

CRYPTONYTE PRESENTS...

THE
CRYPTO
BLUEPRINT

A MASTER'S GUIDE TO
DIGITAL WEALTH



WRITTEN BY T.H. ELLISON
AND EARL S. JOHNSON

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CRYPTONYTE PRESENTS.....

THE CRYPTO BLUEPRINT
BEGINNER'S GUIDE 2025 EDITION

YOUR SIMPLE, NO-BS PATH TO
UNDERSTANDING CRYPTO

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RESEARCHED AND WRITTEN BY
T.H. ELLISON & EARL S. JOHNSON

DISCLAIMER: THIS GUIDE IS FOR
EDUCATIONAL PURPOSES ONLY AND
DOES NOT CONSTITUTE FINANCIAL
ADVICE. ALWAYS DO YOUR OWN
RESEARCH AND CONSULT QUALIFIED
PROFESSIONALS BEFORE MAKING
INVESTMENT DECISIONS.

INTRODUCTION – WHY CRYPTO EXISTS

Cryptocurrency emerged as a response to fundamental problems in the traditional financial system. Understanding these issues is key to grasping why crypto is so revolutionary for many.

Problems crypto tries to solve

- Lack of trust in centralized institutions. The 2008 financial crisis eroded public confidence in the ability of banks and governments to manage money responsibly.
- Inflation and currency devaluation. In many countries, savings can lose value rapidly due to inflation. Digital assets can offer an alternative store of value.
- Slow and expensive cross-border transfers. Sending money internationally can involve fees of 5–10% and take several days to settle.
- Financial exclusion. Billions of people remain unbanked but have access to mobile phones. Digital currencies can provide them with financial services.

Real-world examples

- A worker sending remittances home may lose up to 6.8% in fees; using Bitcoin's Lightning Network or stablecoins can reduce costs to a fraction of a percent and settle in minutes.
- People living in countries with strict capital controls can move their savings across borders without risk of confiscation.
- Businesses in developing nations with volatile currencies use stablecoins to shield themselves from hyperinflation.

Think of crypto as "email for money" – a way to send value directly to anyone, anywhere, instantly, without asking a bank for permission.

WHAT IS CRYPTOCURRENCY?

At its core, cryptocurrency is digital money that is created and transferred electronically. It uses cryptography (the science of secure communication) to secure transactions, control the creation of new units, and verify the transfer of assets.

Unlike government-issued money (fiat currency), no single authority controls the network. Instead, it is maintained collectively by its users through a public ledger. Think of this ledger as a giant, shared spreadsheet that everyone can see, but no one can alter maliciously.

Key features

- **Decentralization:** Records are stored on thousands of computers worldwide, not on one company's server. This makes the network resilient to censorship or shutdown.
- **Transparency:** Anyone can view the entire history of transactions on the public ledger, ensuring everything is accounted for.
- **Ownership via keys:** Your private key is the cryptographic proof of ownership for your coins. Without it, you cannot access your funds.

Understanding Blockchain

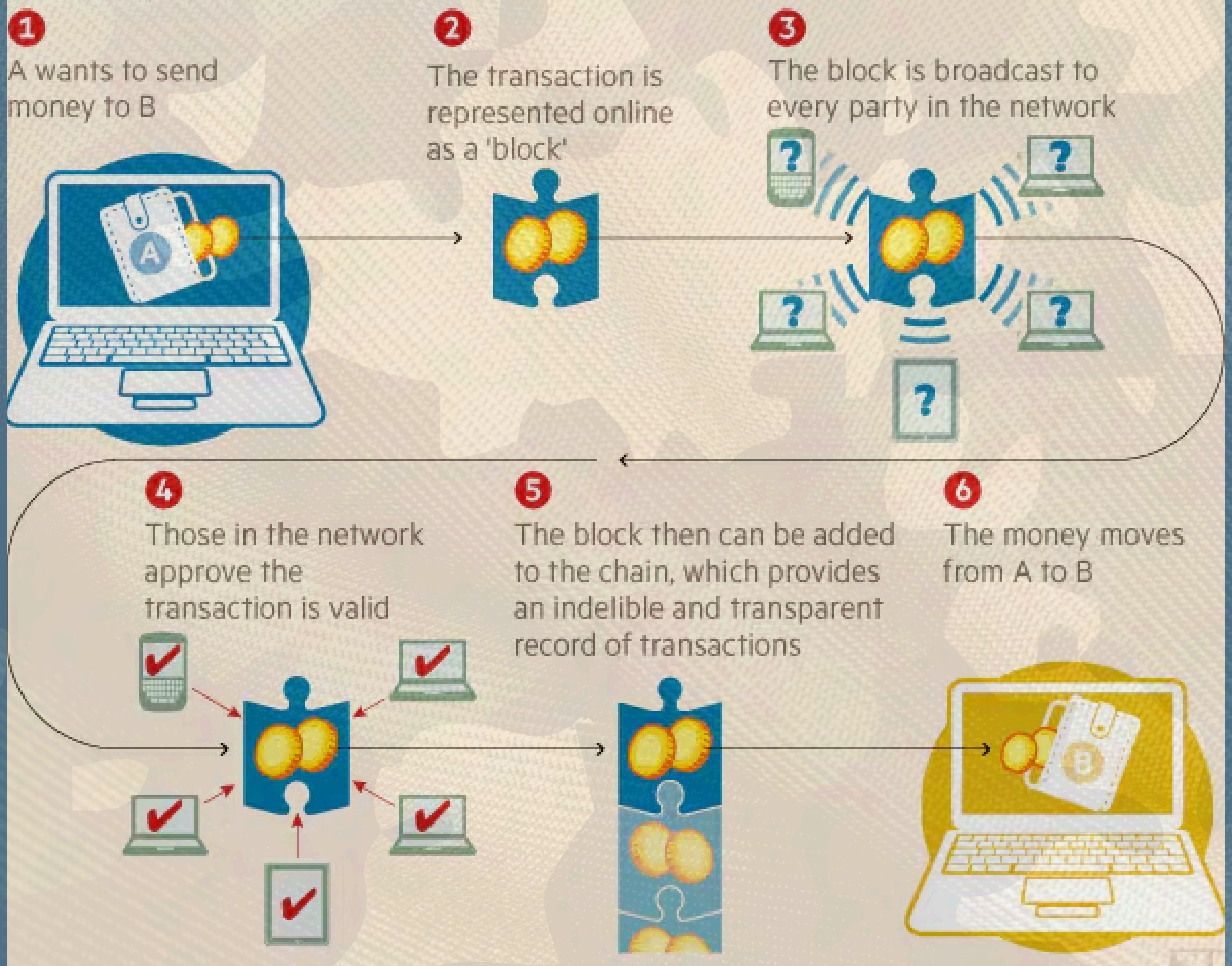
A blockchain is the foundational technology for most cryptocurrencies. It is a shared, immutable database that records transactions in blocks.

Each block contains a list of recent transactions and a cryptographic hash (a unique digital fingerprint) of the block that came before it. Once a block is filled, it is added to the chain, becoming a permanent and unchangeable part of the record. This structure makes it extremely difficult to tamper with past transactions.

HOW IT WORKS

1. A USER BROADCASTS A TRANSACTION TO THE NETWORK FROM THEIR CRYPTO WALLET.
2. MINERS OR VALIDATORS GROUP PENDING TRANSACTIONS INTO A NEW BLOCK. THEY COMPETE TO ADD IT TO THE CHAIN BY SOLVING A CRYPTOGRAPHIC PUZZLE (PROOF-OF-WORK) OR BEING SELECTED BASED ON THEIR HOLDINGS (PROOF-OF-STAKE).
3. ONCE THE NETWORK REACHES A CONSENSUS, THE NEW BLOCK IS APPENDED TO THE CHAIN, AND THE TRANSACTIONS INSIDE IT ARE CONSIDERED CONFIRMED AND IMMUTABLE.

How a blockchain works



KEY TERMS MADE SIMPLE

- **WALLETS:** A CRYPTO WALLET STORES YOUR PRIVATE KEYS, NOT YOUR COINS (WHICH LIVE ON THE BLOCKCHAIN).
 - HOT WALLETS ARE SOFTWARE CONNECTED TO THE INTERNET, CONVENIENT FOR SMALL, FREQUENT TRANSACTIONS.
 - COLD WALLETS ARE OFFLINE HARDWARE OR PAPER DEVICES, PROVIDING MUCH HIGHER SECURITY FOR LONG-TERM STORAGE.
- **EXCHANGES:** THESE ARE MARKETPLACES FOR BUYING AND SELLING CRYPTO.
 - CENTRALIZED EXCHANGES (CEXS) LIKE COINBASE OR BINANCE ARE RUN BY COMPANIES. THEY ARE USER-FRIENDLY BUT REQUIRE YOU TO TRUST THEM WITH CUSTODY OF YOUR FUNDS.
 - DECENTRALIZED EXCHANGES (DEXS) LIKE UNISWAP LET YOU TRADE PEER-TO-PEER VIA SMART CONTRACTS. YOU ALWAYS RETAIN CONTROL OF YOUR KEYS BUT THEY REQUIRE MORE TECHNICAL KNOWLEDGE.
- **COINS VS TOKENS:**
 - A COIN (E.G., BITCOIN, ETHEREUM) IS THE NATIVE ASSET OF ITS OWN BLOCKCHAIN AND IS PRIMARILY USED AS MONEY.
 - A TOKEN IS BUILT ON TOP OF AN EXISTING BLOCKCHAIN (LIKE ETHEREUM) AND CAN REPRESENT ANYTHING FROM A UTILITY, A COMPANY SHARE, OR A DIGITAL COLLECTIBLE.
- **STABLECOINS:** DIGITAL TOKENS DESIGNED TO BE PEGGED TO A STABLE ASSET, USUALLY A TRADITIONAL CURRENCY LIKE THE U.S. DOLLAR.
 - FULLY RESERVED STABLECOINS ARE BACKED 1:1 BY CASH OR HIGHLY LIQUID SECURITIES.
 - ALGORITHMIC STABLECOINS RELY ON SMART CONTRACTS TO MAINTAIN THEIR PEG, WHICH IS A RISKIER MODEL.
- **GAS FEES:** ON NETWORKS LIKE ETHEREUM, "GAS" IS THE FEE YOU PAY TO COMPENSATE VALIDATORS FOR PROCESSING YOUR TRANSACTION. THE FEE EQUALS $\text{\$GAS} \times (\text{BASE FEE} + \text{PRIORITY TIP})$ AND FLUCTUATES WITH NETWORK DEMAND.
- **LAYER 2 SOLUTIONS:** THESE ARE SECONDARY NETWORKS BUILT ON TOP OF MAIN BLOCKCHAINS (LAYER 1S) TO REDUCE FEES AND INCREASE TRANSACTION SPEED. POPULAR EXAMPLES INCLUDE POLYGON, ARBITRUM, AND OPTIMISM. THEY PROCESS TRANSACTIONS OFF THE MAIN CHAIN AND THEN SETTLE LARGE BATCHES ON THE MAIN NETWORK.
- **HALVING EVENTS:** AN EVENT HARDCODED INTO BITCOIN'S PROTOCOL WHERE THE BLOCK REWARD FOR MINERS IS CUT IN HALF. THIS HAPPENS APPROXIMATELY EVERY FOUR YEARS (210,000 BLOCKS). THE 2024 HALVING REDUCED THE REWARD FROM 6.25 TO 3.125 BTC PER BLOCK.

BITCOIN (BTC) BASICS

ORIGINS: BITCOIN WAS PROPOSED BY THE PSEUDONYMOUS SATOSHI NAKAMOTO IN A 2008 WHITEPAPER AND LAUNCHED IN JANUARY 2009. THE FIRST BLOCK CONTAINED A MESSAGE REFERENCING A BANK BAILOUT DURING THE FINANCIAL CRISIS, HIGHLIGHTING ITS PURPOSE AS A NEW PEER-TO-PEER ELECTRONIC CASH SYSTEM WITHOUT A CENTRAL AUTHORITY.

SCARCE SUPPLY: ONLY 21 MILLION BTC WILL EVER EXIST, MAKING IT A SCARCE DIGITAL ASSET, OFTEN REFERRED TO AS "DIGITAL GOLD." THE PROTOCOL AUTOMATICALLY REDUCES THE ISSUANCE OF NEW COINS THROUGH HALVING EVENTS UNTIL THE LAST COIN IS MINED AROUND THE YEAR 2140.

WHY IT MATTERS: BITCOIN IS PRIMARILY SEEN AS A HEDGE AGAINST INFLATION AND A CENSORSHIP-RESISTANT STORE OF VALUE. WHILE EARLY ADOPTERS WERE TECH ENTHUSIASTS, TODAY ITS INVESTORS RANGE FROM INDIVIDUALS TO MAJOR GLOBAL INSTITUTIONS.

BUYING BTC SAFELY

- USE A REGULATED EXCHANGE OR BROKERAGE WITH A STRONG SECURITY TRACK RECORD.
- COMPLETE IDENTITY VERIFICATION (KYC) AND START BY DEPOSITING A SMALL AMOUNT.
- FOR TRADITIONAL EXPOSURE, CONSIDER REGULATED PRODUCTS LIKE BITCOIN ETFS.
- AFTER PURCHASE, TRANSFER COINS YOU PLAN TO HOLD LONG-TERM TO YOUR OWN SELF-CUSTODY WALLET.

ETHEREUM (ETH) & SMART CONTRACTS

ETHEREUM IS A GLOBAL, OPEN-SOURCE BLOCKCHAIN LAUNCHED IN 2015. WHILE IT HAS ITS OWN CRYPTOCURRENCY, ETHER (ETH), ITS MAIN INNOVATION IS ENABLING SMART CONTRACTS.

A SMART CONTRACT IS A SELF-EXECUTING AGREEMENT WITH THE TERMS OF THE DEAL WRITTEN DIRECTLY INTO CODE. THESE PROGRAMS AUTOMATICALLY RUN WHEN PREDEFINED CONDITIONS ARE MET, REMOVING THE NEED FOR INTERMEDIARIES. THINK OF A SMART CONTRACT LIKE A DIGITAL VENDING MACHINE: IF YOU PUT IN THE RIGHT AMOUNT OF CRYPTO (THE CONDITION), IT AUTOMATICALLY RELEASES YOUR ITEM (THE RESULT), ALL WITHOUT A CASHIER OR OPERATOR.

WHY IT MATTERS: ETHEREUM'S SMART CONTRACTS HAVE ENABLED A VAST ECOSYSTEM OF APPLICATIONS, INCLUDING:

- DECENTRALIZED FINANCE (DEFI): APPLICATIONS THAT LET YOU LEND, BORROW, TRADE, AND EARN INTEREST ON YOUR CRYPTO WITHOUT A BANK.
- NON-FUNGIBLE TOKENS (NFTS): UNIQUE DIGITAL TOKENS THAT CAN REPRESENT OWNERSHIP OF ART, COLLECTIBLES, OR OTHER ASSETS.

ENVIRONMENTAL CONSIDERATIONS

ONE OF THE MOST COMMON CONCERNS ABOUT CRYPTOCURRENCY IS ITS ENVIRONMENTAL IMPACT, PRIMARILY RELATED TO THE ENERGY CONSUMED BY MINING.

- **PROOF-OF-WORK (POW) VS PROOF-OF-STAKE (POS):**
 - BITCOIN USES PROOF-OF-WORK (POW), A HIGHLY SECURE BUT ENERGY-INTENSIVE SYSTEM. IN RECENT YEARS, A GROWING PERCENTAGE OF BITCOIN MINING HAS SHIFTED TOWARD RENEWABLE ENERGY SOURCES.
 - IN 2022, ETHEREUM TRANSITIONED TO PROOF-OF-STAKE (POS), A CONSENSUS MECHANISM THAT REDUCES ITS ENERGY CONSUMPTION BY OVER 99%.
- **NEWER BLOCKCHAINS:** MANY NEWER NETWORKS LIKE CARDANO, SOLANA, AND POLYGON WERE DESIGNED FROM THE GROUND UP TO BE ENERGY-EFFICIENT.
- **THE BIGGER PICTURE:** WHILE BITCOIN'S ENERGY USAGE IS SIGNIFICANT, IT'S IMPORTANT TO COMPARE IT TO THE ENERGY FOOTPRINT OF THE ENTIRE TRADITIONAL BANKING SYSTEM, GOLD MINING, AND OTHER GLOBAL FINANCIAL INFRASTRUCTURE.

STABLECOINS & RISKS

STABLECOINS ARE THE BRIDGE BETWEEN TRADITIONAL FINANCE AND THE CRYPTO WORLD. THEY ARE TOKENS DESIGNED TO HOLD A STEADY VALUE, USUALLY PEGGED 1:1 TO A FIAT CURRENCY LIKE THE U.S. DOLLAR. THE U.S. DOLLAR-DENOMINATED STABLECOIN MARKET WAS ABOUT \$225 BILLION IN 2025 AND IS PROJECTED TO GROW SIGNIFICANTLY.

BENEFITS:

- **PRICE STABILITY** MINIMIZES VOLATILITY FOR PAYMENTS AND TRADING.
- **PROGRAMMABILITY** ALLOWS THEM TO BE USED IN SMART CONTRACTS FOR AUTOMATED PAYOUTS.
- **LOW-COST CROSS-BORDER TRANSFERS** ARE MUCH FASTER AND CHEAPER THAN TRADITIONAL REMITTANCE ROUTES.

RISKS & REGULATION:

- **RUN RISK:** IF TOO MANY USERS TRY TO REDEEM THEIR STABLECOINS FOR CASH AT ONCE, THE ISSUER'S RESERVES MAY BE INSUFFICIENT, CAUSING THE COIN TO "DEPEG" FROM ITS PRICE. ALGORITHMIC STABLECOINS HAVE FAILED CATASTROPHICALLY FROM THIS (E.G., TERRAUSD).
- **REGULATORY UNCERTAINTY:** GOVERNMENTS WORLDWIDE ARE DEVELOPING LAWS TO REQUIRE STABLECOIN ISSUERS TO HOLD 1:1 RESERVES IN SAFE, LIQUID ASSETS.
- **CENTRALIZATION:** RELYING ON A CENTRAL ISSUER TO HONESTLY MANAGE RESERVES REINTRODUCES THE NEED FOR TRUST, AUDITS, AND OVERSIGHT.

INSTITUTIONAL ADOPTION & REGULATORY LANDSCAPE

THE CRYPTO LANDSCAPE IN 2025 IS VASTLY DIFFERENT FROM ITS EARLY DAYS OF BEING A NICHE HOBBY. IT IS NOW A RECOGNIZED ASSET CLASS WITH GROWING MAINSTREAM AND INSTITUTIONAL INVOLVEMENT.

INSTITUTIONAL INVESTMENT:

- MAJOR CORPORATIONS LIKE TESLA AND MICROSTRATEGY HOLD BITCOIN ON THEIR BALANCE SHEETS.
- THE APPROVAL OF BITCOIN AND ETHEREUM ETFS (EXCHANGE-TRADED FUNDS) IN 2024 PROVIDED TRADITIONAL INVESTORS WITH EASY, REGULATED ACCESS TO CRYPTO EXPOSURE THROUGH THEIR BROKERAGE ACCOUNTS.
- PENSION FUNDS AND UNIVERSITY ENDOWMENTS ARE NOW ALLOCATING SMALL PERCENTAGES OF THEIR PORTFOLIOS TO DIGITAL ASSETS.
- PAYMENT COMPANIES LIKE PAYPAL AND SQUARE HAVE INTEGRATED CRYPTO SERVICES FOR MILLIONS OF USERS.

REGULATORY CLARITY:

- THE U.S. HAS ESTABLISHED CLEARER GUIDELINES FOR CRYPTO TAXATION AND REPORTING, TREATING DIGITAL ASSETS AS PROPERTY.
- MANY COUNTRIES, INCLUDING THOSE IN THE EUROPEAN UNION, HAVE DEVELOPED COMPREHENSIVE CRYPTO REGULATION FRAMEWORKS (E.G., MICA).
- CENTRAL BANK DIGITAL CURRENCIES (CBDCS), WHICH ARE DIGITAL VERSIONS OF A COUNTRY'S FIAT CURRENCY, ARE BEING RESEARCHED AND TESTED BY NUMEROUS GOVERNMENTS.

HOW TO BUY CRYPTO SAFELY

FOLLOW THESE STEPS TO GET STARTED. ALWAYS BEGIN WITH A SMALL AMOUNT YOU ARE WILLING TO LOSE (\$50-\$100) TO LEARN THE PROCESS BEFORE COMMITTING MORE CAPITAL.

1. CHOOSE A TRUSTED PLATFORM. RESEARCH WELL-KNOWN, REGULATED CENTRALIZED EXCHANGES OR BROKERAGES WITH STRONG SECURITY FEATURES.
2. CREATE AN ACCOUNT AND VERIFY YOUR IDENTITY. YOU WILL NEED TO PROVIDE PERSONAL DETAILS AND A GOVERNMENT-ISSUED ID (THIS IS KNOWN AS KYC, OR "KNOW YOUR CUSTOMER").
3. DEPOSIT FUNDS. LINK YOUR BANK ACCOUNT, DEBIT CARD, OR ANOTHER PAYMENT SERVICE TO DEPOSIT YOUR LOCAL CURRENCY (E.G., USD, EUR).
4. PLACE AN ORDER. YOU CAN USE A MARKET ORDER TO BUY INSTANTLY AT THE CURRENT PRICE OR A LIMIT ORDER TO SET A SPECIFIC PRICE YOU'RE WILLING TO PAY.
5. WITHDRAW TO YOUR OWN WALLET. FOR LONG-TERM HOLDING, IT IS CRUCIAL TO TRANSFER YOUR CRYPTO FROM THE EXCHANGE TO A PERSONAL WALLET WHERE YOU CONTROL THE PRIVATE KEYS.

SECURITY MUST-KNOWS

IN CRYPTO, YOU ARE YOUR OWN BANK. THIS FREEDOM COMES WITH THE RESPONSIBILITY OF SECURING YOUR OWN ASSETS. FOLLOW THESE BEST PRACTICES TO STAY SAFE.

- USE A HARDWARE (COLD) WALLET FOR STORING ANY SIGNIFICANT AMOUNT OF CRYPTO. KEEP ONLY SMALL, "SPENDING" AMOUNTS IN A HOT WALLET.
- NEVER, EVER SHARE YOUR PRIVATE KEY OR SEED PHRASE. ANYONE WHO HAS YOUR SEED PHRASE CAN ACCESS AND STEAL ALL OF YOUR FUNDS. LEGITIMATE COMPANIES WILL NEVER ASK FOR IT.
- ENABLE TWO-FACTOR AUTHENTICATION (2FA) ON ALL YOUR EXCHANGE AND CRYPTO-RELATED ACCOUNTS USING AN APP LIKE GOOGLE AUTHENTICATOR, NOT JUST SMS.
- BEWARE OF PHISHING AND FAKE APPS. ALWAYS DOUBLE-CHECK URLS AND VERIFY YOU ARE ON THE OFFICIAL WEBSITE BEFORE ENTERING YOUR CREDENTIALS.
- BE CAUTIOUS WITH SMART CONTRACT PERMISSIONS. INTERACTING WITH DECENTRALIZED APPS OFTEN REQUIRES YOU TO "SIGN" OR "APPROVE" TRANSACTIONS THAT GRANT ACCESS TO YOUR TOKENS. SCAMMERS CREATE FAKE SITES TO TRICK YOU INTO SIGNING MALICIOUS APPROVALS THAT CAN DRAIN YOUR WALLET.
- KEEP MULTIPLE PHYSICAL BACKUPS OF YOUR SEED PHRASE IN SECURE, OFFLINE, AND GEOGRAPHICALLY SEPARATE LOCATIONS.
- REMEMBER THE GOLDEN RULE: "NOT YOUR KEYS, NOT YOUR COINS." IF YOU LEAVE CRYPTO ON AN EXCHANGE, YOU ARE TRUSTING THAT COMPANY'S SECURITY AND SOLVENCY. EXCHANGES CAN BE HACKED OR GO BANKRUPT.

MAKING YOUR FIRST TRADE

ONCE YOU OWN SOME CRYPTO, YOU MAY WANT TO INVEST MORE STRATEGICALLY. HERE ARE SOME SIMPLE GUIDELINES FOR BEGINNERS.

- DOLLAR-COST AVERAGING (DCA): THIS STRATEGY INVOLVES INVESTING A FIXED AMOUNT OF MONEY AT REGULAR INTERVALS (E.G., \$50 EVERY WEEK). THIS HELPS SMOOTH OUT THE IMPACT OF PRICE VOLATILITY OVER TIME, RATHER THAN TRYING TO "TIME THE MARKET."
- USE LIMIT ORDERS: INSTEAD OF BUYING AT THE MARKET PRICE, SET A LIMIT ORDER TO DEFINE THE MAXIMUM PRICE YOU ARE WILLING TO PAY. THIS PREVENTS IMPULSIVE BUYS DURING PRICE SPIKES.
- CHECK NETWORK CONGESTION: ON BLOCKCHAINS LIKE ETHEREUM, TRANSACTION FEES (GAS) CAN SPIKE WHEN THE NETWORK IS BUSY. CONSIDER MAKING TRANSACTIONS DURING OFF-PEAK HOURS OR USING LAYER 2 NETWORKS TO SAVE MONEY.
- DIVERSIFY: DON'T PUT ALL OF YOUR FUNDS INTO A SINGLE CRYPTOCURRENCY. EVEN BITCOIN AND ETHEREUM CAN BE VOLATILE.

TOP 10 CRYPTOS (SEPTEMBER 2025)

IMPORTANT DISCLAIMER: CRYPTOCURRENCY RANKINGS CHANGE FREQUENTLY BASED ON MARKET CONDITIONS AND PRICES. THE RANKING BELOW SHOWS THE LARGEST CRYPTOCURRENCIES BY MARKET CAPITALIZATION AS OF SEPTEMBER 14, 2025. FOR THE MOST CURRENT RANKINGS AND MARKET DATA, VISIT A TRUSTED SOURCE LIKE COINGECKO OR COINMARKETCAP.

Rank	Coin (Symbol)	Category	Summary
1	Bitcoin (BTC)	Store of Value	First cryptocurrency; decentralized, scarce (21M supply); seen as digital gold.
2	Ethereum (ETH)	Smart Contract Platform	Enables DeFi and NFTs; largest ecosystem for decentralized applications.
3	XRP (XRP)	Cross-Border Payments	Token used by Ripple network for fast, low-cost international payments.
4	Tether (USDT)	Stablecoin	Dominant dollar-pegged stablecoin used for trading and settlements.
5	Solana (SOL)	Smart Contract Platform	High-throughput blockchain optimized for speed and low-cost transactions.
6	Binance Coin (BNB)	Exchange & Ecosystem Token	Utility token for Binance ecosystem; used for fees and DeFi on BNB Chain.
7	USD Coin (USDC)	Stablecoin	Regulated stablecoin pegged 1:1 to the U.S. dollar.
8	Dogecoin (DOGE)	Meme Coin / Payments	Originally a meme coin; now widely used for tipping and small payments.
9	TRON (TRX)	Content & Entertainment	Platform focused on digital entertainment and decentralized content sharing.
10	Cardano (ADA)	Smart Contract Platform	Research-driven PoS blockchain emphasizing sustainability and formal verification.

CRYPTO & TAXES

IN THE UNITED STATES, DIGITAL ASSETS ARE TREATED AS PROPERTY FOR TAX PURPOSES BY THE IRS. THIS MEANS SELLING, SWAPPING, OR SPENDING CRYPTO IS A TAXABLE EVENT.

BASICS:

- CAPITAL GAINS: IF YOU SELL CRYPTO FOR A PROFIT, YOU OWE CAPITAL GAINS TAX.
 - SHORT-TERM GAINS (HELD LESS THAN ONE YEAR) ARE TAXED AT YOUR ORDINARY INCOME RATE.
 - LONG-TERM GAINS (HELD MORE THAN ONE YEAR) ARE TAXED AT LOWER RATES (0%, 15%, OR 20%).
- INCOME: IF YOU RECEIVE CRYPTO AS INCOME (FROM MINING, STAKING REWARDS, OR A JOB), IT IS TAXED AS ORDINARY INCOME BASED ON ITS FAIR MARKET VALUE AT THE TIME YOU RECEIVED IT.
- RECORD KEEPING: YOU MUST KEEP DETAILED RECORDS OF EVERY TRANSACTION, INCLUDING DATES, AMOUNT, COST BASIS (WHAT YOU PAID), AND SALE PRICE.

FORM 1099-DA

BEGINNING JANUARY 1, 2025, CRYPTO BROKERS (EXCHANGES, ETC.) WILL BE REQUIRED TO REPORT DIGITAL ASSET SALES TO THE IRS USING THE NEW FORM 1099-DA. YOU WILL FIRST RECEIVE THIS FORM IN EARLY 2026 FOR YOUR 2025 TRANSACTIONS. EVEN WITH THIS FORM, YOU ARE STILL RESPONSIBLE FOR TRACKING YOUR OWN COST BASIS AND REPORTING ALL GAINS AND LOSSES ACCURATELY.

AVOIDING SCAMS & MYTHS

THE CRYPTO SPACE IS FILLED WITH INNOVATION, BUT IT ALSO ATTRACTS SCAMMERS. PROTECT YOURSELF BY RECOGNIZING THESE COMMON RED FLAGS AND MYTHS.

RED FLAGS:

- PROMISES OF GUARANTEED OR UNREALISTICALLY HIGH RETURNS. ALL INVESTMENTS CARRY RISK, AND NOTHING IN CRYPTO IS GUARANTEED.
- CELEBRITY OR INFLUENCER PROMOTIONS. MANY ARE PAID TO PROMOTE TOKENS THAT HAVE NO REAL VALUE ("PUMP AND DUMPS").
- UNSOLICITED MESSAGES ASKING FOR YOUR SEED PHRASE OR PRIVATE KEY. NEVER SHARE THESE WITH ANYONE FOR ANY REASON.
- FAKE WALLET APPS OR PHISHING WEBSITES THAT MIMIC LEGITIMATE SERVICES TO STEAL YOUR CREDENTIALS.
- PRESSURE TO INVEST IMMEDIATELY. SCAMMERS CREATE A FALSE SENSE OF URGENCY (FOMO) TO MAKE YOU ACT WITHOUT THINKING.

COMMON MYTHS:

- "CRYPTO IS ANONYMOUS." MOST BLOCKCHAINS ARE PUBLIC AND TRANSACTIONS ARE TRACEABLE. IT IS PSEUDONYMOUS, NOT ANONYMOUS.
- "IT'S TOO LATE TO INVEST." WHILE THE DAYS OF 10,000X GAINS ON BITCOIN ARE LIKELY GONE, THE INDUSTRY IS STILL IN ITS EARLY STAGES OF ADOPTION AND INNOVATION.
- "ALL CRYPTO IS ILLEGAL OR ONLY FOR CRIMINALS." THE INDUSTRY IS INCREASINGLY REGULATED, WITH MAJOR FINANCIAL INSTITUTIONS AND GOVERNMENTS ACTIVELY INVOLVED.
- "YOU HAVE TO BUY A WHOLE COIN." CRYPTOCURRENCIES ARE DIVISIBLE. YOU CAN BUY 0.001 BITCOIN OR EVEN LESS.



NEXT STEPS & RESOURCES

YOU'VE TAKEN THE FIRST STEP BY EDUCATING YOURSELF. HERE'S HOW TO CONTINUE YOUR CRYPTO JOURNEY RESPONSIBLY:

- **LEARN MORE:** VISIT REPUTABLE EDUCATIONAL SITES LIKE INVESTOPEDIA, COINGECKO LEARN, AND BINANCE ACADEMY FOR FREE ARTICLES AND IN-DEPTH COURSES.
- **CREATE A PRACTICE WALLET:** DOWNLOAD A REPUTABLE MOBILE WALLET (E.G., TRUST WALLET, METAMASK) AND TRY RECEIVING "TESTNET" COINS (WORTHLESS TOKENS USED FOR PRACTICE).
- **EXPERIMENT WITH SMALL AMOUNTS:** TRY LENDING OR SWAPPING A SMALL AMOUNT ON A WELL-ESTABLISHED DECENTRALIZED EXCHANGE TO UNDERSTAND FIRSTHAND HOW SMART CONTRACTS WORK.
- **STAY INFORMED:** FOLLOW REPUTABLE NEWS SOURCES AND OFFICIAL PROJECT COMMUNITIES.
- **INVEST THOUGHTFULLY:** START SMALL, DIVERSIFY YOUR INVESTMENTS, AND NEVER INVEST MORE THAN YOU CAN AFFORD TO LOSE.

FINAL REMINDER: THE CRYPTOCURRENCY MARKET IS HIGHLY VOLATILE AND SPECULATIVE. THIS GUIDE PROVIDES EDUCATIONAL INFORMATION ONLY. ALWAYS CONDUCT YOUR OWN THOROUGH RESEARCH AND CONSIDER YOUR PERSONAL RISK TOLERANCE BEFORE MAKING ANY INVESTMENT DECISIONS.

