

From: Ned Cataldo [REDACTED]
Sent: Friday, October 24, 2014 11:04 AM
To: Seidel, Heather; Chow, Christopher W.; Cho, Edward; Barry, Tina C.; Gude, Bradley; Tao, Josephine J.; Bussey, Brian A.
Cc: Jack Fonss
Subject: Irregularity on SR-Nasdaq-2014-065 Submittal

I am the Chief Operating Officer at AccuShares Management, and I have prepared this letter in collaboration with my co-founder Jack Fonss.

On October 20, 2014, I was informed on a phone call with an officer of Velocity Shares that the negative comment letter posted on SR-NASDAQ-2014-065 and attributed to Mark Kassner, Esq. was the work of Nick Cherney, Scott Weiner and others at Velocity Shares. The negative comment letter has no attribution of any kind, which would indicate that it is the indirect submission of Velocity Shares or another party with a competitive and commercial interest.

On this phone call I was informed that the management team of Velocity Shares considered other means of engaging the Commission relating to SR-NASDAQ-2014-065, but chose the "Mark Kassner" submission as the most effective means to introduce negative commentary.

The comment letter has the veil of a submission targeted at investor interest. However the direct purpose of the submission, through the confession of the Velocity Shares officer, appears to be to advance the competitive position of Velocity Shares by encouraging the Commission to rule unfavorably on SR-NASDAQ-2014-065.

On Tuesday October 21, 2014 we informed the Nasdaq via email that we had knowledge that an unnamed competitor had engineered the Mark Kassner submission.

On Wednesday October 22, 2014 we placed a phone call to our attorney, Kathleen Moriarty, for guidance. We did not reach her but left a voicemail.

On Thursday October 23, 2014 we did speak with our attorney. Very early in this call, and prior to discussing our knowledge of Velocity Shares involvement, she alerted us that Nick Cherney and Velocity Shares are clients of hers. We discussed best practices and she made it clear that a party would have an obligation to alert the SEC of this knowledge. We did not identify the competitor to Kathleen.

Kathleen has advised us to send this letter directly due to the fact that she may be conflicted.

We are in possession of the notes from the call taken contemporaneously, and can share them with the Commission. If requested I will prepare a formal affidavit relating to the confession.

Further, we been informed by counsel that Nick Cherney has been engaging a range of market participants in a negative campaign relating to the Funds in the Order.

Please feel free to contact me with any questions or concerns.

Ned Cataldo

Co-Founder

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