

**Subject: Verification of Income from Cryptocurrency Staking**

Dear Avaviva, Union at Pacific Highway,

I am writing to provide an explanation and proof of my income, which is derived from cryptocurrency staking through a Decentralized Autonomous Organization (DAO), rather than traditional employment or freelance work, such as W2 or 1099 earnings. I understand the need for clarity and transparency in verifying income, and I hope this letter will adequately address any concerns regarding my financial situation.

**Income Source and Mechanism:**

My income is generated through a process called "cryptocurrency staking," where the DAO, which I serve as a steward, holds a specific amount of cryptocurrency in a digital wallet to support the operations and security of a blockchain network. In return for the DAO's participation and contribution to the network, it receives rewards in the form of additional cryptocurrency tokens.

**Role as a Steward:**

It is important to clarify that the DAO owns the treasury and the staking rewards. My role is that of a non-owning steward, responsible for managing and overseeing these assets on behalf of the DAO. This relationship is akin to how a member of an LLC might manage business accounts without owning the funds personally. Consequently, I do not pay personal income tax on these rewards as they are not my personal income.


**Dynamic Nature of Rewards:**

The rewards from cryptocurrency staking are dynamic and can fluctuate daily, last snapshot was at \$102 a day at an all time high. The amount of rewards earned depends on various factors including the overall network performance, the total amount of cryptocurrency staked by the DAO, and changes in the cryptocurrency market conditions. Therefore, the daily income received in the form of staking rewards is variable and not a fixed amount.

## Proof of Income:


To verify the DAO's income, I have included the following documentation:


1. **Staking Wallet Statement:** Attached is a detailed statement from the DAO's staking wallet, showing the daily rewards accrued over the past six months. This statement includes the amount of cryptocurrency staked, the rewards received, and the current value of these rewards in fiat currency based on the market rate.









vStaking

The best way to earn rewards and free up your liquidity

 My Total Staking  
\$ 30163.7422

 Est. Daily Reward  
\$ 14.2147

		APY	TVS ⓘ	My Staking	Est. Daily Reward	Action
	vDOT	17.46 % <span>1.08x</span> <a href="#">Analysis &gt;</a>	\$ 56.9565 M	\$ 29445.6798	\$ 13.9161 >	<a href="#">Stake</a> >
	vMANTA	26.88 % <span>1.60x</span> <a href="#">Analysis &gt;</a>	\$ 5.5483 M	-	-	<a href="#">Stake</a> >
	vETH	5.162 % <a href="#">Analysis &gt;</a>	\$ 4.3945 M	-	-	<a href="#">Stake</a> >
	vFIL	9.25 % <span>0.94x</span> <a href="#">Analysis &gt;</a>	\$ 394.0360 k	-	-	<a href="#">Stake</a> >
	vASTR	15.18 % <span>1.52x</span> <a href="#">Analysis &gt;</a>	\$ 2.1323 M	\$ 718.0624	\$ 0.2986 >	<a href="#">Stake</a> >
	vGLMR	8.55 % <span>1.18x</span> <a href="#">Analysis &gt;</a>	\$ 362.8660 k	-	-	<a href="#">Stake</a> >

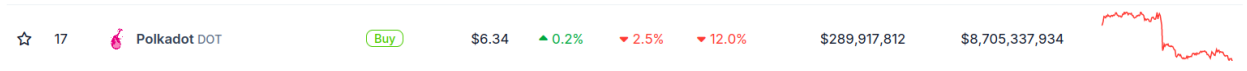
*Snapshot on 6/11/2024*

Average Monthly Income **\$3,060.00**

2. **Transaction History:** I have also provided a transaction history from the cryptocurrency exchange account managed by the DAO, showing deposits of converted staking rewards into the DAO's bank account

vDOT Price +0.0545%	+ 2.2512 DOT	2024-06-10
vDOT Price +0.0369%	+ 1.5238 DOT	2024-06-09
vDOT Price +0.0576%	+ 2.3802 DOT	2024-06-08
vDOT Price +0.0455%	+ 1.8822 DOT	2024-06-07
vDOT Price +0.0504%	+ 2.0814 DOT	2024-06-06
vDOT Price +0.0596%	+ 2.4632 DOT	2024-06-05
vDOT Price +0.0572%	+ 2.3638 DOT	2024-06-04
vDOT Price +0.0575%	+ 2.3761 DOT	2024-06-03
vDOT Price +0.0530%	+ 2.1893 DOT	2024-06-02
vDOT Price +0.0584%	+ 2.4127 DOT	2024-06-01
vDOT Price +0.0542%	+ 2.2388 DOT	2024-05-31
vDOT Price +0.0575%	+ 2.3766 DOT	2024-05-30
Mint 6.3244 vDOT	+ 8.4288 DOT	2024-05-29
vDOT Price +0.0581%	+ 2.3970 DOT	2024-05-29
vDOT Price +0.0581%	+ 2.3997 DOT	2024-05-28
Mint 16.0554 vDOT	+ 21.3977 DOT	2024-05-27
vDOT Price +0.0552%	+ 2.2713 DOT	2024-05-27
vDOT Price +0.0580%	+ 2.3836 DOT	2024-05-26
vDOT Price +0.0587%	+ 2.4127 DOT	2024-05-25
vDOT Price +0.0580%	+ 2.3853 DOT	2024-05-24

3. **Cryptocurrency Value Reports:** To support the valuation of the DAO's cryptocurrency holdings and rewards, I have attached reports from reputable cryptocurrency tracking websites that show the market value of the staked tokens and rewards on specific dates.



### **Explanation for Absence of Personal Tax Returns:**

At this time, I have not submitted personal tax returns for the staking rewards because the income from cryptocurrency staking is owned by the DAO, not by me personally. The rewards the DAO receives daily from staking are not considered my personal taxable income until, if ever, they are distributed to me in a manner that qualifies as personal income. As such, no realized gains have occurred that would necessitate reporting on my personal tax returns.

I trust this explanation clarifies my financial situation. Should you require any further information or documentation, please do not hesitate to contact me.

Sincerely,

Douglas Kuhn