



May 8, 2018

Brent J. Fields  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington DC 20549-1090

**RE: Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change to Adopt BZX Rule 14.11(k) to Permit the Listing and Trading of Managed Portfolio Shares and to List and Trade Shares of the ClearBridge Appreciation ETF, ClearBridge Large Cap ETF, ClearBridge MidCap Growth ETF, ClearBridge Select ETF, and ClearBridge All Cap Value ETF (Release No. 34-82984; File No. SR-CboeBZX-2018-010)**

Dear Mr. Fields,

On behalf of Blue Tractor Group, LLC (“Blue Tractor”) I am pleased to provide the U.S. Securities and Exchange Commission (the “Commission”) with comments regarding the Commission’s April 3, 2018 notice (the “Notice”) designating a longer period (specifically, until May 21, 2018) on Commission action regarding the rule change application submitted on February 5, 2018 by Cboe BZX Exchange, Inc. (the “Exchange”).<sup>1, 2</sup>

The Exchange wishes to list and trade exchange traded funds (“ETF”) sub-advised by ClearBridge Investments, LLC (“ClearBridge”) that would operate using intellectual property owned by Precidian Investments LLC (“Precidian”). The intellectual property was detailed in Precidian’s fifth amended and restated application for exemptive relief filed with the Commission on December 4, 2017.<sup>3</sup>

As the Commission is aware, Blue Tractor has been critical of the assertions made over many years by Precidian (and by implication, the Exchange) that Precidian’s ETF structure was immune to reverse engineering and resulting predatory front-running. Additionally, Blue Tractor wholly disagrees with Precidian’s representations of efficient primary and secondary market trading under their ETF structure.

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<sup>1</sup> <https://www.sec.gov/rules/sro/cboebzx/2018/34-82984.pdf>

<sup>2</sup> <https://www.sec.gov/rules/sro/cboebzx/2018/34-82705.pdf>

<sup>3</sup> [https://www.sec.gov/Archives/edgar/data/1396289/000114420417062140/tv480576\\_40appa.htm](https://www.sec.gov/Archives/edgar/data/1396289/000114420417062140/tv480576_40appa.htm) (File No. 812-14405)

### **The Blue Tractor Comment Letters**

Since August 1, 2017 Blue Tractor has submitted four (4) public comment letters to the Commission pertaining to the ClearBridge ETFs utilizing the Precidian structure that the Exchange proposes to list and trade.

Two (2) letters were filed August 1, 2017 and December 5, 2017 in relation to the Exchange's June 13, 2017 rule change application to list and trade ClearBridge ETF shares using the Precidian ETF structure (Release No. 34-80911; File No. SR-BatsBZX-2017-30).<sup>4</sup>

Two (2) additional letters were filed March 19, 2018 and March 20, 2018 in relation to the Exchange's February 13, 2018 rule change application to list and trade ClearBridge ETF shares also using the Precidian ETF structure (Release No. 34-82705; File No. SR-CboeBZX-2018-010).<sup>5</sup>

Blue Tractor respectfully requests that the four (4) comment letters be included in the Commission's deliberations concerning the current April 3, 2018 Notice since as far as the public is aware, all of the fundamental concerns raised by Blue Tractor in the comment letters remain unaddressed and/or unanswered by Precidian and the Exchange.

### **Response from the Exchange and Precidian**

To date neither the Exchange or Precidian have publicly refuted the Blue Tractor letters.

### **Conclusion**

Due to the many unanswered questions and concerns raised by Blue Tractor in the four (4) public comments letters the Commission should disapprove the Exchange's rule change application.

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Thank you in advance for your consideration of my commentary. I welcome any questions the Commission may have as a result and can be reached at [REDACTED].

Sincerely,

Terence W. Norman  
Founder  
Blue Tractor Group, LLC

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<sup>4</sup> <https://www.sec.gov/comments/sr-batsbzx-2017-30/batsbzx201730.htm> (See letters from Terence Norman and Simon Goulet)

<sup>5</sup> <https://www.sec.gov/comments/sr-cboebzx-2018-010/cboebzx2018010.htm> (See letters from Terence Norman and Simon Goulet)