

*"Paper is poverty.... it is only the ghost of money, and not money itself." - Thomas Jefferson 1788*

# DGC Magazine

**The Truth About Digital Gold Currency, James Turk**

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July 2008

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# THE TRUTH ABOUT DIGITAL GOLD CURRENCY

By James Turk, [GoldMoney.com](http://GoldMoney.com)

As the inventor of digital gold currency (DGC), I am compelled to respond to the spate of recent articles that focused upon the dark-side of my invention. The initial article appeared last month in Canada's *Globe & Mail*, which in turn sparked a mini-frenzy on the Internet. Now that this frenzy has passed, an objective and unemotional look at DGC makes sense to set the stage right.

To begin, there is one basic point to keep in mind. DGC is a tool, and like all tools, it can be used for good or bad purposes. So if an article focuses on DGC's potential for misuse, it is misleading at best, and deceptive at worst. One therefore must consider whether the article was planted for a specific purpose. That is a reasonable supposition given that gold is the essential ingredient of DGC. Gold is what makes DGC valuable, unique and so useful, but more to the point, gold is the prime target for apologists of fiat currency. Their anti-gold propaganda takes many forms, so read between the lines of those articles reporting that "*criminals may be exploiting Internet-based companies that convert cash into electronic gold*".

Note the "*may be*" in the above quote. Ambiguous language like that is clearly aimed to appeal to one's imagination rather than provide hard facts.

First and foremost, DGC is a technological advancement, as evidenced by the several US patents that have been awarded to me for this invention. DGC is a new type of currency, and in legal-speak advances the 'prior art'. In other words, when an invention builds upon the existing body of knowledge in order to create a more useful, advantageous product, it is patentable.

DGC's principal achievement is the elimination of payment risk. Making a payment with gold is

79  
**Au**  
Gold

different than making a payment with national currency. Gold is money, but national currencies are just a money substitute. There is an important difference between them. For an exchange in the marketplace to be "extinguished", assets have to be exchanged for assets. So if one uses gold to buy a car, for example, an asset (gold) is being exchanged for an asset (the car), and the instant the assets

change hands, the exchange is extinguished. There are no lingering obligations. But consider this transaction if one uses a national currency, i.e., a money substitute.

The national currency is not a tangible asset; it is a deposit liability of a bank. Therefore, the buyer in this exchange walks off with the car (an asset) and the seller walks off with a money substitute (a bank's liability), so the exchange is not extinguished. There is a lingering obligation until the seller successfully exchanges the national-currency money-substitute for a good or service.

Thus, money substitutes introduce a risk into the transaction that does not exist when using gold. It is payment risk, and it exists because the recipient may not be able to purchase a good or service with the money substitute received in a transaction. Payment risk means that the money substitute may lose all or some of its value before it can be exchanged for items of value.

For more than 300 years, we have been using money substitutes in commerce. Their problems are obvious. Paper currencies often become worthless if banks fail, or when central banks pursue reckless policies that erode – and in some cases destroy – the value of the currency.

Furthermore, money substitutes are expensive. They are based upon credit, and it is costly to monitor creditworthiness. Also, money substitutes do not circulate efficiently in online commerce. There are significant costs when converting one currency to another, and more importantly, with national currencies it is not possible to make instantaneous and non-repudiable 24/7 payments, which have become important requirements for

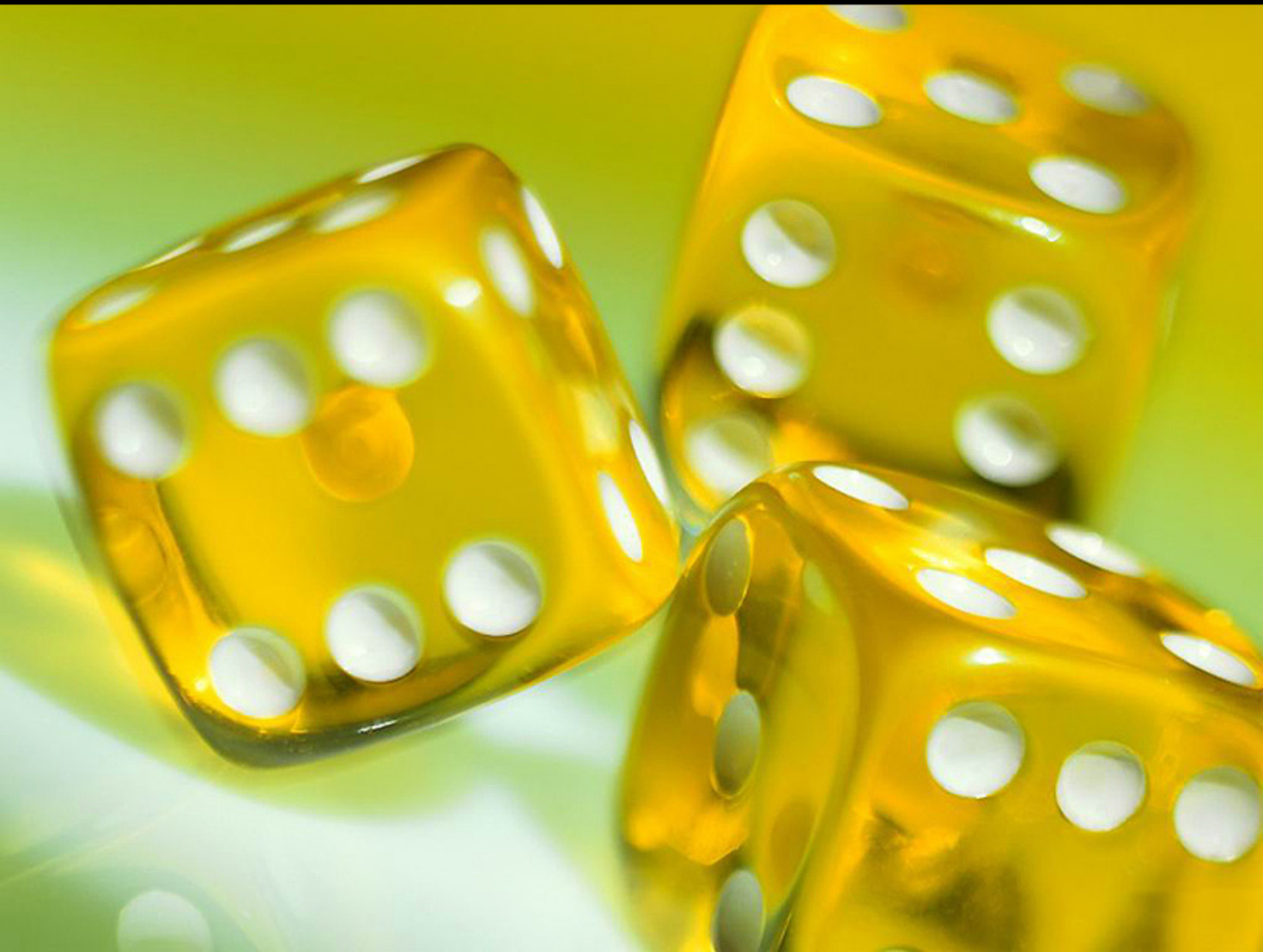
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global online commerce. In short, while money substitutes have more or less met the needs of the marketplace up to now, they have become inadequate.

Fortunately, modern computer and communications technologies make possible new forms of currency, even private free-market digital gold currency like that issued by my company, GoldMoney. Like all companies, we are driven by bottom-line goals. Our objective is to earn a profit, in contrast to the often capricious and harmful political aims under which central bankers operate. In this regard, the words of Nobel Laureate F.A. Hayek speak volumes:

***“Does anyone really believe that in the industrial countries of the West, after the experience of the last half-century, anybody trusts the value of government-sponsored money more than he would trust money issued by a private agency whose business was understood to depend wholly on its issuing good money?”***

Currency evolves with new technology. For example, coin was largely supplanted by paper, which in turn was largely supplanted by checks, which has now been largely supplanted by plastic cards. Currency is still evolving, and global online commerce creates new demands. What’s more, the high cost of operating our present currency system of money substitutes is a burden, particularly when considering that the technology exists today to significantly lower these costs. Here’s what Alan Greenspan had to say about the importance of new technologies in April 2000:

***“The Federal Reserve also clearly recognizes the need to foster innovation in the private sector and to help remove barriers to the development and adoption of new payment services for electronic and traditional commerce... If we wish to foster financial innovation, we must first be careful not to impose rules that inhibit it, and we must be especially watchful that we not unduly impede our increasingly broad electronic payments system.”***

This potential exists today for the Internet to fundamentally and forever change bank payment systems. As a consequence, look for new companies to exploit these new technologies, and in the process, create – as GoldMoney has already created – a technologically advanced currency that once again is money, and not a money substitute.

In order to achieve this vision, GoldMoney has done everything possible to mitigate the risks alluded to in the *Globe & Mail* article. We operate in the Channel Islands, a sovereign country that is one of the world’s major financial centers and where all customer data is kept safe and secure. In order to help make sure a criminal element is not attracted to GoldMoney, we follow the same know-your-customer and anti-money laundering rules that have been adopted by financial institutions worldwide. The Channel Islands are considered to be one of the best jurisdictions in this regard, so companies that operate there and follow the letter of the law – like we do – are not a target for hostile government action.

Lastly, it is unfortunately true that there are some rogue operators out there. Governments no doubt will target those companies. Regardless, I expect that the few rogue operators remaining will fall by the wayside soon enough. Maybe then DGC will be recognized for what it really is – an important technological breakthrough that offers many benefits by enabling gold to circulate once again as currency.

James Turk is the Founder & Chairman of GoldMoney.com <http://goldmoney.com> He is the co-author of *The Coming Collapse of the Dollar*, which has been updated for a newly released paperback version, now entitled *The Collapse of the Dollar* [www.dollarcollapse.com](http://www.dollarcollapse.com)

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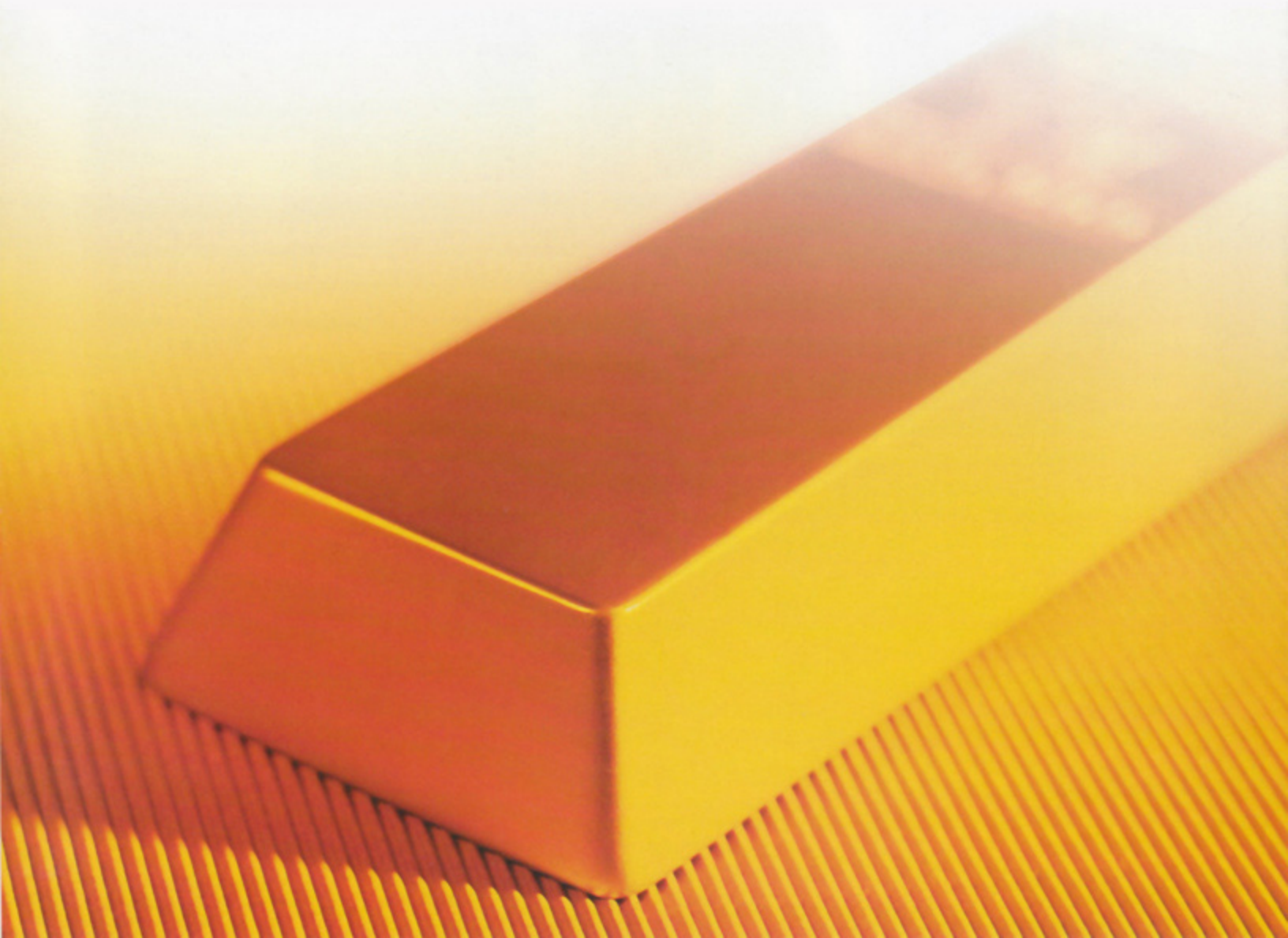
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# Against Revolution

by Paul Rosenberg



Art by Banksy

This month I prove that I don't just preach to the choir.

A lot of people have become unhappy with me for bringing up this subject. But, I think it matters a great deal, and I think it matters most to the people who may not like it initially. Here we go:

## REVOLUTION: WHAT IS IT?

Let's start with the word itself: People use it in all types of ways, but this article concerns the desire for some type of political revolution.

My complaint is four-fold:

1. That revolution leads to barbaric thinking; to us-them hatreds.
2. That revolution leads to power grabs.
3. That revolution is an appeal to magic.
4. That revolution is the wrong path for improvement. It doesn't work.

I'll begin at the top of the list.

## US-THEM REVOLUTIONS

There has been a half-Leninist "revolution" ideology going through libertarian circles for several years now, and it is a horribly destructive thing. It drags otherwise sensible people into party groupings. In specific, it has created a classic excluded middle situation: Either you loudly proclaim George Bush the devil, or you are siding with evil.

I'm not really exaggerating on this point. People don't usually state it as strongly as I do above, but they feel it that strongly: Express our emotions or you are evil, and that's it!

Now, I'm not personally a fan of Bush, but almost every time I try to raise a little bit of perspective on the issue, I am called a neo-con sympathizer, a war-monger, and a crypto-statist. You see? I became the enemy because I didn't hold to proper revolutionary dogma.

This is simply barbaric thinking. What if I thought I agreed with Bush? Would that make me a blood-drinking zombie? At least a hundred million people are sympathetic to G.W., and most of those folks live fairly normal lives.

This type of revolution always develops into a Group Polarization situation. It works this way:

When a group of people with the same opinion remain in a single room, that opinion moves inevitably to the extreme.

Many tests have been done, with widely-varied groups; it happens every time. People in self-contained groups get more and more polarized, and ever-harsher toward any group that they see as their opponents.

In addition, this type of revolutionary almost always goes after the wrong targets. For instance, the "revolutionaries" of my youth went after the US government at all turns. Now, it is certainly true that the US government was doing immoral things, but, these revolutionaries gave the Soviet Union a free pass at all times, and praised the USSR as morally superior!



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The USSR! The gang that killed millions of their own people for holding the wrong ideas! That purposely starved millions of Ukrainians to death! That backed Pol Pot! And the list goes on!

Barbaric thinking.

## **REVOLUTION AS A POWER GRAB**

The great modern “revolution” occurred in the 1960s. But the real story has been lost to the history books. (Though Tom Wolf – one of the few popular and serious writers of our time – records it in *The Electric Kool-Aid Acid Test*.)

Now long-forgotten, the truth is that political types hijacked the 1960s from the free-love hippies. In other words, Bill and Hillary, et al, stole the movement from people who wanted to turn their backs on coercion in all its forms.

Wolf places the turning point in Oakland, in 1966, where the anti-coercion folks held a huge rally that was forcibly taken over by the “organize the people!” group. The anti-coercion folks ended up driving their buses off into the woods, and the power-mongers took over. The best part of the 1960s ended on that day.

From that time on, the “youth movement” was led by power-hungry 20-somethings in bell-bottoms and tie-dyed shirts. (The new uniform.) Notice that the vast majority of these people ended up in government or educational institutions of one sort or another. (Jerry Rubin was a notable exception.)

Revolutions are about taking over the existing mechanisms of power. For anyone who wants to minimize or abolish centralized authority, that is a really silly thing to do.

## **MAGICAL REVOLUTION**

Revolutionaries think that they have found magic ideals, and that the world will swiftly become wonderful, if they can just push out the old leaders.

The best recent example of this error was the

invasion of Baghdad in 2003. By almost all accounts, the Bush squad thought that merely toppling the existing structure of power would lead to dancing in the streets and Western ideals breaking out all over. Needless to say, it didn't work.

Expecting masses of people to change their minds all at the same time is almost crazy – it just doesn't happen.

## **WASTEFUL REVOLUTION**

First of all, serious political revolutions lead to dead people. This is not productive.

Now, on a lesser scale: Think of all the time and effort people have spent hating Bush in the past five years. What has it produced?

What if all of those intellect-hours had been used to create new and better things, rather than merely complaining and keeping the faith pure? How many talented people routinely waste their best efforts this way?

And, for those of you who are unaware, this is precisely how intelligence operations neuter the masses. Get them to bitch and moan endlessly, give them a small victory here and there, and they end up doing nothing but complain forever. No more problem.

## **THE ALTERNATIVE**

The alternative to revolution is to change things the slow, hard way:

Build superior new technologies. Fight the long, slow, painful battles necessary to bring them into broad use. Persevere, struggle, and fight against the inertia of the world.

It's not nearly as glamorous, is it? But, it is real.

We in the digital currency industry are creating an over-build. We are not trying to rip-down the existing system, but to build a better system over and around it.

Not only is this a whole lot better than hating

politicians all day long, but it actually accomplishes the goal! If we build good enough systems, people will eventually use them. And if they like ours better, they will slowly abandon fiat-based systems.

Fiat currency is abandoned, gold is adopted – what's not to like!?

So, stop spending your life digging through endless piles of documents and proving that this year's political boss is wrong. Get to work and build something better!

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This article contains excerpts from a book Paul is working on now, entitled *The 21st Century: What Will Happen and Why*. You can find his work at <http://www.veraverba.com>

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## SPDR GOLD SHARES ETF NOW TRADING IN TOKYO

In a move to further enhance Tokyo as a global financial center, the Tokyo Stock Exchange has launched that nation's first bullion-backed, gold exchange-traded fund.

SPDR Gold Shares ETF begins trading June 30 in Tokyo. SPDR is sponsored by a subsidiary of the World Gold Council and is also traded on the New York Stock Exchange and bourses in Mexico and Singapore.

The Tokyo exchange has been studying the possibility of listing ETFs as a means of offering a variety of financial products in the effort to attract more large investors. Japan's parliament supports the new trading and has backed up this move with legislation which allows for the creation of commodity based ETFs.

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# Returning to Gold Money

By Steve Saville

The Speculative Investor

The following is an extract from a commentary originally posted at [www.speculative-investor.com](http://www.speculative-investor.com) on 15th June, 2008.

A lot of the world's problems stem from the abilities of the government and the banking system (the central bank and the private banks) to inflate the

supply of money.

This is because the inflation:

- a) distorts price signals, leading to the misdirection of valuable resources and slower economic growth,
- b) supports the expansion of government power and thus leads to a less-free society,
- c) benefits leveraged speculators and the asset-rich at the expense of conservative savers and the asset-poor, leading to greater wealth disparities than would otherwise exist and to resentment amongst those who are on fixed incomes or at the



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bottom half of the economic ladder, and **d)** supports the militaristic objectives of governments. The problem of inflation would not occur, however, if gold were the general medium of exchange because governments and banks cannot create gold. This prompts the following questions:

**1. How can we get from where we are now to the point where gold is money?**

**2. Will gold return to its historical role as the general medium of exchange within the foreseeable future?**

The first question is easy to answer. Most serious advocates of returning gold to its position as the official currency of the realm concoct detailed plans as to how a gold-based monetary system should be structured and implemented, but if gold truly is the best money then such plans are neither required nor desirable. All that would have to happen is the abolition of the central bank and legal tender laws, thus leaving the market free to choose the general medium of exchange. If gold is, as we believe, ideally suited to perform the monetary role, then market forces would inevitably cause it to recapture this role if such forces were allowed to operate.

Gresham's Law states that bad money chases out good money, but Gresham's Law only applies when legal tender laws force people to accept the bad money at face value. In the absence of legal tender laws the good money will chase out the bad because people will refuse to accept the bad money in exchange for their valuable goods, services and assets.

In other words, if gold is the best form of money then returning gold to its monetary role will not require any additional laws or institutions. It will, instead, simply require the removal of some existing laws and institutions. In particular, there should be nothing in a country's constitution that specifies what the general medium of exchange should be, and the government should certainly NOT be granted the power to coin or print money or to otherwise exert influence over the

supply of money. For example, the writers of the US Constitution committed a grave error when they stipulated what the money should be (gold and silver coin) and granted Congress the monopolistic right to coin new money, because in doing so they unwittingly opened the door to the monetary mischief that has since occurred. If the US Constitution had said anything at all about money it should have said something along the lines of:

"The government shall stay completely out of the money business".

The bottom line is that there should not be any "official" money. Based on thousands of years of history we can be very confident that if left to its own devices the market will choose gold, or the combination of gold and silver, as money, but the main point is that the market must be left to its own devices.

By the way, we don't mean to imply that the transition from the current government-managed monetary system to a new system based solely on market forces would be simple, smooth and painless. Mountains of debt and derivatives have been amassed on the premise that there will always be plenty of monetary inflation, so it might be necessary to phase the central bank out over a number of years rather than eliminate it in one fell swoop.

The second question is impossible to answer. Governments and banks will never willingly give up the right to create new money, so the only way that gold could ever again become the general medium of exchange is following the total collapse of the current system. In other words, it is very unlikely that the control of money could ever be wrested from the government and returned to the free market in the absence of a total monetary breakdown. And even then, there is no guarantee that a gold-based system would rise from the ashes of our current system.

Apart from the government/bank alliance's desire to maintain control of the money supply, ignorance is the biggest obstacle facing the return

of gold to its traditional monetary role. The vast majority of people, including some intelligent and thoughtful people, believe the dual fallacies that the supply of money must grow at a certain rate to support economic growth and that in times of stress the government can help the economy by increasing its borrowing/spending (financed by increasing the money supply). Also, very few people understand the link between the rising prices that they complain about and the increase in the supply of money, a lack of understanding that the representatives of governments and central banks take every opportunity to nurture. For example, the statements emanating from this weekend's meeting of G8 finance ministers were worded as if rising commodity prices were the CAUSE of the problem rather than a SYMPTOM of what was happening to money (as far as we can tell, the increase in the supply of money was not even mentioned). For another example, at this same meeting US Treasury Secretary Henry Paulson should have 'brought the house down' when, according to this article, he "urged countries to let markets work, not rely on subsidies". This really was a funny thing for him to say given that the subsidies and tariffs put in place to protect the US ethanol and sugar-growing industries are probably the second most important cause of rising grain prices. The image of a pot pointing at a kettle and yelling "You're black!" springs to mind, and yet most people take such statements at face value.

For some strange reason, despite the continual flood of lies spewing forth from the halls of government and the mountain of evidence that economic well-being and freedom from government meddling are positively correlated, there is a general distrust of the free market.

Free samples of Steve Saville's work can be found at

<http://www.speculative-investor.com/new/freesamples.html>

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## INTERVIEW WITH MR. STEVE RENNER OF CASHCARDS.NET THE NEW e-gold PRIMARY DEALER

*This was a message received by Cashcards.net customers last month.*

*From Steve Renner Cashcards.net:  
Cash Cards is now the Primary Dealer for E-Gold. We have been approved to Bail Bars of E-Gold in and out of the system. So if you have a large quantity of e-gold - 100 oz or more please contact us for special "Out-Exchange" Rates!*

**(Q) Steve, give us some good news! What does that mean "Primary Dealer" ?**

Hi Mark, Yes thanks for asking, we have been approved to be the Primary Dealer for e-gold, essentially taking over the function previously preformed by Omni Pay. We are the Exchange Service for the Exchange Services.

**(Q) Can you tell us what this new arrangement with e-gold means for users?**

This means that e-gold will become liquid again, and customers can feel confident in using e-gold as a method of payment knowing they can always sell their e-gold at any time.

**(Q) What might your additional buying and selling do for liquidity in the e-gold marketplace?**

This should make trading e-gold faster and easier for users, and encourage more people to use e-gold again as a chosen method of payment.

**(Q) To out exchange e-gold through your company today, what is my rate on a \$5,000 sell?**

Currently Out Exchange is running at 15%.  
\$5,000.00 would be \$750.00

**(Q) Can you forecast that e-gold exchange rates might drop in the coming months?**

This should reduce the exchange rates to back to levels they were at previously in the 3% - 5% range.

**(Q) For how many years has CashCards been in continuous operation?**

We originally started back in 1998 providing Internet Services. Cash Cards International, LLC was incorporated in 2001.

**(Q) Your debit card products are the longest running card in e-currency history. Many other cards have come and gone. What fuels your success?**

We are here for the long term. We pioneered this concept and understand the Card industry, and we understand the Digital Currency. Most of the other competitors have no clue what it takes to run a Card Service business. They get a fast reseller account with some provider who does not understand the Digital Currency business and end up out of business in a short time.

**(Q) What is the most popular product at Cash-cards?**

Obviously our Core Business is providing Cash Cards which can be funded with Digital Currency. We are the leaders in this niche market.

**(Q) Do you offer an affiliate program for those of us wanting to earn with you?**

Yes we have a 2-Tier affiliate program which pays \$20 on Direct Sales of our cards and \$10 on Indirect Sales.

**(Q) I see that your cards are listed in the Liberty Reserve directory. I know they have gotten really popular in the past year. How much of your monthly business comes from Liberty Reserve exchanges?**

Liberty Reserve has gained in popularity recently. They have a good system, and seem to be managed well. I expect to see growth in Liberty Reserve Exchange. Another popular Digital Currency is E-Bullion.

**(Q) How many card products does your**

**company offer at this time?**

We have been offering 2 main Card products:

1. Our Classic Card which is strictly an ATM debit card.
2. Our Premium Card which is essentially a Pre-Paid Credit Card.

**(Q) Do many customers get your Visa Card or is most of your business strictly the ATM cards?**

We pioneered the Digital Currency to Debit Card back in 2001. We first introduced Digital to Prepaid Credit Cards in 2005. Since then there has been a lot of overlap in the 2 cards, and since the pricing is nearly the same we have decided to phase out the debit card. We have now consolidated our service to offer just one card, our Premium Cash Card! And by the way, our Cash Cards have the Master Card Logo.

**(Q) What e-currencies do you accept for loading or exchange to a card?**

Currently we accept e-gold, Liberty Reserve, E-Bullion and V-Cash. Customers can also fund their cards with Bank Wire or Money Order.

**(Q) Do the cards work outside the US?**

Yes, they are International.

**(Q) This news, that e-gold has a quality-established new primary dealer. However, you chose not to put out a big time press release and seek additional news on this event. Why not?**

We are waiting to get the Exchange process running smoothly before we make a major announcement. Right now we are in the approval process to Out Exchange 2 Bars from the e-gold system.

**(Q) Are you confident that the e-gold company will survive and continue their operations in the years ahead?**

We are confident that e-gold has the physical gold in place to back the digital credits in the system. The court has allowed them to continue operations, for the benefit of the users of the system. This to us was enough of a vote of confidence to agree to accept the role as the Primary Dealer. As in many cases in the court system, (Like Bankruptcy)

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The diagram features the 'xgold.ca' logo in the center. To its left are the logos for 'e-gold' and 'pecunix money refined'. To its right is an illustration of a 'CANADIAN BANKS' building. Two curved arrows, one yellow and one green, form a circle around the central logo, indicating a flow or integration between the entities.

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Your Gold and Silver are truly yours, Anglo Far East is simply your custodian. You will receive the exact bar numbers of your 'London Good Delivery Bars' which can be verified by our independent third party auditor.



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Gold and Silver Bullion are vaulted in Switzerland in private vaults, insured by Lloyds of London.



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In a world where long standing financial institutions can be revalued overnight, Anglo Far East carries no counterparty risk, does not participate in fractional reserve banking, or carry liabilities with toxic debt exposure.



### TOTAL PRIVACY

Our legal structure resides outside the jurisdiction of most western countries, allowing a greater degree of privacy and additional layers of security.

**ALEX STANCZYK**

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outside companies will step in to perform certain functions normally handled by the company. This is the way I see our role here.

It will remain to be seen if the company will survive for the long term, this will be ultimately decided in the legal system. But for now, our goal is to make sure that no Legitimate e-gold customer is left out in the cold with no way to Out Exchange their Digital Credits.

**(Q) Are the CashCard products and operation considered a US business?**

Yes we are a Minnesota Corporation.

**(Q) Do you follow US compliance, regulations and the rules created by the Patriot Act for all US customers?**

Yes, we screen our customer database weekly through the World Tracker Database software. We also have proprietary screening process on all our customers to detect and prevent fraud, and protect the integrity of our service. We cooperate with Law enforcement, Postal Inspectors, FBI, US Courts and Courts Of Legal Jurisdictions.

**(Q) Your company also operates the e-currency V-cash. How long has V-cash been around?**

V-Cash was started in 2001.

**(Q) Does V-cash have independent exchange agents?**

No not officially, but anyone is free to trade it.

**(Q) Does V-cash have many online merchants accepting the e-currency?**

There are a few, but we do not actively promote it at this time. Our long range plan is to take V-Cash more main stream in head to head competition with Pay Pal as a standard method of Online Payment.

**(Q) Is your debit card loading automated? In other words if I sell e-currency, does it appear right away on my card?**

No you have to physically make a load request to your card. Then we load the cards on a daily basis.

**(Q) Do you have a target market you cater to**

**with the V-cash product?**

Yes we provide payment services for individuals and businesses which allow them to make payments around the world in real time which can be placed on a Cash Card and used to make purchases or drawn out in the local currency.

**(Q) Does CashCards only rely on affiliate marketing or does the company also do any sort of mainstream advertising?**

We use strictly word of mouth advertising.

**(Q) Why with the potential legal issues e-gold is facing did you decide at this point in the game, to become more involved?**

This is to help our customers, who have monies tied up in e-gold and need to get it back out of the system. We have gone as far as we can go in advancing money to our customers. Someone had to step up and take responsibility for ensuring people get their money. As I see it, e-gold and digital currency itself is not on trial, this has become a Mainstream Accepted way of doing business. (Look At Ebay/Pay Pal) The main problem is, as with any system (like our Banking System), outside people abusing the system for illegal purposes. Money Laundering, Drugs, Gambling, Pornography, etc.. etc...

**(Q) I know you have tremendous experience with Internet marketing, what else are you working on in that area readers might want to learn about?**

Over the years we have gained a tremendous amount of knowledge and expertise in Internet Marketing. We have expanded our core business to include other Internet Services including:

- Web Hosting
- Email Marketing/Auto-Responder
- Directory Listing
- Linking Services
- Blog Services
- Online Training Services

The company is called iNet Global and we have a "Killer"Affiliate program that you could really make some money with. <http://www.inetglobal.com>



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**Panama**

**(Q) If I wanted to become a CashCards affiliate, how do I get signed up as an affiliate and how much can I make?**

Anyone can sign up as a Cash Cards Member, it's Free. Members are automatically enrolled in our Affiliate Program. You can potentially earn money but there are no guarantees.

**(Q) I read an article you wrote entitled, "Modeling Success". You say a smart way to finding business success is to study successful people and 'model' them or build a similar. It was very good advice.**

Thank You!

**(Q) Can you share with us the people you model in your own life?**

I have modeled Jimi Hendrix, He's my idol. Stevie Ray Vaughn is one of my hero's too. You might have guessed I'm a blues guitarist. Internet Marketing is just my Day Job.

**(Q) You have written a lots of articles recommending gold coins which do you prefer the actual gold coins or digital gold locked away in a secure foreign located vault?**

On a smaller scale I like coins, because I can hold on to them, as opposed to Digital Credits that represent gold in a vault somewhere.

But they are not practical all the time. At some point you would have to have them.

**(Q) A lot of people have been predicting dome and gloom for the US economy. However, I can't find any articles by you that might forecast economic depression. Where do you see the US economy headed in the next 2-3 years?**

I am not an economist, but I see hard times ahead for a lot of people. I see the entire economy moving online. People will work from home, or wherever they are on their computers as opposed to commuting to a building somewhere.

Those business that fail to adapt will go the way of the Buggy Whip company. They will just no longer be viable. Now is the time to learn everything you can about Online Business. and Internet Marketing.

Your future and your children's future depends on it.

***I'd like to thank Steve for answering my questions and wish him best of luck with CashCards.net.***

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## **VIETNAM HAS SUSPENDED ALL GOLD IMPORTS**

**Concerns about the weak local currency and the falling USD are driving huge local demand for gold.**

Vietnam's communist government in Hanoi has just temporarily banned all gold imports into the country.

Hanoi has withdrawn licenses for any further imports of gold. This move is desperate attempt to control the country's trade deficit and support the depreciating local currency (the 'Dong', *no offense intended*).

So far this year, Vietnam's trade deficit has already tripled, local stock and real estate markets are dropping fast and consumer inflation is at 25% year on year.

For the first half of 2008, Vietnam has imported around 60 tonnes of gold valued at \$1.8 billion USD which is a 100% increase over the same period in 2007. This record importing of gold bullion has now made Vietnam the world's largest market for gold bullion which has also passed both India and China.

Last month in an effort to slow imports the government doubled the incoming duty on the yellow metal but it had no effect on demand. With their local currency dropping fast, this move to suspend all gold imports will cut domestic supplies and certainly send buyers scrambling for hard assets.

*Article by Clarence W.*

# The Washington Post VS Webmoney Transfer

**A recent Washington Post article attempts to paint Webmoney Transfer, a very successful global business, as a recent entry into the online payments marketplace for the specific purpose of serving child porn users. Nothing could be further from the truth.**

***“Duck, Cover and Roll-- Webmoney Digital Currency is evil because the Washington Post says so....!”***

Brian Kreps wrote a article for the Washington Post online yesterday. In a round-about-way his article unfairly attempts to ‘demonize’ Webmoney Transfer by directly linking the multi billion dollar a year company to illegal online child pornography. The article wrongly depicts Webmoney as a system that was recently created to service users wishing to circumvent US law. This is not true and nothing could be further from the truth. Webmoney was created almost a decade ago to serve the local Russian market.

It is important to understand the global nature of Internet Digital Currency.

--You can't force the Internet world outside of the United States to comply with the Patriot Act.

--Other financial systems in far off nations were not built around social security numbers and credit ratings.

--Many entire foreign populations don't use credit cards.

--More people around the globe have cell phones than have bank accounts.

The biggest outrage with the Washington Post story in taking a ‘US only’ view of digital money, is the vast ignorance shown by those who attempt regulate and report such matters. Webmoney

Transfer is a non bank online payment solution for Internet users. It is very popular, amazingly convenient and it was created for people who don't have access to conventional banking or a credit card.

The basic Webmoney account is called an ‘Alias’ account. It does not require ID or address verification and it never has. For almost a decade, Webmoney users have operated ‘Alias’ accounts. They are not new.

It is a safe & simple digital money account which anyone can open and instantly use. It was developed for the market in and around Russia which is sometimes a region where conventional banking is scarce and plastic does not work. Webmoney Transfer, also works well for that same user group all around the world.

The Webmoney ‘Alias’ account does NOT require identification documents and users have never needed a credit card, bank account or Patriot Act approval to operate this handy account.

This account structure or profile is how the digital money world works outside the United States, read on and learn.....it's a rapidly expanding universe and the Washington Post won't be able to marry child pornography to every future successful online system.

## **Is Webmoney A Tool Of The Devil As Washington Would Have You Think?**

Webmoney is a practical solution to Internet commerce.

Around the globe there are over 35,000 funding locations, where anyone can add money to their Webmoney account. That is...walk in with cash, load your online account, no credit needed.

In and around Russia there are 150,000+ ATMs and kiosks, about half of which are maintained by a person, where anyone can walk up with cash and instantly load their Webmoney Account. Most of them are ATM type machine



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and cash feeds right into.

They have cash to digital funding partners around the globe including CashU, paysafecard and UKash. Consequently, all over Europe, UK and the Middle East verified Webmoney account holders can fund their online accounts with cash through one of these licensed and regulated payment 'partners'

Webmoney Transfer is a fine solution for non US users. This payment system was not created in the United States, is it not Patriot Act compliant & it does not require a credit card to operate. God bless the Russians for this global e-commerce solution. This is a digital cash type system as are dozens of other similar non-US online payment solutions. It was created to fill a need and operate outside the United States.

No US regulators are going to get away with trying to tell the entire Internet world, "You must comply with how we want things done in the US." Global regulation does NOT occur that way.

Webmoney was born in Russia and created for the average Russian person almost a decade ago. It is a very popular and successful system and much loved around the world. The Washington Post, and the Enquirer can publish all the stories they want claiming Webmoney was created to service crooks and child porn users, but the facts tell us a different story. While I often enjoy Mr. Krebs's writing and have for years now, this article is slanted to offer a very ignorant 'US Only' view of the digital money world.

Webmoney DID NOT spring up last month in order to better service child porn networks as the Washington Post would have you think.

We have all heard the line, "Fool me once shame on you, fool me twice shame on me." Well...in the past two years the press has been very successful in fusing e-gold to child porn but shame on the Washington Post for

trying to do the same with Webmoney.

Webmoney Transfer is considered by the industry to be the most convenient and easy to use non-bank online payment system in the world today.

Neither US regulators, Congress nor the press have a clear understanding of exactly what digital currency is.....they see a new technology and they automatically compare it to PayPal, a credit card processor.

Here is a newsflash for all you Washington types, the entire round Internet finance world does not fit into PayPal's square hole and you can't force it in.

The last photo I saw on the Webmoney site was Dmitriy Medvedev, the newly elected Russian president, at the Russian Internet Forum RIF-2008 in April, visiting with Peter Darakhvelidze, Director of Webmoney Corporate Affairs.

That photo and the long successful operating history of Webmoney Transfer doesn't seem to reflect the same attitude as the Washington Post's article.

Value transfer systems are becoming more and more like cash and Washington will not find solutions to the issues if they don't even understand the problem. Trying to persuade the world, digital money is evil, by using the local press is taking a blindfolded attempt at regulating a global industry.

Brian, just for the record, Dr. Douglas Jackson from e-gold was one of the original members of the Financial Coalition Against Child Pornography, it was not just formed by credit card issuers.

*Article by Mark Herpel*

## LIBERTY RESERVE GOLD BACKING ALMOST COMPLETED

6/25/2008 from the Liberty Reserve blog which is the best original source of company information

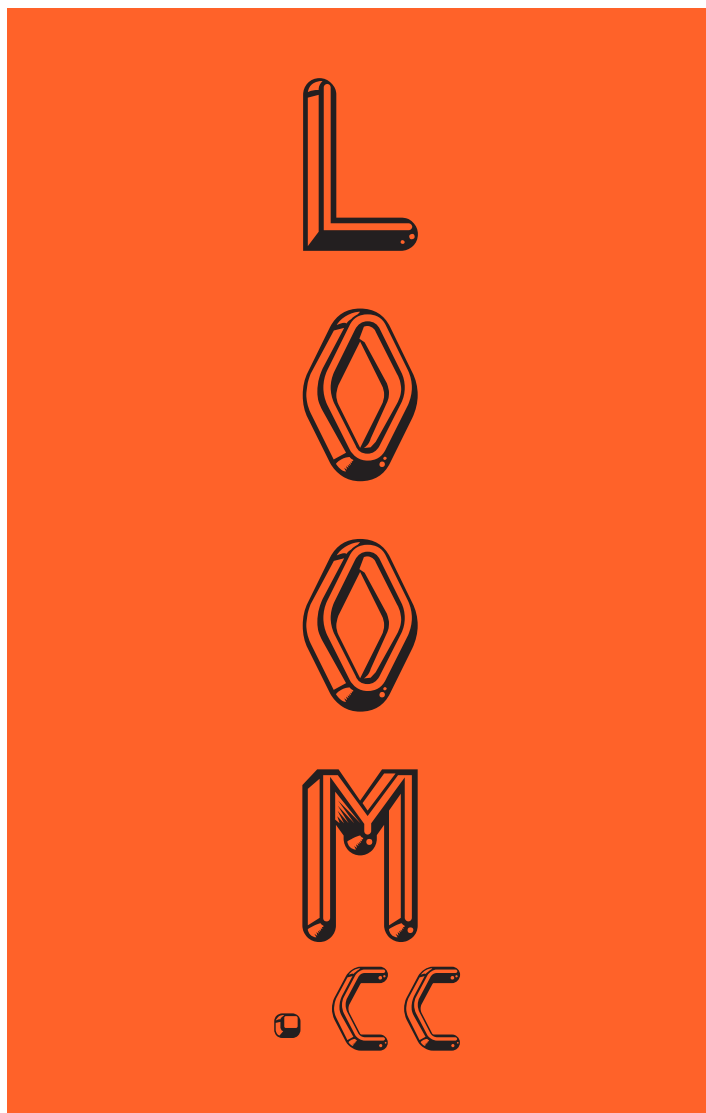
( <http://blog.libertyreserve.com/> )

### Gold backing is coming.

Dear friends,

After a thorough and careful research we have found the best solution for our members for gold storage. We are in final stages of signing necessary documentation and preparing the allocated storage. The allocated storage will be audited twice a year and audit information will be publicly available on-line in the upcoming new version of Liberty Reserve software. Physical location of gold will be in Europe, under the management of well known and reputable metal depository entity.

Stay tuned for more exciting news from Liberty Reserve team.



# The Little Red Hen's Silver Nest-egg

by Pastor James Fleming

*Please note the following is not investment advice. Do not construe what I say as an appeal for you to take similar action. I am not giving investment advice, just answering a reader's questions by letting you look over my shoulder. If you do something similar, do it because you are personally convinced by your own research that it is the right thing to do.*

*To protect myself against "rising prices," I have replaced some Federal Reserve Notes (a currency of diminishing value) with hard assets of silver and gold. SG wants to know how to prepare for the rising price of stuff.*

*Let me answer this question on two levels. First, we'll talk theory. Then, we'll get practical.*

Okay, let's talk theory. It may take you a little time to wrap your mind around this statement, but here goes: A loaf of bread is worth a loaf of bread. (Wow - deep!) What we call "rising prices" are not the product of things becoming more expensive. "Rising prices" are a commentary on the diminishing value of a currency. When the price of gas doubles, it is not because the "expensive gas" is twice as good as the "old gas." Rather, the dollars used to purchase gas have become worth half of their former selves.

What we call "inflation" is simply another word for "devaluation." Discipline yourself to replace phrases like "the rate of inflation" with "the rate of devaluation" and it can help you see what is moving and what is not. Seated in a passenger car on a fast moving train, everything close to you seems stationary. Look through the window and everything else seems to be in motion. But from behind the wheel of a car stopped at the railroad crossing, the train is a blur of motion, while all else is stationary. The word, "inflation," describes how things appear from within a fast moving train of currency devaluation. But all the stuff in the world



isn't going anywhere. Step off the train and you see that the only thing in motion is the value of the currency.

This makes answering SG's question quite simple. In a world of steady "inflation:" Hold as little currency as possible (it is going down in value) and convert as much as possible into stuff that holds its value. By the way, don't miss that last phrase, "that holds its value." Not all stuff is created equal. Trading dollars for apples might seem a good idea when the fruit is fresh, but if you are using those apples as a store of value, it's a rotten plan.

Even among assets that hold their value, not all stuff is created equal. Diamonds and gold come to mind. They are both considered a store of value, but the value of a diamond is largely determined by the expert opinion of a gemologist. Diamonds (and other valuables like real estate and works of art) are not considered "fungible" because two apparently equivalent items can have dramatic differences in value, based upon the evaluation of an expert.

If you are looking for something as a "store of value" that can be easily used to purchase goods and services, both gold and silver have filled this role for thousands of years. In Genesis 13:2, we are told that Abraham was "very rich in livestock,

in silver and in gold." Here is the first biblical reference to the monetary use of gold and silver, circa. 2,000 BC. I don't know much about livestock, but Abraham's other stores of value seem, to me, to be right on the money. I think gold and silver should figure into a strategy to cope with "the rising price of stuff." (Translation: "the diminishing value of our currency.") As a result, I have taken a percentage of savings / retirement money and converted it into silver and gold. How? In what form? Check out the next two posts.

## Part 2

Yesterday, I explained that I have converted some Federal Reserve Notes into gold and silver as protection from the rising price of stuff. Before answering the practical question of how I did this, let me issue two important qualifications. First, although gold and silver are useful as money, their usefulness is quite limited. Both are described as "perishable" and inadequate as a resource for redemption (**1 Pet. 1:18**). Regardless of the form of one's money, including silver, it cannot be used

for the purchase of God's gifts (**Acts 8:20**). So let's keep this in proper perspective, it really won't matter whether your money consists of pieces of paper or pure gold in the day of redemption. Both will be worthless.

However, here is my second qualification: Just as it is possible to convert Federal Reserve Notes into gold, so it is possible to convert either into eternal assets. Here's how Paul describes this form of "currency conversion:"

Instruct those who are rich in this present world not to be conceited or to fix their hope on the uncertainty of riches, but on God, who richly supplies us with all things to enjoy. Instruct them to do good, to be rich in good works, to be generous and ready to share, storing up for themselves the treasure of a good foundation for the future, so that they may take hold of that which is life indeed (**1 Tim. 6:17-19**).

When rich men use their resources to do good,

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they transfer "wealth" to a heavenly bank account, "storing up for themselves the treasure of a good foundation for the future." It is precisely to this point that retaining money in the form of gold and silver can be useful. It preserves the power of those assets to be used for the accomplishment of good. Holding money in a depreciating currency means that the assets available for doing good are being steadily eroded. This is worse stewardship than that of the servant who buried his master's money (**Matt. 25:24-25**). My interest in gold and silver is about wisely using what God has given me to accomplish the most good.

Okay, let's get practical. How have I done this? This is NOT investment advice - I am simply telling you what I have done. There are three different steps I have taken. The first step involves purchasing and holding in my possession a "cash reserve" of silver coins. I have concentrated on 1 ounce silver (not gold) bullion coins and rounds because they represent a "small denomination" coin. In the event of a currency collapse, these can be used to make small purchases without the need for "change."

I have not purchased any "numismatic" coins - these are coins that have added value to collectors because they are rare.

I have purchased "bullion" coins which only have value for their metal content (measured by weight).

One of my favorites is pictured at right, a silver American Eagle produced by the US Mint and available from coin shops and dealers.

The one that is pictured is encapsulated in an NGC holder. I normally wouldn't bother with this, but I found some that were being sold at the spot price.

I included this picture of an encapsulated coin, however, because it gives you some extra info.



Because this coin is produced by the US Mint, it is easily recognized and trusted as genuine.

There is usually a premium (they are priced above the spot price) for American Eagles.

I also like the silver Canadian Maple. It has one advantage over the American Eagle, the engraved value of \$5 represents its minimum value. Most coin shops and dealers who sell Eagles also sell Maples for the same price..

If you want the lowest premium in a small denomination, you can purchase "silver rounds." These are privately minted coins, generally one troy ounce in weight. Although the price is less, I have shied away from these because they lack the "recognition and trust" factor that Maples and Eagles have. In the event of a currency collapse, silver rounds might not be readily accepted for fear that they are counterfeit.

There are many dealers with websites that display prices and policies. I did web-searches to find several I like. I made small purchases from several before settling on one that I have relied on. The coins for this "emergency fund" are stored in a safe place that is readily accessible to me should we experience a currency collapse. There are two additional steps I have taken, but for other reasons. I will tell you about them in the next post.



### Part 3

The previous post recounted how I have created an "emergency fund" using silver Canadian Maples and American Eagles.

There are two other key measures I have taken. The first involves creating a silver "savings account." I have set up a "holding" with GoldMoney for this purpose. It is of critical importance to use a service that stores real metal in a real vault on my behalf. This is why I have avoided a "silver certificate" program, of which there are many. Here are some of the features of a GoldMoney account that I like.

It is easy to transfer funds between my local checking and GoldMoney accounts. (Although it used to be a lot easier before some government regulations muddied the water.)

The holdings in my GoldMoney account can be easily and quickly converted into gold, silver, or one of several major currencies. This means that if I need to make a major purchase, I can simply convert some gold or silver to cash, and transfer that money to my checking account.

I don't like paying metal storage fees - but those fees are one of the characteristics of an account in which real metal is being held on my behalf.

You can look at independent audits listing weights and serial numbers for actual metal. Reassuring! You can click on the GoldMoney (<http://goldmoney.com>) link above to get more information. Americans are not good at saving money. That's not good! We need to grow in our ability to live below our means and set aside a surplus. As we do, holding a portion of that surplus in the form of gold or silver just makes good sense. So a GoldMoney holding has become my instrument of choice for such a savings plan.

The last practical measure I have taken concerns retirement funding. It is possible to hold precious metals in an IRA. I have set up a ROTH IRA using the services of GoldStar Trust Company. It might seem a little complicated at first, because it

involves me and three other entities. But these complications are necessary to preserve compliance with government regulations. Here's what I did: I set up an account with American Church Trust (which has since become GoldStar Trust). Then I began funding that account by transferring some money from another IRA and by making annual contributions. As this account was funded, I contacted my metals dealer to make purchases. These purchases were delivered to storage facilities of HSBC in New York and are held for my account with GoldStar Trust. By this means, I have apportioned a percentage of my retirement account to precious metals.

There is a common theme to all three measures I have outlined. They all involve holding actual metal. Anything other is essentially someone's promise to provide metal. This promise represents another layer of risk, something that I am trying to avoid.

That being said, I want to add one caveat. Government confiscation, economic meltdown, political turmoil, anarchy - any one of these could make all my preparations moot. My attempts to be wise and avoid risk must be balanced. My ultimate security is not in silver but God. I refuse to fix my "hope on the uncertainty of riches, but on God, who richly supplies us with all things to enjoy" (**1 Tim. 6:17**). In this matter, I would counsel you do to do same! Fix your hope on God who is our hope, no matter what.

Pastor James Fleming  
<http://lightwork.typepad.com/>

*For additional information or background on these posts, here are a series of links to previous posts (in logical order) that can help get you up to speed:*

- ***Inflation and Federal Reserve Notes***  
<http://lightwork.typepad.com/lightwork/2007/10/the-coming-econ.html>
- ***Fort Knox Gold and Federal Reserve Notes***  
<http://lightwork.typepad.com/lightwork/2008/02/whats-in-fort-k.html>
- ***The Federal Government and Inflation***  
<http://lightwork.typepad.com/lightwork/2008/03/inflation-101.html>
- ***Why the Federal Government Sponsors Inflation***  
<http://lightwork.typepad.com/lightwork/2008/03/inflation-101.html>
- ***The Price of the Basics is Rising Dramatically***

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**FSA regulated Moneybookers is having a surge in revenues. They have also picked up a new CFO as they expand with their very popular online payment system.**

Moneybookers is one of Europe's largest and fastest growing online payment companies. Operating out of the United Kingdom they offer local payment services and their business extends into at least 30 other countries.

Moneybookers is now processing over 10 Million Euros in customer transactions each day! The company has positioned itself to take advantage of future growth in the ever expanding online payments industry.

Each day around 9000 new users sign up for Moneybookers e-wallet accounts. Right now they have about 5 million total accounts.

The company has just announced the hiring of Mr. Paul Goodridge as Chief Financial Officer. Mr. Goodridge left CSR Plc and now begins as Moneybookers Chief Financial Officer. Paul has almost 20 years of senior financial management experience in industry. His track record is superb.

Moneybookers payment processing is easy to integrate and offers account holders a very low cost system focused towards P2P payments, online retailers, affiliates and even auction services. For retailers they offer an excellent online directory and will list your Moneybookers business with no delays or hassles. Retailers such as [XtraOrbit.com](http://XtraOrbit.com) report excellent customer communications and helpful staff services. Customer service for clients is offered in 12 different languages.

**Moneybookers offers the following services:**

- Fee-free online accounts in one of twenty-nine available currencies.
- Instant online money transfer services between users at a nominal cost (1% but not more than EUR 0.50).
- Funds upload/withdrawal using local payment methods (bank transfer, payment card, cheque).
- Transparent fee structure, low funds withdrawal fees (€1.80 typical).
- Integrated web SMS gateway and fax sending service.
- Merchant solutions: free website integration, card processing with full chargeback protection.
- Multi-language website.

**Moneybookers does NOT accept any of these industries:**

- Adult/erotic
- Pharmaceuticals
- Tobacco
- Firearms
- Unlicensed downloads

Here at DGCmagazine, we like Moneybookers a lot but do not consider it to be a true 'Digital Currency' for the following reasons: transactions are reversible, exchange transactions from national currency cannot occur through a third party agent, it is not permitted to exchange Moneybookers digital units for any other digital currency such as Webmoney (it is not allowed by the MB customer agreement). These are three characteristics which are common with almost all pure digital currencies.

Moneybookers offers a referral program and anyone who has an account with Moneybookers is allowed to participate and earn. The system also has an available escrow service. If you would like to learn more, they have a very good FAQ section.

For more information on Moneybookers or to open an account, please visit their web site. <http://www.moneybookers.com>





## Crowne Gold Online Payments

**Global online commerce means dealing with customer in many countries other than the US. In multi-currency or cross border transactions, Digital Gold payment processing is cheaper, faster and easy to set up than a credit card merchant account. High risk accounts welcome for no additional fees.**

*"...the plastic credit card was never designed for online, non face-to-face usage."*

Crowne Gold offers all online users, both merchants & consumers, a method of e-commerce free from chargebacks and online fraud. This is a payment tool that does not contribute to higher costs for consumers and does not allow card thieves to earn a living. As a Crowne Gold account holder, spending your account value online means that you have already have paid for that gold. Any balance in a customer's account has already been bought and paid for in full. Digital Gold balance are clear of any debit, IOUs or liens.

When a merchant or consumer receives a



## Credit Card Merchant Accounts

Digital Gold payment that transaction is final and cannot be repudiated unless the merchant and consumer both agree.

As the Internet world continues to expand, Crowne Gold works as a partner assisting merchants from all nations with guaranteed e-commerce results. Whether your financial history shows A+ credit or NO credit, your business is welcome at Crowne Gold.

Take the Pepsi™ challenge with us, compare and contrast Crowne Gold's online payment processing with several popular Internet Credit Card Merchant accounts. Below are a few comparisons between the fees & benefits of digital gold.

**Credit Card Fraud & Chargebacks?** All credit card accounts expose the merchant to 'chargebacks'.

A chargeback is a forced refund from a customer's credit card company. It occurs when a cardholder decides to formally dispute a charge on his/her credit card bill, often because of

**VS**

someone fraudulently used that card number. According to credit card associations rules, Internet merchants must accept credit card fraud as part of the normal risk of doing business on the Internet. The amount of credit card fraud highly depends on your business nature. To reduce chargebacks, try to collect as much information as possible from your customer, and perform a phone order confirmation. If the order is found to be valid, then proceed with the order. A chargeback fee is a penalty fee that passes on to the merchant.

\*<http://www.GSPAY.com>

**Finality Of Payments.** Digital gold accounts, like Crowne Gold, do not allow chargebacks. All transactions are final. All Crowne Gold transactions are prepaid amounts.

- **(Crowne Gold)** No transaction reversals - exchanges are final
- **(Pecunix)** Pecunix payments are non-repudiable: Payment fraud and charge-backs are things of the past.
- **(e-gold)** No chargebacks "Get paid, stay paid" unlike credit card payments.
- **(Commerce Gold)** All transactions are final, cancellations are not allowed.
- **(Webmoney Gold WMG purse)** All transactions are final and not reversible.
- **(Liberty Reserve)** Payments are irrevocable (meaning they cannot be reversed).

Because with digital gold there are no chargebacks, these accounts also never require any reserve funds to be withheld from the merchant payout.

**Rolling Reserve.** More good news from the Credit Card Companies:

*"...we deduct 5-10% (depends on business type) for holdback fund. Holdback fund returned to you within 6 months. Typical holdback is 5-10% for 180 days. Once the 180 days has expired, the funds will be released back to your account. The fund is calculated and withheld for every payout period."*

\*<http://www.gspay.com>

As retail customers buy items with using credit cards, the merchant places a fund hold or restriction for the purchase amount required to complete the

charge, "...preauthorized amount reserved against the credit limit of the customer's card will remain for a predefined period of time until it expires. This time period varies with all card-issuing banks and you will need to contact them directly to find out what their hold times are." This activity is simply NOT possible with any Digital Gold account. There are never restrictions on the value in a Digital Gold account and no merchant could ever gain control over any portion of customers account. This is simply NOT possible.

Since all Digital Gold transactions are settled immediately, 100% of all transaction value is immediately available to the Crowne Gold Account holder (the merchant). There is no reason to have a 'reserve' account (No chargebacks mean no fraud)

### **High Risk Accounts.**

*"Certain business types may be excluded from the rates shown on this page."*

\*<http://www.goemerchant.com>

The discount rate is the percentage of each transaction that the credit card processing company charges to complete your customer's transaction. High risk businesses may have to pay much higher rates. Digital Gold companies such as Crowne Gold do not differentiate between adult products, online gambling or bible sales. The Digital Gold company's fee structure is the same for each account and high risk businesses are generally welcome.

**Cleared Funds.** With credit card merchant accounts, you will find lots of statements like this one, "Credit Card funds are automatically deposited into your US merchant bank account within days generally 48-72 hours." However, some CC companies will take up to 45 days for charges to appear as cash in the merchant's account.

Digital Gold is available instantly with each transaction. There is no waiting, clearing or additional processing. All paid funds are cleared funds! No credit or borrowing can be accomplished using Crowne Gold.

We Googled "online merchant account" plus "high

risk merchant account” and found these popular Merchant Account options in the first couple of result pages.

Expense	Crowne Gold	Veripayment	Merchant Express LLC	PayPal Payments Pro	GSPAY
Discount Rate	NONE	4.95% per	2.33% per	1.9 - 3.9% per	3.5% - 7% per
Transaction Fee	NONE TO MERCHANT	65 ¢ per	24 ¢ per	30 ¢ per	20¢ - \$1.00 per
Chargeback / Retrieval Fee	NONE	\$45 per chargeback	\$25 per chargeback	\$30	\$35.00-\$50.00
Monthly Service Fee	Monthly account service and gold storage fee is 1% per annum. Fee is divided / 12 & assessed monthly.	\$40	\$9.95	\$20	unknown

- Credit Card Transaction Fee – The fee charged by the payment gateway for each credit card transaction and for each batch settlement processed for the account. The credit card transaction types that the per-transaction fee is charged for include: authorizations, captures, refunds, and declines.

Expense	Crowne Gold	Charge.com	GeoMerchant.com	Merchant Express LLC
Gateway Fee	NONE	\$16.95 per month	5 cents per transaction	\$19.95 per month
Statement Fee	NONE	\$10.00 per month	\$49.00	unknown

- Gateway Monthly Fee – The monthly fee charged for a payment gateway account.

Expense	Crowne Gold	Veripayment
Account Set Up Fee	NONE	\$699
Settlement / Payout to Merchant	INSTANT	Weekly - Every 7 Days
Rolling Reserve (funds withheld)	NONE	10% for 6 months
Accept merchants in any country	YES	NO

Using a Digital Gold account, there is no ‘Gateway’ and consequently, there is never Gateway fee. Also, all credit card transactions charge, on top of their Discount Rate, an additional per transaction fee on ALL transactions even if a sale was not completed you are still required to pay this fee.

We found a common statement on most credit card merchant web sites similar to this one, “...can only process transactions in US Dollars, and we do not facilitate any currency conversions.”

In total contrast to a credit card account, all digital gold transactions are denominated in gold by weight. At the time of the transaction, an amount of gold specified by grams or Troy ounces is transferred from one account to another. It does not matter where the buyer and seller are located or what currency is their local choice, there is no currency conversion required. An amount by weight of gold moves from one account to another. At any time, the owner of a digital gold account can use the account admin area to easily calculate the value of their gold holdings in generally any of the popular world currencies.

Along with much lower fees and costs, digital gold offers easy entry for users, no chargebacks and immediate payment. Every digital gold account is a merchant account there are no special approvals are needed. Open a Crowne Gold account and within minutes you may begin accepting online payments. No credit check, high risk accounts are welcome and Crowne invites both customers and merchants from around the globe without any major restrictions.

## UNDERSTANDING FINTRAC'S COMPLIANCE MESSAGE

New regulatory changes expand Canada's anti money laundering laws. These changes, which were so widely publicized as attacking 'e-currency' have no effect on the digital gold currency systems which are not domiciled in Canada and digital currency exchange agents in Canada must be licensed MSBs by December



Bill C-25, which went into effect June 23, 2008, introduces significant regulatory revisions to Canada's proceeds of crime (money laundering) and terrorist financing legislation. The Bill requires the disclose of additional information to law enforcement and intelligence agencies plus exchanging compliance-related information with its foreign counterparts.

While some of the new regulations have already started, the parts of the Bill dealing with DGC exchange agents do not apply until December 2008...which is still 6 months away.

***"As of December 2008, Bill C-25 will introduce compliance requirements for non-reporting entities as well, including legal counsel, precious metals dealers, stones dealers, and real estate developers."***

\* [http://www.advisor.ca/practice/running\\_your\\_business/article.jsp?content=20080617\\_173959\\_12928](http://www.advisor.ca/practice/running_your_business/article.jsp?content=20080617_173959_12928)

Despite the eye opening articles by Kevin Bell of [Bloomberg.com](http://Bloomberg.com) and Kevin Carmichael ([globeandmail.com](http://globeandmail.com)) it should be made very clear that digital gold currency was NOT the culprit behind the creation of these additional new regulations.

The wild article from Kevin "hitman" Carmichael of the Globe and Mail quickly and incorrectly links digital gold to: terror financing, money laundering and wrongly slants the article to depict that digital gold could undermine the laws enacted in response to 9/11.

***"OTTAWA — Canada's financial intelligence agency warns that criminals may be exploiting Internet-based companies that convert cash into electronic gold, exposing a new front in the international effort to restrict terrorist financing and money laundering.", "At stake is the effectiveness of the financial reporting rules that countries such as the United States, Britain and Canada enacted in response to the Sept. 11, 2001, terrorist attacks."***

\* <http://ago.mobile.globeandmail.com/generated/archive/RTGAM/html/20080526/wrfintrac26.html>

How does any responsible person, in one paragraph, link up DGCs, terror financing and 9/11?

Kevin Bell writing for Bloomberg.com takes the mess one step further when he expands on Carmichael's original story telling Bloomberg readers:

***"The Web sites[DGC web sites] offer the potential for terrorists to move money and plot attacks, although the agency didn't find any cases of suspected money-laundering through the sites, the Globe said."***

\* <http://www.bloomberg.com/apps/news?pid=20601082&sid=ahGt.NidAS7c>

It is nonsense and ridiculous to claim that DGCs might help terrorist plot attacks! Both Kevin's, you should be ashamed of yourselves.

If any journalist is attempting to link crimes to Canadian money laundering based on the facts the most obvious choice would be drug trafficking. The FATF reports that illicit proceeds from drug trafficking are one of the major sources of money laundering in Canada.

According to the FAFT Mutual Evaluation Report, published in February 2008, in Canada, there have only been three people ever charged with criminal offenses related to terrorist financing (even while the laws have been on the books for years). Additionally, these three were not associated or linked in any way to Digital Gold Currency. No such charges have ever been filed and there are no such convictions. There has never been a terror financing court case in any country around the globe linked to a DGC.

How does the press always try to link these two? Is it just ignorance or is there a motive?

The new regulations do not specifically target or even mention what the Canadian press labels 'so-called e-currencies', but the new law does overlap to include the 'digital currency exchange agent'. As an existing business, an exchange agent handles transactions between national currency and digital gold currency (DGC).

Bill C-25 brings Canada's AML regime in line with revised Financial Action Task Force (FATF) international standards. It's not an extraordinary new measure targeting DGCs. These regulations were published way back in June of 2007 and they enhance client identification, record keeping, and reporting requirements for banks, credit unions, trust and loan companies, life insurance companies, securities dealers, casinos, money services businesses, accountants, and real estate agents.

One of the largest industry where these new rules will be felt is the local real estate industry.

According to Mr. Micheal Hearn ( <http://www.launderingmoney.com/> ), who is one of the Internet's most resourceful and experienced instructors in anti money laundering and detection methods, all real estate agents will now have to take additional steps to ensure they know exactly who they are dealing with and the agent will be required to keep the identifying information on their clients for a minimum of 5 years.

[\\*http://launderingmoney.blogspot.com/](http://launderingmoney.blogspot.com/)

While discussing these Canadian changes with digital gold exchange agent Sylvain Falardeau of Canada's xGold.ca, he reports that,

***“For now, we received a confirmation by FINTRAC that \*we are not\* considered a Money Service Business and should not register....When I talked to the FINTRAC officer, I asked if he sees any problem to apply if we are forced to in the future. He said that we should not have any problem to get the license because we do not have criminal records.”***

In past years, FINTRAC had focused primarily on serious criminal penalties but according to the new regulations, non-compliance by any money service business can now also result in civil penalties. The scope of these new laws covers PEPs or 'politically exposed' (foreign) persons such as judges, politicians, titans of industry from other nations. The new coverage includes an identification check on the person before completing any financial transactions. Life insurance providers have already integrated supplementary forms which help to identify PEPs. This adds more record keeping, customer identification, ID verification, due diligence and risk assessment to those businesses affected by the new regulations. It also takes a more pro-active approach to preventing the crime and not just chasing down the offenders.

The new regulations require that all money services businesses in Canada register with FINTRAC. You can read the exact details from the Canadian Government's web site at

<http://gazetteducanada.gc.ca/partII/2007/20070627/html/sor122-e.html>

*Article by Mark Herpel*



## SINGAPORE ONLINE GAMBLING INCREASES TEN-FOLD

There is a surprising story on iGamingBusiness which is reporting that a recent study in Singapore revealed that online gambling has increased ten-fold in just the past three years even though placing bets with foreign operators is illegal !

A survey from the Ministry for Community Development Youth and Sports revealed that a full 1% of the 2,300 people polled said they did gamble online. That number is compared with just 0.1 per cent in 2005.

In Singapore, placing bets with operators not exempt under the Betting Act and the Common Gaming Houses Act is an offence and gamblers could be fined up to \$5,000 and jailed for six months. The only two legal operators locally are Singapore Pools & the Singapore Turf Club and neither offer any online gambling.

Just like the rest of the online gambling world, popular online sites for Singapore residents includes the popular UK-based Betfair.com, which

offers casino games and a sportsbetting service. AsiaOne reported that gamblers circumvent Singapore credit cards not being accepted by using bank transfers or third parties such as Moneybookers.com.

Source:

<http://www.igamingbusiness.com/article-detail.php?articleID=17722>

## CALIFORNIA'S ONLINE POKER BILL WINS SENATE VOTE

Democrat assembly member Lloyd Levine's bill to authorize online poker in the state of California has moved a step closer to a vote in the Legislature following this week's amendment and passing of Assembly Bill 2026 by the Senate Governmental Organization Committee.

Mr Levine presented Assembly Bill 2026 to the Senate Committee asking for a study to be commissioned with the goal of bringing transparency and accountability to the emerging world of online poker. The vote was made 6 to 1 in favour.

The bill directs the California Gambling Control Commission to work together with the Department of

Justice to perform a study on authorizing intrastate online poker in California, with findings to be reported to the Legislature by June 30th 2009.

“Right now millions of people in California are playing poker online for money. They are unprotected and unregulated. That lends itself to deception and potential fraud,” said Levine. “The servers are in places like Bermuda and Isle of Mann. That means Californians have no protection if something goes wrong.”

In his testimony to the Senate Committee Mr Levine said that nothing would be enacted this year and that the study is to be conducted by the Attorney General under the bureau of the Gaming Control Commission. He added that model regulations would be drafted to allow everyone from tribes, tracks, card-clubs, and the Senate Committee to review and comment on to ensure it is workable.

Despite the introduction of the UIGEA which prevents U.S. financial institutions from processing payments to and from online gambling businesses, Mr. Levine believes intrastate online poker in California could be allowed as the Act does exempt three categories of transactions: intratribal and intrastate betting, and interstate horseracing.

As defined in the Act, intrastate transactions are bets or wagers that are made exclusively within a single state and where state law contains certain safeguards regarding such transactions. The exemption in UIGEA is consistent with the idea that state governments have the primary responsibility for determining what forms of gambling may legally take place within their borders, a right given to them under the 10th amendment of the U.S. Constitution.

Mr. Levine states that AB 2026 would study the ability of the state to protect Californians by licensing and regulating intrastate poker websites. By authorizing online poker, not only would it allow California to generate significant income while protect its consumers, but would also allow law enforcement agencies in the state to work with the industry in preventing underage gambling, identity theft, and fraud.

Mr Levine’s online poker bill now moves forward to the Senate Appropriations Committee, another step closer to a vote in the Legislature.

Article reprinted from:

<http://gamingintelligencegroup.com/gig/content/view/1151/2/>

	1	2	3	4	5
Royal Flush	250	500	750	1000	4000
Aces or Eights	80	160	240	320	400
Straight Flush	50	100	150	200	250
Four Sevens	50	100	150	200	250
Four of a Kind	25	50	75	100	125
Full House	8	16	24	32	40
Flush	5	10	15	20	25
Straight	4	8	12	16	20
Three of a Kind	3	6	9	12	15
Two Pairs	2	4	6	8	10
Jacks or Better	1	2	3	4	5

# The Bush Administration's Strong Dollar Policy ?

## USD in mg of Gold

Daily London PM fix from 1-Jan-1997 to 13-Jun-2008

<http://www.pricedgold.com>



**PRICE OF OIL**  
**\$30 PER BARREL**  
**BACK THEN**  
**JANUARY 2000**



**PRICE OF OIL**  
**\$130 PER BARREL**  
**TODAY**  
**JUNE 2008**





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No Logging  
Skype Tech Support

<http://www.metropipe.net/>  
[support@metropipe.net](mailto:support@metropipe.net)  
Skype: MetroPipe

# Loom Is Buzzing With Good News!

**“Loom users are creating new asset types all the time. Most of these you will never hear about. But when you do hear about an asset and decide to deal in it, you must add that asset to your folder so it can recognize it.”**

There is lots of good news coming out of the Loom lately. Check out how many different issues are now available!



The Loom is literally buzzing as a new online florist has issued their own Loom asset and is accepting it for all sales. The BiziBee Florist delivers nationwide in the

US. That’s good news.

<http://www.bizibee Florist.com/>

## BiZiBuxx at BiziBee Florist

(also see BiziBee Floral )

id: e27e15aa6677bfd7a1e55ccae177fb0f

scale: 2

precision: 3

name: BiZiBuxx

Also Patrick tells me that, “the internal architecture of server code changed to multiprocessing” which translated means, “the standalone loom server code forks a new process for each request. Also, the locking can be more granular, so lots of “moves” can happen simultaneously with no interference.”

Loom is a value transfer system or network. Each user, can if they so desire, create their own currency and use it for whatever they wish. There are a number of these issues already out and in use, some private and some very

public like Graham’s GoldNow Gold Grams. Read more about that one on Loom.cc

As I logged into the Loom today, I noticed the upgraded interface. A lot of the older ‘look and feel’ the Loom had is now gone in favor of easier to use buttons and directions.

The real change was made to the wallet interface. There is no longer any “Take” and “Give” buttons just the one master, easy to use, “Pay”. There is a very cool ‘History’ section also now. Nice...

You will also find really great “Help Screens” on each of the main pages Wallet, Contacts, and Assets. Here’s a sample of the text, seems written by a real pro.

Wallet Contacts Assets

**Mark's Main Location**

1.3089715 grams TEST gold  
2 usage tokens

Qty:  -- of this asset --  
-- to this contact --

Pay

**History**

Time (UTC)	Qty	Asset
------------	-----	-------

## Assets

**An asset is a type of value that can be moved around in the Loom system. An asset has a specific identifier (ID) which is a hexadecimal number consisting of exactly 32 digits 0-9 or a-f. Before you can deal with a particular asset, you must explicitly add it to your folder.**

Thumbs up to Patrick for the new advancements and I’m sure we will be seeing lots more great innovations from the Loom software in the near future.

Did I mention...Loom vending machines?

## Senate Housing Bill Requires eBay, Amazon, Google, and All Credit Card Companies to Report Transactions to the Government

FreedomWorks, June 19, 2008

Contact: Adam Brandon

Phone: 202-942-7612

Email: [abrandon@freedomworks.org](mailto:abrandon@freedomworks.org)

<http://www.freedomworks.org>

*Broad, invasive provision touches nearly every aspect of American commerce.*

Update: Senate Finance Committee Ranking Member Charles Grassley is pushing the bill.

Hidden deep in Senator Christopher Dodd's 630-page Senate housing legislation is a sweeping provision that affects the privacy and operation of nearly all of America's small businesses. The provision, which was added by the bill's managers without debate this week, would require the nation's payment systems to track, aggregate, and report information on nearly every electronic transaction to the federal government.

### **Call Congress and Tell Them to Oppose The eBay Reporting Provision in the Housing Bill: 1-866-928-3035**

FreedomWorks Chairman Dick Armey commented: "This is a provision with astonishing reach, and it was slipped into the bill just this week. Not only does it affect nearly every credit card transaction in America, such as Visa, MasterCard, Discover, and American Express, but the bill specifically targets payment systems like eBay's PayPal, Amazon, and Google Checkout that are used by many small online businesses. The privacy implications for America's small businesses are breathtaking."

"Privacy groups like the Center for Democracy and Technology and small business organizations like the NFIB sharply criticized this idea when it first appeared earlier this year. What is the federal government's purpose with this kind of detailed data? How will this database be secured, and who will have access? Many small proprietors use their

Social Security number as their tax ID. How will their privacy be protected? What compliance costs will this impose on businesses? Why is Sen. Chris Dodd putting this provision in a housing bailout bill? The bill also includes the creation of a new national fingerprint registry for mortgage brokers.

*"At a time when concerns about both identity theft and government spying are paramount, Congress wants to create a new honey pot of private data that includes Social Security numbers. This bill reduces privacy across America's payment processing systems and treats every American small business or eBay power seller like a criminal on parole by requiring an unprecedented level of reporting to the federal government. This outrageous idea is another reason to delay the housing bailout legislation so that Senators and the public at large have time to examine its full implications."*

From the Senate Bill Summary:

Payment Card and Third Party Network Information Reporting. The proposal requires information reporting on payment card and third party network transactions. Payment settlement entities, including merchant acquiring banks and third party settlement organizations, or third party payment facilitators acting on their behalf, will be required to report the annual gross amount of reportable transactions to the IRS and to the participating payee. Reportable transactions include any payment card transaction and any third party network transaction. Participating payees include persons who accept a payment card as payment and third party networks who accept payment from a third party settlement organization in settlement of transactions. A payment card means any card issued pursuant to an agreement or arrangement which provides for standards and mechanisms for settling the transactions. Use of an account number or other indicia associated with a payment card will be treated in the same manner as a payment card. A de minimis exception for transactions of \$10,000 or less and 200 transactions or less applies to payments by third party settlement organizations. The proposal applies to returns for calendar years beginning after December 31, 2010. Back-up withholding provisions apply to amounts paid after December 31, 2011. This proposal is estimated to raise \$9.802 billion over ten years.

## Dear Liberty Dollar Supporters...God Bless Bernard

*blog post by Mark Herpel*

In the land of insane, Bernard is King. Never have I seen anyone so eager to get into a legal battle with the .gov or call it "fun".

Sure...file suit to retrieve the confiscated items, no doubt I'll support that, I'll send a MO to help out...but shit man, leave the 'let the fun begin' comments at home.

"We are not going to let the G-boys steal our gold and silver." Do you think that helps your cause? "G-boys"? Weren't they a teen boy band in the 80's? Come on?

*How did Nicholson put it, "go crazy somewhere else we are all full up here".*

Here is the news.

### Alert #19: June 20, 2008 Dear Liberty Dollar Supporters...

GREAT NEWS: The victims of the FBI Raid have filed a Rule 41(g) Motion for recovery of their property from the wrongful search and seizure! Let the fun begin!

Now, before I get into the meat of this rather extensive Alert, please do two things:

1) Read this whole Alert! It includes the Motion... the Tenth Anniversary... my retirement... things you may want to know about.

2) This is a very serious time for the Liberty Dollar. We really need your support, please. Our shopping cart had been dead since November and does not accept credit/debit cards. Liberty Dollar's survival is in critical condition. Please support this effort by mailing in an order, making a contribution to the Contingency Club or just sending in a donation or all three!

Now here's the news:

I am very pleased to inform you that a representative group of twelve victims (hereinafter Plaintiffs) having not received a reply to their Demand Letter have filed a Rule 41(g) Motion in Federal District Court in Coeur d'Alene, Idaho for the return of their property that was represented by either paper and/or digital warehouse receipts. They are proud to proclaim, "We are not going to let the G-boys steal our gold and silver." In fact, while I have been unusually quiet for over a month, I have actually been diligently working with the plaintiff on Rule 41(g) Motion that was filed on June 17, 2008. Let the fun begin!!

Please click [HERE](#) for the Demand Letter, the Rule 41(g) Motion and all the Exhibits.

The New York Sun also had this to say:

***While it is common for agents to warehouse property seized during criminal investigations, such as firearms or surveillance equipment, the plaintiffs say coins of precious metal should be off-limits.***

***The coins "do not constitute contraband or other property subject to seizure," the legal papers state, adding that the seizures violated the Fourth Amendment rights of the plaintiffs.***

Despite the mild touch of excentricity we often see from Bernard, his ideals are very important and we encourage you to support his cause. Using real money made of silver and gold along side national currencies will only strengthen your world and no one has done more over the years to enlighten the public to this issue than Bernard Von Nothaus.

Please visit their web site and donate:  
<http://www.libertydollar.org>

## THE BENEFITS FOR DIGITAL GOLD ONLINE MERCHANTS

Services / Features / Set Up	Credit Card Merchant	Digital Gold Online Payments
Fraudulent transactions are paid for by Merchant?	YES	NO
Funds Instantly clear and are available for immediate withdrawal?	NO	YES
Set up entry fee?	OFTEN YES	NEVER
Individual Micro-Payments?	NO	YES
Reversal of charges by customer possible?	YES	NO (all payments are final)
Payments are instantly processed?	NO	YES
Non US citizens living in foreign countries always accepted?	NOT ALWAYS	YES
High risk business such as gambling or adult welcome at no additional fee?	NO	YES
Currency exchange risks on International transactions?	YES	NO
Account Set Up Time (sign up to first processed payment)?	1-14 Days	INSTANT
Separate Payment Gateway needed to operate account?	YES	NO
Requires Social Security Number, US Bank account and US Credit Check Prior to usage?	GENERALLY YES	NO
Paperwork (A hard copy of the merchant processing agreement and application must be submitted before approval.)	YES	NO
Card company has the ability to withdraw funds from merchant's account at will?	YES	NEVER
Partial refunds are allowed to be removed from merchant's proceeds?	YES	NEVER
Merchant responsible for securely storing customer card and account information under law? (PCI-compliant data)	OFTEN	YES
Full online accounting and free statements?	NO	YES
Merchant responsible for fraudulent orders?	YES	NEVER
Currency exchange fees on cross border transactions?	YES	NEVER
Private Transactions?	NO	YES, NON BANK
Account originally developed specifically for Internet business?	NO	YES
US Bank account required to receive funds?	OFTEN YES	NO
Required Proper Address Verification (AVS) on each client and each transaction?	YES	NEVER
Pre-authorized amount blocked on a customer account prior to transaction clearing?	YES	NEVER
Shopping Cart, API and detailed integration with web sites? (instructions and help available)	SOMETIMES	YES
Bigger fees for high risk businesses?	YES	NO