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**INSTRUCTIONS for IRA INVESTING in ILLINOIS Tax Liens with PIP-West  
from an IRA with ANY “Self-Directed” IRA Custodian**  
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(Last Revised 7-12-2011)

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 IRA funds from any “self-directed” IRA Custodian.**

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

- 1) ***Opening a new IRA account with 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 your IRA Custodian fill out the “Principal” portion of the Agency Agreement and the W-9 form in the name of the IRA, and send both the PIP-West Agency Agreement and the W-9 to PIP-West (STEP II)***
- 3) ***Requesting that your IRA Custodian 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**

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# **INSTRUCTIONS**

## ***IRA INVESTING in ILLINOIS Tax Liens from an IRA with ANY IRA Custodian***

Please follow the instructions below in order to open a PIP-West account and to invest in ILLINOIS tax liens with funds from a self-directed IRA held by any IRA custodian. Please keep PIP-West informed of your plans and progress.

*Note: Skip to **STEP II** if you already have a “self-directed” 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 a “self-directed” 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.*

A "Self Directed IRA" (for our purposes) should enable you to invest in Tax Liens (and real estate) through PIP-West, a Servicing Agent for tax liens and default real estate investments. 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 your IRA Custodian company for progress reports on each stage of your submitted requests of them.

*NOTE: The PIP-West Agency Agreement and the W-9 form are available on the PIP-West website ([www.PIPWEST.com](http://www.PIPWEST.com)) & select “Forms”.*

**STEP I. To open a new self-directed IRA account**, you'll need to discuss the procedures and forms with the self-directed IRA Custodian. The following basic forms and information will be involved:

- (1) **Application Form** to open the type of account 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 self-directed IRA account.  
**NOTE:** Please be sure to sufficiently LIQUIDATE the investments in your current account so that **ONLY CASH** is transferred to your new IRA account for expediency.
- (3) **Deposit Coupon and Instructions**, for deposits to your self-directed IRA. Note that you'll need this procedure to redeposit your proceeds from Tax Lien redemptions.
- (4) **Fee Schedule (info only)**: Study the fees for the new custodian.
- (5) **Contact Information link (info only)**: Find the contact information (phone, fax and mailing addresses) for the new custodian.

**STEP II. To open a PIP-West account**, please download and print the “**Agency Agreement**” and the “**W-9 Form**” PDF form files stored on our website at <http://www.PIPWEST.com/getting-startedforms>. Then fill out, sign and submit the following forms containing your original notarized signature as described below to your IRA Custodian, requesting them to fill out, sign and send the same original signature forms to PIP-West at the following address:

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

**(1) AGENCY AGREEMENT (BOTH \*\*IRA OWNER\*\* and \*\*IRA CUSTODIAN\*\* PORTIONS)**

**Instructions:**

**As the "IRA Owner"**, you need to **fill out** and **sign (notarized signature)** the PIP-West Agency Agreement as follows:

- (a) **Confirm** and **Enter** the proper titling of your 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 "<IRA Custodian Company Name> Custodian FBO <Account Owner Name> IRA #\_\_\_\_\_", however confirm with your IRA Custodian.
- (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) **Sign** with your **\*notarized signature\*** in the "IRA Owner" portion of **page 4** (*bottom half*).
- (e) **Mail** this **original PIP-West Agency Agreement** to **your IRA Custodian** to fill out (*with your IRA Owner's portion completed and notarized, as instructed above*).
- (f) **Request** that your **IRA Custodian complete, sign** and **mail** your **original PIP-West Agency Agreement** that you MAILED to them as follows:
  - **Fill in** their **contact information** and their **notarized signature** in the "Principal" portion of **page 4** (*top half*).
  - **Initial** item (4.02) on **page 3** (*where indicated*).
  - **Mail** the completed **original PIP-West Agency Agreement** to PIP-West, LLC **at the address listed above** (*along with their W-9 form – see below*).

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

- (a) **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 \*\*)**
- (b) **Request** that your **IRA Custodian complete, sign** and **mail** the W-9 Form for this new EIN for your IRA Account (*along with the PIP-West Agency Agreement – see above*) as follows:
  - **Enter** 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 listed above**.

**STEP III. To invest in ILLINOIS tax lien certificates**, you need to request that your IRA Custodian deliver the following check to PIP-West **at the following address** (*same as in STEP II*), through whatever procedure(s) and form(s) they require:

- (1) **One check** (*personal, business or cashier's*) 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 Investment: \$20,000]**
- (2) **One check** (*personal, business or cashier's*) made out to a Payee of **"PIP-West, LLC"**, for the total amount of the PIP-West setup fees which are calculated on the total amount of your investment. 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, the fee amount would be 8% of \$50,000, or \$4000. This fee total would be lower if the Client account has available Rollover Funds.

*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 your IRA Custodian and when PIP-West should expect to receive the paperwork and checks. PIP-West will do the same by letting you know when we receive your paperwork and checks.

*NOTE: Be sure to follow up with your IRA Custodian 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 your IRA Custodian 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 your IRA Custodian 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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