

Subject: File No. SR-CboeBZX-2021-052

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This is my 24th comment on bitcoin. All my writings on bitcoin, including this, are about intrinsic value. My previous comments can be found at these links:

- Link 1: <https://www.sec.gov/comments/sr-cboebzx-2018-040/srcboebzx2018040-4206251-172835.htm>
- Link 2: <https://www.sec.gov/comments/sr-nysearca-2017-139/nysearca2017139-4221685-172898.htm>
- Link 3: <https://www.sec.gov/comments/sr-cboebzx-2018-001/cboebzx2018001-4226785-172988.htm>
- Link 4: <https://www.sec.gov/comments/sr-nysearca-2018-02/nysearca201802-4240462-173003.pdf>
- Link 5: <https://www.sec.gov/comments/sr-cboebzx-2018-040/srcboebzx2018040-4274529-173133.pdf>
- Link 6: <https://www.sec.gov/comments/sr-cboebzx-2018-040/srcboebzx2018040-4530331-176071.pdf>
- Link 7: <https://www.sec.gov/comments/sr-cboebzx-2018-001/cboebzx2018001-4581773-176242.pdf>
- Link 8: <https://www.sec.gov/comments/sr-cboebzx-2019-004/srcboebzx2019004-4934624-178449.pdf>
- Link 9: <https://www.sec.gov/comments/sr-cboebzx-2019-004/srcboebzx2019004-5180412-183546.pdf>
- Link 10: <https://www.sec.gov/comments/sr-cboebzx-2019-004/srcboebzx2019004-5318047-183890.pdf>
- Link 11: <https://www.sec.gov/comments/sr-nysearca-2019-01/srnysearca201901-5524009-185228.pdf>
- Link 12: <https://www.sec.gov/comments/sr-nysearca-2019-01/srnysearca201901-5706832-185947.pdf>
- Link 13: <https://www.sec.gov/comments/sr-nysearca-2019-01/srnysearca201901-5717064-186027.pdf>
- Link 14: <https://www.sec.gov/comments/sr-nysearca-2019-39/srnysearca201939-5810618-187451.pdf>
- Link 15: <https://www.sec.gov/comments/sr-cboebzx-2021-019/srcboebzx2021019-8652267-231475.pdf>
- Link 16: <https://www.sec.gov/comments/sr-cboebzx-2021-024/srcboebzx2021024-8664058-235363.pdf>
- Link 17: <https://www.sec.gov/comments/sr-cboebzx-2021-029/srcboebzx2021029-8732324-237081.pdf>
- Link 18: <https://www.sec.gov/comments/sr-nysearca-2021-31/srnysearca202131-8861698-240078.pdf>
- Link 19: <https://www.sec.gov/comments/sr-nysearca-2021-37/srnysearca202137-8883651-240445.pdf>
- Link 20: <https://www.sec.gov/comments/sr-cboebzx-2021-039/srcboebzx2021039-8895798-241277.pdf>
- Link 21: <https://www.sec.gov/comments/sr-cboebzx-2021-019/srcboebzx2021019-9058723-246357.pdf>
- Link 22: <https://www.sec.gov/comments/sr-nysearca-2021-57/srnysearca202157-9083087-246590.pdf>
- Link 23: <https://www.sec.gov/comments/sr-cboebzx-2021-051/srcboebzx2021051-9170731-247926.pdf>

This is about Quote 1 below, which appears at Link 25 below, which is shown as a part of Footnote 7 on Page 3 at Link 24.

Link 24: <https://www.sec.gov/rules/sro/cboebzx/2021/34-92689.pdf>

Link 25: <https://www.fidelitydigitalassets.com/articles/addressing-bitcoin-criticisms>

(Quote 1) bitcoin criticisms picked by bitcoin advocates

1. Bitcoin is too volatile to be a store of value.
2. Bitcoin has failed as a means of payment.
3. Bitcoin is wasteful.
4. Bitcoin is used for illicit activity.
5. Bitcoin is not backed by anything.
6. Bitcoin will be replaced by a competitor.

A part of the first one in List 1 was reported at Link 16 above, where I refuted Fidelity's defense of bitcoin's volatility. This time, I would like to re-visit it for another purpose.

Critics of bitcoin, in general, think of volatility of bitcoin in association of its function as medium of exchange. Stability of value is crucial for the function of a currency as medium of exchange. Neither abnormal rise nor abnormal fall of value is acceptable.

For store of value, on another hand, what worries the investors is fall of the value, not rise of the value. Such a mind can be read in Quote 2 below, which is written right after Quote 1 above.

(Quote 2) Criticism #1: Bitcoin is too volatile to be a store of value.
Response: Bitcoin's volatility is a trade-off it makes for perfect supply inelasticity and an intervention-free market. However, with greater adoption of bitcoin and the development of derivatives and investment products, bitcoin's volatility may continue to decrease, as it has historically.

When greater adoption happens, bitcoin price will go up. For its function as a store of value, volatility of this direction has no problem. That is what the underlined part means. The 'adoption' means adoption of bitcoin as a currency. The most important function of a currency is medium of exchange, which requires stability against both directions: upward and downward. The underlined part shows comfortable upward volatility, which is dubbed 'stability.' If that happens, bitcoin fails to function as a currency. The more adoptions as a currency, the more failures as a currency. Any adoption of bitcoin as a currency contributes to failure of bitcoin as a currency.

The list of Quote 1 is like a part of The Boxer, "a man hears what he wants to hear and disregards the rest..." I beg your responses to my criticisms:

1. Bitcoin can be claimed to be neither money nor not money, violating the law of excluded middle. Or tell me what.
2. Bitcoin cannot function as a medium of exchange.
3. Bitcoin has zero intrinsic value.
4. Bitcoin's quantity cap cannot make any value, because zero divided by any number is zero.
5. Bitcoin price goes up because of endorsements only. (See Link 20 above,)
6. Bitcoin endorsements are caused by nonsensical arguments like the underlined part in Quote 2.