

Subject: File No. SR-CboeBZX-2021-039

From: SAM AHN

This is my 20^h 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>

Line 18: <https://www.sec.gov/comments/sr-nysearca-2021-31/srnysearca202131-8861698-240078.pdf>

Line 19: <https://www.sec.gov/comments/sr-nysearca-2021-37/srnysearca202137-8883651-240445.pdf>

This is about conflict between what is said in and what is being done by this proposal at Link 20:

Link 20: <https://www.sec.gov/rules/sro/cboebzx/2021/34-91994.pdf>

The main intention of this proposal cannot go well with the underlined parts, if true, of in Quote 1 below.

(Quote 1) The decentralized nature of the Bitcoin Network allows parties to transact directly with one another based on cryptographic proof instead of relying on a trusted third party. The protocol also lays out the rate of issuance of new bitcoin within the Bitcoin Network, a rate that is reduced by half approximately every four years with an eventual hard cap of 21 million. It is generally understood that the combination of these two features—a systemic hard cap of 21 million bitcoin and the ability to transact trustlessly with anyone connected to the Bitcoin Network—gives bitcoin its value.

Quote 1 is on Page 3 of this proposal. The argument is that bitcoin's value comes from the combination of (1) its capability of P2P transactions and (2) its scarcity. But this proposal is all about dilution of bitcoin's capability of P2P transactions. Selling and buying bitcoin EFT requires multiple third parties to trust. One such third party is the Trust. Another such third party is the Exchange called Cboe BZX. One approval of bitcoin ETF will bring about many other approvals.

After a long time, most of the bitcoin transactions would happen through trusted third parties. The feature of P2P transaction would be decimated. Then, we have a serious question: is this proposal intended to reduce the value of bitcoin?

We cannot read that sort of intention in this proposal because:

1. No word in this proposal suggests such an intention.
2. This proposal is a way of gathering endorsements.

So far, bitcoin's popularity grew on one single factor: endorsements. If my memory is correct, bitcoin transformed from nothing to something when Microsoft accepted bitcoins for some products. Recent explosion started with Paypal's endorsement. In this proposal I found the following names the applicants, I think, considered endorsers. Shown in the parentheses are the number of appearances in this proposal.

CFTC (16)
NYDFS (6)
CME (12)
OCC (17)
PayPal Holdings, Inc. (1)
Square, Inc. (5)
FinCEN (5)
OFAC (2)
Tesla, Inc. (8)
MicroStrategy Incorporated (9)
Canada (2)

US SEC's endorsement is the most valuable in the world. Once endorsed by the SEC, bitcoin becomes a normal thing right away. I wonder how the SEC could carry the heavy responsibility after approving this – if it does.

While our minds are lured to the underlined parts of Quote 1, an endorsement process is clandestinely going on. The value claim on P2P thing, which is in itself hardly true, is incompatible with the action of this proposal. The SEC, I think should demand removal or modification of that part before approving this proposal.