Hello and thanks in advance for reviewing my comments. I will limit my letter to responding the questions in the simplest manner I can think of and so, please feel free to contact me in the need for more clarification or other issues.

In respect to File Number SR-CboeBZX-2018-040

1. What are commenters' views of the Exchange's assertions that bitcoin is arguably less susceptible to manipulation than other commodities that underlie ETPs; that the geographically diverse and continuous nature of bitcoin trading makes it difficult and prohibitively costly to manipulate the price of bitcoin; that trading on inside information regarding bitcoin is unlikely; that the fragmentation across bitcoin markets, the relatively slow speed of transactions, and the capital necessary to maintain a significant presence on each trading platform make manipulation of bitcoin prices through continuous trading activity unlikely; that manipulation of the price on any single venue would require manipulation of the global bitcoin price to be effective; that a substantial OTC bitcoin market provides liquidity and shock-absorbing capacity; that bitcoin's "24/7/365 nature" provides constant arbitrage opportunities across all trading venues; and that it is unlikely that any one actor could obtain a dominant market share?

I find there are two ways in which actors obtain a significant market position:

The first one is not even an imaginary example but an already existing situation… wallets with enormous amounts of Bitcoins (famously called 'whales') could easily transfer them to the biggest Exchanges (say five, or ten Exchanges) and start selling them to create massive price corrections. In this case, arbitragers would actually help spread the decrease in prices, instead of correcting them.

It is well known that around 40% of the total BTC holdings rest within some 1658 wallets (0.01% of total addresses) and the fact that these coins where acquired long before BTC prices rose even above one dollar renders useless the argument that it is 'prohibitively costly to manipulate the price of Bitcoin'.

In the second scenario, big foreign mining pools could collude and control more than half of the total hashing power of the BTC network. This would allow them to effectively control the BTC money supply or transactions (by spending BTC in third party wallets) thus manipulating prices to their convenience. This scenario is by the way more likely every time the mining incentive halves or every time a new participant is added to the existing dominant mining pools.

1. To what extent is trading in the OTC bitcoin market subject to regulation?

The biggest and more professional US OTC desks are regulated or auto regulated, there are of course also other OTC desks outside of the US or the US' scope that might not be adequately regulated.

2. What are commenters' views on whether the liquidity of the OTC bitcoin market, which would be used as the reference market for pricing the proposed ETP's holdings, is sufficient for efficient bitcoin price discovery?

In my experience OTC desks' prices are dependent on the 'public' (ie. sourced from retail Exchanges) prices of Bitcoin and not the other way around.

4. What are commenters' views, generally, on whether the proposed ETP would be susceptible to manipulation?

In my opinion, the BTC market is not big, transparent, regulated and decentralized (remember 'whales') enough to prevent manipulation. Please see the behavior of the BTC price after the possibility to make money by shorting it was introduced via futures in the derivatives markets. If the picture and timing of the decline is not clear, this letter and the research from the San Francisco Federal Reserve might be.

5. What are commenters' views on whether and to what extent bitcoin futures markets generally, and current volume on those markets specifically, affect the susceptibility of bitcoin to manipulation? What are commenters' views on whether and to what extent other listed bitcoin derivatives, and the current volume on the markets for those derivatives, affect the susceptibility of bitcoin to manipulation?

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11. What are commenters' views generally with respect to the liquidity and transparency of the bitcoin market, the bitcoin markets' susceptibility to manipulation, and thus the suitability of bitcoin as an underlying asset for an ETP?

Just by looking at the Market Capitalization of the BTC market (currently $116B) one can recognize that it does not take that much money to acquire a significant stake in it (let's imagine 5%). Big public or hedge funds might do this and we are not even considering that around 40% of the total BTC holdings rest within some 1658 wallets (0.01% of total addresses), most of which are currently, and possible permanently, dormant.

13. What are commenters' views on whether the Exchange has entered into a

surveillance - sharing agreement with a regulated market of significant size related to bitcoin? What are commenters' views on whether there is a reasonable likelihood that a person attempting to manipulate the proposed ETP would also have to trade on a regulated bitcoin - related market with which the Exchange has a surveillance sharing agreement?

Gemini, which is the Exchange with whom the SSA is agreed upon, is only around the 50th Exchange measured by global BTC volume so I would not consider this safe enough. Arbitragers would also happily stabilize Gemini's prices with the rest of the world's in the case of a sudden price movement somewhere else (ie. not even little need to trade in Gemini to move global BTC prices).

14. The Exchange represents that it has entered into a comprehensive surveillance - sharing agreement with the Gemini Exchange. What are commenters' views on whether the Gemini Exchange is a market of significant size? What are commenters' views on whether there is a reasonable likelihood that a person attempting to manipulate the proposed ETP would also have to trade on the Gemini Exchange?

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15. What are commenters' views of the Exchange's assertions that the Sponsor believes that demand from new, larger investors accessing bitcoin through investment in the Shares will broaden the investor base in bitcoin, which could further reduce the possibility of collusion among market participants to manipulate the bitcoin market, in light of the possibility that broker-dealers may offer fractional shares to their customers?

Please refer to my answer to question number one. Since around 40% of the total BTC holdings lie within some 1650 wallets (only 0.01% of total addresses) the existence of this vehicle might cause the price of the total BTC supply to rise but not the change in the base or the distribution of the existing BTC in a relevant manner. In other words, the vehicle would access and 'play' with the same BTC always but, it cannot prevent the resurgence, movement or misbehavior of 'whale wallets'.

18. The Exchange states that the Trust will maintain crime, excess crime, and excess vault risk insurance coverage underwritten by various insurance carriers that will cover the entirety of the Trust's bitcoin holdings. The Exchange further states that, while the Trust is confident in its system for securing its bitcoin, insurance coverage of all of the Trust's bitcoin holdings eliminates exposure to the risk of loss to investors through fraud or theft, which in turn eliminates most of the custodial issues associated with a series

of Commodity-Based Trust Shares based on bitcoin. What are commenters' views of whether the proposed insurance coverage would affect trading in the Shares or in the underlying bitcoins? What are commenters' views regarding the Trust's proposed security, control, and insurance measures?

I would just be careful here with future rules 'tainting' specific Bitcoins (if they were traced back to or linked to ML, terrorist or other illegal wallets or activities) and the possibility that they would not be subject to insurance.

Insured bitcoins could also trade at a premium versus uninsured Bitcoins in other Exchanges.

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