

NORFED REPORT: VOL. 2 NO. 3 MARCH 2000

Aloha and Welcome

If you are new to NORFED, an especially warm welcome.

BIG NEWS: The Gold Certificate is HAPPENING. Read all about it and scan the Table of Contents for what's most important to you...

PLEASE READ THE FIRST FOUR ARTICLES, #4 IS VERY IMPORTANT.

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1. GOLD CERTIFICATE are ready to order:

As most of you know the Silver Certificates were a result of 23 years of research and development. Well I am happy to say we did the Gold Certificates in considerably less time but not without the usual problems and blunders on my part. Just all part of exploring and issuing a brand new currency.

First the good news: All is proceeding with issuing the very first Gold Certificates since 1933 on schedule and are ready to order now. We will have them at the Freedom Rally on April 1 & 2 as planned. This is not to say there have not been a great deal of problem solving. Partly, this is because of the innovative gold foiling which will be differentiate this instrument from anything else ever produced. So please note the new Brochures do not accurately present the Gold Certificates, it simply can't. You really need to see one.

Second the bad news: When I emailed you the announcement last month, I shot from the hip about the price which proved to be totally unrealistic. It was simply did not include, accurately the discount or referral schedules, storage fees nor compatibility with our existing Silver Certificates. I apologize for this blunder. Second the bad news: When I emailed you the announcement last month, I shot from the hip about the price which proved to be totally unrealistic. It was simply did not include, accurately the discount or

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Now the real news: The Gold Certificate is incredible. Like the Silver Certificate it will exchange on a one to one basis with the F*R*N* i.e. \$500 for \$500. This rate will be discounted to Redemption Centers (RC). And due to the high figure involved and our desire to make this as market sensitive as possible, both the discount and referral fee will be flexible. This will reward exchanges when the gold price is down (as it is now) and will keep the program market driven as the price moves up (as it must and will). Read #4. Now the real news: The Gold Certificate is incredible. Like the Silver Certificate it will exchange on a one to one basis with the F*R*N* i.e. \$500 for \$500. This rate will be discounted to Redemption Centers (RC). And due to the high figure involved and our desire to make this as market sensitive as possible, both the discount and referral fee will be flexible. This will reward exchanges when the gold price is down (as it is now) and will keep the program market driven as the price moves up (as it must and will). Read #4.

So, with this email we launch the Gold Certificate at a special discounted rate. Right now, as of this writing, Gold is under \$300 per ounce so the Gold Certificate is available at a \$50 Discount and a \$50 Referral Fee. With over \$20 in production costs for the Gold Certificate, plus \$30 in pre-paid storage fees based on estimated gold prices over five years for the Gold Liberty, the total actual cost is over \$50. So after the \$50 discount, the \$50 referral fee and the \$50 costs, we hope there is \$50 for NORFED's overhead. All this works nicely with gold under \$300 and a Face Value of \$500. So please consider this value carefully, prices will not be going down. The discount and referral fees will go down as the price of gold goes up. Now is the best time to make that exchange for real golden value.

Pricing on the Gold Liberty will again be similar with the Silver Liberty. Single pieces will be priced at full Face Value of \$500. Currently, quantity of five will be priced at spot plus 25%, 10 at spot plus 10%, 20 at spot plus 8%, 50 at spot plus 7% and 100 or more at spot plus only 6%. As is obvious, gold is a BIG ticket item. Silver, even though the percentage of margin is larger, has a much greater potential and is the reason we choose silver and still recommend silver over gold. It is simply a better buy.

And YES, you can trade Silver Certificates on a one-to-one basis for Gold Certificates. Just let Sarah or Michelle know when placing your order with NORFED.

Now for the collectors: If you are one of the first 100 orders while gold is under \$300 and order The Gold Liberty Proof Set, you will get a specially Proof numbered Certificate, starting with PR000001 and a special numbered Proof Gold Liberty - both will have the same number. (Please note that although the Gold Liberty will be numbered the same as the Gold Certificate, it does not back up the Certificate which will be backed up by an un-numbered Gold Liberty as all the Certificates will be.) This Limited Numbered Edition of only 100 Sets is \$999 or only \$900 for Redemption Center. Please note this is a very special rate because even the Gold Liberty is discounted at the \$900 rate for the RCs.

Gold Certificates will commence with Serial Number B000501. The Gold Liberties will NOT be numbered, except for the first 100 issued in the Proof Sets.

CONFUSED ABOUT ALL THIS?! DON'T KNOW THE PRICE OF GOLD OR THE RATE FOR THE NEW GOLD CERTIFICATES OR LIBERTYS – PLEASE CALL NORFED FOR INQUIRES AND TO PLACE YOUR ORDER. Due the higher price of gold, NORFED will make the price as competitive as possible while keeping the RC Discount Fee and Referral Fee flexible as high as possible through flexibility.

2. Series 2000 for New \$10, \$5, & \$1 Silver Certificates:

Can you believe it? We have issued every single Certificate NORFED printed in 1998. That's right, every Series 1998 Certificate is now gone except for a few \$1.00's. When one enters into such an innovative currency venture as the New American Dollar, there is no "road map", there was no way to gauge the amount of currency to print. And now it is all gone. The new Series will be out within weeks. So if you have some of the Series 1998 left, I encourage you to save some of the historic "First Year of Issue". If you just joined NORFED or just placed an order, please be patient, your order will be out very shortly. You just happen to join at a very unique time and will get the very first Certificates dated 2000. Congratulations! And thank you for taking a stand for a value backed currency.

3. **Changes to be Aware of:**

Although we ordered the same paper used by Switzerland for their 1000 Franc notes, we recently discovered that the paper used on the Series 1998 Certificates was not exactly as ordered. Yes, it is indeed 100% cotton, high grade, security "banknote" paper. But we were not happy, we wanted the best and got it for the new Series 2000 Certificates. Both the new Gold and 2000 Silver Certificates are on the strongest paper possible. Where the new F*R*N* are on 20# paper, the new ALC is on 24# and exceeds the "wet test" when compared to the F*R*N*. In addition to the paper, the colors have been tickled a bit. Look for a bluer, blue and a brighter purple.

The name of the warehouse as printed on the Certificates has also been changed. Over the past 18 months, the currency has grown to be a major warehouse at Sunshine Minting. Now with the addition of the gold storage, Sunshine has designated a specific warehouse area for the metal that backs up NORFED's currency and given it a specific name: SHELTER SYSTEM WAREHOUSE. Having the word "warehouse" in the name will help communicate to the "bearer" that indeed the gold and silver is stored in a "warehouse". All the metal is still stored at Sunshine. Mr. Tom Power, the Chief Operations Officer and the "Warehouse Official" still signs all the Certificates. The warehouse continues to be totally independent and audited monthly, just as it has. This is a change in name only. Everything else remains the same.

4. **Inflation is Coming! Get Ready!**

As I hope you will read in the new Brochure, the F*R* inflated the country's monetary system with over \$1 Trillion dollars in the last eight weeks of 1999!. That is an astonishing kick to the \$6.4 Trillion economy and a whopping 16% INFLATION! And that was in just eight weeks, that does not include the rampant inflation for the other 44 weeks or the past 10 years! You are seeing it already in gas prices. Soon you will see it in food prices and then in metal prices. Get Ready! Get some New American Dollars – the "Inflation Proof Currency" and safeguard some of your money from the government monetary juggernaut towards globalism. Remember the New American Dollar was designed to save your money from inflation and the country from the government. Get ready and never believe that the F*R* is here to fight inflation. They are the cause of inflation as they get ready for yet another "Hegelian Exercise". God help the country.

5. **Brochures are out.**

For those of you who might comment, "Its about time." I agree. But we waited for the Gold Certificates to be included and "good food takes time." I was just happy that the new Gold Certificates didn't take 23 years like the Silver Certificates. If you have not gotten your introductory packet of brochures by now, you should have them within a week. If you don't get them by April 1, please call/email NORFED and inquire. We have 50,00 ready for delivery. In any case, I hope you are pleased with the results and they work well for you. Of course we welcome your feed back and hope there are no typos this time. We make every effort to present you with the best collateral materials. So go forth and conquer the evil monetary system and safeguard the future with value.

6. **Forbes due out in the April 3rd Issue: Forbes due out in the April 3rd Issue:**

The latest word from *Forbes* is that the NORFED article is scheduled for the April 3rd edition. It should be on the newsstands in the last week of March. Please let me know what you think after you find it. Thanks.

7. **Contact The New American?**

My thanks to James Duclos/RC for bring the outstanding article, *The Ideal Money*, published in The New American to my attention. Although I subscribe and had it on my desk, I am indebted to James for bring it to your attention. If you are like me and after reading the article you think that it would be fitting for the "*New American*" to do an article on the "New American Dollar" that exemplifies every tenant of the article and their philosophy, then I encourage you to penetrate this bastion of "Not invented here" mentality and pray they see the light that shines outside their sphere. Good luck.

8. **London Gold Fixing:**

Article at the end of this Report makes interesting reading.

9. **Rumor Regarding the Sacagawea Coin:**

Wild rumors never ceases to amaze me. There is no truth to the rumor that I was involved in the design of the new "Golden" US \$1.00 Sacagawea Coin. What is interesting is that Ron Landus, a good friend, a fellow mint owner and Redemption Center did play a vital role in the new \$1.00 Coin. Ron with the Gallery Mint in Arkansas reintroduced the idea for a One Dollar Coin to Congress with a brilliant, beautifully designed coin with the Statue of Liberty. His efforts lead to the introduction of the current Sadagawea Coin. It was an interesting time as I was re-designing the Hawaiian Sovereign Currency into the American Liberty Currency while Ron was doing his coin, neither of us knew that both featured the Statue of Liberty. Unfortunately, we now have the Sacagawea design. To be more blunt, no I did not do the Sacagawea, nor would I ever do such an ugly design. The coin is as ugly as the government that did it. Just compare my Silver Liberty design to the Sacagawea for yourself. End of rumor.

10. **\$75/mo. flat rate phone plan:**

Tired of high long distance phone bills? Two Redemption Centers provide \$75/mo. flat fee phone billing programs. Contact: Sharon Voss: 303.833.3333 or Pete Marceaux: 954.438.3501

11. **Gold and Silver prices and histories:**

Want the latest in metal prices? Visit www.kitco.com for all your metal quotes.

12. **Media Bypass' New Promotion and NORFED's referral number:**

Great to hear some of the RCs have already jumped in to support Media Bypass. Please call them at:800-4-BYPASS (800.429.7277). To make the offer even better, Jim is now giving a \$20 Pack of ALC to everyone who signs up four new subscribers! Please let a few people know about this great magazine. When you call Media Bypass about the new marketing promotion please mention NORFED's number 29794 and tell Jim Thomas that you heard about the promotion in the NORFED Report.

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13. When Emailing Bernard:

Due to 100's of email per day, please put "Bernard" in the subject field so that I am sure to read it. Otherwise it may not get read and you will end up wondering why I didn't at least reply. I reply to all personal emails from RCs.

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14. Freedom Rally: April 1 & 2:

Just a last minute reminder and invitation to join us at the Freedom Rally. Go to www.freedomlaw.org for all the info. Hope to see you there.

And finally, here is the London Gold Fixing article:

The London Gold Fixing

In its current form, the London gold price fixing takes place twice each business day, at 10:30 A.M. and 3:00 P.M. in the "fixing room" of the merchant banking firm of N. M. Rothschild. Five individuals, one each from five major gold-trading firms, are involved in the fixing. The firms represented are Mocatta & Goldsmid, a trading arm of Standard Chartered Bank; Sharps Pixley, a dealer owned by Deutsche Bank; N. M. Rothschild & Sons, whose representative acts as the auctioneer; Republic-Mase, a bullion subsidiary of Republic Bank; and Samuel Montagu, a merchant banking subsidiary of Midland Bank (owned by HSBC). Each representative at the fixing keeps an open phone line to his firm's trading room. Each trading room in turn has buy and sell orders, at various prices, from customers located all over the world. In addition, there are customers with no existing buy or sell orders who keep an open line to a trading room in touch with the fixing and who may decide to buy or sell depending on what price is announced. The N. M. Rothschild representative announces a price at which trading will begin. Each of the five individuals then confers with his trading room, and the trading room tallies up supply and demand--in terms of 400-ounce bars-- from orders originating around the world. In a few minutes, each firm has determined if it is a net buyer or seller of gold. If there is excess supply or demand a new price is announced, but no orders are filled until an equilibrium price is determined. The equilibrium price, at which supply equals demand, is referred to as the "fixing price." The A.M. and P.M. fixing prices are published daily in major newspapers.

Even though immediately before and after a fixing gold trading will continue at prices that may vary from the fixing price, the fixing price is an important benchmark in the gold market because much of the daily trading volume goes through at the fixing price. Hence some central banks value their gold at an average of daily fixing prices, and industrial customers often have contracts with their suppliers written in terms of the fixing price. Since a fixing price represents temporary equilibrium for a large volume of trading, it may be subject to less "noise" than are trading prices at other times of the day. Usually the equilibrium fixing price is found rapidly, but sometimes it takes twenty to thirty tries. Once in October 1979, with supply and demand fluctuating rapidly from moment to moment, the afternoon fixing in London lasted an hour and thirty-nine minutes.

The practice of fixing the gold price began in 1919. It continued until 1939, when the London gold market was closed as a result of war. The market was reopened in 1954. When the central bank gold pool began officially in 1961, the Bank of England--as agent for the pool--maintained an open phone line with N. M. Rothschild during the morning fixing (there was as yet no afternoon fixing). If it appeared that a fixing price would be established that was above \$35.20 or below \$34.80, the Bank of England (as agent) became a seller or buyer of gold in an amount sufficient to ensure that the fixing price remained within the prescribed bands.

This information brought to you from The Gold Market - Part 1 by J. Orlin Grabbe

Much more information is available at: <http://www.aci.net/kalliste/gold1.htm> and <http://www.aci.net/kalliste/homepage.html>

Thanks again for all your support and efforts to return American to value and take back our inalienable rights – one dollar at a time.

That's it. Wishing you a great day.