

*diffusetap*  
Virtual Event Series

# How to Inherit Crypto

*Guest Speaker:*



**Gregory Johnson**  
CEO & Co-Founder  
Rubicon Crypto

*Hosts:*



**Kenny Estes**  
CEO & Founder  
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Diffuse



## DiffuseTap: How to Inherit Crypto

Last time on DiffuseTap, Gregory Johnson, CEO and Co-founder of Rubicon Crypto, talked to us about the current problem with crypto inheritance regulation, what happens to self-custodied crypto assets when owners pass on without a will, and the best way to safeguard your crypto retirement fund.

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### DiffuseTap

This networking session is part of our weekly virtual events series. Networking (you'll bump into at least a dozen high caliber fund managers) meets purposeful (you'll tap into brand-new sources of ideas)... straight from your armchair like a boss.

### Meet the Speaker



GREGORY JOHNSON is a business leader with two decades of leadership experience in Fortune 500 and start-up environments in crypto and digital assets, health and wellness, insurance, and financial services. Gregory is currently CEO and Co-founder of Rubicon Crypto, an investment firm that provides crypto asset allocation and wealth management services.

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**KENNY ESTES:** On to the speaker du jour, Mr. Gregory, would you mind telling the folks a little bit about your background and what you are up to at Rubicon?

**GREGORY JOHNSON:** Thank you very much Kenny and Ayla for having me, and good morning to everybody, or good evening as it applies. My name is Greg Johnson. I'm the co-founder and CEO of Rubicon Crypto. Essentially, we distilled 25 years of wealth management experience to try and create a Rosetta Stone platform to help people cross over into the digital space with more comfort and familiarity.

I'm also a professor at NYU, and I'm also involved pretty heavily with the [Bretton Woods Committee](#), which one might think is at the opposite end of the spectrum from decentralized platforms and cryptocurrency. But I think it's an important forum to be a part of to help bring people along as well. A pleasure to join you here this morning.

**AYLA KREMB:** Wonderful. Today we're going to talk about a little bit of a morbid topic, but it does come up quite a bit. It's about what to do if you pass away, and how does your crypto get handled if you do. Maybe we'll start out with something pretty basic, which is inheritance tax, both the global problem and the local problem. How should people be thinking about taxation and crypto once they leave Earth?

**GREGORY:** Thank you very much Ayla for giving me the morbid topic to speak about, of all the things I could have expounded upon. But this is actually one of the most important. Frankly, just for starters, I would encourage everybody to just keep this in mind. There is probably greater regulatory clarity around crypto in the United States than there is around solutions and the complexities of estate tax and [inheritance planning](#) when it comes to crypto.

We have arguably one of the most murky topics in the entire crypto ecosystem right now. For those of you that are zooming in from the United States, there are a couple of big things that are potentially looming. I am still a [CFP](#). I've been involved in that industry for a long time, and the notions of estate planning have largely been put to bed. But coming in 2026, unless no action is taken, there is a pretty significant change that will be taking place to the estate tax rules in the United States that of course, will impact crypto.

And of course, given the potential for exponential growth in value that crypto and other alternative assets have, this has even more of an implication for family estate planning. Right now, there is a strong possibility that the tax cuts and jobs act here in the United States may expire. And if that does, it will immediately half the exemption that American families have when they look to dispose of assets from one generation to another, from essentially [13 million](#) in a spousal household to half of that number.

It immediately lowers the threshold and potentially puts far more assets subject to what is essentially a 40% tax. This would be a good time for me to interject while I am a CFP and a co-founder of a digital asset company. I'm not a CPA, and I'm not an attorney. But I do have views that are well informed. And so,



I'll continue to take that stance as we go forward. That would be my opening response to the question, Ayla.

**KENNY:** Okay, the inheritance tax cap is 13 million. So above that, you're paying inheritance tax on your crypto holdings. But below that, you're not. And they're dropping that? Is that what's happening?

**GREGORY:** Great question, Kenny. It's not just crypto. Crypto, as it stands now, will come into the total formula. Everything gets added into the same box. It's no different than your traditional assets, your real estate property, and everything else that could be valued for the purposes of assessing and estate tax.

You shake all of that together, and then whatever is above what thresholds are in place is subject to the tax. But that's one issue. And then of course, we're going to talk about the other issues, which have to do with actually ensuring that people get what you would like them to get in terms of an inheritance. That's where it becomes even murkier.

We have some clarity around what the potential for US estate tax law could be. But we also still have a wide gap in terms of how families or individuals are planning on disposing of their crypto in the event that they pass away.

**KENNY:** Okay. A quick knock-on question. With crypto, a lot of people are doing self custody. That creates issues where if there's crypto somewhere, sometimes no one knows how to actually transact it. What are best practices there to make sure that it actually gets where it's supposed to go?

**GREGORY:** One of the challenges that we have in general with estate planning is that we still see a shockingly large number of very affluent people, very high profile individuals who die without a will. And this isn't just a US thing, but this is a global phenomenon. There are attorneys I've already met in the breakout room, which would probably corroborate this. The basics of estate planning and generational inheritance planning, regardless of where you live, are largely still a gap in modern society. A massive percentage don't have it.

Secondly, there has always been a reluctance to communicate to heirs what the intended benefits might be. That holds true with crypto, arguably even more so. First of all, we have gaps culturally, where people have not planned for their passing, and they continue to not do that. We can look at high profile cases like the prince's estate, and many, many others who die without a will and leave it up to the estates. That is definitely not something you want to have happen with crypto. If you die without a will, you are largely going to see the majority of your estate go through a probate hearing.



And even in that case, if you've designated your crypto, if you've given it to a third party to help facilitate the inheritance, your keys might be subject to a probate or a public proceeding, which is another can of worms altogether. Let me back up for a second. The first thing is we've got a major problem with people actually doing estate planning. They might have a will that specifies "Hey, I have this stuff. I want it to go to certain places", or they might not have a will, but largely we're seeing that people don't talk about their crypto.

I spoke at a divorce attorney forum recently, and one of the major issues we're seeing is there is a massive amount of cases involving spouses that have hid the crypto from the spouse. This is both a living issue as well as a death issue. Let me pause there.

**AYLA:** Fascinating. Could you dig a little bit into what the issues are if you have a public hearing? Maybe you could talk a little about estate management if no will is in place. How does that work?

**GREGORY:** I'll speak in the US, for example, but this is also at a state level. Don't even get me started on states. Because the more ambiguity we have with general crypto regulation and norms, the states are getting more and more involved. That means where you reside and where you die can also have a lot to do with this.

But in general, in the United States, if there hasn't been a forethought about where assets should go, whether that's in a retirement plan clause or whether or not trusts have been established, ultimately you go through a court proceeding known as probate. And essentially, it becomes the court's determination of who gets what.

And typically it's another way for municipalities to generate a fee because the amount that goes through probate is also subject to fees in most jurisdictions. In that process, it's public. And so, unlike a real estate asset where you say, "so and so have this real estate. It's not vulnerable to a hack", if you have your keys not managed the right way, they become public. You can imagine what might happen in that circumstance. This is something that is being gamed out as we speak right now.

**KENNY:** To clarify, if it goes through probate because these are all court filings and you have your Bitcoin and Ethereum in a wallet address, does that become public record where people can actually track it down?

**GREGORY:** It could be, unless you've wrapped it in some of these third party services that still provide the shield of the actual keys themselves. But yes, that is a possibility. I think many of you probably know this as well as I do, but the irony of the crypto industry is how much entanglement and involvement we continue to see with the centralized financial world.



My personal view, like it or not, is that we live not in a DeFi world or a TradFi world. We live in a HiFi world, where we are seeing both the working in parallel of these two financial universes, and the competition between the two of them. To give you an example of that, think about the largest vault in the world, the Hogwarts of the normal world if you will, is [BNY Mellon](#).

Nobody stores more stuff. Art, assets, you name it. It wasn't that much of a surprise, when you think about it. Last year at the [Chainalysis Links](#) conference, one of the featured presenters was the head of vaults, if you will, for BNY Mellon. So clearly, they understand the significance of this.

The other thing that we should keep in mind is that it's typically the affluent people that are the most motivated to actually sort this out, and it trickles down to the rest of the general citizenry. We're seeing innovation in this space coming from family offices.

We're seeing solutions that are being adapted from companies like [Anchorage](#), who are starting to provide solutions to family offices and other ultra high net worth individuals. Much of this is trickling down, but it's being led by those that are both intermediaries in this hybrid world, or ironically, by the most established of third party banks.

**AYLA:** Maybe we could dig into some juicy details here. Let's say you do have a will. Dealing with your crypto is not easy. I mean, I don't think I can pass it on to my husband and he would know exactly what to do with it without googling. Do you suggest having an advisor in the mix? Is there a structure people can put in place to pass these on?

**GREGORY:** This is a great question. I think what's happening right now is there's no one-size-fits-all. I know you were joking a little bit when you mentioned your husband maybe wouldn't know what to do with it. But the answer to that question really speaks to the kind of solution you might want to craft.

I think there is this emergence of the notion of what I call "the safe deposit box 2.0". For some people, the solution to this would be as simple as putting the actual codes that they have in a safe physical safe deposit box, such that when the time comes, there are instructions and the codes are in that physical box. Now we can game out what might happen in different scenarios and so forth. That's one solution that many people have been adopting.

On the other hand, the more digitally literate are using other novel third party solutions. Not too long ago, I think there were two names that really dominated. There's many different spaces, but companies like [Safe Haven](#) and [Casa](#) and others have crafted solutions for people that are more fluent in dealing with decentralized assets, or digital assets. What they do is create a service where they will actually create a solution that allows you to have a layer of private keys which, upon your passing, are utilized to separate and divide the way that you wanted your crypto to the different entities in question. There are these kinds of novel solutions that are being developed.



And then, not surprisingly, you have the centralized exchanges, most notably Coinbase, that is spending a lot of time and energy building out this functionality in the same way that you might expect a broker dealer like Morgan Stanley or Merrill Lynch to have general practices about who gets what and when. That's what you're seeing right now.

I go back to what I said before, because this is not the first thing everybody thinks about. It's not the first thing that the developers and innovators have been thinking about. But it is now coming into increasing focus, as we see high profile examples.

There's the famous Mellon case in California, if I'm not mistaken, of a young entrepreneur that had almost 100 million in crypto, most of it in XRP. He did not leave the appropriate instructions and died accidentally in a car or airline crash. And because XRP was willing to go back and work with the family, they released some of it. That's the exception, not the rule.

**KENNY:** I'll do a double-barreled question and pick up Randal's as part of that. Is this simply not "get a custodian and list the beneficiary to the account"? And then if that is it, how do you pick the counterparty? Because I watch these headlines, and there's a lot of companies blowing up.

**GREGORY:** Yeah. Well, we were talking a little bit about this in the prep call. The ironies are what fascinates me about the digital asset industry, and the irony here is that for the time being, to get to the next stage, we need to rely on the establishments, the centralized parties.

For some people that are less comfortable in this world of digital, I do think that they are going to be more comfortable working with these established parties, and working with some of these larger banks to help them in this process.

I think it also involves other trusted fiduciary parties. It may be as simple as having a relationship with a financial advisor that specializes in this space. Typically, they would be a registered investment advisor, or you work with your attorney who is specializing in this place. We're seeing that. And again, in this ultra high net worth and family office space, this is exactly what they're doing. In fact, there are multiple failsafes. But there's also more of forethought into talking about what's going to happen and when with the succeeding generation. I think that helps it as well.

**AYLA:** So many good details in there. Maybe I'll pick up one more here. Maybe it's good to put crypto in something for a few years. But over long periods of 50 years or so, how should people be really planning for passing on their crypto on a longer timeframe? And not just about what they should be doing today, but how they're going to be stretching out that timeline. How would you manage that?



And maybe you could talk about it across different types of assets that you may want to deal with. Some people might own coins thanks to venture investment where the coins come to you over time and you need to save them somewhere as they come to you, but you might not be there to receive them. How do you really think of it as a long term portfolio strategy?

**GREGORY:** You're asking the perfect question. The good news is many of the solutions that I've said at the onset of this conversation are somewhat ambiguous and are lacking in clarity. I think it will be clarified, if we can think about just what the future would be of exponential, technological growth and comfort, and so forth. I think that those solutions will be very clear and acceptable, and I think it will not be as murky as right now.

So then, the main thing that people need to do with that 20, 30, 40, or 50 years out is making sure that they are doing the appropriate safeguards that we already know about or should know about in this type of call. They should be thinking about how to ensure that you don't lose your digital assets to hacks, and how to not suffer from exploits.

And so, in the longest range scenarios that you've outlined, I think what you need to do first of all is think about while I'm living, how do I ensure that I'm not subject to any type of thievery or malfeasance along the way, or any accidental destruction of my digital assets because of a fat thumb, or some of the other horror stories that we often hear about.

But I think in 10 years, there will be an established industry with multiple very large participants focusing only on digital assets custody for inheritance and estate. I was speaking with the head of the New York Bar Association for an unrelated event, but this subject came up. When I was speaking to Sherry, she was talking about how for the newer members of the New York Bar Association, not shockingly, this was one of the biggest things that they're looking support for from the Bar Association as they continue to continue to try and map these things out, at least for the state of New York.





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Corporate Director, CME Group

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CEO & Founder, LionShare Media

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2022

Susan described the 2020 digital media landscape; the evolution of media distribution; how converging, emerging technology points to the metaverse; and the prospect of having an open, decentralized, and free Web 3.0 marketplace. [Read on](#)



**Raj Mukherjee J.D.**  
VP/Global Head of Tax, Binance.US

DiffuseTap: Crypto Taxes  
Decoded with Binance.US

Raj explained the complexities of the US crypto tax landscape, how he built a dynamic tax information system for [Coinbase](#) and [Binance](#) from scratch, and how investors can profit from crypto without getting caught in a taxation mess. [Read on](#)

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