

Title: DRS an IRA, Step-by-Step.

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For months now, many great apes have done a ton of research into how we can make our shares in our retirement funds safe by direct registering them, and a little over a month ago I found one way of doing this.

Most of the issues up until now have been

1. Sales reps or the brokers they rep not being familiar at all with the DRS Profile System -- most likely this is by choice-- not so much they "can't" as they "won't," since DRS effectively removes shares from their ability to lend and short-- which for many brokers is their primary profit source. [This video](<https://youtu.be/Gqgd8i-90EM?t=280>) by Lucy K. has some pure gold in it about how most brokers make money off your shares, and why DRS is The Way. The link goes right to that part. ■
2. Cost of SDIRAs (self directed IRAs) - many have high upfront and ongoing annual fees ■
3. Question of the reliability of Apex or Axos or Any other custodian for that matter. I have tried to find out what the worst case scenario and explain this after Step 2 below.
4. Hoops to jump through in needing to go to banks or wait for snail mail for transactions to go through. I found a way entirely around any bank visits, Medallion stamps, or needing to mail anything ■

I've done a few posts now in the other subs about how I successfully DRS'd shares in my Roth, Traditional and SEP IRAs and now hold them in IRA accounts with Computershare. I try to simplify it below into the most important parts, and not gonna link (sub rules) but you can check my previous posts if you want a more elaborate breakdown of any steps.

Not gonna lie, most of my elaboration is just explaining other things I've tried and failed at along the way, and once I got this down to \*\*these 2 steps for DRSing (plus 1 step to DRS back out to broker), this is actually incredibly easy to do.\*\*

And now, DRS Points to Ponder, by u/Ohm4r

<https://preview.redd.it/dowuex9bxx181.png?width=1410&format=png&auto=webp&s=4ce174e4eabcd8cc2f3634fa5c08706c684c63f>

\*\*\_\_\_\_\_\*\*

# Step 1: Direct transfer shares to a new IRA at Ally Invest

Note: It appears that Axos has a similar option for opening a "Self Directed IRA" at [axos.com](<http://axos.com/>) — in fact it looks like Ally and Axos use the same website template.

1a. Open an IRA account at Ally of the same type (Roth or Traditional) as you have at your current broker.

<https://preview.redd.it/oztsxl7d1y181.png?width=2740&format=png&auto=webp&s=73e4f4613447fca8249876f6f9dca08c898c1395>

Ally Invest open account screen - I used this, basically because I started down a list of self-directed IRAs I found, alphabetically. AltoIRA did not pan out. Below is a screenshot of Axos

<https://preview.redd.it/idkxh1je1y181.png?width=2258&format=png&auto=webp&s=08299af90f05cf1b60708716268796dc374372c9>

Axos Invest open account screen — as of now, the various start screens at Axos appear to be stuck in a hyper loop, keeps going round and round in circles and I am not able to actually open an account...

**\*\*But back to Ally:\*\***

**\*\*EDIT:** Forgot this but it's important: At some point there will be a check box with an option to "enroll in the Securities Income program" or some crap -- read the fine print: it is asking if you want to make money LENDING YOUR SHARES. Check HELL NO ■■■\*\*

1b. When you get to "Fund Account" select "Partial transfer" from another account, then select your current brokerage, fill out however many shares "in kind" you want to DRS and from what account number (of the same type of IRA). This will not sell any shares and is considered a direct transfer, for which there is no limit to how many times you can do.

Note: I say select "\*\*\*Partial Transfer\*\*\*" because for me at least that saved me about \$50 in transfer fees, on the second IRA I transferred. Plus, I like to option to DRS back to my original IRA broker if and when I want to (see Step 3).

1c. Wait for your shares to show up in your Ally IRA account. They also offer to reimburse you any transfer fees if you transfer over \$2,500 worth. Just fill out and submit a form with a statement that shows your fees at the original broker.

**\*\*\_\_\_\_\_\*\***

# Step 2: Upload or email a LOI (Letter of Instruction) to Ally with the following information:

- \* The purpose (outgoing transfer of a security)
- \* The name of the transfer agent where the shares are going
- \* Security symbol(s)
- \* Share quantity
- \* Social Security Number
- \*\*Acceptance of \$115 processing fee per security, or \$125 fee in case of rejections\*\***
- \* State your acceptance **\*\*in the body text of the LOI\*\***
- \* Please remember you must have the balance available in your Invest account at the time of processing
- \* You must sign LOI **\*\*in wet ink\*\*** or **\*\*electronically via stylus\*\*** (electronic stamps are **\*\*NOT\*\*** considered wet ink signatures)
- \* LOI can be returned via fax, mail, or Document Upload online.
- \* Fax: 866-699-0563
- \* Mail: Ally Invest, PO Box 30248, Charlotte, NC, 28230

Note on the transfer fee: You need to have at least \$125 cash balance in your IRA account to DRS shares. The \$115 fee will be the only end cost of DRSing my IRAs, now that I know the trick in Step 3.

Below is my letter. It worked. Twice.

<https://preview.redd.it/6okyc1rr1y181.jpg?width=3024&format=pjpg&auto=webp&s=730101ab32c7dc6f7dc0b12b5e59c476d5ce1938>

After a few days, you will notice the shares will be gone from your Ally IRA account. They are now in DRS at Computershare and you will get your Advice in the mail shortly with your new Holder account number.

Note: If you don't want to wait for the mail to confirm, you can go to [Computershare.com](http://computershare.com/), instead of the "Login" button, click the "Register now" below it, and follow the prompts, filling in your info, Social Security #, and you should be able to find your new Account. There is an option to verify your identity online, and if you do this, you can create a new login and login to your account now.

\*\*\_\_\_\_\_\*\*

(below is a long-winded aside, so if you don't care about this custodian crap, scroll down to Step 3)

**\*\*The issue with Apex\*\***

First of all, I basically did this despite most of the customer service reps even knowing if Ally or Apex would even do it. I just tried it.

After it went through, I wanted to confirm that **\*\*Apex would not go back and say\*\*** "Hey, you sneaky redditor, now we are going to stop being your custodian because we're evil" -- so I asked...

[Disregard the Letter of Instruction and Transfer Back parts -- What I'm looking for is \"there is no limit to the amount of time you can hold them with Computershare.\"](<https://preview.redd.it/z77zdg4x2y181.png?width=1180&format;=png&auto;=webp&s;=87f3a0a8c35c30ab6bbfbfd6dd45715111fbd2d1>)

I also wanted to make sure my IRA shares were safe at CS given my listed Custodian is still Apex, which was part of shutting off the buy button back in January. Interestingly, Axos was also part of it, and at this point I think the entire DTC (i.e. the entire stock market as it currently sits) is complicit. Point is, I don't trust any of them, so I asked Mecca at Computershare what my rights would be, and what my custodian could do without my consent...

[sorry for the redundancy..](<https://preview.redd.it/xupigmpj3y181.png?width=1212&format;=png&auto;=webp&s;=be06ff9e4d9eb56ad17f2dbaf21d41eb0c311b11>)

<https://preview.redd.it/hze4xs2n3y181.png?width=1190&format;=png&auto;=webp&s;=b0fc916a9f8f3b826d963d923eff3afde019479f>

Only an authorized individual can sign. There is also a Corporate Resolution but I believe this is for the IRAs or 401(K)s set up with an LLC as no one at Ally seemed to know anything about a corporate resolution at either of my brokers. I do have one with a separate LLC, but nothing to do with investing.

<https://preview.redd.it/dm798rzq3y181.png?width=1204&format;=png&auto;=webp&s;=f5663c3a606c948c8aa7c0ee5a4477ac20783156>

I actually started the process of transferring to a same type IRA account with the name to match my TDA account, but then I found the form (TDA 1005557) in Step 3. Check that out before you go getting all stamped up with Medallions.

[Beautiful. ](<https://preview.redd.it/xavfnewv3y181.png?width=1206&format;=png&auto;=webp&s;=979f6ea9cda25bc47f339f859d7fbefa77fba593>)

I had started the EIN and Solo 401(K) process, and I still may just for future flexibility and consolidating IRAs, but I feel perfectly safe with my IRAs at Computershare regardless of custodian now. Still might do the name change on some just to see what happens. ■■

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# Step 3: When you're ready to transfer out of DRS: no Medallion needed, and does NOT need to go back to the originating broker.

This step is actually waaaaay easier than I had originally thought. In fact it's the easiest and fastest part now, yet I am going to elaborate a little more here since some of this I have not posted yet and is pretty important.

What I found answers some questions that I and other apes had with the custodian for Ally, namely Apex

being liquidated.

As much fun as it is making the banker go back in his vault to get his fancy lil Stampin' up kit, and paying the second \$115 fee from Ally to transfer shares back (even though they basically did NOTHING here), I'm not even going to post that fancy handwritten letter, because...

This is how I transferred 2 shares out of CS into my ORIGINAL BROKERAGE IRA, TD Ameritrade, with No Medallion Stamp needed, and no transfer fee.

Once again, this is considered a direct transfer, and therefore not a taxable event.

**\*\*Step 3a (for TDA):\*\* Fill out this form:\*\***

[[https://www.tdameritrade.com/retail-en\\_us/resources/pdf/TDA100557.pdf](https://www.tdameritrade.com/retail-en_us/resources/pdf/TDA100557.pdf)]([https://www.tdameritrade.com/retail-en\\_us/resources/pdf/TDA100557.pdf](https://www.tdameritrade.com/retail-en_us/resources/pdf/TDA100557.pdf))

Step 3b: Upload it via Message Center in your TDA account dashboard.

Step 3c: Wait approximately 1-2 business days. I uploaded at 5pm on Friday, 19 November, and shares showed up Tuesday, 23 Nov. Take away the weekend and the fact it was uploaded @ 5pm Fri, that's only 1 full business day.

[I also confirmed with TDA that no other action is needed. It worked!](<https://preview.redd.it/dsypgsa25y181.png?width=1920&format=png&auto=webp&s=7ab41f811a96d5b774c70267ee7580344a1dea3a>)

I am currently trying to find a similar form at Fidelity, but based on my correspondence with Computershare it seems like you could basically use the format of the TDA form above and just fill in whatever brokerage you want the shares to go to.

In fact, here is what Penny, the virtual assistant at Computershare had to say:

<https://preview.redd.it/385f80rb5y181.png?width=1622&format=png&auto=webp&s=f6b80373444c84385ca3767602fbee552a3ad69>

It might be a good idea to run it past a brokerage first, but I've been kind of flying by the seat of my pants through this whole ordeal and so far, so good!

# TL;DR

These are the steps I took to DRS my IRAs. Do with this information what you will (not tax or financial or beekeeping advice):

**\*\*Step 1: Open a matching type IRA at Ally Invest\*\*** (or Axos, or any other that agrees to be custodian for DRS)

**\*\*EDIT:** When asked to "enroll in the Securities Income program" or some crap -- read the fine print: it is asking if you want to make money LENDING YOUR SHARES. Check HELL NO ■■■

**\*\*Step 2: Upload a LOI\*\*** (Letter Of Instruction) with a bunch of info on it.

EDIT: [Here is a Letter of Instruction template](<https://imgur.com/a/Be3qBxk>) made and shared by u/lucidfer based on my chicken scratched letter. It worked, and feel free to use it as needed!

DRS = Safe and Sound. Computershare will protect the beneficial owner (me) from any attempted shady transactions of my shares via snail mail to me in order to allow me to override said shadiness.

**\*\*Step 3: When wanting to transfer out of DRS\*\***, lots of ways to do it, but the easiest (upload 1 form), fastest (1-2 days) and cheapest (free) is to **\*\*use the\*\* DRS Profile system\*\*** through the broker of your choice, to wherever you want the shares to go.

For me, that Step 3 is a game changer. Not so much to be able to transfer out to sell quickly, but to have the ability to easily transfer out my IRA shares to ANYWHERE I want them to go.

That's it, this rocket continues to be a wild ride, and one that you would be wise to Buckle Up for.

(Hint: Buckle Up your shares = DRS)

Edit: For anyone interested in proof that this is not a taxable event, here is my statement from Ally for October:

<https://preview.redd.it/5rhcn0d4a381.jpg?width=1994&format=pjpg&auto=webp&s=01d361f35643afe05eda21ec9f248bfa0b45e4cf>

<https://preview.redd.it/7xw9ytvd4a381.jpg?width=2044&format=pjpg&auto=webp&s=c73ef6e7e08210185127051c13faa83e16fd61aa>

Edit: confirmation from Ally chat:

<https://preview.redd.it/9xkcbl80la381.png?width=650&format=png&auto=webp&s=603153b52b5381f7b629baa058c05a49787d42bf>

Bottom line: ask a CPA and do whatever you feel is best for you. Life is too short to freak out over taxes, but be smart. You're on a rocket ship. Buckle up and Enjoy the ride.