration Value. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.3400 and the ask price is 1.3402, the two numbers are added together (totaling 2.6802) and then divided by two (2), equaling a Midpoint of 1.3401. If the spread between a particular bid price and ask price is deemed too wide (~~greater than three~~ greater than three (3) five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

(o) [Unchanged]

**RULE 12.22 CURRENCY EXCHANGE GBP/USD BINARY HEDGELET CONTRACTS**

(a) – (m) [Unchanged]

(n) **EXPIRATION VALUE** – The Expiration Value is the price or value of GBP/USD as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) Midpoints just prior to the close of trading of the GBP/USD Binary Contract and removing the highest five (5) Midpoints and the lowest (5) Midpoints. A simple average of the remaining fifteen (15) GBP/USD Midpoints is used to calculate the Expiration Value. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.9900 and the ask price is 1.9902, the two numbers are added together (totaling 3.9802) and then divided by two (2), equaling a Midpoint of 1.9901. If the spread between a particular bid price and ask price is deemed too wide (~~greater than three~~ greater than three (3) five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

# HedgeStreet. EXCHANGE

(o) [Unchanged]

## RULE 12.23 CURRENCY EXCHANGE USD/YEN BINARY HEDGELET CONTRACTS

(a) – (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value is the price or value of USD/YEN as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) Midpoints just prior to the close of trading of the USD/YEN Binary Contract and removing the highest five (5) Midpoints and the lowest (5) Midpoints. A simple average of the remaining fifteen (15) USD/YEN Midpoints is used to calculate the Expiration Value. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 121.00 and the ask price is 121.02, the two numbers are added together (totaling 242.02) and then divided by two (2), equaling a Midpoint of 121.01. If the spread between a particular bid price and ask price is deemed too wide (~~greater than three~~ five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

(o) [Unchanged]

## RULE 12.24 CURRENCY EXCHANGE USD/CHF BINARY HEDGELET CONTRACTS

(a) – (m) [Unchanged]

(n) EXPIRATION VALUE – The Expiration Value is the price or value of USD/CHF as released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) Midpoints just prior to the close of trading of the USD/CHF Binary Contract and removing the highest five (5) Midpoints and the lowest (5) Midpoints. A simple average of the remaining fifteen (15) USD/CHF Midpoints is used to calculate the Expiration Value. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.2200 and the ask price is 1.2202, the two numbers are added together (totaling 2.4402) and then divided by two (2), equaling a Midpoint of 1.2201. If the spread between a particular bid price and ask price is deemed too wide (~~greater than three~~ five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

(o) [Unchanged]

RULE 12.25 – RULE 12.38 [Unchanged]

**RULE 12.39 CURRENCY EXCHANGE USD/CAD BINARY HEDGELET CONTRACTS**

(a) – (m) [Unchanged]

(n) **EXPIRATION VALUE** – The Expiration Value is the Settlement Price of USD/CAD Currency as calculated by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) Midpoints just prior to the close of trading of the USD/CAD Binary Contract and removing the highest five (5) Midpoints and the lowest (5) Midpoints. A simple average of the remaining fifteen (15) USD/CAD Midpoints is used to calculate the Expiration Value. A Midpoint is calculated by adding the bid price and the ask price together and then dividing that number by two (2). For example, if the bid price is 1.0700 and the ask price is 1.0702, the two numbers are added together (totaling 2.1402) and then divided by two (2), equaling a Midpoint of 1.0701. If the spread between a particular bid price and ask price is deemed too wide (greater than ~~three (3)~~ five (5) pips), those prices will not be used to calculate a Midpoint and will thus not be included within the 25 initially captured values.

(o) [Unchanged]

RULE 12.40 – RULE 12.76 [Unchanged]

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