

September 19, 2006

The US Mint News Story in Perspective

The recent United States Mint warning regarding NORFED and the Liberty Dollar offers a rare opportunity. Let's face it, it had to happen...with the growth and prevalence of the Liberty Dollar over the last eight years, the Government had to respond.

They went public and cleared the air in many ways. First, they stated that the gold and silver Liberty Dollar 'medallions' are not US Mint bullion coins, nor are they legal tender...just as NORFED always advertised. Secondly, they stated that the Liberty Dollars are privately produced, and not backed, nor affiliated with, the United States Government...of course not, they're backed by gold and silver, again, just as NORFED has always advertised. Here it is in plain sight...the Liberty Dollar is not a coin, not legal tender, and backed with inflation proof gold and silver!

So what has happened? Goliath just introduced David to millions of Americans as a nationally recognized underdog. Just as Pepsi went up against Coke with their "take the Pepsi Challenge" campaign, the Liberty Dollar will take it to the people to decide which currency they should use. Welcome to "Just try the Liberty Dollar" campaign. So keep doing "the drop" and spreading the word. We are within our rights to offer Liberty Dollars for goods and services to whoever will voluntarily accept them.

Since the Liberty Dollar has hit mainstream media via USA Today, AOL, Reuters, etc visits to our website have soared to almost 10 times normal traffic. Online orders have skyrocketed as well! Everything from bumper stickers to Liberty Dollars are being ordered plus new Liberty Associates are signing up...America is mad as hell and isn't going to take it anymore. The people are speaking and they want the Liberty Dollar! Comments like "The US Mint can bite me" and "I'm exercising my right to choose" have been included with many of the orders received.

Critical-thinking free individuals, groups and associations are stepping up offering assistance and support to the Liberty Dollar. Let's keep the momentum going, get your orders in now while silver is at its lowest in months...whether Silver Certificates or Silver Libertys, the beautiful new five ounce Eighth Anniversary \$100 commemorative or the very spendable \$5 "Quarter Lib"...all are right... right now. Buy now and demonstrate your commitment to the value-backed, inflation-proof Liberty Dollar...practice your right to a free-market currency.

I also want to extend my sincerest thanks and appreciation to every Regional Currency Officer, Liberty Associate, and Liberty Merchant for their past support. Looking to the future our greatest opportunities and challenges are yet to come. Success takes many forms, but the satisfaction of accomplishment, of doing what you set out to do, can offer the greatest reward especially if that reward is returning America to Value - One Liberty Dollar at a time.

Please review our official Disclaimer and Press Release that specifically address the allegations made by the US Mint on Thursday, September 14.

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LIBERTY DOLLAR PRESS RELEASE

Liberty Dollar Says NO to the US Mint Allegations

The United States Mint inadvertently may have done THE LIBERTY DOLLAR, an acclaimed private, non-government currency and favorite numismatic item distributed by NORFED, Inc., a favor by posting a “Warning” on its website on September 14 entitled “**Liberty Dollars Not Legal Tender, United States Mint Warns Consumers.**” The last thing NORFED, Inc., known for the Liberty Dollar, wants is for someone to be confused that the gold and silver based Liberty Dollar has some connection with the Federal Government’s fiat money, which is based upon nothing more than popular acceptance for lack of an alternative.

Since the introduction in 1998 of the Liberty Dollar every effort has been made to promote and market the Liberty Dollar with educational tools by clearly and repeatedly pointing out that the Liberty Dollar is not United States Mint fiat money, is not legal tender, is not a coin, is not currency in the sense of governmental coinage, and is not money in the sense of governmental coinage. (*Currency* and *money* have varied dictionary definitions. In its own interest the Liberty Dollar has every incentive to clarify that the Liberty Dollar has no connection with the Feds - and that’s what has been done, and continues to be done, over and over.)

Any claim of the forgoing would be contrary to the purpose and function of the Liberty Dollar, which, in addition to its being a numismatic item is a means of **voluntary barter**.

The **US Mint Warning** has apparently been responsible for a gigantic increase in media and citizen attention to, clarification of, and evidently purchase of a lot more

Liberty Dollars. Mike Johnson, Executive Director for the Liberty Dollar notes that, “There never has been such a volume of response – and incredibly favorable response - to the Liberty Dollar.”

However, the US Mint Warning makes a big and wholly unjustified mistake. At the end of the opening paragraph it says: “Prosecutors within the Department of Justice have determined that the use of these gold and silver NORFED ‘Liberty Dollar’ medallions as circulating money is a Federal crime.”

After some introductory misstatements, erroneously relying upon 18 USC § 486, the last sentence claims that “. . . prosecutors with [sic] the United States Department of Justice have concluded that the use of NORFED’s ‘Liberty Dollar’ medallions violates 18 USC § 486, and is a crime.”

Leaving aside the fact that the United States Mint has no criminal jurisdiction and no authority to interpret, much less enforce, the Criminal Code, the fact is that nobody in the Federal Government has ever contacted the Liberty Dollar or anybody responsibly connected with it, to investigate, much less to claim, that there is something unlawful about the Liberty Dollar.

Just the opposite. Over and again people have enquired of responsible personnel in the United States Secret Service, in the Department of the Treasury Bureau of Engraving and Printing, in the United States Federal Reserve and so on. Just a few of the responses: An Engraving and Printing spokeswoman said, “There’s nothing illegal about this. As long as it doesn’t say legal tender there’s nothing wrong with it.” A Washington, D. C. Federal Reserve System spokesman said, “There is no law that says goods and services must be paid for with Federal Reserve notes. Parties entering into a transaction can establish any medium of exchange that is agreed upon.” A Federal Reserve Bank of Minneapolis official said, “If these [NORFED] people want to issue their own money, so be it.”

The Liberty Dollar exists, and does so very well, with an estimated \$20 million worth of gold and silver Liberty Dollars and Silver Certificates in voluntary circulation as barter, and growing, because the Liberty Dollar is not legal tender, is not connected with any governmental agency and, unlike United States coins and Federal Reserve notes, it is not fiat - or, what some might say, “funny” money.

LIBERTY DOLLAR DISCLAIMER

The Liberty Dollar and other precious-metal mintings distributed by NORFED, Inc., dba the Liberty Dollar, never have claimed to be, do not claim to be, are not, and do not purport to be, *legal tender*, or a *coin*.

The noun *currency* has many dictionary definitions - for example, without limitation, “that which is current as a medium of exchange[.]” “circulation as a medium of exchange[.]” “a common article for bartering[.]” In the sense that *currency* may be used to refer to the coinage of a government the Liberty Dollar never has claimed to be, does not claim to be, is not, and does not purport to be, *currency*.

The noun *money* also has many dictionary definitions - for example, again without limitation, “something generally accepted as a medium of exchange[.]” “a measure of value[.]” “a means of payment[.]” In the sense that *money* may be used to refer to the coinage of a government the Liberty Dollar never has claimed to be, does not claim to be, is not, and does not purport to be, *money*.

The phrase *legal tender* is more specifically defined and does not meaningfully vary from the authoritative *BLACK’S LAW DICTIONARY* definition, “The money (bills and coins) approved in a country for the payment of debts, the purchase of goods, and other exchanges of value.” In other words, *legal tender* is what a government authoritatively designates as the medium which a creditor must accept from a debtor if it is offered. The Liberty Dollar never has claimed to be, does not claim to be, is not, and does not purport to be, *legal tender*. The Liberty Dollar repeatedly has emphasized that it is not *legal tender*. *Legal tender* and *barter* are mutually exclusive. The Liberty Dollar is a numismatic piece or medallion which may be used voluntarily as *barter*.

The noun *coin* invariably is defined as “a round piece of metal issued by governmental authority as money” or an equivalent phrase. The Liberty Dollar never has claimed to be, does not claim to be, is not, and does not purport to be, a *coin*.

Any claim of the forgoing would be contrary to the purpose and function of the Liberty Dollar, which, in addition to its being a numismatic item, is a means of **voluntary barter**.

The Liberty Dollar would be glad to refer any inquiries to counsel in Washington, D.C.