

# The Ultimate Guide to **Bitcoin IRA** Investing

Grow Your Retirement Savings  
With a Bitcoin IRA

*Growth Potential*



*Privacy*



*Diversification*



*Safe & Secure*



*Return on Investment*



*Tax Benefits*



*Currency Hedge*



**BitcoinIRA**



# THANK YOU FOR DOWNLOADING THIS **BITCOIN IRA** GUIDE.

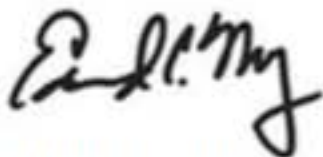
In this guide, you will learn why bitcoin can be a powerful investment asset and how BitcoinIRA allows you to make it a part of your retirement portfolio. Bitcoin is becoming increasingly popular due to its underlying technology, the blockchain, which promotes transparency and security in the financial system. The technology is also the driving force behind its potential to appreciate in the long term.

If you're contemplating a long-term retirement investment with upside potential, bitcoin offers strong possibilities.

As the most widely recognized digital currency, bitcoin has captured the attention of the international financial community.

If you have any questions, please call BitcoinIRA at **877-936-7175** to speak to a Bitcoin IRA Specialist.

Sincerely,



Edmund C. Moy  
Former Director of the United States Mint

## Here is what business leaders are saying about Bitcoin:

"[Bitcoin] is a remarkable cryptographic achievement... The ability to create something which is not duplicable in the digital world has enormous value."



Eric Schmidt  
Executive Chairman of Google

"Bitcoin is better than currency in that you don't have to be physically in the same place and, of course, for large transactions, currency can get pretty inconvenient."



Bill Gates  
Founder of Microsoft

"I do think Bitcoin is the first [encrypted money] that has the potential to do something like change the world."



Peter Thiel  
Co-Founder of Paypal

"I have invested in Bitcoin because I believe in its potential, the capacity it has to transform global payments is very exciting."



Sir Richard Branson  
Founder of Virgin Group





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## WHAT IS BITCOIN?

Bitcoin is a digital currency. As such, it's neither printed like dollar bills, nor minted like coins. No institution or bank holds sway over it. It is bitcoin's independence from any centralized government control that has begun to take hold with the public. But bitcoin isn't really a tangible thing. You can't touch or handle bitcoin, or put it in your pocket or purse. Yet as a digital currency, it has definite value and functions like the electronic version of government currency.

*A bitcoin wallet is notable for its enhanced security.*

Printed or minted currency comes in a physical format. You can go to a bank or even a store to exchange, say, paper dollars for their equivalent value in quarters or dimes. As digital currency, you can go to an exchange and buy bitcoin with any government currency and vice versa. Like cash, bitcoin spending occurs as a peer-to-peer transaction from one bitcoin spender to the next. In other words, it's passed along from one computer to another, like cash is passed along from one person's hand to that of another.

A bitcoin spender does not write a check. Participants in bitcoin transactions are transmitted and received over the internet through a bitcoin wallet.

“The promise of digital currency is a new financial transaction system: cheaper, more efficient and secure transactions.”

Edmund C. Moy  
Former Director of the United States Mint

*Bitcoin is the  
biggest idea  
since the  
Internet.*



## 5 REASONS TO INVEST IN BITCOIN

#1

### Return on Investment

Bitcoin has pioneered the foundation of a new and regularly acceptable digital currency. As such, it's poised for growth and returns as a leader in its sector. **A mere \$200 investment in bitcoin in 2011 would yield over \$1 million USD today.** That's nearly 500,000% growth in just 3 years. All while market volatility and risk in equities and stocks has been detrimental to your IRA account value.

#2

### Currency Hedge

Never before in human history has over accommodative monetary policy been as prevalent as it is today. Every major sovereign power is printing money to keep their economies afloat. Every single one. While we may not see the full impact right away, but long term wealth and retirement accounts are susceptible to the devastating effects of possible aggressive inflation. In contrast, **Bitcoin has a mechanism to prevent inflation...only 21 million can ever be made.** Bitcoin has a limited supply just like gold. In fact, it is 10x more finite than gold, a common hedge to currency and inflation concerns. And because it is a decentralized currency, it is out of the reach of any national power or manipulation. Think of it as a free market alternative to the government's monopoly on money.

#3

### Privacy & Security

An appealing aspect of bitcoin to many is that it is a currency that offers greater privacy and security than its government counterpart. Because it uses the internet, it avoids the existing proprietary electronic financial highways of banks, credit card companies, and money transfer agents. That means that it also avoids their speed limits, tolls, radar, and patrol cars. And because bitcoin transactions use state-of-the-art cryptography, your information is dramatically more secure than a credit card transaction. Privatization of your money is the ultimate source of privacy and security for investors today. **Bitcoin is the last line of true private money today.**

#4

### Freedom from the Banks

The original premise of a bank was safe storage of deposits, and building credit in a local community. Today's banks are tightly regulated by the government. This has resulted in greater control over your money like limits on how much of your OWN money you can withdraw. **Bitcoin gives you an alternative to the banking system:**

- Bitcoin is accessible 24/7 and 365 days a year, including all weekends and holidays.
- Bitcoin significantly reduces or eliminates banking fees, like checking, ATM, and ETFs.
- Bitcoin makes it virtually impossible for the government to subject your money to capital controls like China or confiscation like Crete.
- Your money is in your bitcoin wallet not loaned out to risky investments.

#5

### Tax Benefit

With the advent of the bitcoin IRA, you can now access this private and growth driven currency with retirement funds. Seize the power of the next generation of money with **tax-deferred funds.**

*Bitcoin has recently outperformed the  
NASDAQ, S&P and the DowJones.*



# BITCOIN AS AN INVESTMENT

While bitcoin is fundamentally a currency – the leading digital currency, to be sure -- it can also function well as an investment. The dynamic that drives bitcoin as such is based on its value which, in turn, is based on the number of its users, the volume and frequency of bitcoin transactions, and the total number of bitcoins in circulation.

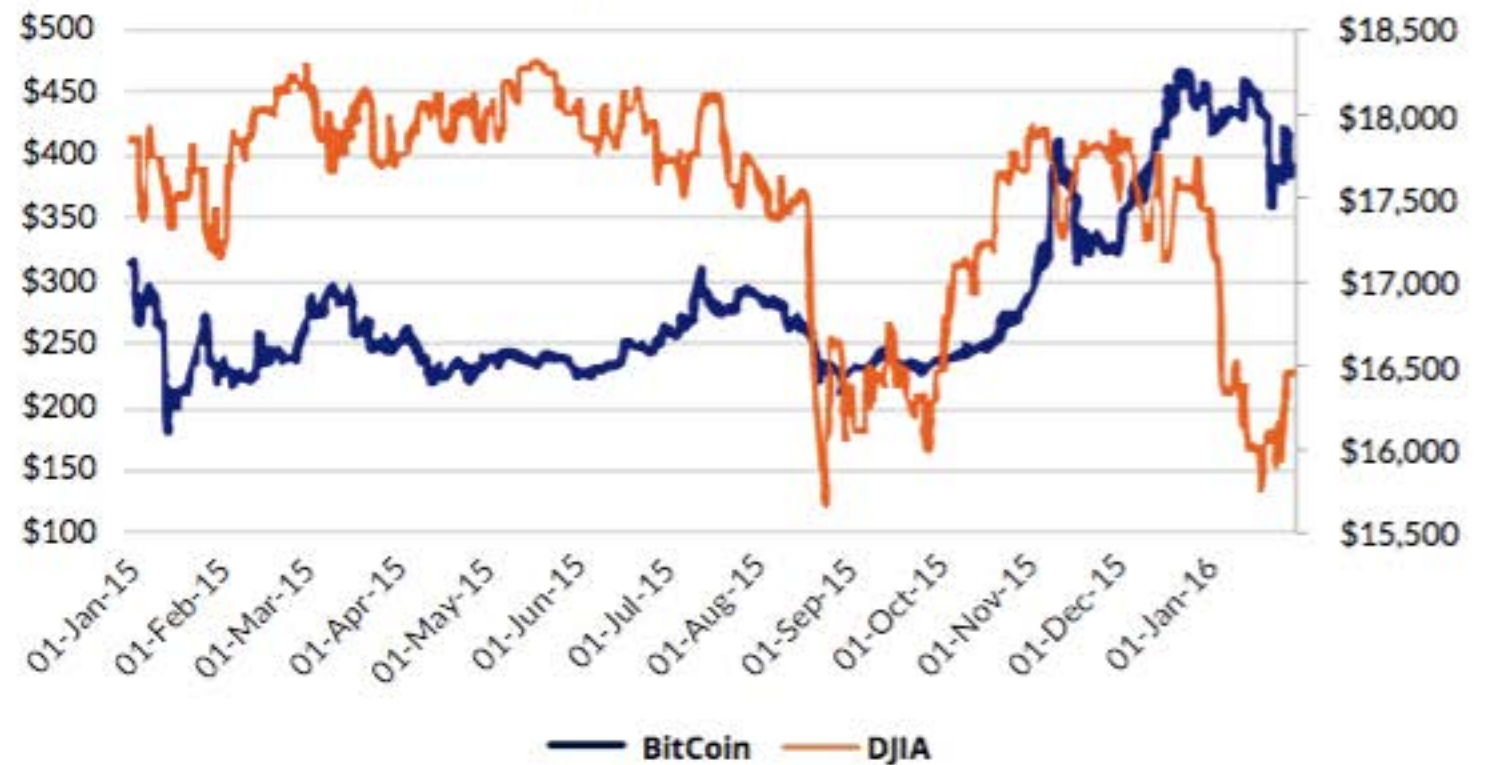
A bitcoin investor though is not simply investing in the rapid growth of the world's leading digital currency. He or she is investing in the block-chain technology which makes bitcoin exquisitely functional. Financial organizations are just beginning to realize its application in banking, payment processing and traditional financial trading.

Bitcoin technology's advantages over the traditional bank processing are considerable. Processing costs are lower and transaction processing times are much faster. Another benefit to investors of bitcoin is that it's inversely correlated to more traditional assets like stocks. While many investors still offset their paper and dollar-denominated assets with precious metals – especially gold – many investors now also increasingly believe that bitcoin can deliver this same security.

That said, it's important to appreciate that bitcoin is a high-risk, high-reward investment. This has mainly to do with the volatility of the currency's value at different junctures. See the risk factors in this guide before considering an investment in bitcoin..

*A \$200 investment in Bitcoin in 2011 would be worth over \$1 Million today.*

Bitcoin vs. DJIA (Jan 2015- Jan 2016)





# QUICK HISTORY OF BITCOIN

While there existed a number of digital currency technologies prior to bitcoin, the generally acknowledged beginning of bitcoin originated in a paper posted on the Internet in November, 2008 by Satoshi Nakamoto called bitcoin: A Peer-to- Peer Electronic Cash System.

In May, 2010, someone ordered pizza from Papa John's. The person who ordered paid 10,000 bitcoins for his meal.

In March of 2013, the US Financial Crimes Enforcement Network (FINCEN) published bitcoin regulations as a guide to people who wanted to exchange digital currency. At this point, bitcoin market capitalization had reached \$1 billion.

In November, 2013, Federal Reserve Chairman, Ben Bernanke, wrote a letter to the Senate Homeland Security and Government Affairs Committee stating bitcoin "may hold long-term promise, particularly if the innovations promote a faster, more secure and more efficient payment system."

In December, 2014, Microsoft begins to accept bitcoin payments. They join many others including Amazon, Target, CVS, Subway, Overstock.com, Dell, Apple's App Store, Tesla, Expedia.com. Home Depot, Kmart, and Sears.

*Bitcoin will disrupt currency like email did to regular mail*



The first exchange rate between bitcoin and government currencies is established when on October 5, 2009, New Liberty Standard published a Bitcoin exchange rate that establishes the value of a Bitcoin at US\$1 = 1,309.03 BTC.

In November 2010, the number of bitcoins created equal \$1,000,000. The exchange rate surges to US\$1 = 2 BTC. Three months later bitcoin reaches parity with the US dollar.

In August, 2013, Federal Judge Amos Mazzant for the Eastern Region of Texas declared that The Securities Exchange Commission could proceed with an action against a bit-coin- based hedge fund because "bitcoin is currency or form of money." Bloomberg begins testing a bitcoin ticker on its terminals.

In December, 2013, China bans financial institutions from handling bitcoin transactions as one way to prevent its citizens from avoiding capital controls.

Blockchain Technology – Although banks and most businesses initially dismissed it as a passing craze, they've now begun to latch on to the technology that underlies it. Venture capitalists have invested over \$1 billion in over 30 blockchain projects, in which the NYSE, NASDAQ and other high-profile financial institutions are involved.



## HOW DOES BITCOIN WORK?

There are no banks or clearing houses that issue bitcoins. Instead, they're created in a peer-to-peer network through a complex mathematical system referred to by industry specialists as "mining." It's this mining system that gives bitcoin privacy and very strong fraud protection. Also, as the Economist has observed, this method of bitcoin creation prevents a central bank from simply dumping an immense quantity of the new currency into the existing network. Unlike the dollar and other currencies then, bitcoin has a built-in mechanism for preventing debasement.

You can become a bitcoin user by installing a bitcoin "wallet" on your computer or mobile phone. It's an application that functions similar to any other payment application on your phone or computer but has even more functionality and is more secure. It houses the digital code so you can use your bitcoins securely and keeps a transaction record.

Bitcoin transactions are recorded in a block chain, a public ledger accessible to bitcoin users. All transactions are confirmed and recorded here through the mining process. Accessible balances are calculated and new transactions can be verified in each blockchain participant's wallet. This record is permanent and cannot be changed or hacked.

# Real Time Secure Transactions





## WHO ACCEPTS BITCOIN?

It makes perfect sense that an international technology corporation like Microsoft would be among the first businesses to embrace bitcoin. Microsoft accepts bitcoin as a payment option for customers to acquire apps, games and videos from its Windows, Windows Phone and Xbox platforms.

But Microsoft is not the only computer technology company to embrace the bitcoin trend. In a partnership with Coinbase, Dell now accepts bitcoin, and offers customers a special 10-percent-off incentive if they use it for purchases.

Overstock became the first major retailer to accept bitcoin. You can order just about anything online from them – furniture, watches, jewelry, furniture and much more. The company prices items in dollars, but offers an option to pay in bitcoin on its checkout page. The company began offering its bitcoin option only to United States customers, but later expanded the offering to customers in over 100 countries.

The multi-billion-dollar retailer, Newegg also accepts bitcoin. Although the company offers a wider variety of products, its specialty in computer hardware and software led to its acceptance of bitcoin.

WordPress.com, the online company that helps technology-shy customers create their own websites and blogs, accepts bitcoin. So do Amazon, Target and Zappos.





# BITCOIN IN YOUR IRA

Many investors have seen their retirement portfolios shrink as a result of the current weakening global economy, they've sought alternative investments – particularly if their retirement funds have been tied up in stocks, bonds, and cash. While precious metals like gold and silver have served well to diversify stock portfolios, these metals' upward limits have remained range-bound in the last several years.

Bitcoin, like precious metals, is not correlated to stocks. But unlike precious metals, it's a more speculative investment. This is mostly because bitcoin has less history than precious metals do. But for the investor who has time and adequate resources, bitcoin offers very attractive upward potential for a long term investment like an IRA account.

There are currently two ways to invest in bitcoin for your IRA: through a fund or through an exchange.

**Fund.** If you invest in bitcoin through a fund, you'll do so through GBTC, the first publicly traded bitcoin investment vehicle. GBTC works just like a bitcoin ETF (exchange-traded fund). Each share represents 1/10 of a bitcoin. The problem with investing this way is that you really don't own bitcoin directly. Shareholders of these types of funds only hold shares of the bitcoin fund – not actual bitcoin itself. This option also tends to be expensive since it involves high transaction costs and premiums.

**Exchange.** If you invest in bitcoin through an exchange, you'll need to do so with a self-directed IRA, along with a special wallet. If you have a traditional IRA or Roth IRA/401k, you'll require a custodian to make this type of transaction – one who will work with bitcoin. BitcoinIRA.com has put together the first Bitcoin IRA and has integrated all the necessary elements into one simple product that makes it easy for investors.

## 3 Steps to a BitCoinIRA



### Application & Funding

Direct the transfer of your retirement funds from your existing IRA or 401K to your new IRA.



### Invest

Begin investing your IRA funds in bitcoin.



### Store

Secure your bitcoins in an IRA approved electronic wallet.

## Bitcoin IRA & 401k

The IRS has ruled that virtual currency has "an equivalent value in real currency." It therefore can be used to purchase goods or services. Furthermore, the IRS Virtual Currency Guidance: Notice 2014-21 actually names bitcoin as one example of virtual currency, and declares "Bitcoin can be digitally traded between users and can be purchased for, or exchanged into U.S. dollars, Euros, and other real or virtual currencies."

The IRS notice is clear and straight forward. Since bitcoin can be exchanged for dollars or other currencies, it can be used in place of dollars or other currencies to make investments and to fund your IRA or 401K. You should be aware though that the same IRS notice also states that, for Federal Tax purposes, bitcoin will be regarded as "property." Since bitcoin is considered property, a custodian will be necessary in order to comply.





# LEARN MORE ABOUT INVESTING YOUR **IRA** WITH **BITCOIN**

Do you have questions or want more information about the Bitcoin IRA? Please speak to one of our Bitcoin IRA Specialists today.

## Risk Factors & Disclaimer

Bitcoin is a very speculative investment and involves a high degree of risk. Investors must have the financial ability, sophistication/experience and willingness to bear the risks of an investment, and a potential total loss of their investment.

Information provided is not intended to be, nor should it be construed or used as investment, tax or legal advice, a recommendation, or an offer to sell, or a solicitation of an offer to buy, an interest in bitcoin. An investment in bitcoin is not suitable for all investors.

- An investor could lose all or a substantial portion of his/her investment in bitcoin.
- An investment in bitcoin should be discretionary capital set aside strictly for speculative purposes.
- An investment in bitcoin is not suitable or desirable for all investors.
- Bitcoin has limited operating history or performance.
- Fees and expenses associated with a bitcoin investment may be substantial.

The above summary is not a complete list of the risks and other important disclosures involved in investing in bitcoin. Any investment in bitcoin is subject to all the risks and disclosures set forth in the Customer Transaction Agreement and other definitive customer agreements.

