

1. Plaintiff Bernard von NotHaus d/b/a Liberty Dollar d/b/a Liberty Services is a natural person who has a residence in Vanderburgh County at 225 North Stockwell Road, Evansville, Indiana. 47715.

2. Defendant Henry M. Paulson, Jr is the Secretary of the Treasury of the United States, with offices at 1500 Pennsylvania Avenue, N.W., Washington, DC 20220.

3. Defendant Alberto R. Gonzales is the Attorney General of the United States, with offices at 950 Pennsylvania Avenue., N.W., Washington, DC 20530-0001.

4. Defendant Edmond C. Moy is the Director of the United States Mint, with offices at 801 9th Street, N.W., Washington, D.C. 20220.

II. **JURISDICTION**

All of the paragraphs in this Plaintiff's Complaint preceding and succeeding this Section II, "Jurisdiction", are fully incorporated in this Section II by this reference.

6. Jurisdiction is proper in this Court because the action is brought pursuant to Title 28, U.S.C., § 2201 and Rule 57, Fed. R. Civ. P.

7. Plaintiff von NotHaus has standing to bring this action as he is directly affected and threatened by the adverse actions of the Defendants or the immediate prospect of adverse actions by the Defendants, as further set forth in "Section IV - Factual Background" of this Complaint.

III.

VENUE

All of the paragraphs in this Plaintiff's Complaint preceding and succeeding this Section III, "Venue", are fully incorporated in this Section III by this reference.

8. Venue lies in the Southern District of Indiana, Evansville Division, because the Plaintiff maintains a business office and presence in the District and all of the Defendants likewise maintain a presence and do business in this judicial District.

IV.

FACTUAL BACKGROUND

All of the paragraphs in this Plaintiff's Complaint preceding and succeeding this Section IV, "Factual Background", are fully incorporated in this Section IV by this reference.

9. Plaintiff von NotHaus has supervised the production and distribution of the Liberty Dollar for over eight (8) years through NORFED, Inc., a corporation, which is now dissolved. Mr. von NotHaus is the originator of the Liberty Dollar, a private voluntary barter currency and has always held all rights to its production and distribution.

10. The Liberty Dollar is a "private voluntary barter" currency, which is not and has not been represented as "legal tender", "coin" or "current money" in these United States. At issue in this case are the gold and silver "medallions" (as they were referred to by the US Mint) also known as "Gold Libertys" and "Silver Libertys" produced by von NotHaus under the Liberty Dollar name.

11. In 2006, the US Mint posted a warning regarding Liberty Dollar on its website (<http://www.usmint.gov/consumer/index.cfm?action=hotitems>) under the designation "Consumer

Awareness – Hot Items”. The warning, which is produced in its entirety as Exhibit 1 to this Complaint, states, *inter alia*, that :

The United States Mint and the United States Department of Justice have received inquiries regarding the legality of these so-called "Liberty Dollar" medallions. The United States Mint urges consumers who are considering the purchase or use of these items to be aware that they are not genuine United States Mint bullion coins and they are not legal tender. These medallions are privately produced products and are not backed by, nor affiliated in any way with, the United States Government. Moreover, prosecutors with 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. (Emphasis Supplied)

* * *

Therefore, NORFED's "Liberty Dollar" medallions are specifically intended to be used as current money in order to limit reliance on, and to compete with the circulating coinage of the United States. Consequently, prosecutors with the United States Department of Justice have concluded that the use of NORFED's "Liberty Dollar" medallions violates 18 U.S.C. § 486.

12. In addition, the Chief Counsel of the US Mint sent a letter dated September 19, 2006 to various individuals and entities, including the plaintiff, taken from the Liberty Dollar website which states, *inter alia*, that

“...you [the addressee]...may be engaged in the distribution, passing or uttering of “Liberty Dollar” coins. The purpose of this letter is to advise you that prosecutors with the Department of Justice have determined that such activities are a crime, in violation of 18 U.S.C. §486”.

A copy of one of the letters sent by the US Mint is attached as Exhibit II. Upon information and belief, approximately 60 of such letters were sent to individuals and entities who were involved with Liberty Dollar.

13. The basis for the claims of the US Mint or the Justice Department or both is that the circulation of the Liberty Dollar is in violation of 18 U.S.C. § 486 which provides that:

§ 486. Uttering coins of gold, silver or other metal

Whoever, except as authorized by law, makes or utters or passes, or attempts to utter or pass, any coins of gold or silver or other metal, or alloys of metals, intended for use as current money, whether in the resemblance of coins of the United States or of foreign countries, or of original design, shall be fined under this title or imprisoned not more than five years, or both.

(June 25, 1948, ch. 645, 62 Stat. 709; Pub. L. 103-322, title XXXIII, Sec. 330016(1)(I), Sept. 13, 1994, 108 Stat. 2147.) (Emphasis Supplied)

14. Plaintiff von NotHaus and, to the best of his knowledge and belief, individuals in the Liberty Dollar organization have not represented the Liberty Dollar as legal tender or “current money”. Liberty Dollar has encouraged persons who utilize the barter currency to offer it to merchants as barter payment for goods and services but not as “legal tender” or “current money”. Thus, the use of a gold or silver Liberty “medallion” as a “private voluntary barter currency” does not violate 18 U.S.C. § 486.

15. As a direct and proximate result of the posting of the warning on the US Mint website, persons who previously acquired Liberty Dollars and other persons who had expressed interest in owning Liberty Dollars have virtually disappeared and have not ordered additional Liberty Dollars. The resulting “chilling effect” of the US Mint’s website warning and the letter of US Mint’s Chief Counsel on the marketplace has caused substantial economic damage to the plaintiff and others who use the Liberty Dollar as a “private voluntary barter currency”. The damages incurred were caused directly by the Mint’s website admonition and subsequent letter stating that the use of the Liberty Dollars “as circulating currency is a Federal crime”.

16. As a direct consequence of the US Mint’s admonitions, the plaintiff, and to the best of his knowledge and belief, other users of Liberty Dollars fear imminent criminal prosecution by the Justice Department if they continue the use of Liberty Dollars. Thus, the

plaintiff and others similarly situated, have a substantial controversy with the US Mint in which the parties have adverse legal interests of “sufficient immediacy and reality to warrant the issuance of a declaratory judgment” by this Court.

V.

CAUSES OF ACTION

All of the paragraphs in this Plaintiff’s Complaint preceding and succeeding this Section V, “Causes of Action”, are fully incorporated in this Section V by this reference.

A.

Declaratory Judgment

17. Plaintiff von NotHaus requests that the Court declare that the manufacture and distribution of the gold and silver Liberty Dollar medallions by the plaintiff and other persons who receive the medallions are not in violation of 18 U.S.C. § 486 provided they are not represented as “legal tender”, “coin” or “current money”. Plaintiff von NotHaus further requests that the Court declare that the Liberty Dollar is a private voluntary barter currency.

B.

Request for Permanent Injunction

18. Pursuant to Rule 65, Fed R. Civ P., without limitation, Plaintiff von NotHaus requests that the Court enter an injunction barring Defendants from publicly or privately declaring that the Liberty Dollar is an illegal currency. Plaintiff von NotHaus further requests that the Court order Defendant US Mint to remove or retract the current website warning regarding Liberty Dollar (Plaintiff’s Exhibit 1) from its website and to cease from engaging in any further publication of statements which conclude or imply that the use of the Liberty Dollar is a Federal crime.

VI.
RESERVATION OF ADDITIONAL CAUSES OF ACTION

All of the paragraphs in this Plaintiff's Complaint preceding and succeeding this Section VI, "Reservation of Additional Causes of Action", are fully incorporated in this Section VI by this reference.

19. Plaintiff hereby expressly reserves the right to amend this Plaintiff's Complaint to, without limitation, plead any additional facts and/or causes of action which may be justified by the discovery in this case or by any other matter or development.

VII
EXPEDITED TREATMENT

20. In accordance with Rule 57, Fed. R. Civ. P., the Plaintiff respectfully requests this Court to order a speedy hearing on this matter and advance this action on the Court's calendar.

VIII.
PRAAYER

All of the paragraphs in this Plaintiff's Complaint preceding and succeeding this Section VII, "Prayer", are fully incorporated in this Section VII by this reference.

WHEREFORE, PREMISES CONSIDERED, Plaintiff prays that the Court summon Defendants to appear and answer, and that on final hearing before this Honorable Court Plaintiff have judgment from this Court from and against Defendants for the following:

- (a) declaratory relief as more particularly described in Section V above;
- (b) injunctive relief as more particularly described in Section V above;
- (c) Plaintiff's reasonable attorney's fees;
- (e) Plaintiff's costs of suit;
- (f) any and all such other relief, whether in equity or at law, to which Plaintiff may

be entitled.

All of the above relief in subparagraphs (a) through (f) of this Section VII, "Prayer", is sought pursuant to any and all applicable laws and statutes and equitable doctrines.

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ATTORNEYS FOR PLAINTIFF
BERNARD VON NOTHAUS

NORFED's "Liberty Dollars"



Source: NORFED, Inc.

The National Organization for the Repeal of the Federal Reserve Act and the Internal Revenue Code (NORFED) is producing and marketing gold and silver medallions that NORFED calls "Liberty Dollars." The United States Mint and the United States Department of Justice have received inquiries regarding the legality of these so-called "Liberty Dollar" medallions. The United States Mint urges consumers who are considering the purchase or use of these items to be aware that they are not genuine United States Mint bullion coins and they are not legal tender. These medallions are privately produced products and are not backed by, nor affiliated in any way with, the United States Government. Moreover, prosecutors with 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.

Consumers may find advertisements for these medallions confusing and should take note of several issues related to them.

First, the advertisements refer to the product as "real money" and "currency." These medallions might look like real money because they—

- Bear the inscriptions, "Liberty," "Dollars," "Trust in God" (similar to "In God We Trust"), and "USA" (similar to "United States of America"), and an inscription purporting to denote the year of production; and
- Depict images that are similar to United States coins, such as the torch on the reverses of the current dime coin, 1986 Statue of Liberty commemorative silver dollar and 1993 Bill of Rights commemorative half-dollar, and the Liberty Head designs on the obverses of United States gold coins from the mid-1800s to the early 1900s.

However, despite their misleading appearance, NORFED "Liberty Dollar" medallions are not genuine United States Mint coins and they are not legal tender.

Second, the advertisements confusingly refer to NORFED "Liberty Dollar" medallions as "legal" and "constitutional." However, under the Constitution (Article I, section 8, clause 5), Congress has the exclusive power to coin money of the United States and to regulate its value. By statute (31 U.S.C. § 5112(a)), Congress specifies the coins that the Secretary of the Treasury is authorized to mint and issue and requires the Secretary to carry out these duties at the United States Mint (31 U.S.C. § 5131). Accordingly, the United States Mint is the only entity in the United States with the lawful authority to mint and issue legal tender United States coins.

Under 18 U.S.C. § 486, it is a Federal crime to utter or pass, or attempt to utter or pass, any coins of gold or silver intended for use as current money except as authorized by law. According to the NORFED website, "Liberty merchants" are encouraged to accept NORFED "Liberty Dollar" medallions and offer them as change in sales transactions of merchandise or services. Further, NORFED tells "Liberty associates" that they can earn money by obtaining NORFED "Liberty Dollar" medallions at a discount and then can "spend [them] into circulation." Therefore, NORFED's "Liberty Dollar" medallions are specifically intended to be used as current money in order to limit reliance on, and to compete with the circulating coinage of the United States. Consequently, prosecutors with the United States Department of Justice have concluded that the use of NORFED's "Liberty Dollar" medallions violates 18 U.S.C. § 486.

Source: <http://www.usmint.gov/consumer/index.cfm?action=hotitems>



DEPARTMENT OF THE TREASURY
UNITED STATES MINT
WASHINGTON, D.C. 20220

September 19, 2006

Bernard von NotHaus
225 N. Stockwell Road
Evansville, IN 47715

Dear Sir/Madam,

In response to numerous inquiries received by the United States Mint and the United States Department of Justice, the United States Mint has issued a public statement on "Liberty Dollar" medallions produced, sold, and sponsored by the National Organization for the Repeal of the Federal Reserve Act and Internal Revenue Code (NORFED). The statement explains that these medallions are not backed by, or affiliated with, the United States Government, and that prosecutors with the Department of Justice have determined their use as circulating money is a Federal crime. This statement appears at the following URL: <http://www.usmint.gov/consumer/index.cfm?action=HotItems>

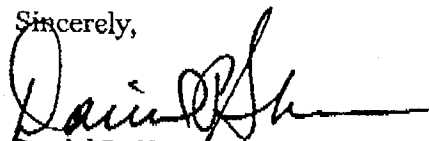
By statute (31 U.S.C. § 5112), Congress specifies the coins that the Secretary of the Treasury is authorized to mint and issue and requires the Secretary to carry out these duties at the United States Mint (31 U.S.C. § 5131). Accordingly, the United States Mint is the only entity in the United States with the lawful authority to mint and issue legal tender United States coins.

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According to information from NORFED's website, you are listed as a "Regional Currency Officer" for NORFED and, as such, may be engaged in the distribution, passing, and uttering of "Liberty Dollar" coins. The purpose of this letter is to advise you that prosecutors with the Department of Justice have determined that such activities are a crime, in violation of 18 U.S.C. § 486.

Please refer to <http://www.usmint.gov/consumer/index.cfm?action=HotItems> for additional information.

Sincerely,



Daniel P. Shaver
Chief Counsel