

Suit filed in Idaho over Liberty coins

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Twelve people who said they bought the coins being touted as an alternative to legal tender have sued the government in a federal court in Idaho to get their coins back.

Federal agents seized the gold and silver coins from the Sunshine Mint warehouse in Coeur d'Alene.

"I didn't lose very much at all, about \$158," said John Crowe of Rupert, who holds certificates to coins he bought from a company called Liberty Dollar Inc. "But the government has no right just to seize my property."

Privately minted medallions intended as collectibles are nothing new. But the ones at issue, promoted by Bernard von NotHaus of Miami and made of gold or silver, are promoted as barter currency on von NotHaus' Liberty Dollar Web site. Von NotHaus, described as "monetary architect" on the site, said the medallions hold their value better than the government's dollars.



Liberty Dollar has minted gold and silver medallions in denominations of \$50, \$20, \$10 and \$5. Founder Bernard von NotHaus said the coins will prove a better investment than U.S. government-backed currency. "Most people think prices have gone up, but in reality it is the value of the U.S. dollar that has gone down," von NotHaus said. "Real money like gold and silver holds its value."

"The price will fluctuate, but nothing like the U.S. dollar is doing today, and nothing like it's about to do tomorrow," he said Monday. "We need a new gold standard."

Under a gold standard, currency can be converted into a fixed amount of gold. The United States went off the gold standard in 1971. U.S. currency today is backed primarily by faith in the dollar, not gold.

Though von NotHaus said he is careful not to promote his coins as legal tender, in 2006 the U.S. Mint warned consumers that von NotHaus' company - then known as NORFED - was breaking federal law. In November, agents seized tons of coins from six warehouses in Coeur

d'Alene, North Carolina, California and Evansville, Ind., where Liberty Dollar's "Fulfillment Center" has its headquarters. NotHaus said Sunshine Minting, the Coeur d'Alene company where the coins were seized, no longer makes coins for him.

"They were raided, and they weren't happy about it," he said.

Last week, a dozen people holding certificates for von NotHaus' coins sued to get it back. Crowe, of Rupert, said he's one of 1,700 people supporting the lawsuit. Crowe added he thinks the money was seized because von NotHaus also created thousands of copper and silver medallions bearing a likeness of Ron Paul, the Libertarian-leaning Republican former presidential candidate.

"We were going to bring them into the public arena during the primaries," Crowe said. "Not only has the government taken property that belongs to people who haven't broken any law ... they have also altered the possibility of the way history might have gone. Had all these Ron Paul copper and silver medallions been put in circulation at the time, it would have been pertinent."

Von NotHaus said the government took the coins to stifle competition from his company. He planned to sue in Indiana Tuesday over the Evansville seizure and in the other two states eventually.

Meanwhile, he's still producing medallions - he won't say where - and still using them.

"I pay for haircuts and clothes and services and car repairs" with them, said von NotHaus, who lists businesses on his Web site that accept the coins (including four in Idaho).

And he's raising money for a legal fight. Von NotHaus expects Idaho - where Ron Paul earned a strong 24 percent of Republican primary votes in May - to be a good place to fight. At the GOP state convention earlier this month, Idaho Republicans voted to abolish the Federal Reserve System and return to the gold standard.

"The judge will make a decision in our favor and will vindicate the liberty dollar, or - I can't imagine this happening in Idaho - he might agree with the government, and then we'll appeal," he said.

Calls to Thomas Ascik, the assistant U.S. attorney in North Carolina handling the case, were not returned Monday.