

May 5, 2022

Re: File No. SR-NYSEArca-2021-90
Rel. No. 34-93504
Notice of Filing of Proposed Rule Change to List and Trade Shares of
Grayscale Bitcoin Trust (BTC) under NYSE Arca Rule 8.201-E
(November 2, 2021)



Ms. Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-0609

Dear Ms. Countryman:

Today, I write as a shareholder who is in favor of approving the Form 19b-4 that NYSE Arca filed with you to convert Grayscale® Bitcoin Trust (QTCQX: GBTC) into a Bitcoin Spot EXCHANGE-TRADED FUNDS.

GBTC is currently trading at a discount to its NAV, which means the price of GBTC is less than the price of the physical asset, Bitcoin. One of the benefits of converting GBTC into an EXCHANGE-TRADED FUNDS is it would allow for simultaneous creations and redemptions – a core feature of the EXCHANGE-TRADED FUNDS wrapper. This would cause shares trading at a discount to better reflect NAV, and thus protect the hundreds of thousands of investors currently holding GBTC.

Importantly and impressively, in 2021 you approved several futures-based Bitcoin EXCHANGE-TRADED FUNDSs. This is significant because to the extent the SEC had previously been concerned over fraud or manipulation in pricing of the underlying spot/cash Bitcoin markets, that concern would have to permeate across both spot-based and futures-based EFTs since both types of products are priced based on the underlying spot/cash Bitcoin markets. However, following approval of several future-based Bitcoin EXCHANGE-TRADED FUNDSs, you subsequently disapproved several spot-based Bitcoin EXCHANGE-TRADED FUNDSs.

This inconsistency creates an unlevel playing field for Bitcoin EXCHANGE-TRADED FUNDSs without reasonable basis for different treatment. To the point, Grayscale's attorneys at Davis Polk have filed a letter¹ in the context of this comment letter period arguing that the approval of Bitcoin Futures EXCHANGE-TRADED FUNDSs but not Bitcoin Spot EXCHANGE-TRADED FUNDSs, like what GBTC would be, is "arbitrary and capricious," and therefore a potential violation of the Administrative Procedure Act. Per the above, I strongly agree with this new argument.

The SEC should approve GBTC for conversion to an EXCHANGE-TRADED FUNDS and allow investors a choice over which product best meets their investment needs. To do otherwise would go against the SEC's core mission of protecting investors.²

Thanks for your time and consideration.

Regards,

¹ Letter from Davis Polk & Wardwell LLP, on behalf of Grayscale Investments, LLC, Re: File No. SR-NYSEARCA-2021-90 (Nov. 29, 2021), <https://www.sec.gov/comments/sr-nysearca-2021-90/srnysearca202190-9410842-262990.pdf>

²Regarding the SEC's February 4, 2022, Order Instituting Proceedings to Determine Whether to Approve or Disapprove a Proposed rule Change to List and Trade Shares of Grayscale Bitcoin Trust (BTC) under NYSE Arca Rule 8.201-E, I believe that NYSE Arca has provided sufficient support in GBTC's 19b-4 to allow for the SEC to approve GBTC.