

Dear Sir/Madam,

I believe as you rightly have done with these 'cryptocurrency' filings for ETF status and rejected them, that you should deny this one also for the moment.

It is not that cryptocurrencies are a negative thing, it is because they are in their infancy with regards to the widespread understanding of even the fundamentals of what they are, which is a dangerous thing.

The exuberance in which speculative investment has driven up prices in something that is a line of code from around \$1000 at the start of the year to \$20,000 at the end of 2017 (before a decline) is considered by many to be indicative of a pre-crash mania phase. Before unleashing something such as an ETF, which is seen to give Bitcoin and therefore the other approximately 1400 Altcoins legitimacy. It would be important to understand where this market is headed, what regulations are needed first and who should be driving them.

Yes, CBOE's and other cash-settled futures may pave a way forward for future regulation and a potential to bring some order and reduce the volatility to this very young marketplace in the medium to long-term. However, jumping into a product such as an ETF without allowing for the market to adjust to the cash-settled futures product to have been road-tested is like putting the cart before the horse and seems to be an attempt to appease more institutional investors.

For the moment the risk posed by the CBOE cash-settled Futures model is mostly contained and within its ecosystem, whereas an ETF would expose the public to significant financial risk at this stage when we look at a highly volatile, unregulated and manipulated market such as Bitcoin and the Cryptocurrencies in General.

There have been many issues expressed with Bitcoin as a financial instrument of late which needs to be highlighted. The underlying technology, Blockchain and its application in various industries have never been in doubt. However, the arguments for it being a store of value (aka Digital Gold) and as a currency are highly dubious at this stage due to the volatility (recently dropped up to 43% of its value in a single day). The average transaction cost and times are approximately \$30 and 4.3hrs at the time of writing.

To quote the CEO of Goldman Sachs Group Inc. Lloyd Blankfein "Something that moves up and down 20 percent in a day does not feel like a currency, doesn't feel like a store of value."
(<https://www.bloomberg.com/news/articles/2017-11-30/blankfein-says-too-soon-for-bitcoin-strategy-as-volatility-jumps>).

Anyone can see Bitcoin is still too young for this ETF to be promoted as a legitimate investment vehicle by the SEC and instead it is better to protect the public from any significant downside risk.

Therefore I humbly request that until a proper legal and regulatory framework is in place by a suitable Governmental body, further understanding has been developed by the public and an ETF is not seen to play a part as a legitimising vehicle for all cryptocurrencies in the eyes of the uninformed public, all such ETF's be put on hold for the foreseeable future.

With Kind Regards,

Anita Desai