
**INSTRUCTIONS for INVESTING in
ILLINOIS Tax Liens through Platinum Investment Properties – West**

(Last Revised 3-12-2009)

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 regular investment 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 PIP-West account by filling out the PIP-West Agency Agreement and a W-9 form in your investment titling name (no cost to set up), and sending all this paperwork to PIP-West (STEP I)**

This step need only be done once for each PIP-West account (i.e. for a particular name/titling).

- 2) **Sending the investment funds and fee check to PIP-West as the auctions approach (STEP II)**

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 IRA funds in tax liens, please request the set of Instructions for that purpose.*

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.

****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.

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)

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INSTRUCTIONS for Investing in ILLINOIS Tax Liens with Regular Funds
(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 regular investment funds. Please contact me to keep me informed of your plans and your progress.

*Note: Skip to **Step I** if you already have a PIP-West account.*

STEP I. To open a PIP-West account for tax lien investing, please complete the following forms and send them to PIP-West at the following address:

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

(a) 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 "Principal(s)", fill out your personal information in the "Principal" portions of pages 1 and 3, which includes your **notarized signature(s)** in the top half of **page 3**. Your **name(s)/titling** (along with the address) in which you hold your investments should be entered at the top of page 1 (e.g. "John and Mary Smith", "The Smith Family Trust dated xx/xx/xx", "ABC, LLC", etc., and the address of record).

(b) W-9 Form - Request for Taxpayer Identification Number so that the counties are able to report interest income (select the "Forms and More" link on the left side of the PIP-West Homepage, www.platinuminvestmentproperties.com):

Instructions: As the "Principal(s)", fill out one W-9 form with your contact information and your social security number or EIN number of the **name(s)/titling** in which you hold your investments (as per the W-9 form instructions).

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 .

STEP II. To invest in ILLINOIS tax lien certificates, please send the following checks to PIP-West at the above address.

(a) **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.

(b) **One check** (personal, business or cashier's) **for the full amount of the 6% Initial Investment Fee (only for new capital) plus 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 8% of \$50,000, or \$4000.

Note: If you have Rollover funds, you can reduce the 6% 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%.

STEP III. Please let me know (by either e-mail or phone) when the paperwork and the checks have been sent and when I should expect to receive them. I'll do the same and will let you know when I receive your package.

Please don't hesitate to contact me with any questions.

Thank you very much for your interest and trust!

I am looking forward to a long and profitable association!

Sincerely,

Don
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