

Title: The IRA Custodian

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This is a Repost. This is not about having a custodian. We all know that having a custodian for your IRA is an IRS requirement. This post is about holding and controlling the IRA shares.

I do not trust any broker to HOLD my shares. That is why I DRS, and I control all my GME shares in Computershare.

#### # The Basics – Brokerage Firm Custodians, SDIRAs, and Brokers

- There are several types of individual retirement accounts (IRAs), but they all have one thing in common. By Internal Revenue Service (IRS) decree, they must have a custodian. An IRA custodian is a financial institution that holds your IRA account investments and sees to it that all IRS and government regulations are always adhered to.
- Brokers or broker partners are not IRS requirements for your IRA custodian.
- Brokerage firms, Trusts, or SDIRA custodians have no fiduciary relationship with you, unless they offer tax or investment advice for you.
- Brokerage firm custodians; SDIRA custodians with a broker partner; and SDIRA custodians without a broker partner, all have different charters.
- The IRA custodian has the right to determine what investments the IRA makes. For example, a brokerage firm IRA custodian like Fidelity will allow their clients to buy equities and prevent them from buying real estate. That is their right.
- It is not the IRA custodian that makes the event untaxable or taxable, it is the IRS rules that makes an event taxable or untaxable. All custodians must follow IRS rules.
- Due to banking regulations, Trusts or SDIRA custodians are not allowed to hold and trade publicly traded securities, like GME. Only if the SDIRA custodian or Trust has a broker partner, are they are allowed to hold and trade publicly traded securities.
- Not all SDIRA custodians have broker partners, hold, or trade publicly traded securities.
- A non-market participant SDIRA custodian is not a broker and does not have a broker partner. They do not hold or trade publicly traded securities; so, no chance of market fuckery.

#### # The IRA Custodian Charters

**\*\*A BROKERAGE FIRM WHO IS AN IRA CUSTODIAN:\*\***

- Can trade publicly traded securities like stocks or bonds, as well as mutual funds or ETFs
- Can hold publicly traded securities like stocks or bonds, as well as mutual funds or ETFs
- Can hold IRA accounts
- Can DRS your IRA shares but they have an internal policy to not allow DRS of IRA accounts into Computershare.

A Brokerage firm who is an IRA Custodian always know what is in the account and what comes in and out of it, because they are the holder of the IRA assets for the benefit of (FBO) the IRA owner, and always has

access to the IRA shares.

**\*\*A SELF-DIRECTED IRA CUSTODIAN WHO HAS A BROKER PARTNER:\*\***

- Can hold alternative assets (crypto, real estate, private securities, etc.)
- Can hold publicly traded securities with the use of its broker partner
- Can trade publicly traded securities with the use of its broker partner
- Can DRS and un-DRS your GME IRA shares with the use of its broker partner

You are the IRA owner, not the holder. By IRS law, the custodian is the trustee holder of the IRA. The shares are registered in the name of the custodian for the benefit of (FBO) you.

A Self-directed IRA(SDIRA) custodian who is a broker or has a broker partner, always know what is in the account and what comes in and out of it, because they are the actual holder and has control of the IRA assets FBO the IRA owner.

There is a difference in custodian with a broker partner and a broker custodian like Fidelity in that custodian having a broker partner does allow DRS of IRAs and Fidelity does not. However having a custodian with a broker partner with DRS access to your IRA shares does carry significant security risks to your IRA .

**\*\*A SELF-DIRECTED IRA CUSTODIAN WHO DOES NOT HAVE A BROKER PARTNER (NON-MARKET PARTICIPANT):\*\***

- Can hold alternative assets (crypto, real estate, private securities, etc.)
- Cannot hold publicly traded securities
- Cannot trade publicly traded securities
- Can DRS your IRA shares using an IRA LLC via the Computershare transfer form
- Cannot un-DRS your GME IRA shares

Your IRA LLC holds the title to the shares and the IRA LLC manager (IRA individual owner) has complete control of the IRA LLC. The shares are registered in the name of the IRA LLC; and only the name of the IRA LLC manager (IRA individual owner) is on file.

The IRA custodian has NO rights with respect to the management of the IRA LLC as per the IRA LLC operating agreement which is controlled by the manager of the LLC (IRA individual owner) and not the IRA custodian.

The IRA custodian has custodial duties of the IRA, and the IRA owns the IRA LLC, but the IRA custodian has no idea what is in the IRA LLC, nor do they care. The only thing that is reported to the IRA custodian is the value of what is in the IRA LLC, not what is in it. So, the IRA custodian does not know if the value reported are GME shares, or Tesla shares, or even a house, nor do they know what comes in or out of the IRA LLC, nor do they care.

**# CHOOSING YOUR SDIRA CUSTODIAN INVOLVES MANY FACTORS.**

When selecting a self-directed IRA custodian and administrator, make sure to do your due diligence (DD) about how the firm operates.

The first question you should ask is if they are a member of the Retirement Industry Trust Association (RITA). The best of the best custodians are members of RITA.

"All Regular RITA Members are regulated by federal or state banking authorities, are required to have regular audits, carry multiple insurance policies, and operate according to IRS and Department of Labor requirements. Regular Members are privy to industry best practices and agree to abide by the RITA Code of Ethics."

Here is the RITA directory that has non-market participant Trust company SDIRA custodians for your IRA!

[[https://rita.us.org/membership/\\_directory/](https://rita.us.org/membership/_directory/)]([https://rita.us.org/membership/\\_directory/](https://rita.us.org/membership/_directory/))

## # COMPUTERSHARE – THE TRANSFER AGENT

Equating trading(buy/sell) through Computershare as the same as trading through an outside broker is a strawman argument. Because when Computershare processes the trade, most of the request is done in the Computershare backoffice; and their broker Merrill Lynch, has a very small and guaranteed window to execute the trade, and Computershare manages the trade. The sell proceeds will be in your bank account in seven business days. Additionally, buying and selling through Computershare does not in any way carry the same risks as a custodian and their broker partner holding and controlling your IRA shares daily while the shares are in Computershare.

## # TL; DR: THE IMPORTANT THINGS TO REMEMBER ARE:

- By Internal Revenue Service (IRS) decree, IRAs must have a custodian.
- A broker or broker partner is not an IRS requirement for your IRA custodian.
- Not all IRAs are the same. The IRA custodian has the right to determine what investments the IRA makes. For example, a brokerage firm IRA custodian like Fidelity will allow their clients to buy equities and prevent them from buying real estate. That is their right.
- For an IRA: You are the IRA owner, not the holder. By IRS law the custodian is the trustee holder of the IRA. The shares are registered in the name of the custodian for the benefit of (FBO) you.
- Financial Institutions and IRA custodians have no fiduciary relationship or duty with you unless they offer tax or investment advice for you.
- Due to banking regulations, SDIRA custodians or Trusts are not allowed to hold and trade publicly traded securities, like GME. However, if the SDIRA custodian or Trust has a broker partner, they are allowed to hold and trade publicly traded securities.
- There is a difference in a SDIRA custodian with a broker partner and a broker custodian like Fidelity in that the SDIRA custodian having a broker partner does allow DRS of IRAs and Fidelity does not. However having a custodian with a broker partner with DRS access to your IRA shares does carry significant security risks to your IRA .
- Not all SDIRAs use brokers or broker partners, hold, or trade publicly traded securities.
- A non-market participant SDIRA custodian is not a broker and does not have a broker partner. They do not hold or trade publicly traded securities; so, no chance of market fuckery.
- With a non-market participant SDIRA custodian, IRA owners can only use the IRA LLC method. This allows the IRA owner to hold and control their own IRA shares. By using the IRA LLC method, your IRA LLC holds the title to the shares and the IRA LLC manager (IRA owner) has complete control of the IRA LLC in Computershare. The IRA custodian has NO rights with respect to the management of the IRA LLC. And the IRA custodian in this case is not the holder of the publicly traded securities.
- The only way to guarantee that the IRA owned shares will not be at risk for a broker partner to lend, un-DRS, or other market fuckery is by setting up the IRA at a non-market participant SDIRA custodian who does not have a broker partner and then controlling share ownership via an IRA LLC. Otherwise, there is

no guarantee that the IRA custodian and broker partner will not have access to your IRA shares.

- There are lots of IRA custodians out there, do your DD. Brokers, or Custodian Broker Partners holding and controlling the IRA is the issue. Always has been.

- Here is the solution that you can use to DRS and control your IRA without a broker or SDIRA custodian with a broker partner. It is designed for use with non-market participant SDIRA custodians. It is also the quickest way to DRS your IRA, no tax implications, and no chance for market fuckery.

[[https://www.reddit.com/r/Superstonk/comments/w4rpor/how\\_to\\_guide\\_true\\_selfdirected\\_irasdira\\_custodian/?utm\\_source=share&utm\\_medium=web2x&context=3](https://www.reddit.com/r/Superstonk/comments/w4rpor/how_to_guide_true_selfdirected_irasdira_custodian/?utm_source=share&utm_medium=web2x&context=3)]([https://www.reddit.com/r/Superstonk/comments/w4rpor/how\\_to\\_guide\\_true\\_selfdirected\\_irasdira\\_custodian/?utm\\_source=share&utm\\_medium=web2x&context=3](https://www.reddit.com/r/Superstonk/comments/w4rpor/how_to_guide_true_selfdirected_irasdira_custodian/?utm_source=share&utm_medium=web2x&context=3))

**\*\*I hope this post is helpful and brings awareness to the topic of holding and controlling of your IRA.\*\***