

# *Man sues federal government over 'Liberty Dollar' warning*

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A man who calls himself the "monetary architect" of a private currency is suing the federal government, alleging that officials damaged his company by warning consumers that its paper notes and coins are an illegal currency.

Bernard von NotHaus' lawsuit seeks a permanent injunction barring the government from describing his company's Liberty Dollars in those terms. It also seeks a court order instructing the U.S. Mint to remove or retract a warning about the currency posted on its Web site in September.

The lawsuit, filed Tuesday in U.S. District Court in Evansville, alleges the Mint's Web site message has caused a "chilling effect" on Evansville-based Liberty Services Inc.

That message states that Liberty Dollars carry words such as "liberty," "dollars" and "Trust in God," as well as torches, liberty heads and other symbols that could cause them to be confused with federal currency. It warns that it is a federal crime to use the "medallions as circulating money."

Since that message was posted in September, von NotHaus said interest in his paper and minted currency has "virtually disappeared" among his previous customers.

His company offers silver and gold Liberty Dollars minted in Idaho, as well as paper "certificates" printed in California. The latter are backed by silver and gold, he said.

The lawsuit names Mint Director Edmund C. Moy, Treasury Secretary Henry Paulson and Attorney General Alberto Gonzales.

Von NotHaus, who lives near Evansville, said his company has never claimed that its currency is a "coin" or "legal tender." He said the government's claim that it's illegal to use the Liberty Dollar in transactions is "completely misguided."

"Their whole point is that we have misrepresented the product, when in reality we have done the opposite \_ we have stressed the point that this is not government money, that it is private money," he said Wednesday. "It's definitely not legal tender."

Von NotHaus said the Liberty Dollars represent a "private voluntary barter currency" that associates of the company offer to merchants and consumers, leaving it up to them to decide whether to accept them in exchange for goods or services.

U.S. Mint spokeswoman Becky Bailey said Wednesday that the government had not yet been

served with the lawsuit but that she would not comment on pending litigation.

Von NotHaus' lawsuit said the coins were first produced in 1998 by the National Organization for the Repeal of the Federal Reserve Act and the Internal Revenue Code, or NORFED. That corporation has since been dissolved, it states.

A 1999 report by The Southern Poverty Law Center, based in Montgomery, Ala., described NORFED as a far-right anti-government group.

But von NotHaus said his company's associates are simply interested in taking part in a private currency that's backed by a precious metal redeemable by its holder, as the U.S. currency was before the nation abandoned the gold and silver standard.

While silver and gold hold their value, he said, the U.S. dollar's value has fallen as the national debt has grown.

His company's Web site states that more 100,000 people across the nation now use about \$20 million worth of Liberty Dollars. It adds that "every day it continues to grow to meet the challenge of the depreciating US dollar."

"We think the Liberty Dollar represents sound money, it represents limited government. We cannot plan for our future, we cannot provide for ourselves if someone is constantly devaluing the money," he said.