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EXHIBIT 3

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Message

From:	Lawyer 1	
Sent:	8/12/2015 5:50:42 PM	
To:	Roger Ver [roger@memorydealers.com]; Return Preparer 1	
CC:	Employee 1	_
Subject:	Re: Rental income, bitcoin valuation, update on company appraisals	

Dear Roger,

Regarding the valuation of the bitcoins:

The Treasury Regulations require us to value gifts of property on a per unit basis. You can see this in the general rules for valuation of property under regulation section 25.2512-1 ("The value is generally to be determined by ascertaining as a basis the fair market value at the time of the gift of each unit of the property") and in the valuation of stocks and bonds under section 25.2512-2.

The logic behind this rule is that when the property can be divided into individual units, the holder can theoretically sell them in discrete batches within a small interval of time and not depress the market.

The average per unit price of bitcoins on the day before your expatriation was \$800, as established by the average trading price of all volume of trades that occurred on that day.

The result prejudices the assets of significant holders of a limited market--for example, your bitcoin holdings or the shares of a significant shareholder of a public corporation--, but it is unfortunately the rule that the law prescribes.

your fee would likely quickly surpass any tax savings.

Best regards,



On 2015/08/12 09:27, Roger Ver wrote: > Hi Return Prep > Please see my answers inline below. > > > >> On Aug 12, 2015, at 5:32 AM, Return Preparer 1 wrote: >> >> >> Hi Roger, >> >> Three items for this email -- rental income, bitcoin valuation, and company appraisals. >> >> >> 1. Rental income. I am going through the rental income worksheets you had provided earlier this year, getting the data ready for entry into the tax returns, and a few questions came up. >> >> · I noticed some months have a negative income amount. Some have notes in the spreadsheet, but most don't. I attached the Hawaii properties spreadsheet for your reference. Do these negative numbers in the rental income section reflect expenses in excess of rental income? > That is correct. >> >> · If the rental income numbers include expenses paid on each property, that leads me to 2 more auestions: >> 1) Is it possible to get a breakdown of gross rent received and a list of expenses by property? > I' ve attached all the statements I have for 2014. It likely isn't worth spending much time on because

Case 2:24-cr-00103-MWF Document 21-3 Filed 12/03/24 Page 3 of 4 Page ID #:138 > The property manager was also the real-estate agent I asked to sell all the properties initially. After she didn't manage to sell them after a year, I hired a new realtor that sold just about all of them within a few months. > Unfortunately, the original realtor / property manager is no longer responsive because she lost me as a customer. > > > > > > >> 2) Assuming the rental income amounts are net amounts and not gross, should I expect that the net rent income amounts provided here do _*not*_ include the annual expenses for property tax, mortgage interest, and HOA fees? I am asking this because those expenses were provided separately to us, and I want to make sure we are not double-counting them. > All of those expenses were paid separately by myself, so you are not double counting them. >> >> • Where the rental income amounts fluctuate month to month, is that to reflect expenses being paid in some months (if the rental income amount shown here is net and not gross), or is there an actual fluctuation in the rent collected? > This would be due to a fluctuation in expenses month to month, not a fluctuation in the gross rent. >> >> • Perhaps it would be helpful to have a bit of background on this, as well -- are the Hawaii rentals for the most part long term rentals occupied by persons who reside there, or short term vacation rentals? > They were all long term rentals. > In 2015 I managed to sell all of them. (with one left that will be sold by the end of the year) >> >> >> 2. Bitcoin valuation. referenced in indictment, pg. 11 >> >> . Lawyer 1 has researched this and determined that the we will have to use the \$800 per bitcoin FMV when doing the deemed sale for expatriation. Basically, there is no provision that we can find in the Code that allows us to take into account how thin the market is when doing this type of valuation. Therefore, to determine the total FMV of bitcoins you owned at expatriation date, I will need you to provide me with the number of bitcoins you owned as of that day (if exact number is unknown, your best attempt at approximation will suffice). > This seems impossible and unreasonable. > How could the Fair Market Value to be greater than the size of the entire market? > > > >> >> • The basis you provided -- \$2,127,454 as COGS for www.bitcoinstore.com plus two separate purchases for \$320,000 and \$100,000 constitute your basis in the bitcoins. The cost to build the website is not included in the bitcoins' basis. >> >> >> 3. Company appraisals. I just am following up to find out the status of these. Employee1, perhaps you can update me on this? I have notes that appraisals were ordered for the following: >> >> - Memory Dealers >> - Agilestar >> -Also please let me know if I omitted any companies from this list -- if I did, it was unintentional. >> >> >> >> Kind regards, >> >>

>> Return Prepare >> -->> Return Preparer 1 >> Law

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>> <Hawaii rental property income Jan-Dec 2014 - updated with mortgage interest and property tax.xls>

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