



My Solo 401k Financial™
Grow. Control. Direct.



ErisX

How to Open ErisX Account for your Self-directed IRA LLC

"A to Z" Guide – Open Self-directed IRA LLC account at ErisX

- ❖ John Denza, Chief Commercial Officer @ ErisX
 - ❖ Benefits & Features of ErisX
- ❖ What is Cryptocurrency
- ❖ Taxation Considerations
- ❖ How to Invest/Buy with Funds in IRA LLC
 - Establishing & Funding IRA LLC
 - How to Open IRA LLC Account at ErisX
 - Funding & Processing Times
- ❖ ***Get more info***



What is Cryptocurrency?

- Per IRS Revenue Ruling 2019-24:
 - Virtual currency is a digital representation of value that functions as a medium of exchange, a unit of account, and/or a store of value.
 - Cryptocurrency is a type of virtual currency that uses cryptography to secure transactions that are digitally recorded on a distributed ledger, such as a blockchain.
- Popular cryptocurrencies:
 - ❖ Bitcoin
 - ❖ Ethereum
 - ❖ Litecoin



IRS View on Taxation of Cryptocurrency

- The IRS has issued guidance that cryptocurrency will be treated as property for federal tax purposes (see e.g. IRS Notice 2014-21).
- ***Outside of a retirement account:*** the income or gains from the sale of cryptocurrency will be subject to capital gains tax rates (short-term or long-term as applicable).
- ***Inside a retirement account:*** the gains/income derived from a cryptocurrency investment are tax-deferred (or potentially tax-free in the case of a Roth IRA LLC account).
 - ❖ **Possible exception:** If you invest your IRA LLC funds in mining cryptocurrency, the income generated may be subject to unrelated business income tax (UBIT) if the mining is considered an active trade or business.

Steps to Invest Self-directed IRA LLC in Cryptocurrency

| Investing a Self-Directed IRA LLC in Cryptocurrency

In the name of the IRA LLC.

The cryptocurrency account is opened in the name of the IRA LLC
NOT the self-directed IRA or your personal name.

6 Steps



Step 1



Open a Self-Directed
IRA

Step 2



Fund the IRA

Step 3



Setup
the LLC

Step 4



Open
the LLC Bank
Account

Step 5



Fund the LLC

Step 6



IRA LLC
Purchases the
Cryptocurrency

The Steps Broken Down



Step 1

- **Open a Self-Directed IRA**

A Self-Directed IRA custodian such as Forge Trust offers self-directed IRAs that may be invested in a LLC.



Step 2

- **Fund the IRA**

The IRA can be funded by making annual contributions and/or by transferring existing IRAs or former employer plans.



Step 3

- **Setup the LLC**

A company such as My Solo 401k Financial specializes in setting up LLCs in all 50 states for investing in alternative investments such as cryptocurrency.

The Steps Continued



Step 4

- **Open the LLC Bank Account**

Open the LLC bank account at your local bank.



Step 5

- **Fund the LLC**

The self-directed IRA funds are wired to the LLC bank account.



Step 6

- **LLC Purchases Crypto**

The cryptocurrency account is opened and funded via the LLC NOT the self-directed IRA, and use the LLC EIN.



IRA LLC Cryptocurrency Investment Tidbits



**Use the EIN
for the LLC**



**Open in the
name of the
LLC**



**Do not
combine with
personal funds**

Getting Started – ErisX Account Setup

- **Send an email to onboarding@erisx.com** with the following information:
 - (i) Your name (or names if multiple managers);
 - (ii) Name of the LLC that is owned by your IRA account(s);
- ErisX will then send you the application(s) and agreement(s) to complete via DocuSign
- Do **Not** sign up online through the “Sign Up” link

Enter your
information as
the manager of
the LLC

Enter Contact
Info for LLC that is
owned by your
IRA

APPLICATION		
Account Owner (Manager) Information		
First Name	Middle Name	Last Name
Home Address (no PO Box / no APO box)		
City	State	Zip Code
E-mail	Date of Birth	Social Security Number
Legal Name of the Single Member of the IRA, LLC		
IRA, LLC INFORMATION		
Legal Name		
Main Address (no PO Box / no APO box)		
City	State	Zip Code
E-mail	Phone Number	

Enter Name of IRA
account (e.g.
"Forge Trust Co.
CFBO Jane Smith
Roth IRA") [See
Operating
Agreement]

Enter Name of the
LLC that is owned
by your IRA

Provide Duplicate
if More than One
Manager and/or
More than One
IRA

Enter mailing address and alternative email address for LLC that is owned by your IRA (if applicable)

Check box in front of "IRA Limited Liability Company"

Enter Date that the IRA LLC was formed

Provide Duplicate if More than One Manager

IRA, LLC Information (continued)			
Mailing Address (if different)			
City	State	Zip Code	
E-mail (alternative - if any)			
Organized under the laws of:			
<input checked="" type="checkbox"/>			
<input type="checkbox"/>	IRA Limited Liability Company (individual retirement account or IRA is a single member of LLC)		
<input type="checkbox"/>	Other (please specify):		
Date of Establishment		U.S. Tax Identification Number	
Legal Entity Identifier (if any)			
Contact(s) - Daytime			
Name	Telephone #	Telephone # (alt)	Email Address

Enter State where IRA LLC was formed (typically state where you live)

Enter EIN of the IRA LLC

Enter "LLC", "L.L.C." as applicable

Enter your Contact Info

Complete with
your
information

Provide Duplicate
if More than One
Manager

IRA, LLC Information (continued)			
Contact(s) - Nighttime			
Name	Telephone #	Telephone # (alt)	Email Address

No.	Questions	YES	NO
1	<p>Do any of the individuals listed above have a financial interest in, or control the trading of, another account on ErisX?</p> <p>If "YES", please provide account name/number:</p> <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	<p>Will any person or entity not listed as a contact above have authority over the trading or activity of the account, including authority to place orders?</p> <p>If "YES", please provide the name of person/entity:</p> <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	<p>Does any individual or entity owner, controller, or any financial beneficiary of this IRA, LLC account being opened through this Agreement have a financial interest in, or control the trading of, another account on ErisX?</p> <p>If "YES", please provide account name/number:</p> <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	<p>Has the applicant ever been known by, or conducted business using, another name?</p> <p>If "YES", provide such name:</p> <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	<p>Has the applicant's owner, or the applicant itself, ever been convicted of, pled guilty, or entered a plea of "no contest" to any felony in any domestic, foreign or military court?</p>	<input type="checkbox"/>	<input type="checkbox"/>

Complete as
applicable

Provide Duplicate
if More than One
Manager

Enter information
for the bank
account for the
LLC is owned by
your IRA and
which account will
be used to fund
the account at
ErisX

No.	Questions	YES	NO								
6	Has the applicant's owner, or the applicant itself, ever been convicted of, pled guilty, or entered a plea of "no contest" to any misdemeanor in any domestic, foreign or military court that involves embezzlement, theft, fraud, extortion, misappropriation of funds, forgery or bribery?	<input type="checkbox"/>	<input type="checkbox"/>								
7	Is the applicant's owner, or the applicant itself, currently subject to any action, or is there a charge pending, the resolution of which could result in a "YES" answer for questions 5 or 6 above?	<input type="checkbox"/>	<input type="checkbox"/>								
8	<p>If you responded "Yes" to any of the items in 5-7, please provide an explanation of the event or conduct, including when and where the event occurred, persons involved and the circumstances. Include any supporting documentation.</p> <div></div>										
9	<p>Provide the institution's name, location and account number of the account from which you intend to fund your ErisX account with fiat currency.</p> <table border="1"><tr><td>BANK NAME</td><td></td></tr><tr><td>CITY & STATE</td><td></td></tr><tr><td>ROUTING/ABA NO.</td><td></td></tr><tr><td>BANK ACCOUNT NO.</td><td></td></tr></table>	BANK NAME		CITY & STATE		ROUTING/ABA NO.		BANK ACCOUNT NO.			
BANK NAME											
CITY & STATE											
ROUTING/ABA NO.											
BANK ACCOUNT NO.											
10	<p>Please confirm the nature of business & general purpose of this account is for an IRA, LLC investment account. If "NO", please provide general purpose:</p> <div></div>	<input type="checkbox"/>	<input type="checkbox"/>								

Complete as
applicable

Select "Yes"

Provide Duplicate
if More than One
Manager and/or
IRA owner

Manager of IRA
LLC signs &
dates

<i>Please provide duplicate statements to the following (if any):</i>		
AUTHORIZED SIGNATORY		
I hereby certify, to the best of my knowledge, that the information provided above is complete and correct.		
	On Behalf of LLC (as Manager)	On behalf of IRA (as Owner)
NAME		
SIGNATURE		
TITLE		
DATE		

Owner of IRA
signs & dates

MEMBER MASTER AGREEMENT

Entered into on this _____ day _____, 20____

Between

[Member Name]
[Member Address]

-and-

Eris Exchange, LLC
111 S Wacker Dr.
Suite 4730
Chicago, IL 60606

-and-

Eris Clearing, LLC
111 S Wacker Dr. Suite 4730
Chicago, IL 60606

WHEREAS, Eris Exchange, LLC ("Eris Exchange") and Eris Clearing, LLC ("Eris Clearing"), both Delaware limited liability companies (hereinafter both individually or collectively "ErisX"), offer a trading platform and clearinghouse for the trading, clearance and settlement of spot digital assets, futures and options on futures transactions (the "ErisX Services"); and

WHEREAS, _____, a _____ [type of entity] organized under the laws of _____ (the "Member" or "you"), seeks to use one or more of the ErisX's Services, either on your own behalf, or on behalf of customers or clients, or both;

Enter Name of
the LLC that is
owned by your
IRA

Enter "Limited
Liability
Company"

Enter State
where the LLC
was formed
(typically the
state where
you live)

Provide Duplicate
if More than One
Manager and/or
IRA owner

Manager of IRA
LLC signs &
dates

AUTHORIZED SIGNATORY		
I/We hereby acknowledge that I/we have received, understood and agree to the terms of this Member Master Agreement.		
	On Behalf of LLC (as Manager)	On behalf of IRA (as Owner)
NAME		
SIGNATURE		
TITLE		
DATE		

Owner of IRA
signs & dates

Enter Your
Name as the
Owner of the
IRA

ErisX Digital Asset Clearing Participant
Addendum Entered into on _____ (day) of _____, 20____
Between
[Member Name] [Member Address]
-and-
Eris Clearing, LLC 111 S Wacker Dr. Suite 4730 Chicago, IL 60606
WHEREAS, _____ [name of DACP] (the "Digital Asset Clearing Participant," or "DACP" or "you") seeks to act as a Digital Asset Clearing Participant of Eris Clearing and settle spot market digital asset transactions through Eris Clearing , either on your own behalf, or on behalf of customers, or both;
NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter contained, the parties hereto agree as follows:

Provide Duplicate
if More than One
IRA owner

Provide Duplicate
if More than One
Manager and/or
IRA owner

AUTHORIZED SIGNATORY		
I/We hereby acknowledge that I/we have received, understood and agree to the terms of this Digital Asset Clearing Participant Addendum.		
	On Behalf of LLC (as Manager)	On behalf of IRA (as Owner)
NAME		
SIGNATURE		
TITLE		
DATE		

Manager of IRA
LLC signs &
dates

Owner of IRA
signs & dates

Enter Your
Name as the
Owner of the
IRA

ERISX DIGITAL ASSET TRADING PARTICIPANT
Addendum Entered into on this ____ day _____, 20____
Between
[Member Name] [Member Address] -and-
Eris Exchange, LLC 111 S Wacker Dr. Suite 4730 Chicago, IL 60606
WHEREAS, _____, (the "Digital Asset Trading Participant," "DATP" or "you") seeks to act as a Digital Asset Trading Participant to trade spot market Digital Assets, either on your own behalf, or on behalf of customers, or both;
NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter contained, the parties hereto agree as follows:
1. ERISX MEMBER MASTER AGREEMENT AMENDMENT

Provide Duplicate
if More than One
IRA owner

Provide Duplicate
if More than One
Manager and/or
IRA owner

Manager of IRA
LLC signs &
dates

OWNER/AUTHORIZED SIGNATORY(ies)			
The undersigned acknowledges that this is a binding and valid contractual agreement and has read the Agreement carefully and, by signing, agrees to be bound by each and every term and condition set forth herein.			
I/We hereby acknowledge that I/we have received, understood and agree to the terms of this ERISX Digital Asset Trading Participant Addendum.			
MEMBER NAME (IRA LLC Legal Name)			
On Behalf of LLC (as Manager)		On Behalf of IRA (as Owner)	
By:		By:	
Name:		Name:	
Date:		Date:	

Owner of IRA
signs & dates

Provide Duplicate
if More than One
Manager and/or
IRA owner

I acknowledge and agree to the terms and conditions within the following ErisX documents:

Document Name	Initial	Date Acknowledged & Agreed
ExisX Terms of Use		
Privacy Policy		
Digital Currency Risk Disclosures		
Anti-Money Laundering Disclaimer		
Electronic Only Access		
Electronic Communications		

Initial & Date

Sample Cryptocurrency Account Setup – ErisX (continued)

❖ **Additional Documentation Needed:**

- Copy of the state-approved LLC formation document (such as Articles of Organization or Certificate of Formation) showing the entity name.
- Operating Agreement
- Copy of the IRS Tax Identification Number (TIN) confirmation.
- Valid U.S. government issued Driver's License for Account Owner.
- IRS Form W-9 Request for Taxpayer Identification Number and Certification.

How to Open IRA LLC Account at ErisX

Additional Documentation Needed:

✓ Signed W-9 Form

Form W-9 (Rev. October 2018) Department of the Treasury Internal Revenue Service		Request for Taxpayer Identification Number and Certification ▶ Go to www.irs.gov/FormW9 for instructions and the latest information.		Give Form to requestor to send to the IRS.
1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. List Name of IRA LLC Here				
2 Business name/disregarded entity name, if different from above N/A				
Print or type. See Specific instructions on page 3.	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. <input checked="" type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) ▶ _____			4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>
	5 Address (number, street, and apt. or suite no.) See instructions. List address of IRA LLC Here			Requester's name and address (optional)
	6 City, state, and ZIP code			
	7 List account number(s) here (optional)			
Part I Taxpayer Identification Number (TIN) Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> , later. Note: If the account is in more than one name, see the instructions for line 1. Also see <i>What Name and Number To Give the Requester</i> for guidelines on whose number to enter. LIST IRA LLC EIN----->				
Part II Certification Under penalties of perjury, I certify that: 1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and 3. I am a U.S. citizen or other U.S. person (defined below); and 4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct. Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.				
Sign Here	Signature of U.S. person ▶	LLC MANAGER SIGN'S ENTER TODAY'S DATE		

Form 1099-DIV (dividends, including those from stocks or mutual funds)

Funding Cryptocurrency Account at ErisX & Processing Times

- **Funding the account with Fiat Dollar?**
 - Yes – the account can be funded with US dollars
 - ***Do not fund from personal account per IRA LLC funding rules***
- **Processing Time?** Approximately 5 business days



My Solo 401k FinancialTM

Grow. Control. Direct.

Learn More!

- **business@mysolo401k.net**
- **(800) 489-7571**