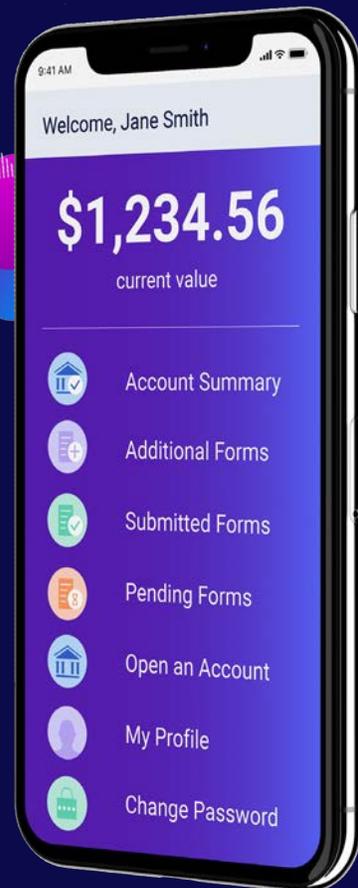


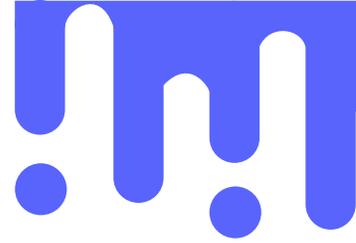


# Cryptos

guide to using  
an IRA or 401(k)  
to buy cryptos



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## Invest in Cryptocurrency

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# Intro to Cryptos

Invest in cryptocurrency, such as Bitcoin, tax-free and with **no transaction fees**.

Buy, sell, or hold cryptocurrencies in your IRA or 401(k) accounts and gain total control over your retirement assets.

# The IRA Financial Advantage

Invest in alternative assets for one low annual fee. No annual account asset fees and no minimum balance fees.

IRA Financial has helped over 21,000 clients establish Self-Directed retirement accounts and invest over \$4.6 billion in alternative assets.

## **We Do Everything**

Never step foot in a bank—we open your self-directed bank account for you.

## **Keep Your Account Compliant**

We handle all IRS reporting and offer annual IRS compliance services.

## **Benefits for Institutions & Advisors**

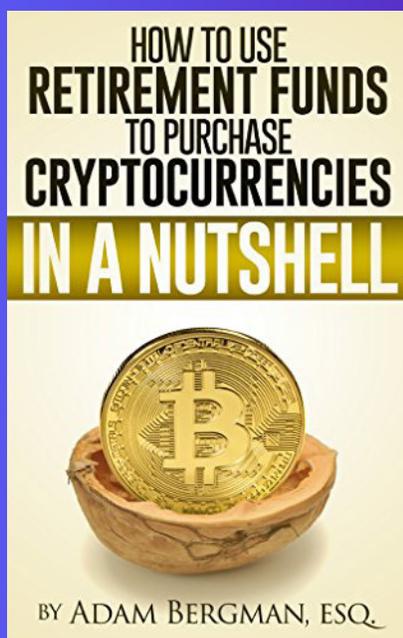
Generate fees from your clients' alternative asset investments and gain online access to client accounts .

## **We Have Experience**

We have expertise in the custody of all domestic and international alternative asset categories.

Member of the Retirement Industry Trust Association (RITA).

## Our Book



# What is Cryptocurrency?

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Cryptocurrency is a form of digital money that is designed to be secure and, in many cases, anonymous. It is a currency associated with the internet that uses cryptography, the process of converting legible information into an almost uncrackable code, to track purchases and transfers.

The first cryptocurrency was Bitcoin, which was created in 2009, and is still the best known. There has been a proliferation of cryptocurrencies in the past decade and there are now more than 1,000 available on the internet.



# What is Bitcoin?

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We call Bitcoin digital currency or money, but really it is just a computer program. People trade Bitcoin with each other directly, or buy and sell through online exchanges.

Anyone with a computer and an internet connection can download the software, which comes with something called a wallet, a place to store your Bitcoin balance. A Bitcoin holds a very simple data ledger file called a block-

chain. Each blockchain is unique to each individual user and his/her personal Bitcoin wallet. That wallet has an address—a long string of numbers and letters, called the public key—that lets people find the account on the network. Anybody can send bitcoin into a wallet. Taking money out of that wallet, though, requires control of what is called the private key, another long string of letters and numbers.

# Cryptocurrency and The IRS

## How are Cryptocurrencies Treated by the IRS?

In the U.S even though Bitcoin is labeled as a “cryptocurrency,” from a federal income tax standpoint, Bitcoin and other cryptocurrency are not considered a “currency.” On March 25, 2014, the IRS issued Notice 2014-21, which for the first time set forth the IRS position on the taxation of virtual currencies, such as Bitcoin. According to the IRS Notice, “Virtual currency is treated as property for U.S. federal tax purposes.” The Notice further stated “General tax principles that apply to property transactions apply to transactions using virtual currency.”

**In other words, the IRS is treating the income or gains from the sale of a virtual currency, such as Bitcoin, as a capital asset,** subject to either short-term (ordinary income tax rates) or long term capital gains tax rates, if the asset is held greater than twelve months (15% or 20% tax rates based on income). By treating Bitcoins and other virtual currencies as property and not currency, the IRS is imposing extensive record-keeping rules - and significant taxes - on its use.

## Does the IRS Allow Retirement Accounts to Purchase Cryptos?

The Internal Revenue Code does not describe what a Self-Directed retirement plan can invest in, only describes what it **cannot** invest in. Internal Revenue Code Sections 408 & 4975 prohibits Disqualified Persons from engaging in certain type of transactions. The foundation of the prohibited transaction rules is based on the premise that investments involving a retirement plan and related parties are handled in a way that benefits the retirement account and not the IRA owner. The rules prohibit transactions between the IRA and certain individuals known as “disqualified persons”. The definition of a “disqualified person” (Internal Revenue Code Section 4975(e)(2)) extends into a variety of related party scenarios, but generally includes the IRA holder, any ancestors or lineal descendants of the IRA holder, and entities in which the IRA holder holds a controlling equity or management interest.

Because the IRS treats cryptocurrencies, such as Bitcoin, as a capital asset, such as stocks of real estate, a retirement account is permitted to buy, sell, or hold cryptocurrencies in their

retirement subject to the prohibited transaction rules found under Internal Revenue Code Section 4975(c).

## Why buy cryptos with your retirement account?

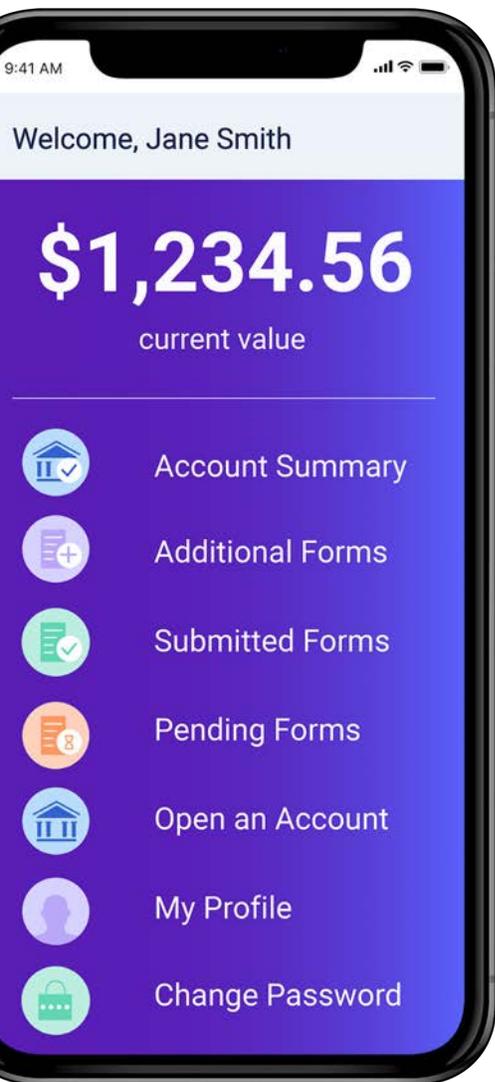
In general, when a retirement account generates income or gains from the purchase and sale of a capital asset, such as stocks, mutual funds, real estate, etc., irrespective of whether the gain was short-term (held less than twelve months) or long-term (held greater than twelve months), the retirement account does not pay any tax on the transaction and any tax would be deferred to the future when the retirement account holder taxes a distribution (in the case of a Roth IRA or Roth 401(k) plan no tax would be due if the distribution is qualified). Hence, using retirement funds to invest in cryptocurrencies, such as bitcoins could allow the investor to defer or even eliminate, in the case of a Roth, any tax due from the investment. **In addition, using a Self-Directed IRA to purchase**

**Bitcoin offers you a way to diversify your retirement portfolio while gaining exposure to an emerging asset class.**

Cryptocurrency investments, such as Bitcoin, are risky and highly volatile. Any investor interested in learning more about bitcoins should do their diligence and proceed with caution.



# Do everything in our app



## 1. Open an account

Open a Self-Directed IRA or 401(k) account on [our app](#) or call us at [800-472-1043](tel:800-472-1043).



## 2. Roll Over Funds

[Transfer, rollover or make a IRA contribution](#) to your new Self-Directed IRA or 401(k).



## 3. Gemini

Receive a [link](#) to open an IRA or 401(k) at Gemini.



## 4. Move funds to Gemini

Once Gemini account is opened in the name of your self-directed IRA or 401(k) notify IRA financial to [move funds to Gemini](#).



## 5. Invest

[Funds](#) are in your Gemini Self-directed IRA or 401(k) cryptocurrency account ready for investment.

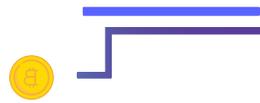
Purchasing cryptocurrencies, such as **Bitcoin**, is now easier than ever.



## 6. We'll handle Everything

We handle all [IRS reporting](#) regarding the Self-Directed IRA or 401(k) cryptocurrency investments.

# Investing in cryptos is easy with IRA Financial



## STEP 01

Open an IRA or Solo 401(k) account at IRA Financial.

## STEP 02

Move funds to IRA or Solo 401(k) account tax-free.



## STEP 03

IRA Financial creates your exchange account on Gemini. Gemini then emails you onboard instructions.

## STEP 04

Buy and sell cryptocurrency with Gemini on your own!



# Smartest way to buy cryptos with your IRA or Solo 401(k)

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- ✓ Just **\$300** a year flat
- ✓ No broker commissions
- ✓ No asset valuation fees
- ✓ No need for an LLC
- ✓ Control cryptos on Gemini exchange
- ✓ Trade cryptos on Gemini on your device 24/7
- ✓ Control private keys
- ✓ Hold cryptos on cold wallet
- ✓ Pay no tax on crypto gains
- ✓ No broker fees

Get Started Today!



The smart way,  
smart people,  
**buy cryptos**



# When you work with IRA Financial



- ✓ Get started in minutes with our industry leading **app**
- ✓ **Never step foot in a bank**— we open your crypto account with Gemini.
- ✓ Checkbook Control
- ✓ No transaction fees or minimum balance fees
- ✓ No account valuation fees
- ✓ Invest in cryptocurrencies directly from our **app**
- ✓ Dedicated **one-on-one support** from a Self-Directed IRA specialist
- ✓ Fastest growing provider of Self-Directed IRAs in the country

## Choosing the best **crypto option**

	IRA Financial	Competition
Flat Custodian Fees	✓	✗
Broker commissions	✗	✓
Asset Valuation fees	✗	✓
Private Key Control	✓	✗
Trading Control on Liscenced Exchange	✓	✗

# Buying cryptos in the name of an LLC



## STEP 01

Open an IRA or Solo 401(k) account at IRA Financial.

## STEP 02

Move funds to IRA or Solo 401(k) account tax-free.



## STEP 03

IRA Financial will create an LLC, which is wholly owned by your retirement plan.



## STEP 04

Create your exchange account in the name of the LLC.



## STEP 05

Buy and sell cryptocurrency as manager of the LLC.



# How We're Different



## Experience

Our tax and ERISA experts have helped over **21,000 clients** invest \$4.6 billion in alternative assets.



## Prestige

Our founder, Adam Bergman, is the author of **eight books** on self-directed retirement plans.



## Dedicated Support

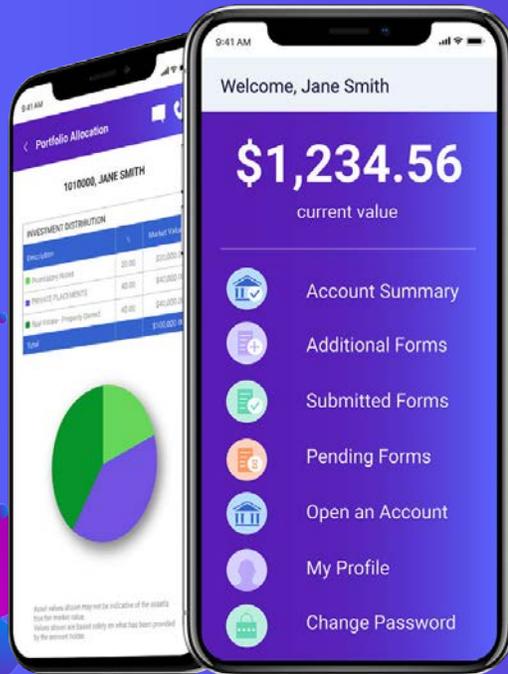
A specialist will work **one-on-one** with you to establish a Self-Directed IRA, Solo 401(k) or ROBS.

The smart way to invest your IRA or 401(k)  
in **crypto**.

**Get Started!**

**One Low Annual Fee with No Asset  
Management or Minimum Balance Fees**

# Getting started is easy with IRA Financial



**Take control over  
your crypto!**

Call IRA Financial Trust at  
**1-800-472-1043** to learn more  
about cryptocurrency and get  
started today!

**Get Started**

## Contact Us

**IRA Financial**

[info@irafinancial.com](mailto:info@irafinancial.com)

1-800-472-1043

