

NORFED REPORT:
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1. **The Fairfield Event - An Example for the Future**

Although I have enjoyed the opportunity to share the program with G. Edward Griffin, noted author and personal friend, several times recently, The Fairfield Event on November 12 was by far the most rewarding. Organized by three RCs, Randy Becker, Gary Joseph. and Art Atkinson with the assistance of Clyde Cleveland, it was held in Fairfield, Iowa. The event only featured Ed and myself with about 100 attendees who represented nearly one-tenth of the town. In many ways, Fairfield is the usual Midwest farming community but it is also home to the

Maharishi University of Management and processes more than the usual level of awareness. This interesting mix and the dedication of the three RCs may yield an example for the future. For the first time, the right ingredients to create a micro economic model and an example for the future is at hand. Now we may see of how the ALDollar can co-function with the dreaded FRNs in a whole community for the advantage of the whole community. Let us all wish the Iowa ALC the best as they develop NORFED's first community model. Randy, Gary and Art have created some excellent materials which are available to all RCs. Please contact them at : iaALC@hotmail.com for more information.

2. **Christmas is Coming. Christmas is Coming**

Already people are ordering more currency and more Silver Libertys! Why? Because they make

such wonderful
Christmas and in
keeping with
CHRISTmas they
represent the moral
ideals of what our
money should be. Just
as the old US Silver
Dollars were the
favorite gift by my
Grandfather when I
was growing up, we
are seeing a re-birth
of that valuable idea
again with the Silver
Liberty. This is yet
another sign that
America is returning
to value as others
revive this age-old
custom. So please
send in your
Christmas order
ASAP and get a little
extra this year as you
are sure to find many
good uses for the
paper currency that
fits so well in
Christmas cards and
the big, shiny Silver
Libertys are always a
favorite too. Please be
forewarned I am sure
NORFED will run
out.

3. **Monthly
Currency
Plan - please
don't forget it**

Well over a year now,
NORFED created an
easy way to
accumulate a nest egg
of ALDollars and

Silver Libertys with the Monthly Currency Plan. If you have not stopped to check it out on the order form, I encourage to consider it. Simply enter the amount you wish to receive, and the credit card number you wish to use and we will send you the specified amount of currency and/or Silver Libertys every month. If you wish to change the order or cancel the plan, all is required is a simple phone call to the NORFED fulfillment office. At the end of the next year you could be holding a sizable quantity of real value backed currency. But more than likely you will find others to awaken to the Solution of the F*R* who will want some "real money". You will probably end up sponsoring more Redemption Centers and pocketing \$100 and getting even more currency and that's how the ALC evolves to replace those fraudulent F*R* notes.

4. **Joe Banister becomes a**

RC...now over 850...

In looking over past Reports, it seems that the NORFED overlooked the occasion when well known IRS activist and friend, Joe Banister, became a Redemption Center. Now as we grow towards 900 and move towards the first 1000 RCs, we should congratulate ourselves on bringing together so many people to address the simple fact that our monetary system is blatantly immoral and that the peaceful way to bring about its repeal is to replace it with a value backed currency. Thank you Joe and every RC for making a stand for value. Now, go forth and spread the word and the money...

5. FoxNews.com article on the American Liberty Currency

On October 16, FoxNews.com posted an article on Alternate currencies which included some good, accurate information

about the American Liberty Dollar - can you believe that? To keep this Report as short as possible, please go to News & Updates at www.libertydollar.org. Even though the writer chose the same title, Funny Money, as the Forbes article, it was well done. Please add it to your list of articles about our favorite money. Thank you FoxNews.

6. **New Italian Currency Strikes at the Banking Conspiracy**

There it was on the front page of The Wall Street Journal: CONSPIRACY THEORY GAINS NEW CURRENCY...IGNITES A SHOPPING FRENZY IN A SMALL ITALIAN TOWN. For a moment I thought they were talking about our currency... But no it was about an Italian town. The article is about a Professor Auriti who has issued his own currency to publicize what he describes as a banking conspiracy.

Sound familiar? Read
all about it in
Appendix A.

7. **New and
Enhanced
video
available w/o
*!#! words...**

As we all
unfortunately know
the quality on the
NORFED tape of the
Las Vegas talk was
even worse than the
original. So I am very
happy to inform you
that it has been
completely re-mixed
and now we have a
tape to be proud of.
PLUS we have
bleeped out some of
those *!#! words so
every RC can use the
video and help grow
the NORFED
movement. It is still
only \$10 and one of
the many items that
would be a special
gift for the person
who has everything...

8. **ALCheck off
and Going to
Every
Business
Imaginable**

The American Liberty
Checks have been
well received.

Generating comments and feed back as they publicize "FREE OUR MONEY" and educate the banking establishment that there is another currency. I encourage everyone to give them a go and send a brochure every time you send an ALCheck out to a new business. Just note that the checks state that they "may be negotiated or deposited into any bank... It does not say it can be "cashed" because that is not possible if you don't have a bank account or if your try to cash it anywhere you don't have a bank account. Other than that, they seem to be enjoying wide acceptance. And why not, they are very similar to a travels check.

9. **What about a \$100 ALCheck?**

How do you feel about a \$100 ALCheck? Have you heard of any demand for a higher denomination check? We have had some inquiries and would welcome your feedback. A quick email to: truth@libertydollar.or

g would be greatly appreciate as we try to ascertain if any additional development is needed?

10. **Places where ALChecks have cleared:**

Wow wee. When NORFED got its statement from Merrill Lynch, it lists all the places where the new ALCheck had been used. What a wide variety, just like the places that currently accept those dreaded F*R*N*, such as Vegetable Delight, Petco, U S Airways, State Street, Sams Club, Verizon, TransAmerica Life Ins., Farm Bureau Ins. Just remember the ALCheck works just like a traveler check. You can include it towards any payment and add your personal check to tally the amount you need to pay. Great to see how people are using such an unusual item. My personal thanks go out to Leonard Orr a noted RC and an old friend who worked with me in creating this unique ad specialty item. Enjoy and spread the word about our new

currency. We look forward to the first deposit from a Court House or some government body. We will let you know when it happens.

11. **Question(s) of the Month regarding security features:**

Can the DNA security feature be washed out of the Currency? Are the security features 100% counterfeit proof? Can the Currency be scanned like the FRNs? First, the DNA code can not be washed out of the currency as it is applied as a permanent liquid and impregnates the 100% cotton currency paper. Second, The DNA security feature is 100% counterfeit proof because it can not be replicated, duplicated or reversed engineered. The American Liberty Currency was the first currency to be licensed with this technology. Third, no the ALDollar can not be scanned. For anything to be scanned it must be compatible with the scanner and the ALDollar is not

compatible with any of there supposed technologies which many people doubt is even viable.

12. **Airing dirty laundry regarding Mr. Prukop**

As I note at the beginning of my letter to Mr. Prukop, " I don't like to air dirty laundry but I don't like people saying untruthful things about NORFED..." So I publish this email that I sent to Mr. Prukop, Mr. Heit and Mr. New, in the sincere hope that Mr. Prukop will rise to the occasion and become a RC. I also do this to defend two outstanding RCs and the work of all the other RCs. The NORFED organization must never allow misinformation to go unopposed without a rebuttal. Read this at your own risk.

13. **Personal:**

My personal thanks go out to the Fairfield Redemption Centers for all their hospitality. But mostly for their dedication and to pick up the NORFED baton and

strive to create the first community model with the ALDollar. Their outstanding efforts may well become the model for other communities, the country...the world. Just remember that the more people who use the ALDollar in your community, the better off your community will be in the next financial crisis. Organize a group in your community around the currency now, and return your community and America to value - one Liberty Dollar at a time.

Want to have a dynamite event in your community? Just arrange to have Ed and myself bring the NORFED Solution to your hometown? Just call NORFED for the particulars. And one last note, I will be operating out of Florida once again this winter. If any RCs would like me to speak to their group, all you have to do is call NORFED to arrange a time as my "job" is to assist RC's efforts to spread the word and the currency. Please let me hear from you.

Many thanks again for your support and efforts. It is through your efforts that we will win. Without it we will lose. Wishing you a very Merry Christmas this Holiday Season.

Appendix A: INVENTING

**ITALIAN
MONEY**

**CONSPIRACY
THEORY GAINS
NEW
CURRENCY,
THANKS TO
PROF. AURITI:
HIS ODD
MONETARY
EXPERIMENT
IGNITES
SHOPPING
FRENZY IN A
SMALL
ITALIAN TOWN**

By Yaroslav Trofimov --
Staff Reporter
The Wall Street Journal,
Friday, Oct. 6, 2000, p.A1

Guardiagrele, Italy - From her perch below a poster that depicts a miracle of Christian faith, Sandra Iannamico is performing a little wonder of her own. She is doubling people's money.

One by one, each of the half-dozen clients lined up at her table in the courtyard of a 15th-century palazzo steps up and surrenders a handful of Italian lire. In return, Ms. Iannamico gives them a multicolored sheaf of a new currency called the simec, at

an exchange rate of 1-to-1.

In most places, the simec wouldn't be worth the paper it's printed on. But in the bustling shoe store next door, and at about 40 other merchants in this mountaintop town of 12,000 overlooking Italy's Adriatic coast, one simec can buy two lire's worth of goods.

The simec, whose name is the Italian acronym for "econometric symbol of inducted value," is the brainchild of Giacinto Auriti, a wealthy local academic. This past summer, the 76-year-old retired law professor spent much of his fortune to finance the simec in an effort to prove his eccentric theory about money and a vast banking conspiracy. So far, his experiment has produced a frenzy of consumption in Guardiagrele, a rupture in the local business community, a rebuke from the Bank of Italy and a legal victory for Prof. Auriti, who hopes to convince the world that central bankers are the biggest con artists in modern history.

His main thesis: For centuries, central banks have been robbing the common man by the way they put new money in circulation. Rather than divide the new cash among the people, they lend it through the banking system, at interest. This practice, he argues, makes the central banks the money's

owners and makes everyone else their debtors. He goes on to conclude that this debt-based money has roughly half the purchasing power it would have if it were issued directly to the populace, free.

Initially, Prof. Auriti tried to challenge his own nation's monetary policy through the courts. But Italian judges have thwarted his efforts to sue both Bank of Italy Gov. Antonio Fazio and former Gov. Carlo Azeglio Ciampi for alleged fraud and a slew of other offenses, including incitement to suicide. So, Prof. Auriti conceived another way to make his case.

First, he hired a printer to produce several boxes full of simecs, each emblazoned with a hologram and the image of an eagle. Each bill-violet, green or mocha, depending on the denomination- carries a statement that identifies it as the property of the bearer.

Then, Prof. Auriti, who often sports a bulging money belt, made the rounds of Guardiagrele's 400 shop owners. Most refused to accept his simec. But he persuaded about 40 to participate in his experiment, assuring them he would redeem each simec for two lire.

On a sunny July morning, Prof. Auriti, the scion of one of Guardiagrele's oldest and richest families, and a few

volunteers, like Ms. Iannamico, threw open the heavy gates of the professor's palazzo and put the first simecs into circulation.

Soon, Guardiagrelians were lined up across the street at a Banco di Napoli cash machine to withdraw lire and trade them in for simecs. By 11 a.m. the first day, about \$1,000 worth of lire had changed hands. The daily volume eventually reached \$40,000 or more, volunteers say.

Armed with their simecs, the townsfolk -- and later their neighbors elsewhere in central Italy's Abruzzo region- stormed participating stores to snap up smoked prosciutto, designer shoes and other goods at just half the lire price. "At first, people thought this can't be true, there must be a rip-off hidden somewhere," says Antonella Di Cocco, a guide at a local museum. "But once people realized that the shopkeepers were the only ones taking the risk, they just ran to buy all these extravagant things they never really needed." Often, they raided their savings accounts in the process.

The participating shopkeepers, some of whom barely eked out a living before the simec bonanza, couldn't have been happier. "Every day was Christmas," Pietro Ricci recalls from behind the counter of his

cavernous haberdashery.

Neither Mr. Ricci nor his fellow merchants were stuck with their simecs for long. Once a week, they turned them in to Prof. Auriti, recouping the full price of their goods.

"We doubled the money in people's pockets, injecting blood into a lifeless body," says Prof. Auriti. "People were so happy, they thought they were dreaming."

Nonparticipating stores, meanwhile, remained empty week after week. "I have to pay my suppliers once every 10 days -- and, I'm afraid, they don't take the professor's paper," explains Febo Di Crescenzo, as reggae music blares from his clothing store.

The competing interests split the town's merchants' association in two, prompting its pro-simec chairman to resign. As tensions peaked in early August, the nonparticipating merchants and the town's mayor, Franco Caramanico, asked local magistrates to intervene with a ruling on whether Prof. Auriti's currency issue was legal.

Meanwhile, the professor was beginning to have financial troubles of his own as he redeemed mounting numbers of simecs for twice the sum in lire at which he had sold them, though Prof. Auriti won't disclose exactly how

much money he lost.

The pro-simec store owners, too, were feeling a pinch. Instead of accepting 1,000 simecs for an item that cost 2,000 lire (90 cents), participating merchants began charging 1,000 lire plus 500 simecs, to keep enough lire on hand to pay their creditors. That cut shoppers' simec discount to 2517, from 50%. Merchants who weren't participating were still upset, and some loudly demanded damages from the professor.

By mid-August, says the professor, a total of about 2.5 billion simecs had circulated. That's when local magistrates called in Italy's Finance Guard, a militarized police force that deals with such crimes as smuggling and tax fraud. More than a hundred guardsmen invaded the town, carting off boxloads of simecs and prompting protests from an angered citizenry.

For a time, the saga appeared to be over. But after a brief investigation, a local court in Chieti found that Prof. Auriti had done nothing illegal and ordered the simecs returned. Although local prosecutors are preparing to appeal the decision to a higher court, Prof. Auriti and his supporters rushed to relaunch the simec last weekend.

This time around, however, the currency will be managed

by a committee made up mostly of local merchants. Though the professor heads the committee, he is no longer putting his own money into the venture. "Now, we'll only use the lire already in the simec till to redeem the simecs we receive from customers," says Giovanni Di Canio, a jeweler.

He is sure there will be enough lire, if only because numismatists from all over Italy have descended on Guardiagrele to buy simecs for their collections. Mr. DiCanio says that one collector just bought two thousand 1,000-simec bills, none of which are likely to be spent.

Maria Teresa Sciubba, a dishwasher in a local restaurant, bought her simecs for more prosaic reasons. The "simec makes me feel rich," she says as she shops in an upscale boutique on Guardiagrele's main street. "Before this I could only afford low-quality clothes -- nothing like the designer stuff I'm buying now."

But the Bank of Italy isn't amused. In a stern statement released last month, the central bank reminded Italians that the "collection of funds among the public, emission and management of means of payment are, in the best interests of the public, reserved to subjects authorized by law" -- and those don't include Prof.

Auriti.

Even so, his simec crusade has attracted vocal support from some unexpected quarters. In coming months, a Franciscan Catholic college in Abruzzo's capital city, L'Aquila, plans to open the School of Monetary Values, an institution dedicated to Prof. Auriti's theory. And the Northern League, a sometimes-xenophobic political party that wants to wrest power from Rome, has invited Prof. Auriti to address its mayors on how to spread "local money" nationwide.

Prof. Auriti is looking ahead to February 2002, when many European countries are scheduled to replace their national currencies with new euro bills. "A storm is coming," says Prof. Auriti, who thinks global central bankers, for reasons that aren't entirely clear, will use the occasion to provoke an artificial cash crunch, turning Europeans into monetary slaves. "The simec," he says, "will help European peoples to survive."

Reminds me of the Bank of England's Founder, who said "we make money out of nothing," by loaning out credit.

**Appendix B: Dirty
Laundry
regarding Mr.
Prukop:**

Editor's Note: I don't like to air dirty laundry but I don't like people saying un-truthful things about NORFED - regardless of who they are. Bellow is an email I sent to Mr. John Prukop regarding his comments to Michael Heit and Daniel New two very fine, outstanding Redemption Centers. Read at your own risk:

Dear Mr. John Prukop,

D*mn! I hate taking time to rebut a negative posting from a ignorant, rude fellow American who is suppose to be one of us. But On October 13, 2000 I received an email directly from Mr. John R. Prukop, Executive Director of the CCW Coalition:
Citizens For A Constitutional Washington, 11910-C Meridian Ave. E., #142, Puyallup, Washington 98373, TEL: (253) 840-8071, FAX: (253) 840-8074. e-mail: ccw@wolfenet.com.

For the first time, I was made aware of an ongoing and possibly a heated discussion about money and NORFED between Mr. Prukop and Michael Heit and Daniel New. I know both Mike and Daniel as personal friends and outstanding Redemption Centers. In fact, Mike is one of NORFED's most outspoken advocates and Daniel's patriotic work and his son's actions are well known nationally. I do not

know Mr. Prukop. But as he sent me an email without any conditions or contract, so it is my property to do so as I please.

In most such negative cases, NORFED profits from some poorly misinformed media puppet and enjoys the publicity. It never pleases me to deal in the negative. But an outright attack on NORFED is never allowed to stand without a rebuttal. Especially when it comes from someone who supposedly knows what he is talking about, or worse when he should know what he is talking about, or unacceptable when one does not even check out the facts to find out The Truth, which it is in this case.

Now, there is no excuse for Mike's poor manners in his email to Mr. Prukop, and his apology to Mr. Prukop stands as a measure of Mike's fine character and his sense of values. Mike should not have responded as he did but I can understand it, as I am not as understanding when stupidity flares up from within our own ranks. So sit back if you wish, as I dissect Mr. Prukop's email with the hope I will throttle my emotions and Mr. Prukop will accept my personal invitation to show the measure of his character and become a Redemption Center, please.

Before I started this rebuttal, I gave Mr. Prukop a call. I found him at home,

introduced myself and invited him to share his side of the story. He asked me, "Whatayouwant?" I explained that I was concerned about some of the inaccuracies he has about NORFED and offered to answer his questions. He didn't want to talk. So I told him that I was going to respond to his email. He said "Fine!" and hung up on me. That took all of 2.05 minutes. So the following rebuttal is solely based on his email. As I was not previously familiar with Mr. Prukop's work or the Citizens for A Constitutional Washington, a quick search on the net for CCW yielded many mutual friends/patriots and articles dealing with common patriotic issues. Most are well written and well researched. Some like the following paragraph from a publication attributed to Mr. Prukop on his own CCW site, leaves me wondering about Mr. Prukop:

*"Welcome to the fourth issue of URBAN magazine, the magazine for the urban guerilla/hip-hop/B-Boy motherf*cka in everybody. This issue is jam packed with CD reviews, movies, shit, info and all sorts of shit! I just got out of jail so this issue may be a little later than expected, but it's here so enjoy! (Hint: Never shoplift even if you think you know how much security is on you. Especially if you have a bad feeling*

about it at the time!) " All I can say about this article is that if Mr. Prukop does not want ghosts like this to haunt him, then he should remove it as it appears that he posted it on the net himself!

Be this what it may, there are several serious inaccuracies in Mr. Prukop's email to me which was also sent to Michael Heit and Daniel New and who knows, who else.

Mr. Prukop's text is all in italics and begins: *Mr. Heit, et al: I don't appreciate the vulgarity or tone of your e-mail post directed to me...* Please go back and read Mr. Prukop's copy from his own URBAN publication. And concludes with: *I find the entire matter despicable at best and certainly NOT a manner in which you would convince someone to your side of thinking.* You said it Mr. Prukop!

Mr. Prukop continues by bragging: *I recently purchased a 1987 Chevy van in good working order that has about 118,000 miles on it and I paid the man in American Silver Eagles...* I am really glad for Mr. Prukop. But he continues: *You can't do that with your Norfed certificates because the payment has not been made according to law, 31 USC 5112, and Article I, Section 10.* Yes, you could but I strongly doubt if you even tried and if you didn't how did you know?

Now that Mr. Prukop is warmed up he states: *No, what I see, as I stated to Daniel New ...is a group of people who are trying to do the very same thing the Fed is doing, capitalizing and making a profit on the exchange of money - whatever it's form. The education part is a sideline. Profit is the motive, otherwise Norfed would not exist. That is the debacle that must be removed from the entire equation... the middle man.*

First: Mr. Prukop may want to check his sight, then his hearing. Ever heard of the Free Enterprise System?

Second: Daniel New and NORFED are not "trying" to do anything. We "are" doing something.

Third: We are certainly not doing the same thing as the F*R*!

Fourth: Profit is not the motive. In fact, NORFED is a non-profit corporation! It holds no one's money and spends all its "profit" towards the repeal of the F*R* and the IRS. Where's the rub? NORFED simply distributes the currency.

But this is all wrong because Mr. Prukop denounces: *the debacle that must be removed from the entire equation... the*

middle man. Are we not all "middlemen between God and our own existence? Are we not all middlemen even in the business world?

Yet in his justification of using the government issued Silver Eagles he says:

The gold and silver Coins are being minted, according to law, and even though the daily spot price is set in London and New York and not by Congress, it is the best alternative to the present situation... We have. Once people understand that a 'Dollar' is a weight of metal, and that paper can be inflated and depreciated in value, we have found that most people want the Coins instead of the paper ... coin dealers already have the mechanism in place to trade back and forth, making a two-way street, albeit there is still profit motive.

Prices set by Congress!!! My God man! Do I need to say any more?! At this point it sound like Mr. Prukop is either a socialist, or needs to read his own writing or has a very serious problem with "profit". I shudder to think of his alternative. And no, it is only government granted paper money that can be inflated legally. NORFED is barred from this fraud because the third party warehouse is physically audited monthly by yet another third party CPA and

that audit is posted on our web site, Mr. Prukop.

But then Mr. Prukop backtracks by justifying the pricing of the government issued Silver Eagles: *The basis for the price charged for the American Eagle Silver Coins is this: the spot price of the metal plus \$1.25 per coin, plus a small premium the coin dealer charges. For example, today's spot price for silver bullion was \$4.93. Add \$1.25... and now you have the price the U.S. Mint charges the distributors. Then the coin dealer himself will add a small premium... to stay in business.*

Well Praise the Lord! The coin dealer gets to stay in business under Mr. Prukop's new amended economic plan. In reality the coin dealer gets the Silver Eagles at spot plus \$1.25 in lots of 50,000 coins. And yes NORFED charges more. NORFED charges all of spot plus \$1.50, a whole twenty cents more, but wait that is for only a 1000 "coin" lot! Sounds like very similar pricing to me. You pay a bit more but only have to buy 1/50 as much. After 25 years in the trade, I hope I know my pricing Mr. Prukop.

But the real prize statement that I could not walk away from: *Nor do I agree with the Norfed deal... that's a PHONY deal... that's just a bunch of private people trying to make a 'buck' from a*

*different angle. I'd stay away
from it like the plague!*

Now I don't care if you are a government agent or the most pious man on Earth, this is a bold face lie. NORFED is not phony and your statement is an insult to every American who has ever tried to correct the monetary system. But it is an even worse insult to those brave, concerned Americans who have become Redemption Centers and taken a stand to return America to value - one dollar at a time with The Liberty Dollar.

In closing, let me agree with your own statement: *Bullshit messages like this one cause a tremendous amount of damage in our fight.*

When you are as big a man as Michael Heit and as dedicated as Daniel New, I invite you to join NORFED as a Redemption Center. Until then, stop the BS and learn the Truth about NORFED.