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BY E-MAIL

August 14, 2023

Re: Ark 21Shares Bitcoin ETF, File No. SR-CboeBZX-2023-028  
Invesco Galaxy Bitcoin ETF, File No. SR-CboeBZX-2023-038  
iShares Bitcoin Trust, File No. SR-NASDAQ-2023-016  
Valkyrie Bitcoin Fund, File No. SR-NASDAQ-2023-019  
VanEck Bitcoin Trust, File No. SR-CboeBZX-2023-040  
WisdomTree Bitcoin Trust, File No. SR-CboeBZX-2023-042  
Wise Origin Bitcoin Trust, File No. SR-CboeBZX-2023-044

Vanessa Countryman  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Dear Ms. Countryman:

We are writing on behalf of our client, Skybridge Capital LLC (“Skybridge”)<sup>1</sup>, who wishes to express its strong support for approval by the Securities and Exchange Commission (the “Commission”) of the seven proposed rule changes referenced above, which were filed pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and Rule 19b-4 thereunder to create a spot bitcoin exchange-traded fund (“ETF”). Skybridge encourages the Commission to approve the proposed rule changes, and disagrees with a recent letter<sup>2</sup> from Grayscale Investments, LLC (“Grayscale”)

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<sup>1</sup> Skybridge is an alternative asset manager and SEC-registered investment adviser with approximately \$580 million in digital asset-related investments (as of June 30, 2023).

<sup>2</sup> See Letter to Vanessa Countryman, Re: Ark 21Shares Bitcoin ETF, et al., from Davis Polk & Wardwell LLP on behalf of Grayscale Investments, LLC, (July 27, 2023).

suggesting that the Commission’s approval of those rule changes “would improperly grant an unfairly discriminatory and prejudicial first-mover advantage to these proposals.”

For the sake of clarity, we are not writing in furtherance of any existing Rule 19b-4 filing relating to a Skybridge fund or offering.<sup>3</sup> Rather, Skybridge wishes to make clear its strong view that the Commission’s previously-stated concerns with respect to market manipulation are well-addressed by the above-referenced applications. Skybridge disagrees in the strongest terms with Grayscale’s assertion that the Commission may hold up applications that meet the Commission’s standards so that other market participants can catch up.<sup>4</sup>

The Rule 19b-4 application process is well-known and understood by market participants. Under the process for seeking exchanges’ rule changes, the Commission is required to provide responses and take action within specified time periods. Section 6(b)(5) of the Exchange Act provides the standards under which a rule change must be measured, and the Commission is required to consider whether an application meets those standards on the merits of the terms of the individual application.

We recognize that Section 6(b)(5) requires, among other things, that the rules (including rule changes) of an exchange must not be “designed to permit unfair discrimination between customers, issuers, brokers, or dealers.” The pending 19b-4 applications, if approved, would not discriminate between issuers – all issuers could revise their practices to comply with the rules, as amended.

Section 6(b)(5) does not say that the prescribed time periods for granting of applications should be set aside to allow all market participants to have their pending proposals approved on the same timeline. Indeed, the Commission does not have the ability to pause its review of filed rule changes. The timeframe for the Commission’s review and actions are specified in Section 19(b) of the Exchange Act. Skybridge’s view is that it would be a mistake, and likely a violation of the Exchange Act, to read other provisions of the Exchange Act and the Administrative Procedure Act to override the standards in Section 6(b)(5) and the time periods attendant to approvals of 19b-4 applications, in furtherance of preventing a theoretical first mover advantage. Not surprisingly, the Commission has not done such a thing in the past.

The investing public deserves access to spot bitcoin ETFs that meet Commission standards. The Commission has previously expressed concerns around market manipulation with respect to the operation of spot bitcoin ETFs. An executed surveillance sharing

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<sup>3</sup> A 19b-4 filing for a Skybridge spot bitcoin ETF was submitted on May 6, 2021 and disapproved by the Commission on January 20, 2022. Currently, Skybridge does not have a 19b-4 application pending with the Commission, although it may have one in the future.

<sup>4</sup> Skybridge understands that Grayscale made several arguments, both substantive and procedural, in its letter. This letter relates to the procedural aspects, without commenting on whether Grayscale’s proposals also merit approval by the Commission. To the extent that Grayscale’s letter suggests that the pending applications do not adequately address the Commission’s market manipulation standards, Skybridge strongly disagrees.

Vanessa Countryman

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agreement with Coinbase, Inc., in Skybridge's view, adequately addresses those concerns. As such, we encourage timely approval of applications with executed surveillance sharing agreements.

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We would be pleased to answer any questions that you might have concerning our comments.

Very truly yours,



Rajib Chanda

cc: Brett Messing  
Anthony Scaramucci