



Tax Lien and Tax Deed Investing: The Fundamental Approach™

By

Darius M. Barazandeh, Attorney at Law, M.B.A.

Copyright 2004
DMB Real Estate Enterprises, Inc.
All Rights Reserved
Contact:
taxenterprises@yahoo.com
Phone: 713-961-1134
www.theinformedinvestor.com

Disclaimer

'This publication is intended to provide accurate and authoritative information with regard to the subject matter covered. It is offered with the understanding that neither the publisher nor the author is engaged in rendering legal, tax or other professional services. If legal, tax or other expert assistance is required, the services of a competent professional should be sought.'

- **From a Declaration of Principles jointly adopted by a committee of the American Bar Association and a committee of Publishers and Associations**

'This Material is Not a Substitute for Legal Advice and its purchase or use does not create an attorney/client relationship'

- Disclaimer Required by Texas Statutes

The author and publisher make no representations with respect to the contents of this publication and disclaim any implied or express warranties of merchantability or fitness for any particular usage, application or purpose.

While this information has been carefully edited and updated to accurately reflect the law, tax rules, local and state guidelines, this is a field that can change quickly. Statutory provisions and legal rules are constantly being changed, revised, and/or interpreted. Readers must use caution before utilizing the information and practices contained within this publication. This information is not a substitute for expert advice and careful diligence. It is for instructional purposes only.

This publication is covered under the protection provided by the copyright laws of the United States (title 17, U.S. Code). It is illegal for anyone to violate any of the rights and protection provided by copyright law. Any unauthorized reproduction of this publication or its sections (in whole or in part) will be considered a direct violation of copyright protection and shall be punished to the fullest extent under the law.

About the Author

Darius M. Barazandeh is a licensed attorney in the state of Texas and has a Master's Degree in Finance. He is the author of two acclaimed home study systems *Texas Houses for Pennies II: Unlock the Secrets* and *Attorney's Secrets to Investing in Tax Lien Certificates*. He is also the author of numerous articles on real estate, tax foreclosure rules, and legislative updates.

Mr. Barazandeh has experience with many forms of real estate investing including lease-option transactions, note creation through mobile home 'flipping' (i.e., quick buying and selling) and residential single family construction projects. As an attorney he has assisted clients with business and real estate transactions. In his home state of Texas he is the member of several State Bar divisions, such as The Real Estate, Probate, and Trust Law Division of the Texas Bar Association and the Business Law Division of the Texas Bar Association.

In addition to his legal and real estate experience, Mr. Barazandeh has proven himself in the challenging world of business consulting. Mr. Barazandeh's business and financial expertise has served numerous companies and governmental clients. As a business consultant with the prestigious firm of Deloitte & Touche, LLP he worked in many complex business scenarios and helped to maximize the cost effectiveness and profitability of over 30 large scale organizations.

Some of his clients have included the Harris County Tax Assessor Collector, the City of Houston Municipal Court System, the Port of Houston Authority and the Austin Independent School District where worked with the Texas Comptroller of Public Accounts to identify, report, and revise ineffective processes and procedures for cost savings totaling over \$10 million dollars. [1]

To learn about Mr. Barazandeh, his services and/or top-rated home study systems please call 713-961-1134.

[1] Savings to the Austin Independent School District totaled: \$10,196,189. **Source:** TSPR School Performance Review, Austin Independent School District; Release Date: April of 2000.

**THIS MATERIAL IS NOT FOR RESALE. IF YOU ASKED TO PURCHASE
THIS INFORMATION PLEASE CALL: 713-961-1134**

© 2004 DMB Real Estate Enterprises, Inc, All Rights Reserved
Phone: 713-961-1134 Mobile: 832-878-2297
Email: taxenterprises@yahoo.com
Please Visit Us Online at: www.theinformedinvestor.com

Table of Contents

Disclaimer.....	2
About the Author.....	3
I. Preface.....	5
II. Introduction.....	7
III. Tax Liens vs. Tax Deeds: A Differing Approach.....	7
Tax Lien Processes.....	
IV. The Tax Lien Process: How Does This Work?.....	8
Here's What I Learned.....	10
What Effect Can Proper Investment in Tax Certificates Have?.....	10
Foreclosure and Large Profits.....	11
Is This For Me?.....	11
V. Rights and Advantages for the Tax Lien Holder.....	12
1) <i>A High Priority Lien Holder Position.....</i>	12
2) <i>No Landowner Liability or Maintenance Responsibility.....</i>	12
3) <i>Enforcement Rights Without Enforcement Duties.....</i>	12
4) <i>The Right to Purchase Later Year Tax Liens.....</i>	13
After Sale Opportunities.....	13
VI. Investor Preferences.....	13
Property Ownership Strategies.....	14
Redemption Strategies.....	14
VII. Conclusion.....	14
VIII. Learn More About Tax Lien Investing.....	16
IX. Learn More About Texas Tax Deed Investing.....	17

Profile: Stock market losses result in postponement of or a return back to work from retirement for older Americans; NPR Weekend Edition - Sunday (NPR); JOE PALCA

Many Americans in their 50s and 60s are having to re-evaluate their future lives as they've seen their stock-driven retirement programs shrink dramatically.

I. Preface

Like millions of Americans you are probably wondering how you can attain the highest and safest return on your savings in the shortest period of time. The goal of any investment should be to maximize appreciation while minimizing risk. While the stock market can give you stable long-term appreciation potential if you diversify and hold for a number of years, one market downturn and years of gains can be wiped out overnight. Unfortunately, most Americans will leave their money in the stock market with the hope that they will accumulate enough wealth to retire before another market downturn occurs. These worries do not end once retirement begins however, since the same investors will have the added burden of frantically watching and trying to 'predict' the market to make sure their nest egg stays intact.

In my work as a financial consultant and in my study of Finance, I formed the opinion that that the greatest obstacle to attaining wealth through the stock market is the **efficient market hypothesis ('EMH')**. This controversial theory is usually only discussed in academic circles but it affects each of us everyday. **EMH** states that it is impossible to beat the market because stock prices already incorporate and

reflect all relevant and known information. Proponents of this theory state that it is pointless to search for undervalued stocks or try to predict trends in the market because the market (i.e., buyers) has already taken into account risk and growth factors, economic trends, and future income when stocks are traded.

While I don't completely agree with EMH theory it does remind us that there are many forces affecting the stock market which are completely beyond our control.

According to a Recent AARP Study:

Impact of Stock Market Decline on 50 – 70 Year Old Investors: 77 Percent of respondents between the ages of 50 to 70 who own stock lost money in investment accounts between the years 2000 and 2002.

67 percent of respondents have adjusted their lifestyle due to losses. (1)

This misunderstanding of market principles has left millions and millions of investors with the incorrect notion that they can 'beat the market' thereby finding a route to financial freedom. This is a very

Stock Slide Alters Tacoma, Washington-Area Investors' Retirement Plans; The News Tribune (Tacoma, Washington) (via Tribune Business News)

Jul. 31--Shouting above the grinding noise in Tacoma's Atlas Foundry core room, Dan Hanson, 61, figures he's lost more than half his 401(k) savings in the stock market.

Kathleen Dabbs, 58, already had retired and was ready for the good life. But her financial portfolio took a hit, and she's back in the work force, selling gift items.

difficult task and practically impossible in the short-term (i.e., 10 to 15 years). Sadly, even those who manage to make good returns stand to lose much of it during a market downturn. Years of gains can be lost in months, weeks, or even overnight. The results can be devastating.

My background in corporate finance and real estate law has enabled me to recognize critical alternatives to the nauseating stock market ride we all hate. I began to look for investments which provided more security to the investor. Traditional real estate investing was an attractive possibility, until the frustration of property management left me wary of buying too many properties. The more property I had under my control, the more headaches I encountered. Even worse, when I factored in maintenance, property

taxes, vacancies, and income taxes the results did not justify the means. I was burned out with tenants, vacancies, collecting rent, and the endless inventory of 'We Buy Houses' signs I had to post everywhere.

One day while working as a business consultant at one of the largest tax collection entities in the United States, I learned that there is a state-mandated process which allows for a stated non-fluctuating return on your investment. The method is called tax lien investing and if well researched, it will allow you to become the owner of property for a mere fraction of market value or earn between 16% to even 50% per year. In other words, you will either earn a high rate of return on your invested funds or you will own the property at a deep discount.

II. Introduction

As a real estate investor and former financial consultant, I know that earning 16% to 50% interest through a low risk and low maintenance investment is rare to say the least. I have invested using many different creative real estate transactions such as lease options, owner carried notes, 'flipping' (i.e., quick sales), etc. and while some investments in real estate can match such high rates of return, very few can equal the safe and passive cash flow potential of property tax liens. In the following sections you will learn more about these benefits.

Contrasting Rights: The fundamental difference between a stock market investor and the a tax lien investor are the legal rights given to each:

Tax Lien Purchasers: Are secured creditors and hold a powerful position in the law. As secured creditors they can 'foreclose' on their position and obtain legal title to the attached assets.

Common and Preferred Stockholders: Are fractionalized owners of a company, but do not have a right to foreclose. They are not creditors and do not have 'real' security in their investment. In fact, common stock holders could be described as 'speculators' with little right or remedy if their share value decreases. In fact, during bankruptcy bondholders are paid first, then secured creditors, then preferred stock holders and last common stock holders.

The first benefit that I will review is derived from the fact that the property tax lien is secured to real property as a first priority claim. This gives you a very powerful *guarantee*, assuming your research is correct. You are *guaranteed* either: 1) a favorable return on the money invested or 2) deeded rights to property. Guarantee is a strong word, but I have seen this process thousands of times and if you perform proper research you will make a substantial return on your investment. Of course if you don't follow proper research steps, then as in any endeavor you will likely fail.

The thing that I like best about tax lien investing is that it can be done with small or large amounts of money. Tax liens can be purchased for nominal amounts of money (e.g., under \$200) or at larger sums (e.g. \$30,000 or more). This is a perfect investment for those who are afraid to risk a lot of money and who just want to get their feet wet. If you are still unsure about some of the technical aspects of investing, don't worry. I will detail the specifics for you in the sections that follow.

III. Tax Liens vs. Tax Deeds: A Differing Approach

Almost every state and territory, in the United States, has a process that is used to collect delinquent property taxes and place reliable taxpayers back on the tax role. This process occurs at the last juncture of the tax collection process and it allows ordinary individuals to purchase the rights of local governments in tax delinquent property. The process can be separated between two general types of systems: '*tax lien systems*' and '*tax deed systems*'. The tax lien and tax deed processes may be distinguished by the 'bundle of rights' sold to the purchaser. In states using a tax deed system, if the taxes are not paid, county governments will sell full ownership and possession rights to the investor. Currently 17

Tax Lien and Tax Deed Investing: The Fundamental Approach

states authorize the sale of ownership rights to tax delinquent property through a *tax deed sale* or *assignment deed*. Conversely, in so-called 'tax lien' states county governments sell only their right to the tax lien or tax claim on the real property. A total of 18 states have authorized sales of the counties' tax lien position to the public. **NOTE:** The remainder of this text will cover the tax lien investment process.

Tax Lien Processes

Recall that in a tax lien state, counties do not sell property; rather they sell their lien for unpaid property taxes. This lien is an encumbrance or enforcement right held by the county. As discussed earlier, the lien does not grant full ownership rights to the property, but it does provide the investor with two commanding rights:

- 1) *The right to receive interest penalty charges if the lien is paid off by the delinquent property owner, and*
- 2) *The right to foreclose the tax lien and take title to the property if the lien is not paid.*

Property Tax Liens: Are generally afforded a high priority position among other state and local liens.

Foreclosure: Is the powerful legal right that allows the tax lien holder to tax title to the real estate backing the certificate. The foreclosure of a lien *generally* erases all subordinate or lesser liens. This is a powerful enforcement feature of property tax liens.

Even better the property tax lien is a high priority lien superior to judgment liens, mortgage liens, trust deeds, and other private liens. Since the tax lien is a high priority lien, if you do foreclose and take title then you will have a relatively clean title. Any liens that still exist on the property will be from a very small class of liens that are easy to discover prior to your purchase. These costs are usually factored into your investment costs. Moreover, since the property tax lien is usually for a small fraction of the properties' market value the investment is highly secured. In addition, the lien purchase does not subject the investor to land owner liability since no right to possess or occupy the property is granted by the sale of the lien.

IV. The Tax Lien Process: How Does This Work?

At this point you may wonder how liens make to the sale process. This section will provide you an overview of the processes leading up to the sale. Basically, if an owner of real property does not pay their property taxes the department of revenue or other appropriate tax collection entity will file a lawsuit to collect the unpaid taxes, and if such taxes are not paid, the rights to the tax lien itself will be sold at a public tax auction.

Tax Lien and Tax Deed Investing: The Fundamental Approach

The taxation statutes and general laws of almost all states mandate a tax sale foreclosure process that allows common citizens, just like us, to purchase tax sale properties. Selling tax lien certificates allows local governments to collect the lost revenue from unpaid property taxes.

Here's how it works:

At a public auction a tax lien certificate will be sold with an opening bid made up of the amount of back taxes owed. This amount will usually be comprised of:

- Delinquent Property Taxes
- Interest Charges
- Penalty Fees
- Legal Costs
- Administrative Charges and Fees

When a tax lien certificate or a tax deed is sold, the purchaser acquires the *'bundle of rights'* once held by the county or taxing unit. Tax sales may be held annually, semi-annually, quarterly, or monthly. There are no restrictions for bidding at these sales (i.e., you do not have to be a real estate agent, attorney, professional investor, etc.); however you usually must be able to pay the bid amount within a short period of time.

Redemption: creates the interest bearing opportunity found with tax lien certificates. To actually 'redeem' the property the delinquent property owner will be required to pay back the costs of the certificate plus the interest rate stated on the certificate.

For a specified period of time the delinquent taxpayer has the right to buy back or "redeem" the property. This is called the *'right of redemption'*. In many cases this redemption period may be as short as 6 months or as long as 4 years. If the delinquent owner does not redeem the property during

the specified redemption time period, then the successful bidder is entitled to the property regardless of the purchase price. Let me say that again:

the successful bidder would be the owner of the property even if it was bought for \$5,000 and it has a market value of \$150,000!

That sounds great, but what happens if the delinquent owner decides to exercise their right of redemption? Does the investor lose all of the money invested at the auction? No, not at all! In that case they (the delinquent property owner) must pay the investor an interest penalty charge on top of what was originally paid at the tax sale auction. This interest charge can range from 16% to 50% (for redemptions occurring during the first year) or up to 50%. What this means is that you will get back the money originally invested plus the interest penalty charge. This amount can equal a significant rate of return for the investor.

Tax Lien and Tax Deed Investing: The Fundamental Approach

Here's What I Learned: There is a way to earn a *guaranteed* 16% to 50% per year on your investment dollars *if you use proper techniques*. You can purchase high yield investments designed to protect the investor, *but you have to know which ones to stay away from*. You will either obtain rights to tax foreclosed or tax encumbered property or earn a high rate of return on your money *if you follow the right steps in the right order*. One thing that I have found separates successful from non-successful investors is professional help. Professional assistance is fundamental because, as with any business venture, there are rules and guidelines that must be understood and followed. This sentiment was repeated in a recent article in *The Philadelphia Tribune*:

Foreclosure and Profits: I recently received a phone call from a student who foreclosed on a 150 acre tract of land worth \$140,000. The best news is that the student paid only \$15,000. Foreclosure was used to enforce the lien when the 'redemption' interest costs were not paid. State law gives the investor the right to foreclose as an enforcement remedy.

Tax lien investments can increase your bank account; Philadelphia Tribune, The; 1/12/1999

Philadelphia Tribune, The
01-12-1999 - Tax lien investments can increase your bank account

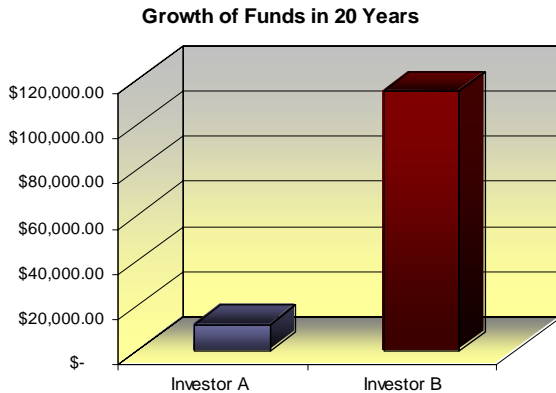
Beverly Hills, Calif. -- With **professional expertise** and a little money down, in less than three years you could own several hundred thousand, to several million dollars worth of property, free and clear.

What Effect Can Proper Investment in Tax Certificates Have?

Quite simply the effects are astounding. For example, let's take a hypothetical investor, Investor A. *Investor A places \$3,000 in a retirement plan at age 30 with an average rate of return of 7% per year for the next 20 years. This investor's money would double about once every 10 years. At the end of the investment term and at age 50 the investment would equal approximately \$11,609.05.* In reality, since most banks today are only paying 1.5% to 2.8% per year, Investor A would have only \$5,000 at age 50. Even worse, income taxes will greatly reduce the compounding effect. As a result, Investor A will barely keep her money ahead of inflation!

Albert Einstein, when asked what he considered the most powerful force in the universe, replied "**Compounding interest**".

Tax Lien and Tax Deed Investing: The Fundamental Approach



Now let's take Investor B, who simply uses a strategy of investing in tax lien certificates with an average annual return of 20%. *At age 30 Investor B starts with \$3,000. Investor's B's money would double about once every 3.5 years. As a result by age 50 the initial \$3,000 would have grown to over \$115,000. If that investment was continued for just another 10 years that initial \$3,000 would now have grown to well over \$700,000!* Investor B

also uses a self-directed IRA to administer each tax lien and tax deed purchase. Investor B's funds will grow tax free, thereby allowing a small investment to easily grow into a million dollar portfolio.

NOTE: One scenario missing from this hypothetical is the effect to your return on investment if the property backing the certificate becomes yours. A single tax lien certificate could yield you a profit of \$50,000, \$60,000, or more if you sell the property backing the lien. Re-investing this amount would exponentially increase your returns!

Foreclosure and Large Profits

Perhaps the most powerful right of the tax lien holder is the right to begin foreclosure proceedings. Foreclosure proceedings should begin if the cost of the tax lien plus interest is not paid off within the redemption period. Interestingly, since tax liens generally amount to less than 10% of a properties' market value, foreclosure creates a tremendous profit windfall for the tax lien investor. For example: with proper research, an investor foreclosing on \$5,000 worth of tax liens can acquire a property valued \$55,000 or more. Thus, a loan-to-value ratio of 10% is possible and seemingly unequaled ($\$5,000 + \text{foreclosure costs} / \$55,000 = 10\%$). Many traditional and creative forms of real estate investing can only create loan-to-value ratios of 70% or more.

Is This For Me?

As you can see investing in tax lien certificates allows safe use of the laws of compounding to increase wealth. A well researched strategy will allow you to safely bypass the 'yo-yo' effect of stock market investment, since each tax lien certificate has an incorporated 'safety net'. This safety net is quite literally the real estate which backs the certificate. Best of all with proper research techniques there is no reason that the real estate will not be worth much, much more than the face value of the certificate itself. So you either

**The Laws of Compounding and
the Rights of the Lien Holder:**

Combine to create a powerful opportunity for the tax lien investor. Quite simply these results are 'unequaled' in the law or in traditional 'market' investments.

get the stated rate of return set by state law or you obtain the property. That is a true safety net. **Contrast this to stock market investment:** Do companies on the New York Stock Exchange provide a safety net like local governments provide? Obviously, they do not. In addition, the incorporated 'safety net' discussed above there are several additional benefits which will be discussed in the next section.

V. Rights and Advantages for the Tax Lien Holder

A properly researched tax lien will award the investor with numerous benefits and in most cases very few headaches. In addition to the right of redemption and the right to foreclose (discussed earlier in this text), there are several other key benefits for you if you choose this investment technique:

1) **The Property Tax Lien is a Priority Lien**

Position: At the tax sale the investor purchases a tax lien once held by the county. The priority position of the property tax lien is not subordinated (or diminished) because a private party now holds the lien. The investor holds the same rights once held by the county. This helps you because the foreclosure of your first position tax lien will clear almost all other liens from the title. Foreclosure not only places full property ownership in the hands of the investor, but it purges the land title of other subordinate liens and debts. The end result is a property interest that is generally 'free and clear' of other obligations on the title. NOTE: Exceptions do exist to this rule but a well-developed research strategy will enable the investor to avoid other liens surviving foreclosure.

The Most Important Aspect of

Tax Lien Investing: Arises from the high priority position of the tax lien. Other types of liens do not create the same positive benefits for investors. Almost every month I hear from someone who has invested in a Home Owners Association lien. They ask me 'What are my rights?' Sadly, they have few rights since they purchased a low priority lien. Proper information is critical

2) **No Landowner Liability or Maintenance Responsibility:** An often forgotten benefit of tax lien investing is the passive nature of the investment. Only one state in the U.S. grants the tax lien purchaser with possession of the property. In all other states, the investor does not obtain possession by purchasing the tax lien. The investor is simply a super priority lien holder, but *not* a property owner. This is a huge benefit to the investor because there is no landowner liability. This is clearly an advantage as lawsuits against property owners/operators continue to rise. According to the **Wall Street Journal (Feb 2003):**

"Something as simple as paying a college kid to clean your gutters or giving youngsters a few bucks to shovel the driveway could lead to a serious lawsuit."

Tax Lien and Tax Deed Investing: The Fundamental Approach

The lack of control over the property creates an asset protection feature for the tax lien investor. NOTE: After foreclosure the tax lien investor will have possession of the property.

- 3) **Enforcement Rights Without Enforcement Duties:** Another advantage is that the tax lien investor need not demand payment or start collection efforts to compel payment from the delinquent property owner. Although the lien is now owned by a private investor the county will still handle enforcement of the lien until foreclosure. Some states will actually handle the foreclosure process for you. Irregardless, there is no contact with the delinquent taxpayer. Moreover, in the redemption scenario most state tax offices handle the collection of redemption money plus interest. This means that you don't have to handle messy collections when you purchase tax liens.
- 4) **The Right to Purchase Later Year Tax Liens:** Liens sold at auction are only for one year's delinquent taxes. If the property owner defaults on next year's taxes then the investor has the right to privately acquire these taxes with no competition. It also reduces research time since the investor will already be familiar with a particular parcel.

Clearly tax lien investing presents some very favorable advantages to the astute investor. The numerous purchase opportunities and the high security/low risk nature of tax liens make this an extremely attractive option to many active forms of real estate, stock and bond market investment.

After Sale Opportunities: The tax lien purchaser is also favored by the surplus of tax lien instruments that are available for purchase. For example, at the 2003 Maricopa County, Arizona tax sale 21,200 liens were available for sale but only 14,156 liens were sold. A total of 7,044 or approximately 33% of liens were made available for purchase after the tax sale.

In Almost Every Tax Lien

Jurisdiction after sale opportunities are available. I like to suggest different guidelines when investigating these liens. First, make sure the value of the lien is no more than 10% the value of the property, second be sure to view the property. More detail is found in my systems but its important to recognize that specific techniques and bench marks apply to certain situations

In 2004, that percentage totaled 27% and was still within the historical range of fluctuation. Although Arizona's Maricopa County is a very popular destination for tax lien investors, *literally* thousands of liens are still available for purchase after each sale. Such liens would still carry a full 16% interest rate for the investor. While such a large inventory can create confusion for the investor, a systematic process for eliminating liens can transform this into a simple yet profitable exercise.

VI. Investor Preferences

While some risks do exist with tax lien investing you can avoid these risks by conducting simple research. Proper and systematic research techniques will award the tax lien investor with numerous benefits and in most cases very few headaches. The low maintenance aspect of tax lien investing makes this a viable option to many active forms of real estate

investment. If you want to invest in real estate but hate the idea of becoming a full-time property manager with a preferred discount card at The Home Depot, then you will delight in tax lien opportunities. Investors with substantial capital can also utilize the tax lien sale process to quickly increase cash reserves. Full-time investors who desire property ownership can also take advantage of liens which have expired redemption periods. These liens are available in every tax lien state.

Tax lien investing will also allow some control over the end results. Rules can be manipulated depending on whether the desired end result is property ownership or a stated rate of return, for example:

Property Ownership Strategies:

Recall that the prudent investor will earn profit on the lien certificate no matter the outcome. An investor can greatly increase the likelihood of obtaining the property by targeting out-of-town owners and vacant lands. Houses and subdivision lots which do not have mortgages attached to the property are also redeemed less frequently.

Redemption Strategies:

Conversely, an investor interested in redemption would target owner occupied properties with attached mortgages. The more an investor utilizes these processes the more the predictable the outcomes.

VII. Conclusion

Careful investing in tax lien certificates will allow for safe and quick wealth accumulation. Recall that this investment technique combines tremendous upside potential with very manageable risk. A recap of these advantages include:

- **The Right to Collect Interest or Take Title to Property**
- **A High Priority Lien Holder Position**
- **No Landowner Liability or Maintenance Responsibility**
- **Enforcement Rights Without Enforcement Duties**
- **The Right to Purchase Later Year Tax Liens**

Tax Lien and Tax Deed Investing: The Fundamental Approach

In summary, perhaps the most exciting component of this investment technique is that once you learn the proper technique, you can repeat it time and time again with consistent results. This is because the same legal processes create consistent opportunities year after year resulting in a steady inventory of tax liens. You can feel good about your efforts since your investment will help local governments fund important civil services.

I have taught thousands of investors how to utilize these processes for fast wealth accumulation with minimum risk. If you are interested in learning more about how you can avoid the 'up and down effect' of the stock market then please contact me at: taxenterprises@yahoo.com.

VIII. Learn More About Tax Lien Investing:

If you found this article helpful and interesting then you may want to consider learning more about this powerful investment technique. The free article you just read was merely a brief sample of the clear and precise information offered by Texas Attorney Darius M. Barazandeh on the subject of tax lien investing.

If you want to learn more about earning a *secure* 14% to 24% per year then you should consider Mr. Barazandeh's top-rated products on the subject matter.

In his detailed and easy-to-follow products you will learn why Mr. Barazandeh is the nation's most sought after teacher, trainer and speaker on this subject matter. The systems are easy to follow, but precise. All systems contain easy-to-understand diagrams, illustrations, legal explanations and statutory references. These are the highest rated products on the market.

Several years ago I decided to spend my time sharing the knowledge I gained as a real estate investor, a licensed attorney and a financial consultant. The end result is that year after year my systems continue to **exceed the expectations** of our customers and industry standards. What's even better is that they **de-mystify** the legal and procedural traps that often scare people away from investing. My products are *very detailed, easy-to-follow, and are updated several times per year and most important: they work!*

Darius M. Barazandeh
Attorney at Law/M.B.A.

In my pursuit to learn about tax liens and tax deeds I have acquired and studied all of the material I have found on the subject. This includes works authored by *Tony Martinez, Ted Thomas, John Beck, Joel Moskowitz*, and many, many others.

[Your materials] contain the most useful, practical, valuable, and actionable information available.

Steve Mortonson
Coppell, Texas

The course really takes you by the hand and gives you **EVERYTHING** you need to know to go out and understand what is going on in these tax auctions.

Ken Bayer
Houston, Texas

Darius, Thanks to your guidance I have been able to earn a consistent 16% to 34% on my invested funds each year. After losing 60% of my 401(k) in June of 2000, your product and guidance has not only helped me exceed my previous best but has given me a future!

John Wiesner

Tax Lien and Tax Deed Investing: The Fundamental Approach



Attorney's Step-by-Step Secrets to Investing in Tax Lien Certificates

Visit:

<http://www.theinformedinvestor.com>
to Learn More!



I always offer a full 45 day satisfaction guarantee with your order. If you are not satisfied return the system for a full refund.

This detailed learning system is designed to take you through the investment process from start to finish. There is a solid emphasis on **reducing** and **managing risk**. I handle every issue head-on and then provide you step-by-step proven solutions to make this work from anywhere in the United States. The system focuses on every step in the process, including selling, renting, financing the property after you obtain possession.

This is the most detailed and current information available anywhere. You will also benefit from a **Step-by-Step approach** that:

- Provides you with a step-by-step action plan to walk you through the necessary steps from **start** to **finish** with mastery of the tax lien certificate investment process!
- Uses simple and established learning methods to make sure you **learn and master** the material!
- Gives you precise analysis of your investment state, its trends, timelines, filing requirements and traps...in **PLAIN ENGLISH!**
- Discusses the full spectrum of all risk issues: including economic risk, legal risk, and asset protection issues. Step-by-step instruction is given on how to reduce these risks!

Darius,

I have to tell you this about your product: **It is phenomenal!** I have bought the main tax lien books and courses and yours goes so darn far beyond the current crop of tax lien products there is nothing out there even close. **I absolutely mean it.**

Thanks to your guidance I have been able to earn a consistent 16% to 34% on my invested funds each year. After losing 60% of my 401(k) in June of 2000, your product and guidance has not only helped me exceed my previous best but has given me a future!

John Wiesner

IX. Learn More About Texas Tax Deed Investing:

If you found the topic of tax lien investing interesting, then you may want to consider learning about the Texas tax deed process. The procedures in Texas are a hybrid of the tax lien processes discussed in this paper and the tax deed rules found in most states. Irregardless of the variations, Texas is a serious state for investors due to its high interest rates and very short redemption periods. **Tax deed investors in Texas are routinely earning a 25% return on their invested funds in 6 months or less!**

In his detailed and easy-to-follow products you will learn why Mr. Barazandeh is the nation's most sought after teacher, trainer and speaker on this subject matter. The products are easy to follow, but precise. All courses contain easy-to-understand diagrams, illustrations, legal explanations and statutory references. These are the most detailed, up-to-date and legally precise products for Texas tax sale investing. Due to the statutory advantages of Texas your investment returns could be staggering!

We attend tax deed auctions all over the country, and found Texas Houses for Pennies a great learning tool for Texas auctions...we also have plenty of room to flip this property to another investor for fix-up, leaving the rehabbing investor room for **tens of thousands of dollars in profit** as well.

Thanks to the information in Texas Houses for Pennies, this was a perfect tax deed purchase. Thanks Darius, for thorough Texas auction information.

Property Fair Market Value: \$350,000
Amount Invested: \$62,000

Shawna Cullen (Tax Lien Investing Coach and Trainer)
Arizona

I have purchased 6 parcels total. The first one I bought for **\$1200**. (I think close to that anyway) plus I had it surveyed. When the 6 months was up, I advertised it for **\$11,500** and could have sold it 3 times.

Now I have 5 more I'm holding. One is a lot in a nice subdivision but has a utility line running through it. A builder wants it and is getting a price on how much it will be to move the line. This one I bought for **\$600.00 + survey**. I should be able to make at **least \$10,000 on this one**.

Tax Lien and Tax Deed Investing: The Fundamental Approach

The others are as follows:

- 1 acre lot in city limits bought for \$850 should be able to sell for \$8,000 to \$9,000 (not sure about the value of this one yet)
- 3/4 acre lot in city limits bought for around \$650 should be worth at least \$7,000.

Lisa Turner
Texas



Attorney's Secrets to Texas Houses for Pennies II: Unlock the Secrets

Visit:

<http://www.theinformedinvestor.com/TexasHousesPennies.htm>
to Learn More!



I always offer a full 45 day satisfaction guarantee with your order. If you are not satisfied return the system for a full refund.

The most detailed system on Texas tax sale investment is now even better! Texas Houses for Pennies has been updated to include recent changes to the Texas statutes, sample research projects, an updated review of surviving liens for 2005 and sample investment strategies. **Some updates include:**

- Updates for all investment counties in Texas
- Updates on liens surviving foreclosure and how to absolutely avoid them
- Sample investment strategies for 6 month redemption time periods and a quick 25% interest return in 6 months
- Sample investment strategies for 1 to 2 year redemption time periods and a 50% return in Year 2
- Full discussion on searching for liens and other interests which can survive foreclosure
- Sample research projects and even more step-by-step illustrated examples
- Full access to our updated Texas Research Center
- Updated layout and an even simpler step-by-step format

The system continues to be the most up-to-date, complete, and easy to follow step-by-step manual for investment in Texas tax sales. If you have ever wondered about Texas tax sales and how to take advantage of the tremendous returns available in Texas then this material is for you!



Darius M. Barazandeh is a licensed attorney in the state of Texas - **Bar Card Number ID 24038756**. In addition to his legal knowledge he has a Masters Degree (M.B.A.) in Business Finance and brings experience from numerous fields including real estate construction, corporate finance, and business consulting.

He currently serves as President of DMB Real Estate Enterprises, Inc. He is an author/lecturer and frequently appears on numerous real estate and entrepreneurship periodicals and websites. He is the editor and founder of the The Informed Investor Newsletter.

As an attorney and investor he has investment experience with tax foreclosure sales, 'sandwich' lease-option transactions, note creation through mobile home 'flipping' (i.e., quick buying and selling) and residential single family construction projects. Frustrated by the lack of realistic information regarding tax foreclosure sales and other investments, he is "unlocking the secrets" to many of these creative investment methods with his unique 'clear cut' writing style and attention to detail.

Darius,

I have to tell you this about your product: **It is phenomenal!** I have bought the main tax lien books and courses and yours goes so darn far beyond the current crop of tax lien products there is nothing out there even close. **I absolutely mean it.**

Thanks to your guidance I have been able to earn a consistent 16% to 34% on my invested funds each year. After losing 60% of my 401(k) in June of 2000, your product and guidance has not only helped me exceed my previous best but has given me a future!

John Wiesner

You have taken, what seems to be, some *very complicated stuff* and, in my opinion, **you have boiled it down into a very basic and simple material to understand and implement.**

Your course and your support...gives you the control rather than the Stock Market or banks...especially since the Stock Market Crash and the reality that you can't get a very good rate of return on your money invested in CD's or Banks.

Dave Jenson
Utah