

Dear SEC Board

I am writing you to provide my feedback on the SolidX Bitcoin Shares ETF. To be honest I did not write the first time because I figured the commission would outright deny the ETF out of ignorance. Now I see the commission is open to honest and real feedback, so I will provide my honest feedback.

### **Who am I?**

I am the son of a retired FBI employee, I was born and raised in Northern VA. I completed my undergraduate in Comp Sci, then obtained an MBA. I am now a cleared software engineer near Philadelphia, PA. Also I am not a criminal, nor are my motives to launder money. I truly enjoy Bitcoin because of the ideal merger between open-source software and finance.

### **Why do I believe you should approve the Bitcoin ETF?**

Simply, protection. To protect the average American investor that does not have an MBA and/or Comp Sci degree. I believe what we saw last year, during the surge in Bitcoin's price was partially a bubble, but also it showed us demand, demand from everyday retail investors.

Without a regulated security, everyday/retail investors have to make their best-researched-educated guess on where, what, and how to buy Bitcoin. Unfortunately, not everyone will do their due diligence before making an investment. I believe a regulated ETF will help retail investors invest in Bitcoin without having to learn about cryptography, cold wallets, hashes, merkel trees, blocks, etc. My aunt still sends me spam Facebook messages stating that I must forward on, or my account will be locked. My aunt is the prime example of people that may not be good with private keys, nodes, exchanges, and all other aspects involved in owning Bitcoin.

The price surge of Bitcoin last year was an indicator that an easier, more standardized, option for obtaining and owning Bitcoin is necessary, perhaps an ETF.

As a world leader in technology I believe it is better if America leads the innovation race. Knowing what I know from my career, I understand the importance of embracing technological advances. Even looking at current examples of technology in the world/business. There are countless examples of companies or countries that did not lean forward on technology; having gone the way of history. I will only list examples of companies that have thrived or failed because of technology. Think Facebook, Apple, Netflix, Amazon, Google, Uber, Airbnb; compared to Sears, Blockbuster, Kodak, Radio Shack. The speaker at my undergraduate computer science graduation said that my future job title doesn't exist yet, 10 years later, I now understand. When it comes to technological changes, I sometimes believe that I may be getting old, I remember 56k dial-up as a kid. I wonder if my (future) children's generation will ever wonder why there was an Oil ETF (assuming we are using renewable energy) or why gold was considered valuable given its physical impracticalities.

### **The elephant in the room.**

I understand that the commission has some reservations about approving a Bitcoin ETF. I will try to address those concerns to the simplest and best of my abilities.

1. I read part of the commission's denial decision of an earlier Bitcoin ETF. I read up to a paragraph about Bitconnect, and lost my mind. However, yes, you are correct Bitconnect is/was a scam. Absolutely 100%. However, Bitconnect and Bitcoin are nothing similar. I am sure you are aware of the vast differences so I will save the speech. This does bring up my point about protecting retail investors. With any new emerging technology there will be a snake oil salesman. Fortunately, I know a scam very easily when I see one. Other people, not so much. This is where a standardized exchange traded fund would help the not-so-savvy retail investors, or my aunt.

2. The next topic is manipulation. Where do we begin? How about this, I will make a 100% accurate price prediction of Bitcoin at the time of your reading this... The price of one Bitcoin, will be one Bitcoin. As part of the 'internet' community, we joke about manipulation. It helps us cope with the loss of a bad trade, and allows the shifting of blame onto someone else, whether it be 'The Man', big banks, big whales, the government, etc. At the end of the day, it's simple, someone is selling and another party is buying. As I mentioned before, I write software. Thus, I wrote a software application to make trades on my behalf while at work, watching various technical indicators, am I a manipulator? What if the price changes and I cancel my limit order, am I still a manipulator? No. The price or price-action of Bitcoin, 'is what it is'. There are no balance sheets, GAAP, EPS, P/E ratio, liabilities, or revenue. We can tell you the exact number of Bitcoins at any minute, without any accounting magic work.
3. I also saw once that the commission was concerned that a lot of Bitcoin is bought, sold, and used in the Asian markets. Again I also see this as a positive, it brings more resilience and diversification to Bitcoin, as the exchange traded fund would not be as heavily correlated to US markets. In recent months the price of Bitcoin has gone up in Venezuelan Bolivar, and may have gone down in Japanese Yen. Again the price of 1 Bitcoin is 1 Bitcoin, global participation makes it more resilient, more fair. Once Bitcoin finds its natural price, it will become a relatively boring asset, similar to gold (for reasons mentioned before). I am a realist and 100% certain that Bitcoin will never replace the US Dollar. I am informed of the role of the Federal Reserve as a lender of last resort.
4. Another concern the commission had was that of wealth concentration. This issue is deceiving because Bitcoin allows anyone to see the balance of every wallet, but it does not say to whom the wallets belong to. Many people have accounts on exchanges such as Coinbase or Bittrex. Thus unable to determine an individual's ownership until withdrawal, making the exchanges appear as if they own a lot of the Bitcoin supply. Another deceiving factor is that many of the initial Bitcoins (about 3-5 million) have been permanently lost as the funds have not moved in nearly a decade. Are the lost funds something to be worried about? No. Most of the lost funds were either sent to a bad wallet address or simply deleted from the owner's computer. At the time of this now scary nightmare, the coins were worth mere cents, so you could imagine the owners did not lose much sleep over a late night tinkering tech project.
5. Another issue would be the old fashion Pump and Dumps. While this can happen with any commodity, and not specific to Bitcoin, it is mostly only seen in other cryptocurrencies with very low market capitalization and thus easier to move. A Pump and Dump scheme is easily spotted by a savvy investor, who knows the market and can easily spot unnatural price rises. I fully agree that the SEC should bring down the hammer on D&P schemes, however I believe with Bitcoin's global market capitalization of over 100B (from retail investors), it would be very unlikely. I believe a CEO of a company getting high and tweeting out a ridiculous financial claim would more likely unjustly move the market. (joke: I hope I made you guys chuckle)
6. Finally, Fear, Uncertainty, and Doubt (also known as FUD in the 'internet' community) is an issue. However, this issue is not a Bitcoin issue, this is a current day internet issue, from Facebook to elections. I believe the SEC's approval is a definitive voice that investors and institutions around the world will listen to. Unfortunately how to stop rumors and 'fake news' is beyond the scope of this request and dates back to the caveman days. (On a side note there are blockchain projects -not cryptocurrencies- that are working on this issue.)

These are only my reasons I believe a Bitcoin ETF is beneficial. If any persons disagree, I will not force or try to persuade them, as I believe the market should be free.

**Conclusion**

I will close with a quote from Ronald Regan:

*"We who live in free market societies believe that growth, prosperity and ultimately human fulfillment, are created from the bottom up, not the government down."*

PS: I am a moderate-left leaning, African American 80s baby; needless-to-say I never thought I'd be quoting Ronald Regan to the SEC. Life is interesting.

Thank you very much for letting us voice our opinion.

Sincerely,

Eric Bowler