



May 17, 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,

I am writing to you as a shareholder of Grayscale Bitcoin Trust (OTCQX: GBTC), and I am in favor of approving the Form 19b-4 that NYSE Arca filed with you to convert GBTC into a Bitcoin Spot ETF.

GBTC is currently trading at a discount to NAV. Since the price of GBTC shares is below the value of the underlying Bitcoin asset, or that the share price even has the ability to trade at this discount, is a detriment to the shareholders that the SEC is charged to protect. Allowing conversion of GBTC into a spot Bitcoin ETF would prevent any discount or premium to NAV from existing, since simultaneous creations and redemptions of shares would be allowed as is typical of an ETF. This would give shareholders the direct exposure to the underlying Bitcoin asset that they are seeking or simulating by investing in GBTC.

As you are aware, Bitcoin is a relevant asset as it has traded as high as a \$1 trillion market cap. Many investors do not have the ability to invest funds directly into spot Bitcoin where those funds are inside retirement or other restricted accounts. This exposure is why investors have purchased shares in GBTC in the first place. In denying GBTC to convert into a spot Bitcoin ETF, the SEC would be directly harming investors by preventing their investment from reflecting the fair market value of the asset in which they are trying to gain exposure.

Importantly, in 2021 you approved several futures-based Bitcoin ETF. This is significant because, to the extent that the SEC has been concerned over fraud and manipulation in the underlying Bitcoin spot Bitcoin markets, that concern would apply to both futures-based and spot-based instruments. However, since the approval of several futures-based ETFs, you subsequently denied several spot-based ETFs.

This inconsistent policy creates an unfair playing field for Bitcoin ETFs and allows for preferential treatment with no guidance for fair reasoning. To that point, Grayscale's attorneys at David Polk have filed a letter in the context of this comment letter period arguing that the approval of Bitcoin futures ETFs but not Bitcoin spot ETFs, 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 ETF 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.

Thank you for your time and consideration.

Sincerely,
Scott Alderink