

Digital Asset LLC Formation Guide

A plain-English overview for clients preparing to organize a limited liability company for digital asset activity.

Prepared for Private client education	Purpose Help you understand LLC basics, formation steps, and intake requirements before a consultation.
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1. What is an LLC?

- An LLC, or Limited Liability Company, is a business structure that can separate business activity from personal activity when it is formed and operated correctly.
- An LLC may help organize ownership, payments, operating rules, banking, records, and service relationships under one legal entity.
- State rules vary, so final decisions should be reviewed with qualified legal and tax professionals.

2. Why digital asset holders use LLC structures

- To create a cleaner structure around crypto-related activity, investments, service agreements, and expenses.
- To keep better records for bookkeeping, tax preparation, and future banking conversations.
- To clarify who manages the entity, how decisions are made, and how documents are stored.
- To help professional teams coordinate around one organized entity instead of scattered personal records.

3. Basic formation checklist

- Choose a company name and check availability in the state of formation.
- Choose the state of formation and confirm filing details.
- Prepare and file Articles of Organization or the state equivalent.
- Create an Operating Agreement that explains ownership and management rules.
- Request an EIN from the IRS when appropriate.
- Set up business banking or payment channels after the entity and EIN are ready.
- Store formation documents, receipts, tax notices, and banking records in one secure place.

4. Information usually needed before filing

- Preferred company name and backup name options.
- State of formation.

- Member or manager names and contact information.
- Business mailing address and registered agent information.
- Brief business purpose and expected activity.
- Basic planning details for banking, bookkeeping, and document delivery.

5. EIN and banking preparation

- An EIN is commonly used for tax identification, banking, vendor accounts, and administrative records.
- Banks may request formation documents, an EIN confirmation letter, an Operating Agreement, owner identification, and details about business activity.
- Digital asset activity can require extra review, so clear records and a professional explanation of activity are helpful.

6. Common mistakes to avoid

- Using a company name before confirming availability.
- Mixing personal and business expenses without clear records.
- Skipping an Operating Agreement.
- Failing to maintain annual reports, state fees, or required updates.
- Treating the LLC as complete before EIN, banking, and records are organized.

Important note

This guide is educational only. It is not legal, tax, investment, custody, or financial advice. Formation requirements vary by state and situation. Consult qualified professionals before making final decisions.