



June 8, 2017

Brent Fields, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Via e-mail: rule-comments@sec.gov

Re: Comments on File No. SR-NYSE Arca-2017-06

Mr. Secretary,

Warberg Asset Management LLC (“WAM”) is providing comments in support of the Grayscale Bitcoin Investment Trust’s proposal to list and trade shares on the NYSE Arca, Inc. WAM is a Registered Investment Advisor in Winnetka, IL, offering portfolio management and advisory services to private investment funds and separately managed accounts.

As a Managing Member of WAM, I have a long-standing history with Grayscale and its Founder and CEO, Barry Silbert. In fact, I invested in Barry’s previous company, SecondMarket, which was acquired by Nasdaq in late 2015. Additionally, WAM has deployed capital into Grayscale’s two investment products, the Bitcoin Investment Trust (symbol: GBTC) as well as the Ethereum Classic Investment Trust.

In the first segment of this comment letter, I will briefly address why I believe the market is ready for the Bitcoin Investment Trust to become a registered ETF on the NYSE. In the second segment, I will focus on the the degree of prudent care and professionalism that Grayscale Investments has consistently demonstrated in delivering innovative investment products while ensuring the protection of their clients’ assets over the years.

Why Bitcoin Investment Trust is Ready to Become an ETF

Bitcoin, and its inextricably-linked blockchain technology, form a self-sustainable global currency and financial network that records ownership through a shared registry, eliminating the need for central authorities to certify ownership and clear transactions. For the first time in history, bitcoin enables value to be sent anywhere in the world at the same speed as information in a secure manner in the absence of trusted intermediaries. This is an incredibly powerful technology with real-world utility that should not be underappreciated or stifled.

Since launching the Bitcoin Investment Trust in September 2013, Grayscale Investments has now grown to manage over \$500 million based on the net asset value of its investment products as of June 6, 2017. Over the nearly four years that the Bitcoin Investment Trust has been in operation, the Trust has filed audited financials, not dissimilar from 10K’s or 10Q’s, has had sell-side research analysts at Wedbush, Needham, and Canaccord Genuity initiate research coverage and price targets on GBTC,

and has been purchased by multi-billion dollar mutual funds and asset managers who have a fiduciary responsibility in choosing the Bitcoin Investment Trust as a prudent investment for their clients' portfolios.

During May 2017, GBTC was among the top 5 most actively traded securities, on OTC Market's OTCQX best marketplace, on 19 of the 22 trading days of the month based on dollar-denominated volume. Additionally, it was the most actively traded security on 5 of the 22 trading days during May. With GBTC trading volume eclipsing that of established OTCQX listings including ADRs such as Roche, Adidas, Axa Insurance, Deutsche Telekom, and BNP Paribas, this meaningfully demonstrates to us that the market wants to obtain exposure to bitcoin through an ETF.

Moreover, Grayscale has enlisted world-class service providers including NYSE Arca as the Exchange, BNY Mellon as the Fund Administrator and Transfer Agent, ALPS Portfolio Solutions as the Distribution and Marketing Agent, KCG Americas LLC, Credit Suisse Securities (USA) LLC, and Wedbush Securities as Authorized Participants, Davis Polk & Wardwell LLP as Legal Counsel, Friedman LLP as Auditor, and Xapo, Inc. as Custodian.

Why Grayscale is Superior to Other Bitcoin ETF Proposals

It has been roughly 10 years since I first began working with Grayscale's Founder and CEO, Barry Silbert, and well over a year since Warberg started investing capital into the Bitcoin Investment Trust. Over this timeframe, Grayscale has demonstrated the highest degree of professionalism and prudent care in working with their clients and in protecting their clients' assets.

The team's track record is an effective way to demonstrate this:

In his first entrepreneurial endeavor, Barry founded SecondMarket, a platform that enabled private companies and investment funds to more efficiently raise capital and provide liquidity to their stakeholders by simplifying complex transaction workflows, streamlining investor onboarding, and verifying that investors are accredited. SecondMarket has received numerous accolades in recent years including being named by the World Economic Forum as a Technology Pioneer and has received honors from Forbes, Fast Company, Deloitte and other organizations. Barry himself has received several individual honors including being named Entrepreneur of the Year by Ernst & Young and Crain's, and being selected to Fortune's prestigious "40 Under 40" list.

As the Founder and CEO of Digital Currency Group ("DCG"), Grayscale's parent company, Barry and his team are at the forefront of FinTech, helping to build the foundation of the digital currency and blockchain technology industry by launching, incubating, and investing in groundbreaking companies that will transform the global financial services ecosystem. DCG (and inherently Grayscale) have the investment backing of global enterprises including the CME Group, Western Union, MasterCard, Foxconn, New York Life, and Prudential to name a few.

The Grayscale team is comprised of quality and seasoned investment professionals who collectively bring decades of Wall Street experience to the digital currency asset class having held roles at firms including Bank of America, Barclays, JP Morgan, MSCI, Houlihan Lokey, and Bridgewater Associates. It is because of the team's experience that the Bitcoin investment Trust has developed a

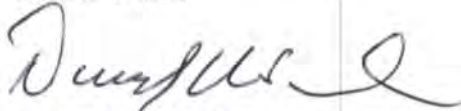
successful operational track record over the last four years. This includes the team's selection of its best-in-class service providers and their ability to raise assets a high-quality base of investors.

Finally, having looked intimately at the structures of the various bitcoin ETF proposals, it is clear that the Grayscale team has diligently developed an ETF structure for the Bitcoin Investment Trust that is not only operationally feasible, but ensures investors will be protected against market manipulation. This is reinforced by the fact that Grayscale has selected a volume-weighted average benchmark based on the TradeBlock XBK Index to price the Bitcoin Investment Trust on a daily basis, as opposed to a spot price at a single point in time. Furthermore, Grayscale has designed robust, practical, and thorough cash and in-kind creation and redemption procedures that reduce the likelihood of market manipulation. Both of these design elements are outlined in great detail in the Bitcoin Investment Trust Form S-1. Grayscale as the Sponsor of the Bitcoin Investment Trust has achieved structural superiority versus the opposing bitcoin ETF proposals in front of the Commission along these two dimensions. Moreover, these structural considerations are deliberately consistent with the Commission's goals and objectives to protect investors and maintain a fair orderly and efficient market.

Thank you for the opportunity to comment.

Sincerely,

Daniel Warsh

A handwritten signature in black ink, appearing to read 'Daniel Warsh', with a stylized flourish at the end.

Managing Member
Warberg Asset Management LLC