
**INSTRUCTIONS for *IRA* INVESTING in
ILLINOIS Tax Liens through Platinum Investment Properties – West
Through an Equity Trust Company IRA**

(Last Revised 9-10-2008)

Greetings, Investors!

ILLINOIS is a great place to start (or continue) to invest in tax liens, and we're well underway in preparing for the Illinois tax lien auctions! The maximum yield in Illinois is **36%** (!), and our historical performance objective for each client at these auctions has been an annualized yield between 26% and 36%.

Below are the detailed **INSTRUCTIONS** for investing **IRA funds** in **ILLINOIS tax liens**, the sales for which start in October and continue into December (although in decreasing numbers). 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.

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, and transferring funds from an existing IRA to the new ETC IRA of the same type (SECTION I)***
- 2) ***Opening a PIP-West account by filling out your portion of the PIP-West Agency Agreement as "IRA Owner" and your own W-9 form, and then requesting that the Custodian fill out the "Principal" portion of the Agency Agreement and their own W-9 form in the name of the IRA, and sending all this paperwork to PIP-West (SECTION II)***
- 3) ***Requesting that Equity Trust Company send the investment funds and fee check to PIP-West (SECTION 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 set of Instructions for that purpose.*

NOTE: In order to avoid any delays, I recommend early submission of all paperwork to your IRA Custodian for opening both the new IRA account and the new PIP-West account, since this *could* take up to 4 to 6 weeks to process. When working with an IRA Custodian, I 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 in early September in advance of the first October auctions. 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 and as long as there is sufficient capital to justify expenses to do so. Although we do not need the investment funds and fee check until a week or two before the target auctions, I advise sending them earlier (if possible) just to be earlier 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, I recommend submitting the checks sooner than later, if you are*

able. Missing a month or two 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 will also be more and more difficult to purchase tax liens at our high-yield performance target as the auctions progress into November and December.

For planning purposes please let me 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 me know when you're getting into each stage of the paperwork with your IRA Custodian so I can help you out if needed. I'm at your service!

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

Thank you very much for your *interest* and your *trust*!

I look forward to hearing from you.

Sincerely,

Don
949-433-8864 (cell)

Donald G. Fullman, Jr.
President, Platinum Investment Properties - West
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www.platinuminvestmentproperties.com

**INSTRUCTIONS For Investing in ILLINOIS Tax Liens with *IRA* Funds
from an Equity Trust Company IRA**
(Last Revised 9-10-2008)

Please follow these instructions in order to open a PIP-West account and to invest in ILLINOIS tax liens with funds from an Equity Trust Company ("ETC") IRA. Please contact me to keep me informed of your plans and your progress.

*Note: Skip to **Section II** if you already have an Equity Trust Company IRA account but no PIP-West account.*

*Note: Skip to **Section III** if you already have both an Equity Trust Company IRA account and a PIP-West account.*

The Equity Trust Company "Self Directed IRA" enables you to invest in Tax Liens (and real estate) through PIP-West (a tax lien investment servicing agent). Equity Trust Company (Phone: 440-323-5491) is the best Custodian we know of thus far for self-directed IRAs of any type (i.e. Roth, Traditional, SEP, SIMPLE, et. al.). 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.

Note that the web links at Equity Trust Company may change, so if any of the listed links do not work, merely search for "Client Forms" from their homepage, www.trustetc.com.

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

SECTION I. To open a new Equity Trust Company self-directed IRA account, you'll need the following forms, that you can download from the "Open An Account" link from the Equity Trust Company homepage (<http://www.trustetc.com/company/open-account.html>), and the "Client Forms" webpage (<http://www.trustetc.com/forms/>):

- (1) **Application Form** to open the type of IRA that you need (Traditional, ROTH, SEP, SIMPLE, et. al.)
- (2) **Account Transfer Form** to initiate a partial or full transfer from your source IRA account to your new Equity Trust Company account
NOTE: Please be sure to sufficiently LIQUIDATE the investments in your current account so that **ONLY CASH** is transferred to your new Equity Trust Company account.
- (3) **Investment Payment Coupons** for deposits to your self-directed IRA, and for redeposit of proceeds from Tax Lien redemptions
- (4) **Fees link (info only):** on left of either "Open An Account" or "Client Forms" page
- (5) **Contact Your Team link (info only):** on left of the "Client Forms" page which contains phone and fax numbers and mailing addresses)
- (6) **Please keep me informed about your progress** (by either e-mail or phone).

NOTE: For many of the Equity Trust Company forms, you can fill in your information directly on your screen and print the form. Beware that you may not be able to save the information that you enter into the form by saving the form under a new name, so you should print the form.

SECTION II. To open a PIP-West account, you will need to submit the following forms to PIP-West:

NOTE: *I can fax or mail you a copy of the forms in this Section that are already partially filled out except for your personal information and signature. Please let me know if you are interested and provide your contact information.*

(7) **Platinum Investment Properties - West Agency Agreement** (select the "Forms and More" link on the left side of the PIP-West Homepage, www.platinuminvestmentproperties.com)

Instructions: As the "IRA Owner", fill out your personal information in the "IRA Owner" portions of pages 1 and 3, which includes your **notarized signature** in the bottom half of **page 3**. The **name(s)/titling** (along with the address) in which you hold your investments should be entered at the top of page 1 (i.e. "Equity Trust Company Custodian FBO <your name> IRA", and ETC's address).

(8) **W-9 Form - Request for Taxpayer Identification Number** (select the "Forms and More" link on the left side of the PIP-West Homepage, www.platinuminvestmentproperties.com):

Instructions: As the "IRA Owner", fill out one W-9 form with your contact information and your SS#, and **mail** this W-9 **directly** to PIP-West, LLC at the address below:

*Note: **International Clients** will need to have a U.S. Tax ID number, which can be obtained from the IRS by filing form SS-4 (see www.irs.org for forms and instructions), and will need to submit the appropriate W-8 form (also see www.irs.org). A few of these forms are on our website at "Forms and More", however current forms and instructions should be obtained from www.irs.org .*

(9) **Signature Direction of Investment form** to instruct Equity Trust Company sign forms (the "Instruct Equity Trust to Sign Forms On Your Behalf" link under "Buy Asset" on the "Client Forms" page, or http://www.trustetc.com/forms/DOI_Direction_of_Signature.pdf)

Instructions: You, as "Owner" of your IRA: Fill out the Signature Direction of Investment form to request that Equity Trust Company, as your IRA Custodian, does the following:

(a) Request that Equity Trust Company fill out the "Principal" portions of the PIP-West Agency Agreement on pages 1 and 3, which includes their signature at the top of page 3.

(b) Request that Equity Trust Company fill out their W-9 form with **their** Taxpayer Identification number (EIN).

(c) Request that Equity Trust Company mail the PIP-West Agency Agreement and their W-9 to the following address:

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

- (10) **Please keep me informed about your progress** (by either e-mail or phone).

SECTION III. To invest in ILLINOIS tax lien certificates, you can submit the following forms to Equity Trust Company by FAX or by mail (*fax # or mailing address on Cover Page for each form*):

NOTE: I can fax or mail you a copy of these forms that are already filled out with the tax lien purchase information and PIP-West's signatures as your "Tax Lien Servicing Agent", and are ready for your personal information and signatures. Please let me know if you are interested and provide your contact information.

(11) Tax Lien Direction of Investment form to instruct Equity Trust Company to deliver the appropriate check(s) to PIP-West (*at the above address*) for investment in tax lien certificates (On the ETC home page, see the "Invest in Tax Lien Certificates ..." link under "Buy Asset" on the "Client Forms" page, or <http://www.trustetc.com/forms/taxliendo.pdf>)

To invest in ILLINOIS tax lien certificates, please send **one check** (*personal, business or cashier's*) made out to a Payee of "**PIP-West, LLC Investment Funds**" (a client trust account), for the total amount of your investment. This is a recent change to our procedures which was necessary to meet the Counties' payment requirements for the liens which we purchase for you.

Instructions: **THUS, to instruct Equity Trust Company to do the above**, open the **Tax Lien/DOI** form in Adobe Reader and fill it out as follows:

- (a) Enter your retirement account info as follows: account owner name, account number, phone numbers, fax number, and e-mail address (**item #1**).
- (b) Choose the Investment Processing Option as follows: either "Normal Processing" or "Expedited Processing Service", depending on the urgency of the request (**item #2**).
- (c) Choose the appropriate titling for your investment depending on the type of account. For an IRA, choose the first box for titling to your IRA. (**item #3**)
- (d) Enter the Tax Lien Sale info: "several" as county name, "ILLINOIS" as state and Oct-Dec 20__" as auction/sale date (**item #4**).
- (e) Enter the Funding Instructions as follows (**item #5**):
 - **Check Amounts Requested:** one check amount equal to the total investment amount (e.g. **\$25,000**)
 - **To Whom Should Checks Be Made Payable:** "**PIP-West, LLC Investment Funds**"
 - **Total Amount of Funds Requested:** the total investment amount (e.g. **\$25,000**)
 - **Number of Cashier's Checks Needed:** "1"
 - **Where should Cashier's Checks be Sent:**

Name:	PIP-West, LLC, Attn: Donald Fullman
Address:	23974 Aliso Creek Road, Suite #465
City/State/Zip:	Laguna Niguel, CA 92677-3908
Contact Phone Number:	(949) 433-8864
- (f) I will supply by fax or by mail the Tax Lien Servicing Agent info and signatures on **page 2 (of 3)** and on the **Worksheet (the last page)** by fax or by mail.
- (g) Enter your retirement account info (e.g. account owner name, account number) at the top of the Worksheet.
- (h) Sign and Date (as Account Owner) at the bottom of all pages (**pages 1, 2, 3 & the Worksheet**).
- (i) FAX the completed Tax Lien/DOI form to the FAX # on the Cover Page (i.e. 440-366-3752). *Mailing instructions are also on the Cover Page.*

(12) Bill Pay Direction of Investment form to instruct Equity Trust Company to pay to PIP-West any expenses **from the IRA account**, for example PIP-West fees and county filing fees. (See the "Pay Investment-Related Bills – One Time" link under "Distribute Funds/Pay Bills" on the "Client Forms" page, or http://www.trustetc.com/forms/DOI_Bill_Pay.pdf)

To invest in ILLINOIS tax lien certificates, please send **either a normal check or a cashier's check to PIP-West** at the above address, **for the full amount of the 5% Initial Investment Fee (only for new capital) plus the 2% Supplemental Fee (for all IL purchases)** made out to a Payee of "**PIP-West, LLC**" which is **calculated on the total amount of your investment funds**. For example, if the total amount of your investment is \$50,000, please send a fee check for 7% of \$50,000, or \$3500.

Note: If you have Rollover funds, you can reduce the 5% Initial Fee portion by calculating it on your total investment amount less the amount of your Available Rollover Funds from your last Quarterly Report; however the 2% IL

Supplemental Fee applies to every IL purchase (as per the Illinois Policy & Procedure).

Once the purchase is complete, and the County has provided its final accounting confirmation, we'll know the exact amount invested and the total PIP-West fees and county filing fees incurred, and we will either maintain the credit on your account to apply toward county filing fees following the purchase or toward future fees, or (if the amount is disproportionately large) we will issue a refund check for the difference and include it with your Investment Results report.

NOTE: Please see the "ILLINOIS Policy and Procedure" sheet for an explanation of the filing fees charged by each IL County for each lien purchased, and of the Supplemental Fee for all IL purchases. The County fees are the Take Notice Fee and Lien Assignment Fee, of which the Take Notice Fee is returned to you as part of the lien redemption payment. Although these fees seem to add up quickly, rest assured that they have a minimal impact on the net yield when your gross yields in IL are between 26% and 36%.

Instructions: **THUS, to instruct Equity Trust Company to do the above**, open the **Bill Pay/DOI** form in Adobe Reader and fill it out as follows:

- (a) Enter your retirement account info as follows: account owner name, account number, address, phone numbers, fax number, and e-mail address (**item #1**).
- (b) Choose the Processing Preference as follows: either "Normal Processing" or "Expedited Processing Service", depending on the urgency of the request (**item #2**).
- (c) Enter Payment Information as follows (**item #3**):
 - Payment Amount: (as described above)
 - Investment Reference Number (IRN): (can leave blank since not yet known since investment has not yet been purchased; can fill in on later Bill Pay/DOI submissions once assigned.)
 - Description of Payment: "PIP-West Purchase Fees"
 - Does This Payment Increase Value of the IRN? "No"
 - Information to be Referenced on Payment: (can leave blank)
 - Send Funds By Wire: (skip)
 - Send Funds By Check (SELECT and fill in):
 - Make Check Payable To: **PIP-West, LLC**
 - Mail Check To: **PIP-West, LLC (Attn: Don Fullman, 949-433-8864)**
 - Address: **23974 Aliso Creek Road, Suite #465**
 - City/State/Zip: **Laguna Niguel, CA 92677-3908**
 - Check off **"Regular check, overnight mail"**
- (d) Sign and Date (as Account Owner) at the bottom of the page.
- (i) FAX the completed Bill Pay/DOI form to the FAX # on the Cover Page (i.e. 440-366-3751, for Normal Processing). *Mailing instructions are also on the Cover Page.*

SECTION IV. Please let me know when the requests for paperwork and the checks have been sent to ETC and when I should expect to receive them. I'll do the same by letting you know when I receive the paperwork and checks.

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

Feel free to become more familiar with the websites for Equity Trust Company (<http://trustetc.com/>) and PIP-West (<http://www.platinuminvestmentproperties.com>).

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

Thank you very much for your interest and trust!

I am looking forward to a *long* and *profitable* association!

Sincerely,

Don

949-433-8864 (cell)

Don Fullman
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