

Title: Pseudo DRS with a SDIRA - Moving GME Shares from Vanguard to Mainstar

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After seeing a few posts from other apes trying to DRS their IRA shares, I thought I'd share my experience of moving my Traditional (And Roth) IRA shares from Vanguard to Mainstar Trust. (Also, not sure what flair should be used here)

>Not a financial advisor. I've been in the SDIRA space for 10+ years, and no, I'm not an advocate/employee for Mainstar. I've taken these steps as it seems like the best route \*for my personal financial situation\*. PLEASE DO YOUR DUE DILIGENCE BEFORE TAKING ACTION!

**\*\*Why did I choose Mainstar?\*\***

TLDR: (presumed) low cost and ability to hold publicly traded securities.

I pulled up my trusty duck-duck-go and began looking up FEE SCHEDULES for SDIRA Custodians.

Fees for SDIRAs vary. Some charge based on Account Value. Some based on # of different assets held. Some based on TYPES of assets held. And some have a flat annual fee.

<https://preview.redd.it/0y7ch07197381.png?width=727&format=png&auto=webp&s=92639edfccb2c1aea4f262d8fc208a1294798637>

Mainstar's seemed promising. Flat annual fee per account; No additional fee for type of asset. Fee Schedule can be found here:

[mainstartrust.com](https://mainstartrust.com) > Forms > Account Type > Fee Disclosure

Link: [<https://mainstartrust.com/upload/files/2021/06/fee-disclosurepdf1624977213.pdf>](<https://mainstartrust.com/upload/files/2021/06/fee-disclosurepdf1624977213.pdf>)

Next hurdle was to verify that they can indeed hold public securities (some won't). I reached out to their support team. (I'm learning to add screenshots of my convo, so bear with me)

<https://preview.redd.it/0911fmm297381.png?width=635&format=png&auto=webp&s=11ee4d63415db30ec268adc0a8b16054b73262ab>

> **\*\*Me:\*\*** "I currently have assets within a Traditional and Roth IRA at Vanguard and am looking to move assets to another institution. I see that your Fee Disclosure shows that you are able to hold publicly traded securities. If I were to open an IRA and transfer **\*\*in-kind\*\*** my securities, are they held with Mainstar itself? Or is custody of these types of assets held with a broker on your behalf?

<https://preview.redd.it/h560rda397381.png?width=629&format;=png&auto;=webp&s;=57e8a57b1acc43d4850f5e44ac5c463eeca5b>

>\*\*Mainstar:\*\* "Can you tell the assets names?"

<https://preview.redd.it/0v5kkwm497381.png?width=645&format;=png&auto;=webp&s;=932003257e1b90760f64e2b1eda258a279feda94>

>\*\*Me:\*\* "It would be stock shares like Google, Microsoft, Gamestop, Amazon, etc."

<https://preview.redd.it/kp70f8d597381.png?width=691&format;=png&auto;=webp&s;=4faa8fcf1d6d4df2ee4e735dc755ecb41f6e9f45>

>\*\*Mainstar:\*\* "We hold all our common stock here so we can trade it faster for you."

Seems promising, so I decided to pull the trigger. Went to their site and did the "Open New Account" online option, and opened a Traditional IRA as well as a Roth IRA.

I opted to skip the "Funding" portions so I could confirm details with Vanguard.

Mainstar's Transfer Request forms can be found here:

[mainstartrust.com](https://mainstartrust.com) > Forms > Account Type > Transfer Direct Rollover Request

Link: [<https://mainstartrust.com/upload/files/2019/09/transfer-direct-rollover-requestpdf1569510971.pdf>](<https://mainstartrust.com/upload/files/2019/09/transfer-direct-rollover-requestpdf1569510971.pdf>)

\*\*My TLDR Process:\*\*

1. Established new IRAs so that I could get my Account Numbers (1 for Trad, 1 for Roth).
2. Downloaded Mainstar's Transfer Request form (1 for Trad, 1 for Roth).
3. Contacted Vanguard to verify:
  - a) their mailing address to accept Transfer Requests (Vanguard, P.O. Box 982901, El Paso, TX 79998-2901),
  - b) Contact phone ((877) 662-7447),
  - c) Whether they can be faxed (yes, according to rep I spoke to - (484) 582-4544), and
  - d) Whether my signature needs a Medallion Stamp (Medallion Stamp = signature verification; "Not necessary for this type of request" according to rep I spoke to)
4. Downloaded a recent (within past 60 days) Account Summary from Vanguard to include with my

transfer forms.

5. Emailed completed Transfer Requests to Mainstar to begin the transfer process.

As I am moving shares between similar account types (I.e., Trad to Trad, Roth to Roth), this movement is considered a **\*\*TRANSFER\*\***, thus not taxable. (Be aware of terminology: Transfer vs. Direct Rollover vs. Rollover)

**\*\*SIDENOTE: Do I need to DRS?\*\*** \*(For those that can't cover the re-registration costs)\*

I'm like 90% sure I don't need to once shares are showing in my Mainstar accounts, because of what's called "Change of Ownership."

Here's why I think it's not immediately necessary... The reason to DRSing is to remove shares from these entities so that they can't do anything with those shares without consent.

By transferring out these shares, Ownership is being changed from:

>Old Institution Titling: Vanguard FBO\\* AccountOwner & AccountType to New Institution Titling: Mainstar as Custodian FBO AccountOwner & AccountType

\*\\*FBO = For Benefit Of\*

IMO, this is the same principle as DRS'ing brokerage shares: Broker > Your Name

While you as an individual don't directly own the share, the custodian holds it FOR YOUR BENEFIT. Moving them from a known broker/dealer, to a third party that IMO doesn't do the same BS (lending, ~~will~~ may liquidate when the market craps out, etc.) seems like the right solution for me.

One thing to keep in mind by going the SDIRA route is the process for selling shares. I don't know what Mainstar's process is. I haven't done the research yet, but seeing as how I don't plan on ever selling my shares, it's a moot point for me.

I'll add edits to update this post as I move through the last(?) few steps. I'm really hoping the Vanguard rep was up front with their requirements. In my experience, resigning custodians LOVE to drag their feet hoping you'll give up. After all, you're moving assets OUT - looks bad on their bottom line, you know?

EDIT (12/3/2021)

I received an email alert from Vanguard for both of my IRAs (Traditional and Roth) that said my "request was missing certain key information that would allow us to process it for you." It also included an 800 number to call to resolve the issue. I pulled out my phone, dialed, and got their recorded line that everyone's busy and to continue to hold. And I did just that. For over 45 minutes until it kicked to someone's personal voicemailbox and said it was full.

Long story short, just call their published number. ((877) 662-7447)

This time I was on hold for 39min until I got to talk to a rep. I explained why I was calling and he pulled up the info on his end. He asked me to confirm the amount of shares I'd be transferring over and stated he'd send the paperwork over to their processing team.

Lo and behold, today, I received an email that "your brokerage transaction confirmation is ready." I logged into my Vanguard account online and noticed that the shares in my Roth are no longer there!

I'm still waiting for the Traditional IRA transfer notice, as well as an update that everything is in my Mainstar account.

Edit (12/7/21)

It took another business day to receive my 2nd confirmation from Vanguard. Logged in and found Trad shares are now gone. Also, Roth shares are now showing in my Mainstar account. Still working on confirming their DRS steps.