

ALERT: ALL RCs ARE CANCELLED

July 15th, 2003

Now that I have caught your attention, a more fitting title might be: TODAY THE LIBERTY DOLLAR GROWS UP!

Please take a moment and read this ALERT. We are making massive changes to The Liberty Dollar and the Redemption Center program.

For those of you who have questioned the use of the term “Redemption Center” or the need for “regions” to represent an organized national plan, or even the need for a real comprehensive plan, take notice! Now you can rejoice! Today, I am happy to announce that an intern Executive Committee of Jason Pratt, Wayne Hicks and myself have implemented a new Business Plan for The Liberty Dollar. Lets face it, when we launched The Liberty Dollar five years ago, we had little more than a hope and a prayer, much like our Founding Fathers had in 1776 when they went to war against the largest military power on Earth. They went where no one had gone before.

Likewise, as new currency has never been issued by the people themselves against the largest monetary power on Earth, there was no way to be sure ‘how to do it.’ But with the grace of God, we launched it and have enjoyed a very successful and outstanding five years! Congratulations and THANKS TO YOU!

So as they say, not everything is kosher so here are the changes as we change the organization into an Association so we can grow to become the AAA of money.

In hindsight, we have long outgrown the term ‘Redemption Center’. And there are countless other points which need to be addressed. And so of our Firth Anniversary, we are announcing an actual Business Plan, which will become the basis for our future growth.

Liberty Association A Business Plan for the Liberty Economy

As of today The Liberty Dollar organization has restructured itself into a two-tier distribution system to resolve several issues and guarantee success in a greatly expanding market. In 1998, the first people attracted to the new alternate currency were more concerned with where they could ‘redeem’ the paper Silver Certificates, than where they could be spending them. So the first people who joined became “Redemption Centers”. A lot of the early development was the result of Jim Thomas, Sarah Bledsoe, Tom Curtis, Ed Griffin, Bud Denzel, and many other “early adopters” who answered the call for a new value backed currency, and really led the organization through countless changes and development. But after five years of incredible growth, it is obvious that major changes are needed for the model, which was beginning to show signs of age.

Even the term ‘Redemption Center’ had become outdated as few Redemption Centers actually redeem the paper Silver Certificates for one ounce Silver Libertys. So the first change is to rename all existing Redemptions Centers to “Liberty Associates” (LA) and encourage them to work more closely with Liberty Merchants (LM). Interestingly, Liberty Associates can be both customers and vendors to Merchants. First, when an Associate spends Liberty Dollars, he is a customer and profits. Second, when an Associate provides Liberty Dollars to a Liberty Merchant at a discount, he is a vendor, and both

profits.

Ramifications of the new plan are as follows:

1. Liberty Associates are encouraged to grow the Liberty Economy by offering the Liberty Dollars to their Merchants at a 10% discount. Since Associates get the currency at a greater discount (20%), this is a win/win for both parties, and for the country. In the case above, when the Associate paid the Merchant with uncirculated Liberty Dollars, only he profited from the transactions. But in the second case, both the Associate and the Merchant profit. Over time, Associates can sign up Merchants who will want to add more profit to their bottom line, earning a \$100 Sponsorship Referral. And so the current transitional economy changes ever so slowly. The main point here is that whoever puts the currency into circulation, profits. As Adam Smith pointed out in 1776 with *The Wealth of Nations*, self-interest drives the market. The distribution of the Liberty Dollar is similarly based on self-interest and works the same way.

2. In addition to renaming RC to LA and having LA provide Liberty Dollars to Merchants, a new Business Plan has been created to respond to the evolving Liberty Dollar economy. When the currency was introduced in 1998, it was an unstructured free-for-all, with a star for each RC on a map. But eventually some RC were more dedicated, more business orientated, and more successful. They began to invest sizable amounts of money and time into growing their RC. It became obvious that while all RC were encouraged to promote The Liberty Dollar, in practice only a limited number were willing or able to make the effort and succeed. And those who were willing to take the sizable risks with their capital and their reputation had a right to profit. Understandably, the successful Redemption Centers became increasingly concerned as their RC business grew under the original unstructured model. As a result, a new Business Plan establishing Regional Currency Offices (RCO) was created. The RCO is now an independent Liberty Dollar exchange business. As such, each is annually chartered with specific Code of Ethics and is regionally defined by postal ZIP codes, with only one RCO per region. The highlights of the new two-tier distribution system of RCO and Affiliate/Merchant economy are:

- A) RCO get Liberty Dollars at market-driven discount and distribute them exclusively to the general public, Merchants, and Associates in their region. Only a RCO can place market driven orders.
- B) RCO may enter into agreements with Merchants within their region and make a market to provide convertibility from ALD back into FRN.
- C) RCO establish their own exchange rates within their region. D) RCO earn high visibility in their communities as they work to put the Liberty Dollar into local circulation.
- E) RCO join a network of like-minded business people who are serious about bringing change to the nation's monetary system.

3. The discount schedule was re-structured. The rationale for this change was to improve the convertibility of the ALD, in other words, improve the ability to convert FRN to and from ALD. This will be critical to the next phase of acceptance and growth of the ALD. Associates and Merchants are encouraged to work with the RCO for their region for more information about discounts and convertibility.

- A) The discount on \$10,000 face value of currency remained market-driven. 1000 one ounce Silver Libertys orders are limited to RCO. B) Associates can get any number of Liberty Dollars from the National Fulfillment Office at a 20% discount. LAs are encouraged to work with their RCO on quantity orders.
- C) Merchants can get any number of Liberty Dollars from the National Fulfillment Office or

their local RCO at a 10% discount.

D) RCO can exchange ALD with Associates at the same discount as from the National Fulfillment Office.

E) Associates can exchange Liberty Dollars as they see fit.

4. Mandatory listing on the Internet of Associates and Merchants was discontinued and is now available on voluntarily basis.
5. In response to various concerns and because the five percent residual referral fee on the Liberty Dollar has never developed as a driving force in the market place, it has been discontinued. This means that any transaction you make into Liberty Dollars will not be disclosed to your sponsor.
6. To stimulate more use of the paper Silver Certificates and the new digital Liberty Dollars Online by Associates and Merchants, the discount on those items was increased to 20% for all LA. Thus the discount on specie, paper and digital Liberty Dollars to LA is now standardized at 20% discount.
7. No changes are made to the \$250 format to become a Liberty Associate or the \$100 Referral. This continues unchanged. The Liberty Dollar, continues to be 100% backed and redeemable and exchanged in the market place dollar-to-dollar with Federal Reserve Notes.
8. RCO will be phased-in throughout the anniversary year of 2003.

Summary of Changes in 2003

1. Redemption Centers were renamed to Liberty Associates.
2. The \$100 Sponsorship fee is unchanged but renamed to \$100 Referral
3. Liberty Associates are encouraged to exchange ALD for FRN with Merchants and sponsor them as Associates so they can make more money
4. Merchants are encouraged to enhance their business by getting Liberty Dollars at a discount and becoming an Associate.
5. Introduced a Business Plan with Regional Currency Offices.
6. Created a regional plan for RCOs based on Zip codes
7. Restructured the discount schedule as noted
8. Standardized the Associate discount on all forms of Liberty Dollars to 20%
9. Created the framework for convertibility of ALD back to FRN
10. Discontinued the 5% referral fee on sponsoree's exchanges
11. Changed the Associate's Internet listing to be voluntary
12. Made no changes to the Liberty Dollar Online service.

Ready to become a Regional Currency Office? Hope so. It is going to be exciting and profitable for those who can meet the qualifications.

Regional Currency Office

Now, do you want to make more money? Well the opening lines of Thomas Paine's Common Sense are, "These are the times that try men's souls." And indeed they were. They were also some of the most exciting times that our great country ever experienced. And now again, these are the times that will try men's money if not our soul. Is there something about the Liberty Dollar that cries out to you? Do you hear the call? Maybe it is purely financial. Maybe you just want to make a bunch of money! Super,

because we want you to make a bunch of money. We want lots of people to make a bunch of money. In fact we want the whole country, the whole world, to make a bunch of real money. As that is exactly what is happening while the giant fiat bubble is converted back to value.

So as long as you understand that the Liberty Dollar is not an investment, purely financial reasons are fine. After all, The Liberty Dollar is all about money. And money is no good unless you use it. Even passive life insurance is something that provides peace of mind if not pleasure. And then maybe the call is one of pure patriotism. Or economics. And then it could just be the sense of excitement of being a part of the largest peacetime efforts to lead a first world country out of bondage, much like Moses did some 3,500 years ago. It matters not, as long as you heed your call. For that is exactly what our Founding Fathers did. The American Revolution was exciting, and it was profitable for some, and it was a heroic monumental movement that culminated in the founding of the United States, one nation under God.

But no one knows what makes a hero risk his life, his fortune, and his sacred honor. Not even the hero. Heroism is much like creativity. Millions have been spent investigating both and still they go undefined. So regardless of your particular call, as long as you are not 'against'us', and you want to play an active role (make money), then please consider applying for a Regional Currency Office. If you are a Liberty Associate, you may find this information of interest as the RCO Business Plan is built around Liberty Associates and Merchants working with and being supplied by your resident RCO. And if you are just discovering this for the first time, you should know that RCO applicants are required to be a Liberty Associate for one year, unless approved by the Executive Committee.

Please understand that a RCO is a business. All Regional Currency Office (RCO) are independent Liberty Dollar exchange businesses. As such, each is annually chartered with a specific Code of Ethics and is regionally defined by postal ZIP codes with only one RCO per region. The highlights of the standard two-tier distribution system of RCOs, Associates, and Merchants Liberty Economy are:

- A) RCO get Liberty Dollars at the maximum market-driven discount and distribute them exclusively to the general public, Merchants, and Associates in their region.
- B) RCO may enter into agreements with Merchants within their region and make a market to provide convertibility from ALD to FRN.
- C) RCO establish their own exchange rates within their region.
- D) RCO earn high visibility in their communities as they work to put alternative currency into local circulation.
- E) RCO join a network of like-minded business people who are serious about bringing about change to the nation's monetary system.

Sound interesting to you? Money is not only handy, it is very interesting. And being a part of a national organization of like-minded individuals, who refuse to be defrauded or put at risk by anyone's un-sound monetary scheme, is really interesting and rewarding. Please note these requirements before reaching for the application:

RCO Requirements

1. Charter is an annually renewable contract for a fee
2. Charter may be revoked with cause by the RCO Executive Committee
3. Must be 18 years of age and live within the region
4. Must have been a RC or Liberty Associate for a minimum of six months
5. Must demonstrate the willingness and business ability to operate a RCO

6. Provide proof of a minimum net worth of \$50,000
7. Accept geographic location as defined and specified by postal zip codes
8. Maintain a decentralized cash fund of \$2,500 at all times for convertibility
9. Maintain a physical presence, phone number, email, and web site
10. Meet minimum annual performance quota in relation to other RCO
11. Provide convertibility of Liberty Dollars back into FRN
12. Pay an annual Charter fee of \$1,000 per year.
13. RCO may be sold, provided new Charter applicant qualifies to hold a Charter
14. All applications are subject to review by the RCO Executive Committee
15. All RCO are encouraged to attend an annual Congress

Guidelines for Regional Currency Offices

Introduction:

Since the beginning of The Liberty Dollar, our goal of returning America to value has never wavered. Now with thousands of Associates nationwide, as well as those in other parts of the world, the time has come to reorganize into a business plan for the future.

The Regional Currency Office is the most important development in this plan, since it operates to encourage and support both the Associates, and the Merchants who recognize the value of the Liberty Dollar. The RCO recognizes that merchants cannot always readily use all of the Liberty Dollars they receive through their respective businesses, and may at times need to convert them to FRNs for purposes such as paying suppliers, making payroll, paying taxes and taxes required by government, etc. RCOs provide convertibility to accepted Liberty Merchants who need to convert their excess Liberty Dollars to FRNs and thereby ensuring greater acceptance of the Liberty Dollar.

1. Requirements for Establishment of a Regional Currency Office

- a. An Applicant for RCO status must have a personal Net Worth in excess of \$50,000 USD.
- b. An Applicant for RCO status must be a Liberty Associate for a minimum of one year prior to making application, unless approved by Executive Committee.
- c. An Applicant for RCO status must agree to abide by the RCO Code of Ethics.
- d. An Applicant for RCO status must agree to support local Liberty Merchants by offering conversion of excess Liberty Dollars to FRNs when necessary.
- e. An Applicant for RCO status must agree to maintain a minimum reserve fund of \$2,500.00 in FRNs to facilitate convertibility.
- f. An Applicant for RCO status must agree to support local Liberty Associates by providing LA discounts on Liberty Dollars in accordance with current NORFED pricing structures.

2. RCO Code of Ethics

- a. An RCO shall operate within the geographical limits assigned to his/her office, and shall not infringe on the territory of another RCO.
- b. An RCO shall never refuse to convert Liberty Dollars to FRNs for any merchant with whom he/she is contracted.
- c. An RCO shall, if asked and if possible, assist another RCO who is faced with an unusually large conversion.
- d. An RCO shall always encourage the enrollment of a new Liberty Associate.
- e. An RCO shall make Liberty Dollars available to Liberty Associates, Merchants, and the

Public at discounts approved by NORFED.

3. Merchant Services

RCOs support local merchants by educating them about the benefits of using the Liberty Dollar, and by offering conversion to FRN as necessary to protect the business integrity of the merchant. This may include assistance in merchandising Liberty Dollar displays, materials, and training the salespeople and clerks, and owner of how to use the Liberty Dollar profitably.

4. Liberty Associate Services

RCOs will actively promote the Liberty Dollar and invite the enrollment of Liberty Associates, explaining the benefits of the Association. Liberty Associates are entitled to certain discounts on Liberty Dollars, materials, and other promos related to Liberty Dollars, which will be published from time to time by NORFED. An RCO is not required to convert Liberty Dollars to FRNs for Liberty Associates unless the LA is also a contracted merchant with that RCO.

5. Public Services

An RCO educates the local public about the Liberty Dollar and its benefits to the community at every opportunity, cheerfully explaining the Liberty Dollar whenever asked. An RCO is not required to convert Liberty Dollars to FRNs for the public.

End of RCO information

I would like to encourage anyone interested to get in on the ground floor of this immense experience to contact the National Fulfillment Office with your questions, please.

And remember, it is only \$500 to become a RCO between now and December 31, 2003. All new RCO who sign up in 2003 will also pay only \$500 on the anniversary date for the second year. The standard \$1000 per year charter fee will be due annually thereafter. The cost of all new RCOs after January 1, 2004 will be \$1000 per year. So I encourage you to consider this major change as a chance to get in on the ground floor and call for an application from NORFED today!

Many thanks to every one who has brought so much effort to The Liberty Dollar. You are the reason for our success.

Bernard von NotHaus
Monetary Architect