



May 8, 2018

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

RE: Self-Regulatory Organizations; NYSE Arca Inc.; Order Instituting Proceedings to Determine Whether to Approve or Disapprove a Proposed Rule Change to Adopt New NYSE Arca Rule 8.900-E and to List and Trade Shares of the Royce Pennsylvania ETF; Royce Premier ETF; and Royce Total Return ETF Under Proposed NYSE Arca Rule 8.900-E (Release No. 34-83120; File No. SR-NYSEArca-2018-04)

Dear Mr. Fields,

On behalf of Blue Tractor Group, LLC (“Blue Tractor”) I wish to provide the U.S. Securities and Exchange Commission (the “Commission”) with comments regarding the Commission’s April 26, 2018 order (the “Order”) instituting proceedings whether to approve or disapprove the rule change application submitted on January 8, 2018 by NYSE Arca, Inc. (the “Exchange”).^{1,2}

The Exchange wishes to list and trade exchange traded funds (“ETF”) sub-advised by Royce & Associates, LP (“Royce”) that would operate using intellectual property owned by Precidian Investments LLC (“Precidian”). The intellectual property was detailed in Precidian’s fifth amended and restated application for exemptive relief filed with the Commission on December 4, 2017.³

As the Commission is aware, Blue Tractor has been critical of the assertions made over many years by Precidian (and by implication, the Exchange) that Precidian’s ETF structure was immune to reverse engineering and resulting predatory front-running. Additionally, Blue Tractor wholly disagrees with Precidian’s representations of efficient primary and secondary market trading under their ETF structure.

The Blue Tractor Comment Letters

Since July 18, 2017 Blue Tractor has submitted eight (8) public comment letters to the Commission focused on the Precidian ETF structure that the Exchange proposes to list and trade.

¹ <https://www.sec.gov/rules/sro/nysearca/2018/34-82549.pdf> (Release No. 34-82549; File No. SR-NYSEArca-2018-04)

² <https://www.sec.gov/rules/sro/nysearca/2018/34-83120.pdf>

³ https://www.sec.gov/Archives/edgar/data/1396289/000114420417062140/tv480576_40appa.htm (File No. 812-14405)

Six (6) letters were submitted over the period July 18, 2017 through December 12, 2017 in relation to the Exchange's April 14, 2017 rule change application to list and trade Royce ETF shares using the Precidian ETF structure (Release No. 34-80553; File No. SR-NYSEArca-2017-36).⁴

Two (2) additional letters were filed February 6, 2018 and February 13, 2018 in relation to the Exchange's January 8, 2018 rule change application to list and trade Royce ETF shares also using the Precidian ETF structure (Release No. 34-82549; File No. SR-NYSEArca-2018-04).⁵

Blue Tractor respectfully requests that the eight (8) comment letters be included in the Commission's deliberations concerning the current April 26, 2018 Order since as far as the public is aware, all of the fundamental concerns raised by Blue Tractor in the comment letters remain unaddressed and/or unanswered by Precidian and the Exchange.

Response from the Exchange and Precidian

To date the Exchange has not publicly refuted the Blue Tractor letters. Indeed, the Commission highlights this fact on page 13 of the April 26, 2018 Order letter,

"As of the date of this order instituting proceedings, the Exchange has not submitted a response to the comments."

And incredibly, Precidian's only public response over all this time were two short letters in October 2017 wholly lacking in substantive and quantitative specifics.⁶

Conclusion

Due to the many unanswered questions and concerns raised by Blue Tractor in the eight (8) public comments letters the Commission should disapprove the Exchange's rule change application.

Thank you in advance for your consideration of my commentary. I welcome any questions the Commission may have as a result and can be reached at [REDACTED].

Sincerely,

Terence W. Norman
Founder
Blue Tractor Group, LLC

⁴ <https://www.sec.gov/comments/sr-nysearca-2017-36/nysearca201736.htm> (See letters from Terence Norman and Simon Goulet)

⁵ <https://www.sec.gov/comments/sr-nysearca-2018-04/nysearca201804.htm> (See letters from Terence Norman and Simon Goulet)

⁶ <https://www.sec.gov/comments/sr-nysearca-2017-36/nysearca201736.htm> (See letters from Daniel McCabe and Mark Criscitello)