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**INSTRUCTIONS for IRA INVESTING in ILLINOIS Tax Liens with PIP-West  
from an Equity Trust Company IRA**  
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(Last Revised 7-31-2011)

Greetings, Investors!

**ILLINOIS** is a great place to start (or continue) to invest in tax liens, and Platinum Investment Properties – West (“**PIP-West**”) is well underway in preparing for the next Illinois tax lien auctions! The maximum yield on Illinois tax lien certificates is **36%(!)**, and our performance objective for each client is to place funds at an average between 24% and 36% gross annualized yield. The auctions start in October and continue into December (although in decreasing numbers), and there are several last auctions in the first several months of the new year.

PIP-West always contacts all current Clients and interested Investors well in advance of the first auctions to determine the amount of interest, so that we are able to perform sufficient due diligence to meet the demand.

Below are the detailed **INSTRUCTIONS** (starting on page 3) for investing in ILLINOIS tax liens **with funds from an Equity Trust Company (“ETC”) IRA.**

When following the detailed Instructions below, you are basically doing the following:

- 1) **Opening a new IRA account with Equity Trust Company (“ETC”), a “Self-Directed” IRA Custodian company (STEP I)**
- 2) **Opening a PIP-West account by filling out your portion of the PIP-West Agency Agreement as “IRA Owner”, and then requesting that ETC fill out the “Principal” portion of the Agency Agreement and the W-9 form in the name of the IRA and send all this paperwork to PIP-West (STEP II)**
- 3) **Requesting that ETC send the investment funds and the fee check to PIP-West [Minimum Initial Investment: \$20,000] (STEP III)**

This step will be repeated for each investment that you make for the life of your PIP-West account. Instructions may differ for each state, in which we buy tax liens, and those of any given state may periodically change; **thus** PIP-West will provide you with the most current INSTRUCTIONS at the time of your investment.

*Note: To invest regular Investment funds in tax liens, please request the Instructions for that purpose (i.e. non-IRA).*

*Note: In order to avoid any delays, we recommend early submission of all paperwork to your IRA Custodian since this could take a few weeks to process. When working with an IRA Custodian, we also recommend regular “follow-up” contacts for progress reports at each stage of your requests to confirm that the process is moving forward.*

PIP-West then purchases your high yield tax liens during the several month auction period, awaits each county's final accounting of your purchases (about 6-8 weeks after the purchase is made), sends you an Investment Results Report describing your investment, performs the county filings described in the ILLINOIS Policy and Procedure, forwards your redemption checks to you as we receive them, provides a quarterly report on your portfolio (usually *within* 1 month after the end of the quarter), and contacts you as the next auctions are approaching.

In order to maximize your return on investment, it is important to keep your redemption proceeds “working” for you by rolling them over into more tax liens at the next available auction, along with any new capital that becomes

available. Both reinvesting your redemption proceeds and adding new capital help your portfolio to grow; and as the total number of liens grows, so do the number of redemptions!

We place the funds on a *first-come-first-served basis*, and we *start* to accept the investment funds and fee checks ***at the beginning of September*** in advance of the first auctions in October. We are able to continue to accept funds throughout the auction dates *depending on the competition*\*\* , and we will continue to attend auctions as long as there is sufficient opportunity to place Clients' funds at the performance objective and as long as there is sufficient capital to justify expenses to do so. The "core" of the Illinois auction season is from October to December since most of the auctions occur then, so it is best to target these months to ensure placement of your funds. However for capital that becomes available late in the season, there are also a number of additional opportunities during the first several months of the new year. Although we do not need the investment funds and fee check (and paperwork, if a new client) until a week or two before the target auctions, if you plan to invest in IL tax liens, we advise sending the funds earlier than later (if possible) to ensure your spot in the queue.

**\*\*Note:** *Illinois auctions are very competitive, and the total amount of placement at PIP-West's high-yield performance objective is very difficult to predict since the auctions are very dynamic and the competition can be fierce. Thus, we recommend submitting the checks sooner than later, if you are able. Missing a month or so of money market interest is a small price to pay for a better chance of getting your funds placed. Although PIP-West makes every effort to place all Clients' funds, it becomes increasingly difficult to purchase tax liens at our high-yield performance objective as we approach the end of the auction season.*

**For planning purposes please let us know the approximate amount that you plan to invest** in Illinois tax liens as soon as you know. This is not a commitment, but it helps PIP-West plan the amount of due diligence that will be necessary to select a sufficient number of tax liens to fill your order.

Also, please let us know when you're getting into each stage of the paperwork with your IRA Custodian so we can help you out if needed. I'm at your service!

Please feel free to contact us with *any* questions on these instructions, or on Tax Lien Investing in general.

Thank you very much for your *interest* and your *trust*, and we look forward to a *long* and *profitable* association!

Sincerely,

**Don**

949-433-8864 (cell)



**Donald G. Fullman, Jr., President**

877-335-2529 Ext: 103

949-433-8864 (cell)

[DFullman@PIPWest.com](mailto:DFullman@PIPWest.com)

[www.PIPWEST.com](http://www.PIPWEST.com)

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# **INSTRUCTIONS**

## **IRA INVESTING in ILLINOIS Tax Liens from an Equity Trust Company IRA**

Please follow the instructions below in order to open a PIP-West account and to invest in ILLINOIS tax liens with funds from an **Equity Trust Company IRA**. Please keep me informed of your plans and progress.

*Note: Skip to **STEP II** if you already have an Equity Trust Company IRA account for tax lien and real estate investments, but not a corresponding PIP-West account.*

*Note: Skip to **STEP III** if you already have both an Equity Trust Company IRA account and a corresponding PIP-West account. You only need Step II if you are opening a new PIP-West account as a new Client or if you plan to invest with another IRA account or under another name or titling.*

The Equity Trust Company "Self Directed IRA" enables you to invest in Tax Liens (and real estate) through PIP-West, a Servicing Agent for tax liens and default real estate investments. Equity Trust Company is one of the best Custodians that we know of thus far for self-directed IRAs; however we are always interested in hearing your recommendations for good self-directed IRA custodians in order to keep the options open for our Clients, as well as your comments about them.

As you proceed through these instructions, we recommend regular contacts with Equity Trust Company for progress reports on each stage of your submitted requests of them.

*Note: The PIP-West forms are available on the website at <http://www.PIPWEST.com/getting-startedforms>.*

**STEP I. To open a new Equity Trust Company self-directed IRA account**, go to the Equity Trust Company website ([www.trustetc.com](http://www.trustetc.com)) and click on "Open an Account" and you will have all the information that you need.

If you have any questions about opening an account, contact Equity Trust directly for help. See the Equity Trust "Contact Us" webpage for the phone numbers.

**STEP II. To open a PIP-West account**, please download and print the "**ETC STEP 2 FORMS – Open a PIP-WEST ACCOUNT**" PDF form file stored on our website at <http://www.PIPWEST.com/getting-startedforms>. Then fill out, sign and submit by US Mail these forms to Equity Trust Company as described below (and ETC will then send them to PIP-West as instructed in the ETC form). The following forms are **partially filled out**, and are **marked** where you fill in your information and signatures:

**(1) AGENCY AGREEMENT (BOTH \*\*IRA OWNER\*\* and \*\*EQUITY TRUST CO\*\* PORTIONS)**

**Instructions:**

**As the "IRA Owner"**, you need to:

- (a) Confirm and Enter the proper titling of your ETC account (*whether an IRA, a 401(k), et. al.*) and the address at the top of page 1 (*where indicated*). IRA titling is different from 401(k) titling. IRA titling is typically "Equity Trust Company Custodian FBO <Account Owner Name> IRA #\_\_\_\_" as per the ETC Tax Lien/DOI.
- (b) Initial item (4.02) on page 3 (*where indicated*).
- (c) Enter your personal and contact information in the "IRA Owner" portion of page 4 (**bottom** half).
- (d) Provide your \* **NOTARIZED signature**\* in the "IRA Owner" portion of page 4 (**bottom** half).

- (e) Include this completed **original** Agency Agreement with the ETC Signature DOI form (below) when mailed to ETC. The ETC Signature DOI form contains the instructions to ETC for completing and mailing the Agency Agreement.

**(2) W-9 Form for a unique EIN for your IRA Account (\*\*EQUITY TRUST CO\*\* PORTION)**

**Instructions:**

- (a) **Include** the copy of the W-9 form with the ETC Signature DOI form (below) when mailed to ETC. ONLY ETC fills out the W-9 form. The W-9 is a Request for Taxpayer Identification Number
- (b) **Request** that your **IRA Custodian apply for a unique EIN** for your IRA Account, which they can request on [www.irs.gov](http://www.irs.gov). The W-9 is a Request for Taxpayer Identification Number. (**\*\*\* NEW \*\*\***)
- (c) **Request** that your **IRA Custodian complete, sign** and **mail** the W-9 Form for this new EIN your IRA Account (*along with the **PIP-West Agency Agreement** – see above*) as follows:  
→ **Fill in** the new unique EIN for your IRA Account, their contact information and their **signature**.  
→ **Mail** the completed W-9 form to PIP-West, LLC at the address in the ETC Signature DOI form.

**(3) ETC Signature Direction of Investment (DOI) form (\*\*IRA OWNER\*\* PORTION)**

The purpose of this form is to request that Equity Trust Company (*as your IRA Custodian*) complete and sign the PIP-West Agency Agreement and W-9 form as described in this form, and mail them to PIP-West at the following address:

**PIP - West, LLC**  
**Attn: D. Fullman**  
**23974 Aliso Creek Road, Suite #465**  
**Laguna Niguel, CA 92677-3908**

**Instructions:**

**As the "IRA Owner"**, you need to:

- (a) **Complete Section #1** with your contact and retirement account info, and sign all pages.
- (b) **Mail** the ETC Signature DOI form, along with the above-mentioned **original** PIP-West Agency Agreement (*with the IRA Owner's portion completed and notarized, as instructed above*) and ETC's W-9 Form to Equity Trust Company at either the "Overnight" address or the "Regular Mail" address listed on the Signature DOI Cover Page.

*Note: These original forms must be sent to ETC because the PIP-West Agency Agreement contains a **notorized** signature.*

*Note: The Tax Lien/DOI and the Bill Pay/DOI forms from STEP III may also be sent with the Signature/DOI, but be sure to separate each form with a Post-It Note and/or paperclips for easier processing by ETC.*

**STEP III. To invest in ILLINOIS tax lien certificates**, please download and print the "**ETC STEP 3 FORMS – FUND THE INVESTMENT**" PDF form file stored on our website at <http://www.PIPWEST.com/getting-startedforms>. Then fill out, sign and submit these forms to Equity Trust Company as described below (*and ETC will then send the requested checks to PIP-West as instructed in ETC forms*). The following forms are **partially filled out** with the tax lien purchase information and *PIP-West's* signatures as your "Tax Lien Servicing Agent", and are **marked** where you fill in your information and signatures:

- (1) **ETC Tax Lien Direction of Investment (DOI) form** to instruct Equity Trust Company to deliver one check (*personal, business or cashier's*) to PIP-West, made out to a Payee of "**PIP-West, LLC Client Trust Funds Account**" (*a client trust account*), for the total amount of your investment **[Minimum Initial Investment: \$20,000]**.

## Instructions:

**As the "IRA Owner",** you need to:

- (a) **Section #1:** Enter the following information for your retirement account: account owner name, account number, phone numbers, fax number, and e-mail address.
- (b) **Section #2:** Select "Normal Processing Service" unless there is a time urgency that justifies the \$50 Expedited Processing Service fee).
- (c) **Section #3:** Select the Titling option that applies to your account.
- (d) **Section #4:** Enter "ILLINOIS" for the State and "OCT 2011 – FEB 2012" for the Auction/Sale Date.
- (e) **Section #5:** Enter the total investment amount into the space for both check #1 and the "Total Amount of Funds Requested".
- (f) **Page 4 (Tax Lien Worksheet):** Enter your account owner name and account number at the top of this page.
- (g) **Pages 1, 2, 3 & 4:** Sign and Date (as Account Owner) at the bottom of all pages.
- (h) FAX the completed ETC Tax Lien DOI form (*without* the Cover Page) to Equity Trust Company at the FAX # on the Cover Page (i.e. 440-366-3752). *Mailing instructions are also on the Cover Page.*

*Note: The Tax Lien/DOI may accompany the Signature/DOI (see STEP II (2) above), but be sure to separate each form with a Post-It Note and/or paperclip for easy processing.*

- (2) **ETC Bill Pay Direction of Investment (DOI) form** to instruct Equity Trust Company to deliver one check (*personal, business or cashier's*) to PIP-West, made out to a Payee of "**PIP-West, LLC**" for the total amount of the setup fees which is calculated on the total amount of your investment and which are intended to be paid from the IRA account. When investing in Illinois tax liens, the setup fees consist of the **6% setup fee** plus the **2% supplemental setup fee** (*for all IL purchases*), thus totaling 8% of the total amount of your investment.

For example, if the total amount of your investment is \$50,000 of new funds, and if the PIP-West setup fees are intended to be paid from the IRA account, the ETC Bill Pay DOI form should specify an amount of 8% of \$50,000, or \$4000. This fee total would be lower if the Client account has available Rollover Funds.

## Instructions:

**As the "IRA Owner",** you need to:

- (a) Enter the following information for your retirement account: account owner name, account number, phone numbers, fax number, and e-mail address (**section #1**).
- (b) Enter the payment amount as described above. (**section #3**).
- (c) Sign and Date (as Account Owner) at the bottom of the page.
- (d) FAX the completed ETC Bill Pay DOI form (*without* the Cover Page) to Equity Trust Company at the FAX # at the top of the Bill Pay DOI form (i.e. 440-366-3751). *The mailing address is also at the top of the Bill Pay form.*

*Note: The Bill Pay/DOI may accompany the Signature/DOI (see STEP II (2) above), but be sure to separate each form with a Post-It Note and/or paperclips for easy processing.*

*Note: The 6% setup fee is charged one-time only on "new funds", and enables you to reinvest all redemption proceeds (i.e. "Rollover Funds") in the future without re-incurring that 6% setup fee. Investment amounts that exceed your available Rollover funds are considered new funds and would incur the one-time 6% setup fee, but then redemption proceeds from those additional new funds would also be exempt from the 6% setup fee when reinvested.*

*Note: If you are a current PIP-West Client and your last Quarterly Report indicates available Rollover funds, invested funds up to the amount of Rollover funds would not incur the 6% set-up fee;*

however the 2% IL supplemental setup fee applies to the total amount of your investment (as per the Illinois Policy & Procedure).

Note: Once the purchase is complete, and the County has provided its final audited purchase results along with the original certificates, PIP-West will know the exact amount of each Client's investment, refund, and PIP-West setup fees. PIP-West will also know the exact number of liens purchased by each Client for which to calculate the "per-lien" Take Notice and Lien Assignment county filing fees.

Note: The "ILLINOIS Policy and Procedure" in the Final Report contains an explanation of the filing fees charged by each IL County for each lien purchased, and of the PIP-West supplemental setup fee for all IL purchases. The County fees are the Take Notice Fee (approximately \$20 per lien) and the Lien Assignment Fee (\$10 per lien), of which the Take Notice Fee is returned to you as part of the tax lien redemption payment.

**STEP IV. Please keep PIP-West informed** of when your requests have been sent to ETC and when PIP-West should expect to receive the paperwork and checks. PIP-West will do the same by letting you know when we have received your paperwork and checks.

Note: Be sure to follow up with ETC to make sure that they have received your requests and to obtain their outlook for completion of the processing.

Be sure to become more familiar with both the PIP-West website ( <http://www.PIPWEST.com> ) and that of Equity Trust Company ( <http://trustetc.com/> ) in order to maintain your familiarity with Tax Lien Investing and your IRA Custodian procedures.

Please don't hesitate to contact us with *any* questions or if you need any help with the application process and the forms. You can also contact Equity Trust Company with questions on their forms and procedures.

Thank you very much for your *interest* and your *trust*, and we look forward to a *long* and *profitable* association!

Sincerely,

**Don**  
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