

Federal Government Closes down Liberty Dollar

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In the US District Court in Charlotte North Carolina on July 6, 2009, The Liberty Dollar's operation was shut down. *U.S. Magistrate Judge David S. Cayer on 7/6/09*

*Ordered all defendants in the case shall not circulate or aid in the circulation of any coins or currency in relation to the Liberty Dollar Operation**



Bernard von NotHaus

The founder of the Liberty Dollar **Bernard von NotHaus** turned himself in to the US Marshals on June 4, 2009. After which he was booked and made a very quick court appearance in Fort Myers, Florida, He was released on an Appearance Bond that same day.

Bernard von NotHaus informed his followers by e-mail recently that “It is with a very heavy heart that I regret to inform you that I have suspended (closed) the Liberty Dollar operation... until I am acquitted.”

He asked them to trust him and said “after 23 years of research and development plus almost 11 years of practical application in the marketplace, I did not make this decision easily. When I discovered that the FBI had issued an arrest warrant for me, I "self reported" i.e. turned myself in to the US Marshals, I was released on an Appearance Bond with certain terms such as: don't violate any laws, call every Tuesday, fax a report every month, etc. But when I made my "Initial Appearance" in the US District Court in Charlotte on July 6, 2009, I was ambushed by the DOJ Prosecutor with FBI Agent Romaguolo grinning by his side. At the Prosecutor's insistence, Judge Cayer issued his oral order.” Haus added “please note this is not exactly what the Judge said in court, this is the written record, so upon leaving the courtroom I thought the Liberty Dollar was still secure even though the Judge's wording was vague. But it should not be any surprise to you that vagueness could be deliberately used against me. Plus I initially thought that if I was incarcerated, I could bail out, but that turned out to be impossible. While the Eighth Amendment states: "Excessive bail shall not be required. . .," it does not specify that a bail must be set. So the US Congress passed a law that permits Federal Courts to set no bail.”

The US Supreme Court has upheld that law as Congress legally passed it. The simple truth is that Federal Courts in North Carolina do not set any bail. If you are arrested for a federal offense in North Carolina you are either out on an Appearance Bond or you sit in jail until your trial, which is usually over a year for serious offenses such as counterfeiting and murder. Given such a stern "choice," I "chose" the Appearance Bond with all its encumbering terms and am forced to close the Liberty Dollar until I am acquitted. I trust you can commiserate with my "decision."

Most people have not ever heard of the [Liberty Dollar](#)? According to the *S&A Digest* “It's essentially a warehouse receipt you can use to barter for goods. Each Liberty Dollar is a receipt for so much gold, silver, and copper.

Many believe that the Liberty Dollar is a much sounder currency than the U.S. Government's paper dollar.

Most Americans have not used Liberty Dollars. Many prefer to own gold. But many of the Liberty dollar loyalists use and applaud the fact that a few Americans at least have gotten fed up enough with [the government's funny money](#) and have taken some real action. Everyone should have the right to use whatever kind of money they like.

But it turns out *S&A Digest reports that* you don't have that right... The feds recently arrested all of the backers of the Liberty Dollar. Says U.S. Attorney Ed Ryan: "When groups seek to undermine the U.S. currency system, the government is compelled to act. These coins are not government-produced coinage, yet purchasers were led to believe by those who made and sold them that they should be spent like U.S. Federal Reserve Notes."

Since Congress abrogated its legal responsibility to "mint coins" back in 1913, when it created the privately owned Federal Reserve, who has done more to "undermine" the value of the U.S. dollar? If the government wanted to protect the value of the dollar, you'd expect it to be consulting with the Liberty Dollar guys, not arresting them.

Who is suffering the biggest and most pervasive monetary losses? U.S. households have lost the most: \$1.39 trillion in the third and fourth quarters of 2007... a gigantic \$10.89 trillion in 2008... \$1.33 trillion in the first quarter of 2009... \$13.87 trillion at the end of March 2009 - by far these are the worst household losses of all times with equally massive consequences for 2010. The question is: Are you going to allow the government money to deprive your family of its purchasing power and become an indebted monetary slave or are you going to take action and help us win? **Bernard von NotHaus** feels "this is your opportunity to take a stand for a value based private voluntary barter currency vs. government money made out of fowl hot air."

S&A Research says the irony of the government (which relies on paper currency) arresting the backers of a sound currency on a counterfeiting charge, I wanted to bring this matter to your attention because it represents the first step in what I believe will be increasing [government efforts to restrict your ability to escape the dollar](#). The government doesn't want you to be able to use commodities like money. It doesn't want you to be able to escape [the huge inflation that's coming](#).

For its scheme to work, you have to keep the value of your assets in their worthless currency. The government's biggest fear is a run on the dollar. And it'll do everything it can to prevent it – including seizing your gold. Think it won't happen? [It did in 1933](#). And it will again.

Bernard von NotHaus recently gave the following analogy "remember when gas was only 25-cents a gallon? You could take a dollar down to the gas station and buy four gallons for a buck! At that time our dollar was backed by silver - real money. Guess what? That same amount of silver still buys four gallons of gas today! That just proves that real money like gold and silver holds its value and it is the US dollar that buys less and less. As a matter of fact, when you think about it, you realize that gas, food, and almost everything else have NOT gotten more expensive. It only seems that way because the value of the US dollar is worth less and less so it takes more and more of them to buy the same goods and services. Most people think prices have gone up, but actually: it is the value of the US dollar that has gone down. Luckily, there is a simple and profitable solution to higher inflation - good old-fashioned, gold and silver Liberty Dollars, just as our Founding Fathers intended.

Many think that the Liberty Dollar also served as a hedge against inflation
Some of the world's biggest investors are making big bets on inflation... "The deflation scare has pretty much been taken out of the market," said Kenneth Volpert of Vanguard Group. "The inflation scare has not been priced in yet, and we think that's still to come."

On June 18, the Labor Department said the consumer price index fell 1.3% in the year ended in May – the most since 1950.

Days after repaying its \$10 billion federal TARP loan, Goldman Sachs announced it will likely pay the biggest annual bonuses in its 140-year history. Goldman is reaping windfall profits due to decreased competition (no more Bear Stearns or Lehman Brothers) and increased debt issuance by companies and the government. The bank estimates the government will issue \$3.25 trillion of debt before September, as a prime broker of U.S. government bonds; "[Government Sachs](#)" will make hundreds of millions of dollars.

After blockbuster first-quarter earnings of \$1.66 billion, Goldman said it would set aside half of its earnings to reward employees.

This is exactly why you should never invest in a Wall Street bank. They exist for the sole purpose of enriching the employees... not the shareholders. How can you possibly treat the shareholder well when *50% of your gross profit* is paid out as compensation? These massive bonuses based on short-term financial goals encourage employees to take outrageous risks – often with massive leverage. [We've seen what happens when these bets go awry.](#)

"It's the most bearish we've seen insiders, on a whole, in two years," said InsiderScore research director Ben Silverman. Executives at U.S. companies are taking advantage of the huge market rally to unload stock... Insiders at S&P 500 companies are dumping their shares at the fastest pace since June 2007 (two months before the credit markets froze) and have been net sellers for 14 straight weeks. So far this month, insiders at S&P 500 companies have sold \$2.6 billion in stock... more than 22 times the number of purchases.

According to **Bernard von NotHaus** “If someone gave you a choice between a stack of ordinary ten-dollar bills and a stack of ten-dollar bills that were printed on the back with a coupon for 5 gallons of gasoline, good at any gas station in the country, which would you choose?

The first stack is just dollar bills. The second stack is also dollar bills, or if gas prices go up, you can use the back of the bills and fill your tank.

You'd have to be crazy to take the first stack! Right? Why not get the benefits of a negotiable currency coupled with the redeemability for a useful commodity, in this case, gasoline? If gas prices go up, you win while everyone else complains about the high cost of gas! If prices don't rise, you still have your ten-dollar bills!”

According to the Liberty Dollar's web site the Liberty Dollar was a private voluntary barter currency (PVBC). It was an inflation proof currency and devoid of debt and does not cause our national debt to go up when you use it. In contrast, every Federal Reserve Note that is created adds to our national debt. The Liberty Dollar is a currency of, by and for the people.

Liberty Dollar unites everybody who is concerned about their money: liberals, conservatives, minorities, libertarians, and greens are all enthusiastic about the Liberty Dollar. Anything with such wide appeal must be good.

Liberty Dollar protects you and helps your local economy thrive and prosper. Liberty Dollars spent in your community tends to stay in your community while the US dollars tend to get sucked out to New York banks or big box retailers.

Liberty Dollar helps educate people about money, a topic most people simply never consider. The facts about money are simple. You either have it or you don't. When the government makes money out of thin air that steals your purchasing power and is bad for you, your business and the country. But for now the Liberty Dollar is on hold.

Related Articles: [government efforts to restrict your ability to escape the dollar](#)
[the huge inflation that's coming. It did in 1933.](#)

Sources:

US District Court in Charlotte North Carolina

The Liberty Dollar Web Site

The founder of the Liberty Dollar **Bernard von NotHaus**

S&A Research

Stansberry & Associates produces the daily *S&A Digest*

InsiderScore

Vanguard Group.

U.S. Labor Department