

Title: In Defense of the IRA DRS

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\[Note: I posted this a couple days ago and it was almost immediately mod removed on another sub, I realized it might be appreciated more here.\]

In Aug/Sep we had some great DD around how to DRS IRA shares, a feat thought impossible before this (credit: [u/youuniversawme](<https://www.reddit.com/u/youuniversawme/>)).

The general process involves creating a Self-Directed IRA (SDIRA), something that most brokers (Fidelity) don't offer, and something that allows you the freedom to DRS your shares.

The pioneering ape happened to try the process with Ally after picking randomly from a list and documented it because it worked. I have followed the same steps and it worked for me for both my Roth and Traditional. What you end up with is a custodian account in computershare that reads "APEX CUST FBO IRA".

To other's point, Ally and Apex are both sketch, nobody is denying that. However, there seems to be a lot of sudden and frankly alarmist (see: FUD) talk being run up the flag pole by a few individuals urging an immediate change of course and "debunking" of posts (Sense of urgency is a popular FUD tactic). The timing is also strangely one day after Gamestop confirmed the DRS count, solidifying, in many apes minds, that DRS is Papa Cohen approved.

Let's not throw the baby out with the bath water. I still believe there is value in the IRA DRS:

1. ****DRS puts your name on the shares even if the custodian technically owns them.**** Even with a custodian account, your name and identity are still directly tied to the account at ComputerShare. You create your user account by looking up either your social or account number because ComputerShare has this information. It is therefore unlikely they can or will attempt to internalize your shares away somehow. You can't cook the books when the books sit with someone else. Your name is nowhere on a street name share sitting at your broker in the DTC's pool, so I would argue that DRS'ing is an added layer of protection from your broker (or the clearinghouse they use) no matter who you are with.
2. ****DRS still helps lock the float.**** Remember why we are locking the float. When the float is locked, the world will have irrefutable evidence of naked shorting and the buyback will commence. It does not matter if (and that's a big if, I would like to see evidence that they can lend a share with your name on it even if it is a FBO situation) the custodian is lending your shares. Neither the broker nor the clearinghouse can tamper with the DRS count at ComputerShare. Again, it's not their books to cook.
3. ****Actually receiving the crypto dividend doesn't matter.**** This is an instance of seeing the tree and not the forest. The crypto dividend itself isn't what is important. It is just a trigger for MOASS as it will cause panic buybacks because it will expose naked shorting. You do not actually need to receive a crypto dividend to take advantage of the stock price going brrrr. I'll cite everyone's favorite, [u/criand](<https://www.reddit.com/u/criand/>), who stated you don't even actually need to be DRS'd, your share will be valuable even at a broker.
4. ****Taxes are expensive and MOASS may be a while.**** The advice I am seeing hastily thrown around right now is to break your shares out of your IRA and into a normal broker account and worry about taxes later. That is a huge financial decision for some, and there is no promise that MOASS is just around the corner, even if it is definitely tomorrow (See: Tesla Short Squeeze). Why not pay that tax money towards new broker shares and leave what you have alone and tax-deferred? Roth, in particular, could end up saving you a lot in taxes post-moass.

With that said, I do think some interesting points have been raised, it is not an ideal situation in the following ways:

1. ****Exit strategy isn't ideal.**** You contact your SDIRA or Custodian and they submit a medallion stamped letter to CS. CS then sells in a batch order within 5 business days.

2. ****SDIRA or custodian could ignore the sell request.**** Then you're part of the infinity pool whether you want it or not.
3. ****SDIRA or custodian could prematurely sell your shares.**** Then you're part of the paperhands whether you want it or not.
4. ****Custodian could go insolvent.**** This could tie up your tendies in a legal battle or maybe you just receive an insured payout.

I think we can improve upon the groundwork laid by apes before us rather than burning it all at the first sign of imperfection:

1. ****Find a better SDIRA.**** Much like with broker accounts, the different financial service providers use different custodians. Once we find one we like better, there will likely be a way to transfer ownership. There could even be several transfers much like with the multiple broker migrations over the last year.
2. ****Find A Simple Process To Register An LLC.**** This is a way I've seen proposed to be your own custodian. I know there is at least one ape investigating this (I believe [\[u/marco_esquandolass\]\(https://www.reddit.com/u/marco_esquandolass/\)](https://www.reddit.com/u/marco_esquandolass/))
3. ****Keep pushing Gamestop and ComputerShare to support IRA accounts.**** I don't know how realistic this is, but I've seen the idea thrown out there.
4. ****Consider A Modified Exit Strategy.**** As [\[u/youuniversawme\]\(https://www.reddit.com/u/youuniversawme/\)](https://www.reddit.com/u/youuniversawme/) wrote, a faster and arguably better way to sell might be to transfer back to a trusted broker and sell there. TD Ameritrade is confirmed to work and I am in the process of fleshing out how to do this with Fidelity. Once MOASS has started, I do not believe the DRS count will matter anymore.

What I am proposing more than anything is that we keep a level head and keep having these conversations rather than attempting rallies to write off hard work as "debunked" or "FUD". I think there is more net gain in having many apes use an imperfect DRS system than only encouraging the few apes "hardcore" enough to withdraw their IRA savings to DRS. Both methods have value and have a place here.