



June 20, 2017

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

Re: Comments on File No. SR-NYSEArca-2017-06 (Release No. 34-79955)

Dear Mr. Fields:

Wedbush Securities, founded over 60 years ago, is one of the only longstanding full service investment banks headquartered in Los Angeles, California. Our 900 employees provide innovative financial solutions through our Wealth Management, Capital Markets, and Clearing & Execution divisions. We pride ourselves on our service to investors, leading with experience, stability, innovation and most importantly, client financial safety.

We would like to take this opportunity to comment on our experience working closely with Grayscale Investments LLC, with whom we have had a long-standing relationship. Gil Luria, former Wedbush financial technology analyst and Director of Research, was the first sell-side analyst to publish research on the topic of bitcoin and the blockchain as possible investment opportunities. Gil had traditionally published research on payment systems, and monitored companies including eBay, PayPal, Visa, and MasterCard as part of his coverage universe. Through Mr. Luria's work early in 2013 we saw that bitcoin and its associated technologies would be a very important driver of the future development of payment networks and financial services. Our first report, titled "Bitcoin: Intrinsic value as Conduit for Disruptive Payment Network Technology" was released in December 2013, followed by "Digitizing Trust: Leveraging the Bitcoin Protocol beyond the Coin" a month later. In July 2015, Wedbush became the first firm to initiate coverage of the Bitcoin Investment Trust (symbol: GBTC.) In this report, "Fuel for Promising Technology in Early Days of Disruption." we established a price target of \$40 and gave GBTC an "outperform" rating. In November 2015, Gil Luria published another report on GBTC titled, "Renewed Interest by Large Financial Institutions and Media" reiterating an outperform rating and raising his price target to \$60.

Throughout this time period, Wedbush developed a relationship with Grayscale Investments, who has helped to enhance our understanding of the bitcoin ecosystem, the potential applications of its underlying blockchain technology, and the current ways in which it is already being used in the digital economy. Additionally, Grayscale attended our investor conference in 2015, as a presenting company whereby we provided interested institutions the opportunity to meet with the management team behind the Bitcoin Investment Trust. Together, we have watched the bitcoin network grow across almost every measurable dimension, including but not limited to market capitalization, transactions per day, transaction value, exchange-traded volume, hash rate, network difficulty, unique addresses, and wallet users. This is evidence of its continued growth, success, and utility as an alternative asset class, global currency, and technology.

Because of Mr. Luria's work and our strong relationship and collaboration with major industry players like Grayscale, Wedbush has established itself as a forerunner in bitcoin and blockchain research and investing and an important proponent of bitcoin and its capacity to transform financial services for many years to come. This segues into why we are now reaching out to the Commission. Now that a) the premium for GBTC shares has become quite significant relative to the Net Asset Value (NAV) of the Bitcoin Investment Trust and b) the sponsor, Grayscale Investments, has a formal registration statement on file with the Commission, we believe it would be prudent for the Commission to approve the Bitcoin Investment Trust as an exchange-traded-fund (ETF) on the NYSE ARCA exchange. As an ETF, the Bitcoin Investment Trust could facilitate the continued growth of bitcoin and blockchain technology while simultaneously allowing investors to gain the exposure that



they desire through a safe, secure, and familiar investment vehicle at a fair price. To be clear, we believe it is in the best interest of investors to have GBTC trade as an ETF, in line with its NAV. An ETF with Reg M relief would allow for both creations and redemptions to keep the shares in line with their NAV.

As an established broker-dealer and ETF authorized participant, Wedbush has significant experience in the creation and redemption of ETFs. After reviewing the Bitcoin Investment Trust's operations, creation/redemption procedures, and management team, Wedbush has, along with other established firms, signed on as an authorized participant. Considering the recent evolution of the Bitcoin Investment Trust on the OTC Market, we believe it is in the best interest of our clients and the investing public that desire exposure to bitcoin to have access to an ETF trading at NAV rather than through the premium prices at which GBTC currently trades. We have decided to take an active stance in urging the Commission to consider these comments when evaluating the Bitcoin Investment Trust's approval to move to the NYSE ARCA.

Thank you for the opportunity to comment.

Regards,

A handwritten signature in black ink, appearing to read "Sheri Kaiserman", with a long horizontal flourish extending to the right.

Sheri Kaiserman  
Managing Director  
Wedbush Securities