

BITCOIN & DIGITAL ASSET ESTATE PLANNING

README — START HERE

*How to use the eight-document Bitcoin Inheritance Kit:
what to read, what to fill in, and where to store it.*

Prepared by

Asaf David Fulks, Esq.

California State Bar #343622

asaffulkslaw.com

README — Bitcoin Inheritance Kit · Version 1.7 (June 2026)

© 2026 Asaf Fulks Law. All Rights Reserved.

What This Kit Is

The Bitcoin Inheritance Kit is a set of eight coordinated documents that walk a Bitcoin holder through documenting their custody arrangements so their heirs can actually inherit the assets. The kit is structured around a single principle: if it is not documented, it is lost. Every document in the kit addresses one specific failure point in that documentation chain.

Order of Use

Read the documents in this order, even though they are numbered 0–7. Numerical order works for reference, but the order below works for actually completing your inheritance plan:

1. Document 0 — Introduction to Bitcoin & Self-Custody. Read first if you or your heirs need foundational understanding.
2. Document 1 — Custody Audit Checklist. Fill out completely. This is the inventory of every wallet, exchange, seed phrase, and single point of failure in your setup. One question matters above all: did you (or whoever set up your Bitcoin) use a passphrase — sometimes called a “25th word”? If so, your heirs must have it; without it, the seed phrase alone opens an empty wallet.
3. Document 6 — Shamir’s Secret Sharing Guide. Read before designing your backup strategy. Decide whether SSS, multisig, or simple geographic redundancy is right for your holdings. If you are not technical, this guide is advanced — skim its “When SSS Is Overkill” and decision-framework sections near the end; most readers do not need SSS.
4. Document 2 — Heir Letter Template. The plain-English letter your loved ones will read. Customize and store securely.
5. Document 3 — Digital Asset Memorandum. The legal instrument your will or trust references. Execute and store with your estate planning attorney.
6. Document 4 — Executor Technical Guide. Reference document for whoever will eventually administer your estate. Keep with your other estate documents.
7. Document 5 — Tax Summary for Heirs. Reference for heirs and their tax professional. Covers stepped-up basis, IRC §1014, and reporting obligations.
8. Document 7 — Running Your Own Node & Mining Bitcoin. Read if you run any Bitcoin infrastructure (node, miner, Lightning node). Includes estate-planning specifics for that infrastructure.

What’s Editable vs. Reference-Only

Three documents are templates you fill in: Document 1 (Custody Audit Checklist), Document 2 (Heir Letter Template), and Document 3 (Digital Asset Memorandum) — though Document 3 is a legal instrument you should fill in with, and execute alongside, your estate planning attorney rather than on your own. These ship as DOCX files so you can edit them in Word, Pages, or LibreOffice. The other five documents are reference reading and ship as PDFs. The full (Pro) download — also free — includes editable DOCX versions of all eight documents. Your download also includes TERMS-OF-USE.pdf — the terms and disclaimers that govern your use of this free kit.

Security Rules for the Completed Documents

The blank kit files are harmless to store anywhere. But once you have filled in the templates, they contain a complete roadmap to your Bitcoin. Treat completed documents with the same seriousness you treat the seed phrases themselves:

- Do not email them.
- Do not store them in cloud storage (iCloud, Google Drive, Dropbox).
- Do not photograph them or save them to a phone.
- Do store the completed originals in a fireproof safe, a safe deposit box, or with your estate planning attorney — and nowhere else.
- Do review and update them at least once per year and after any significant change to your custody setup.

What’s New in Version 1.7 (June 2026)

Version 1.7 refreshes time-sensitive network and mining figures to mid-2026, hardens the executor recovery and passphrase guidance, sharpens the 1099-DA tax note, and improves readability for non-technical readers. Version 1.6 finalized the Terms of Use in your download and applied accuracy corrections from a

June 2026 ship-gate review (current tool availability, service naming, and citation precision). Version 1.5 made the Bitcoin Inheritance Kit free to download. Version 1.4 added a Collaborative Custody and Managed-Inheritance Services section to the Shamir's Secret Sharing Guide (Document 6) — when a managed-multisig or time-locked inheritance service (Unchained, Casa, Nunchuk, or Liana) may suit you better than a do-it-yourself backup, and how to document it in the kit. Version 1.3 was a deep-audit accuracy overhaul; its highlights follow:

- Corrected the Digital Asset Memorandum so it is referenced by — not incorporated by reference into (Cal. Prob. Code §6130) — your will or trust, keeping its details out of the public probate record.
- Updated the memorandum's RUFADAA citations to current California law (custodian §871(f); user direction §873(b)–(c)) and added an online-tool coordination clause (§873(a)).
- Extended the memorandum's digital-asset authorization to an agent under your power of attorney and to a conservator, reflecting SB-1458 (the RUFADAA expansion operative January 1, 2025) — strengthening the incapacity branch.
- Strengthened the Executor Technical Guide's address-verification step to require confirming the entire receiving address (a defense against address-poisoning malware).
- Added a “zero balance after restore” recovery section (derivation-path / script-type troubleshooting) and output-descriptor guidance to the Executor Guide and Custody Audit Checklist.
- Added guidance on a third holding category — spot Bitcoin ETFs, IRAs, and brokerage Bitcoin — which commonly pass by a beneficiary or TOD designation where one is in place, and clarified that Bitcoin in a traditional retirement account receives no stepped-up basis (IRC §1014(c)).
- Corrected the Shamir's Secret Sharing guide: Coldcard does not support SLIP-39 (it is a BIP-39 device whose only native split scheme is Seed XOR).
- Added physical-security and coercion guidance, Lightning Static Channel Backup recovery detail, and numerous tax-citation, valuation, and copy-editing corrections throughout.

Need Help?

Asaf Fulks Law offers one-on-one consultations to help you complete your inheritance plan. Visit asaffulkslaw.com or email asaf@asaffulkslaw.com.

© 2026 Asaf Fulks Law. All Rights Reserved. This document does not constitute legal advice.