

LIBERTY DOLLAR NEWS: December 2002 Vol. 4 No. 12

ACTION ITEM: DO THE DROP! And please take a moment to read about Secret Service calling a Redemption, new Disclaimer, and Audit Statement. I know we are all very busy, but this newsletter contains important items. Wishing you and your family a very Merry Christmas and Happy Holidays.

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1. "DO THE DROP!" How to use the Silver Liberty

Are you having fun with The Liberty Dollar?! No matter what you are doing, please "Do the Drop!" What do I mean? Well if you have every dropped the Silver Liberty into someone's hand you know! You have seen the person's eyes light up and connect innately with intrinsic value. Simply ask someone to hand you a Silver Liberty or pick one up from a counter. Then have someone drop a Silver Liberty in your hand from about three inches above. It is magic! No matter how you are using The Liberty Dollar, "Do the Drop" will increase your fun and acceptance.

In discussing "The Drop" with Chris Athanas, one of our most flaming RC in Austin, Texas (of course), he shared this testimonial on how he spends The Liberty Dollar with me. Chris said:

I am amazed that people don't try to spend the money. Even people who are a RC seem to be reluctant... the money is MEANT to be SPENT! [Praise the Lord! - Editor]

Here's what I do. It is really easy and it is accepted 95% of the time when I follow this simple procedure.

First, I never use a silver liberty alone unless the total is greater than \$5 and less than \$10. If the total is greater than \$10, I mix the Silver Liberty with FRN. I use more than one Silver Liberty per transaction, no matter the amount. [Many people have used multiple Silver Libertys on many occasions. Editor]

When the FRN are mixed with the Silver Liberty, the acceptance rate is nearly 100%. I've only been refused once out of hundreds of transactions.

Second, when I get to the cashier, I say "I have the paper, [show them the FRN cash], but I would like to pay with silver. I then drop the \$10 Silver Liberty in the cashier's hand."

Now wait. [This is very important. Editor]

If there is someone in line behind you, and the cashier takes longer than 20 seconds, sometimes the person behind you will offer to buy the Silver Liberty from you. Yes, right there. And many times that person will ask you for more and get all you have in many cases!

This has happened to me about 15 times. I think this is low, because I usually only use the Silver Libertys when there is no line, so the cashier can look at it with as much time as they need.

When they ask "Is it real?" I always answer: "Yes, one ounce of silver, 10 dollars." Let them look at it as long as they like. Do not rush them. Just stand there and wait, patiently. No need to smile. Just stand there and wait. If they hand it back immediately, ask them politely to let the manager look at it.

If they ask, "Where did you get it?" my first answer is "From a friend who collects them, but I like to spend them." Smile. This lets them know it's inherently valuable and that people collect them and some people spend them, in just one sentence. It also lets them know that you're not crazy to spend this money and there are others doing it too.

Another question "Are you sure you want to spend this?" Answer: "Yes, I am sure that I want to spend it." Duh.

If they ask, "Where can I get them?" Tell them "FROM ME! Or from the phone number on the Silver Liberty." This is when I give them my card [or the NORFED Info Card]. Cards are very cheap these days, and are essential to build trust for the people to accept it.

I have spent over \$10,000 of the currency this way over the past 3 years. It's been a lot of fun, but it takes some courage to get over the initial fear of rejection or actually using real money again. It's been a long time since we have been able to do this, and it gets easier with practice.

Only twice have I gone into a place that I had previously spent it and had someone not want the currency anymore. They have been somewhat angry, but when I ask them to give me any and all of the silver liberty's back and I will give them \$10 FRN for each one, right then. Only one person actually gave them back. And his co-worker bought it back from ME, RIGHT AFTER!!! Go figure...

Lately Chris is telling people, "Banks don't take it, but people sure do!"

Regardless of how you choose to use The Liberty Dollar, never misrepresent the currency as US currency or legal tender. Exercise KISS (Keep It Short & Simple). And please read item #4 about the Secret Service calling a RC.

2. Florida Conference on January 18?

I sent this following email to all RC, LM and contacts in Florida on December 5th:

Some Redemption Centers in Florida are thinking about getting together down here on Treasure Island off the coast of Miami for a day of discussions. There is a meeting room in my condo and a Best

Western with a waterfront bar and grill right next door. If any of this sounds good to you, or you would be interested in coming, please send an email to me. The cost could be super low, if we don't bring in anyone (\$10 each for the room when a movie now costs \$9 in Miami!) or up to \$40 if we would like to hear someone from outside of the Florida area...) How would January 18 work? I am sure with the different presenters and testimonials that I have already in mind, that it could be a fun filled day and an excellent opportunity for RC to bring anyone who is interested in becoming a RC. What say ye? PS: Of course, this is not limited to Florida, anyone who wants to soak up some record high temperatures would be welcome too!

As several RC exclaimed to me when we talked they just assumed that I knew they would come! Well guess what? I don't know beans! But I guess my "What say ye?" was not enough to get a reply because I only heard from a few people. So I sidelined building this into an event and made other tentative plans. Now that I know there is enough interest I don't know when the event will be held.

So I am opening it up to the complete NORFED list. Wanna come to sunny Florida, meet a bunch of fellow Redemption Centers, or like minded individuals and talk about our country and its money? If so, PLEASE EMAIL ME, Bernard@NORFED.org, put FLORIDA in the subject field and let me know the best dates for you and how many people will be coming. Then I will let everyone know the plan in early January. I look forward to seeing you and sharing all the latest and greatest news, information, etc. with you.

3. SSL now installed on The Liberty Dollar

Thank God for Tommy Davis. When the alarm was sounded about the lack of security for the new Liberty Dollar Online account because it did not have Secure Socket Layer (SSL), Tommy our Herculean programmer rallied forth and added SSL. Please be advised that even though the Liberty Dollar Online site was designed with the necessary security, we have responded to the marketplace and also added SSL. All is now very secure. We greatly appreciate your concerns and patience while SSL was added, as it was not a simple matter. So now go forth and use the Liberty Dollar Online in place of those dreaded fiat Federal Reserve Notes!

4. Secret Service calls a RC

Get ready you could be next! On December 19, a Secret Service Agent called Rory Leinen, out of the blue. Well, maybe not really out of the blue. Rory is one of our most dedicated RC in Florida and has been having a lot of fun using a lot of Liberty Dollars. As Rory reports, when a West Palm Beach SS Agent called him, he thought it was a joke, but the Agent quickly explained that it was no joke, he really was a SS Agent! It seems that the local SS office had received two complaints in one day, so the Agent tracked down Rory to discuss the matters. The Agent was very polite, well informed about NORFED and The Liberty Dollar and explained that there was "no problem" with NORFED or even me. He even commented on how beautiful the Silver Liberty is. Rory, replied in his usual friendly nature and quickly volunteered to exchange the Silver Liberty for a \$10 Federal Reserve Note. In parting, the Agent urged Rory not to misrepresent The Liberty Dollar as US currency. So, if you are actively using The Liberty Dollar, you may get a call from the Secret Service. Please remember that the Secret Service has fielded hundreds of calls about The Liberty Dollar. They have always been very professional and truthful about our right to use our own money. The Secret Service is not the enemy. PLEASE be very polite and helpful if you are called, but KISS. And of course, don't misrepresent The Liberty Dollar and if you

have an unhappy camper, please immediately exchange the Silver Liberty for FRN and go about your business of returning America to value, one dollar at a time!

PS: If you are called by the SS or any government official regarding The Liberty Dollar, PLEASE report it to the NORFED office immediately. We need to monitor this activity as we negotiate our way towards our goals.

5. Liberty Walk in Austin

And yet again from Austin Texas! Here is a report by Jason Pratt and Michael Badnarik, who organized a group of RC to call on local Austin businesses about accepting The Liberty Dollar for their goods and services:

INAUGURAL 'LIBERTY WALK' IN AUSTIN NETS 3 NEW LIBERTY MERCHANTS, 44 INTERESTED

Local Redemption Centers Fan Out to Spread The Word and Sign Up Liberty Merchants

AUSTIN, TX - November 23, 2002 Five Austin-area Redemption Centers completed the first 'Liberty Walk' in Austin, with their goal being to educate as many merchants about the benefits of the Liberty Dollar as possible, and ended up with 3 new Austin Liberty Merchants after just 3 hours of effort. The group now has a list of almost 50 qualified prospects, and hopes to sign up as many as ten more Liberty Merchants from the efforts of the day.

"This is a great example of how the Liberty Dollar story really resonates with merchants, when you give them a chance to evaluate it in detail," said Michael Badnarik from the Constitution Preservation Center of Texas. "We talked to almost 60 merchants in the downtown Austin area, and those that didn't sign up on the spot were interested in having us get back to them later with more information."

"I had fun," said James Oliver of the Big Chief Redemption Center. "I never thought so many merchants would have such a positive reaction - plus I was able to hang out with, and have breakfast and lunch with, my fellow RC, so it was a morning well spent."

The group, which calls itself the "Texas Liberty Merchants Association", plans to do more Liberty Walks in Austin with the goal of signing up 500 merchants by the end of 2003.

"This is doable," said Bowie Ibarra of the South Austin Redemption Center. "I'd like to issue a challenge to other RC to do what we're doing - let's see who can get the highest per-capita rate of Liberty Merchants in the U.S., by the end of 2003. The RC in Maine has set a great example, but we plan to exceed that, down here in the Great State of Texas."

For more information about the Austin Liberty Walk program, including how to start a Liberty Walk in your city or town, please contact any of the RC below (contact information can be found at www.NORFED.org):

- * Michael Badnarik - Constitution Preservation Center of Texas
- * James Oliver - Big Chief Redemption Center
- * Bowie Ibarra - South Austin Redemption Center
- * Steve Adams - Adams Redemption Center
- * Jason Pratt - Austin Silver Center

6. New Merchant Label

Out with the old, in with the new! Just as we have a beautiful new brochure, now we have a beautiful new Liberty Merchant Label! Larger and very colorful with the American Flag theme, it is really quite eye catching and something we think Liberty Merchants will want to put up in the windows. Plus it is the static cling type so it can be mounted on the inside of the merchant's window or door.

Please visit: <http://www.norfed.org/images/liberty3.gif> to see the new Label and get 2 for only \$1.00 (including postage) or 10 for \$4.00 while supplies last! Or order with anything else and get 3 for only \$1.00.

7. Audit Statement

Are audits important to you? Well, if you are much of a student of money and in particular the new evolving digital currencies like the Liberty Dollar Online, e-gold, e-bullion, GoldMoney, and Crowne Gold, the currency's audit should be VERY important to you. So important, that in a recent Position Paper, I stated: "An audit is the highest standard that can be set for any currency and must be set for all currencies if they are to enjoy long life without defrauding the public." Please read this Paper because audits ARE important:

Are audits important to you?

They should be! An audit is the only way to ensure that assets that you own (such as money, stocks, bonds, or commodities) are being kept safe by those you hire to protect them (such as banks, warehouses, brokerages, corporations.) After all, it's your money at risk if audits are not performed properly, or if audit information is not acted upon appropriately. It's everyone's responsibility to manage their own assets, even if others are holding them. Audits are the only practical way to do this.

Since The Liberty Dollar was introduced on October 1, 1998, the audit has been the single most important fact in establishing the credibility of The Liberty Dollar. Let me explain. With all due respect to Doug Jackson of e-gold, James Turk of GoldMoney, Jim and Pam Fayed of e-bullion and Terry Neal and Sean Trainor of Crowne Gold (whose work I appreciate and friendship I enjoy), let me point out that The Liberty Dollar is the only value-backed currency that has been audited from day one.

During my long years of research & development for The Liberty Dollar, the methodical documentation of account (as is done in an independent audit) stood out as the single most important tool people have of guaranteeing the value of any currency. If the Federal Reserve was actually audited, as it should be, we would probably not even need an audited, value backed currency like The Liberty Dollar, or the other digital currencies.

But the reality is that the Federal Reserve is not and never has been audited, and consequently Federal Reserve Notes have lost 96% of their value since 1913. If we don't do something to safeguard the value of our money, then it will continue to be stolen from us through quiet, gradual inflation. It was for this sole reason counteracting inflation through an audited, value-backed currency that I introduced The Liberty Dollar.

Every month since October 1998, Ada Loper, a CPA with Clark, Anderson, McNelis & Company, one of the largest CPA firms in Coeur d'Alene, Idaho, has made an independent, physical audit of the warehouse which issues The Liberty Dollar. And every month, utilizing the strictest GAAP standards, Ms. Loper issues a certified audit report to NORFED, which is then posted for review on the Internet:

http://www.norfed.org/Audit_Monthly.asp.

Not only does Ms. Loper verify that every Liberty Dollar is 100% backed, she also verifies that no warehouse receipts (gold & silver certificates) have been issued without any backing. So tight is the audit, there's not been one irregularity to report since the audit began four years.

So, do we use a big name accounting firm? No. Luckily, there aren't any in Coeur d'Alene. But when NORFED was investigating auditors, we ruled out "big names" because like "big government", they are often "big crooks," as we have seen. There is simply no need for a big name, there is only the need for an honest name and an honest audit.

In addition to the monthly audit, an Annual Audit and Inspection is also conducted every September. Every year; Ms. Loper, Mr. Tom Power, the warehouseman whose signature appears on the warehouse receipts, myself representing NORFED; and up to six Redemption Center representatives meet in Coeur d'Alene. The yearly inspection includes a complete tour of Sunshine Mint, an explanation of the minting process and a vault visit to see the gold and silver being held and the unissued warehouse receipts. Then the auditor, warehouseman, a witness and I sign an Annual Audit and Inspection form, which is posted on the NORFED site.

An audit is the highest standard that can be set for any currency and must be set for all currencies if they are to enjoy long life without defrauding the public. This holds true for digital currencies, too. As the Monetary Architect who designed and developed 3PGold, which was merged with Crowne Gold last March 4th, I learned how mind-blowingly difficult it is to audit a digital currency. Even though I had a couple of years experience with The Liberty Dollar, I was amazed to learn the complexities of a digital audit. I soon found myself on the leading edge as I struggled to develop the necessary controls for an audit. And as much as I tried to have 3PGold audited from day one, it was simply not possible. Repeatedly, I found the program had to be re-written, changes to the accounting mode had to be made and a whole new audit report had to be created to meet the digital age requirements. Eventually, 3PGold was audited, but it was not audited as planned on day one.

Because of my experiences with 3PGold, I refused to debut the digital Liberty Dollar Online until an ironclad audit procedure was created. I can now say that from day one, The Liberty Dollar in all its useful forms: metal, paper & digital, has been independently audited since day one. And it will continue to be, without fail.

Now you have a clear choice. Not only has The Liberty Dollar monetized one troy ounce of .999 fine silver for \$10.00 in the market place, it now offers a 100% backed currency at a discount that you can use at a profit. Why pay a premium when you can Make money, do good and have fun! with the other dollar? Now you have a choice. Will it be the dollar that is backed by the politician's hot air and a tool of totalitarianism, or The Liberty Dollar that is backed by silver and an example of the free enterprise system. Do you want the red pill or the blue pill? As you vote, so goes the country.

I did not create The Liberty Dollar to make money for myself, which is why NORFED is a national, non-profit, educational organization. My sole intent in designing The Liberty Dollar was to provide the best currency model that will work in the current transitional monetary system. It was created by reviewing the past failed attempts and correcting for those shortcomings. If an improvement can be made, if you can create a better system, I would love to see it. And if it is truly better, I will start using it myself. But if you cannot improve on The Liberty Dollar, then for the sake of our country, I ask you to support it as it returns America to value, one Liberty Dollar at a time.

8. New Disclaimer

Thanks to the outstanding work by several Redemption Centers and especially David Rostcheck RC/TX, our Redemption Center of the Month (Note item #11 below) and NORFED's lead attorney who has drafted a new Disclaimer, so that NORFED is not in conflict with 18 USC, Section 486. As I have explained before, the Disclaimer and 486 has nothing to do with Redemption Centers because people can use any medium of exchange they so choose in commerce. But, I say this again, the Disclaimer and 486 is for NORFED and NORFED alone. It exclusively pertains to "Gold and Silver Libertys" distributed by NORFED and has nothing to do with the paper or digital currency. Please read this new Disclaimer VERY CAREFULLY and then lets go forth and multiply! It is time to put the Disclaimer behind us and move forward.

Disclaimer: Gold and Silver Libertys are neither legal tender, money, "current money" nor coins; they do not resemble nor appear to be coinage minted, issued, authorized, or approved by any government agency; and do not relate to taxation or avoidance of taxation. They are privately minted one-ounce gold and silver examples of the goods on deposit for the NORFED warehouse receipts.

9. [ALD-Forum@yahoogroups.com](mailto:ald-forum@yahoogroups.com)

FOR ALL NEW REDEMPTION CENTERS, or any other RC, or even if you are not a RC yet but want to find out what is happening, or if you want to get your questions answered by those who are making The Liberty Dollar happen, or if you want to jump start your RC, PLEASE join the ALD Forum. It is a hot bed of emerging ideas, so it is not gospel, but if you have a question or a point of view that relates to money and especially The Liberty Dollar, that you want to air then the Forum is for you. Just go to: ald-forum@yahoogroups.com.

10. Question of the month

QUESTION: We read your newsletter a lot and some of my friends want to know what the "little people" the ones who are already "lower class" as far as finances, can do? We don't have the kind of money you speak. We don't have much in the bank and certainly not enough to get the gold. So what do the people who live from paycheck to paycheck do? We can't afford the gold coins or an offshore account.

ANSWER: Dear Paycheck to Paycheck. One of the most gratifying parts of The Liberty Dollar is that it has brought hope to many people like ourselves, as we are all "little people". But when we, "little people" band together, we "the people" can return America to value, one dollar at a time. And now with the Regional Buyers Groups (four at last count) you can get Silver Libertys at the same cost as people who are getting 1000 Libertys! Up until the recent up-take in silver, even if you only got 10 Silver Libertys, you could get them for about \$6.00 each and use them for \$10! Wouldn;t that help? This RC initiative is perfect for "little people" like us all. So get in contact with the Regional Buyers Groups via the ALD Forum and find out how you can. Make more money, do more good and have more fun with The Liberty Dollar.

11. Redemption Center of the Month

As mentioned in Item #8 above, David Rostcheck spearheaded the research about 18 USC, section 486 and brought about a new Disclaimer. Luckily, I have had the pleasure of meeting David, who is the Executive Director of the North Bridge Training Institute. The North Bridge Training Institute educates

citizens in effective political activism to give people the tools to protect their rights. Our "Engage!" classes teaches effective communication, media advocacy, and organizing skills. We teach classes all around the country and can help your group learn to make its case effectively. We also organize training conferences, such as "CounterAttack", the gun rights activist training conference, coming to Dallas this Feb. 8-9. Keynote speakers include historian Clayton E. Cramer, Texas State Representative Suzanna Hupp, Libertarian activist Rick Stanley, and author and security expert Kenn Blanchard. We accept the Liberty Dollar for all classes and conference fees! For more information, see <http://www.northbridgetraining.com>

For David's outstanding efforts, it is indeed a pleasure to acknowledge him as our Redemption Center of the Month.

12. Quote of the Month

"The opposite of what is commonly believed is often the truth." Jean le La Bruyere circa 1695

13. Merry Christmas

On this most joyful and significant time of the year, I wish all believers and non-believers a very Merry Christmas and a Happy New Year. May 2003 bring us closer to the ideals and goals, which we all aspire to. Thank you for being a part of the largest peacetime effort to return America to value, one Liberty Dollar at a time. Keep up the good work for the good cause and we will succeed.

Bernard von NotHaus
Monetary Architect/Editor