



JEFFERSONIAN GROUP

CHAMPIONS OF FREEDOM AND SELF RELIANCE

Issue: 19-2018

May 8, 2018

The Source for Freedom and Self-Reliant Information¹

Thomas Jefferson defined *rightful liberty* as “unobstructed action according to our will within limits drawn around us by the equal rights of others—I do not add ‘within the limits of the law,’ because law is often but the tyrant’s will, and always so when it violates the right of an individual.”

Turn \$100 into \$1.6-Million

Inside This Issue

- Turn \$100 into \$1.6-Million2
- How to Buy Crypto-Currencies3
- My favorite Coins and Tokens4
- Great Businesses to Buy Now6
- How to Invest8
- April 17, 2018 – The Day Americans Waived Their Rights9

¹ Each Jeffersonian Group, LLC (www.jeffersoniangroup.com) publication is intended solely for information purposes and is not intended nor does it purport to provide legal, tax, individual investment advice, estate planning advice, insurance advice or business advice. In addition, information and analysis is compiled from sources believed to be reliable but such accuracy cannot be guaranteed. Readers should do their own research and consult with expert legal, tax, insurance, business and financial counsel before taking any action.
Copyright © 2018 Jeffersonian Group, LLC

Turn \$100 into \$1.6-Million

Our last newsletter—Special Edition - Bitcoin, Crypto-Currencies and the Blockchain—garnered a huge response and substantial interest. As previously discussed, Bitcoin started out at \$0.08 per coin and rose to a high of \$19,000 per coin. Let's just say we find a coin/token and we purchase 200 coins/tokens at \$0.50 each for \$100. If this coin/token increases in value to less than half of what Bitcoin achieved to date at \$8,000, our 200 coins/tokens, costing \$100, would be worth \$1,600,000. Has this happened before and is it still possible...You Bet! Is it highly probable that we will select the right coins/tokens and turn such a small amount into a million dollars... Highly Unlikely... but, what do we really have to lose... think about all the money we waste each year on unnecessary things... carveout some of that money and take a chance that may never come around again in our lifetimes!

Let's just look at the one-year gains in 2017. If you had invested \$1,000 at the beginning of the year in one of the following coins/tokens, here's what you would have earned by the end of the year:

1. Ripple (XRP) - \$360,180
2. NEM (XEM)- \$298,420
3. Ardor - \$168,090
4. Stellar Lumens (XLM) - \$144,410
5. Dash - \$92,650
6. Ethereum (ETH) - \$91,620
7. Golem - \$84,340
8. Binance Coin - \$80,610
9. Litecoin - \$50,460
10. OmiseGo (OMG) - \$33,150
11. Bitcoin - \$13,180

As one commentator pointed out, Ripple (XRP) gained more in one year than Apple has in its entire existence. **This opportunity** to get in on the ground floor with a minimal financial commitment—money that you normally waste and can afford to lose—**just may turn out to be a very monumental success!?!**

“Nothing ventured, nothing gained.” Ben Franklin

How to Buy Crypto-Currencies

In our previous newsletter, I explained how I bought several crypto-currencies through KRAKEN (<https://www.kraken.com/>); then I would have to transfer Ethereum (ETH), bought on KRAKEN, to the BINANCE exchange (<https://www.binance.com/?ref=17762752>) to buy the additional coins/tokens not available on the KRAKEN exchange. Several of our readers had trouble setting up an account on KRAKEN and several others already had accounts with COINBASE (<https://www.coinbase.com/?r=531078ded0b014b593000511&locale=en-US>).

The reason I selected the KRAKEN exchange is because you can purchase 17 different coins/tokens while COINBASE had only 4 coins available for purchase. In addition, COINBASE was forced to turnover information to the Internal Revenue Service on 14,000 U.S. customers who had made trades of \$20,000 or more from 2013 to 2015.

Whether you have an account at COINBASE or KRAKEN, you will not be able to buy all the coins/tokens you desire. Therefore, you should open an account with the BINANCE exchange, which currently does not accept any fiat currency (e.g., U.S. dollars or the Euro). DO NOT GET VERIFIED for two reasons. First, it is unnecessary if you limit your withdrawals to 2 Bitcoins within a 24-hour period. Since Bitcoin is trading around \$9,000 per coin, you would be limited to withdrawing 2 Bitcoins worth over \$18,000, or its equivalent, every 24-hours. As your coins/tokens start moving up in value, you would want to start transferring them to a hardware wallet, which should easily fall within the 2 Bitcoin 24-hour withdrawal limits. And finally, as Americans, you can avoid the FATCA offshore reporting obligations by not getting verified and only trading coins/tokens on BINANCE, i.e., it is suggested that you do not get verified and do not start using U.S. dollars, when it becomes available, on this foreign exchange.

Once your account is opened at BINANCE, go to Funds, then Deposit; and select ETH; you will then see a 42-character address, which is your hot wallet. Copy this 42-character address to a word document and save it. Then logout of BINANCE.

Go to either KRAKEN or COINBASE and purchase enough Ethereum (ETH) to acquire the amount of tokens/coins you want to trade for on BINANCE. Let's say you want to buy \$250 worth of Cardano (ADA) and \$250 worth of New Economy Movement – NEM (XEM) for a total of \$500. I would then go to CoinMarketCap.com (<https://coinmarketcap.com/>) and look up the prices of the three coins/tokens necessary to make this trade or purchase. Cardano (ADA) is going for about \$0.31; you would then divide \$250 by \$0.31 which comes to 806 coins/tokens. Then do the same for NEM (XEM) which is priced at \$0.37; your \$250 would acquire about 675 coins/tokens. Ethereum (ETH) was priced at \$739.95 for one coin, so your \$500 would buy you a fraction or 0.6757 ETH coin.

Now you know how much Ethereum (ETH) you must either have or buy on KRAKEN or COINBASE to transfer to your account at BINANCE, which is 0.6757 coin.

Next, go to KRAKEN or COINBASE, then go to Withdrawal and select ETH. You want to send 0.6757 ETH to BINANCE and the address is the 42-character number, which includes letters, which you copied to a word document that you previously saved. **Please note that the 42-character address for ETH is not case-sensitive**; so, if a lower-case letter becomes a capital letter when copied to KRAKEN or COINBASE, don't worry about it.

If you are using KRAKEN for the first time to make this transfer, they will send you an email to verify your address at BINANCE; follow the email instructions. Once done, you can make the transfer or withdrawal.

Within an hour or so, you will receive an email from BINANCE stating that your deposit of ETH has arrived.

Go back to BINANCE and login. After login, go to top right corner and select ETH, then search for the token/coin you want to acquire; in this example, first put in ADA. Once you see the coin/token, go to the top left and select Exchange—Basic and you should see your selected coin to buy/trade in the center of the screen. Then enter the amount of tokens/coins you want to acquire; in this case 806. Do the same thing for the next coin/token you want to acquire, which in this case would be about 675 of XEM.

The amount of coins you can acquire will not be exact because of price fluctuations and fees charged by the exchanges. For example, if you put in 806 coins, you might end up with 805.45; then, when you enter the coin amount for your next trade of 675 XEM, you may only be able to acquire 650 coins/tokens with the remaining amount of ETH in your account. Once the transaction is complete, you would end up with a little less than 650 coins because of the fee.

In future issues I will talk about how to hold and store your coins. However, until my coins are worth at least \$20,000, I plan on keeping them at KRAKEN and BINANCE in the respective hot wallets assigned to my accounts.

My Favorite Coins and Tokens

Warren Buffett was recently quoted as saying that bitcoin “[is] probably rat poison squared.” What would you expect from someone who has over \$84-billion in the bank; obviously, he does

not want any competition. Buffett also said that you are not investing when buying bitcoin, you are speculating. I certainly agree with that statement... by taking a position in crypto-currencies, we are not investing, we are speculating. But, the downside is minimal, if you use money that you can afford to lose, while the upside is potentially unlimited.

Peter Theil, the founder of PayPal and one of the first investors in Facebook, has created the Founders Fund, which bought \$15-to-\$20 million worth of bitcoin, which is now worth hundreds of millions of dollars. He is waiting for regulatory clearance so that institutional investors can begin investing in earnest. **Now's the time for all of us average folks to get in on the ground floor!** Once it becomes easy for institutional investors and accredited investors to buy crypto-currencies, it is my opinion that all the selected coins/tokens will most likely rise exponentially. At least that's the plan, which hopefully, will work out!?

I recently read an article titled, How to Build a Proper Cryptocurrency Trading Portfolio. About the only thing I agreed with was the author's statement, "Cryptocurrency Trading is All Trial and Error." The problem with many of the so-called experts is they are trying to treat speculating in crypto-currencies like an investment... it is not! Another expert recommends only Bitcoin and Ethereum; Bitcoin was going for under \$5,000 when he originally recommended it. It got as high as \$19,000 and dropped back down to the \$6,000 range; now it is trading around \$9,000.

Another expert recommends Bitcoin, Ethereum, Litecoin, and New Economy Movement (XEM). The only recommendation that makes sense to me from these four is XEM, which is my second favorite coin/token, which is trading for less than \$1.00; the other coins are too expensive to make the kind of returns we are looking for.

Here is what I have bought and am buying:

1. Stellar Lumens (**XLM**) - \$0.32: I have bought this coin/token three different times paying \$0.25, then \$0.19 and the last purchase was \$0.37. Many articles have suggested that XLM will replace Bitcoin. Also, with IBM and Deloitte backing it, I'm all in!
2. NEM-New Economy Movement (**XEM**) - \$0.32: Big in Japan and second largest increase in value during 2017; also, 14th highest market cap over \$2.9-billion.
3. Cardano (**ADA**) - \$0.27: Backed by the Zug, Switzerland-based Cardano Foundation; referred to as the Japanese Ethereum and is working to make this currency accessible through debit cards and ATM's for the Japanese market and later, beyond its borders; and, has the 7th largest market cap over \$7-billion.
4. Ripple (**XRP**) - \$0.70: One report stated that Ripple was one of the five coins that will overtake Bitcoin and is the only one of the five that is trading for less than \$100 and

more; Ripple is being used by UBS, UniCredit and Santander; its market cap is over \$327.57-billion and stands at number 3.

5. OmiseGo (**OMG**) - \$13.96: In late 2017 Ethereum's founder announced that this was his favorite token and is now an Advisor for this token; it rates number 22 for market cap with over \$1.4-billion.
6. Waltonchain (**WTC**) - \$12.46: This Group is working with the government of Taiwan and members of Taiwan Cloud, which include Nvidia, Microsoft, IBM, Fujitsu, KPMG, HP Enterprise, and PwC.
7. Enigma (**ENG**) - \$2.29: The developers are a highly respected team from MIT, including Guy Zyskind, who has over 10-years of experience in software development; it ranks 95 with a market cap of over 178-million.

Will any of these crypto-currencies make us a million dollars? I sure hope so! Remember, you should only use money for these, or other crypto-currencies of your choice, that you feel comfortable losing. If you keep your commitment low, your upside may be substantial, while your downside is minimal.

Don't forget, keep buying DRIP's, it takes longer, e.g., 10-to-15 years, but, it is a sure thing.

Great Businesses to Buy Now

To become and STAY financially independent, you only need to do three things: (1) Pay yourself first; (2) live below your means; and (3) invest in DRIP's using Einstein's Theory of Compound Interest. Even if you became a multi-millionaire speculating in crypto-currencies, statistically, you would be bankrupt within 5-years, if you did not follow the three principles outlined above. For further details, please read *The Best Kept Secret To Financial Freedom*, available on our website at www.jeffersoniangroup.com, or through Amazon.com. For all of you who purchased our book, we thank you; and, would appreciate it if you gave us a review!

Of the 12 Great Businesses that we believe should be in everyone's portfolio, the following *U.S. Dividend Champions/Aristocrats* (paid and raised dividends for at least 25-years) meet our parameters and are current buys:

1. Exxon Mobil Corp (XOM) - \$78.09, yield = 4.22%, Paid & Raised Dividends for 35-years
2. Coca-Cola Company (KO) - \$41.81, yield = 3.70%, Paid & Raised Dividends for 55-years
3. Procter & Gamble (PG) - \$71.44, yield = 3.99%, Paid & Raised Dividends for 61-years

The following additional *U.S. Dividend Champions/Aristocrats* are also good buys right now:

1. Kimberly-Clark Corp (KMB) - \$101.85, yield = 3.88%, Paid & Raised Dividends 45-years
2. PepsiCo Inc. (PEP) - \$96.79, yield = 3.78%, Paid & Raised Dividends 44-years
3. Target Corp (TGT) - \$69.42, yield = 3.58%, Paid & Raised Dividends 49-years
4. Archer Daniels Midland (ADM) - \$43.95, yield = 3.07%, Paid & Raised 42-years
5. Clorox Company (CLX) - \$118.71, yield 3.18%, Paid & Raised 41-years

Contenders are companies that have paid and raised their dividends for 10-to-24 years. The following six *Contenders* are priced right for acquisition:

1. General Mills (GIS) - \$42.30, yield = 4.63%, Paid & Raised Dividends for 14-years
2. Int'l Business Machines (IBM) - \$143.00, yield = 4.38%, Paid & Raised 21-years
3. Omega Healthcare Investors (OHI) - \$27.80, yield = 9.75%, Paid & Raised 15-years
4. Qualcomm Inc. (QCOM) - \$52.86, yield = 4.68%, Paid & Raised Dividends 14-years
5. Enterprise Products Partners (EPD) - \$26.75, yield = 6.44%, Paid & Raised 20-years
6. Cardinal Health Inc (CAH) - \$52.50, yield = 3.51%, Paid and Raised 10-years

The next category of dividend payers are *Challengers*, which have paid and raised their dividends for 5-to-9 years. In today's market, we like the following one company:

- AbbVie Inc (ABBV) - \$99.40, yield = 3.85%, Paid & Raised 6-years

Another important criteria we use to select our stocks is the average annual increase in the dividends paid each year, i.e., it is not enough that a Dividend Aristocrat—an S&P 500 Company that has paid and raised its dividend for at least 25-years—has consistently paid and raised its annual dividend, it must have raised it by 8%-to-10% or more. For example, many advisors, who favor dividend-paying stocks, recommend AT&T because it is a U.S. Dividend Champion/Aristocrat paying a current dividend of over 5%. However, its average annual increase has only been about 4%. In 25-years, a stock that yields 3% and increases its dividend by 10% per year, will have an annual dividend greater than the original investment of approximately 350%. Whereas, AT&T acquired with a yield of 5.42%, which increases by 4% per year, would only have a dividend payable of much less than the original investment equal to about 21%.

To take full advantage of Einstein's Theory of Compound Interest and become financially independent in 10-to-15 years, you must acquire DRIP's that raise their annual dividends by 8%-to-10% or more per year. Our portfolio of 35 DRIP's, on average, increase their annual dividends by more than 10% each year.

How to Invest

Our recommended portfolio now includes 35 DRIP stocks; if 100 shares of each were purchased today, it would cost approximately \$315,000. If you have investment capital of \$500,000 or more, it would be appropriate to purchase 100 shares of each of these stocks... if interested, send us an email and request our complete listing.

If you were to buy 100 shares of all 15 of the companies listed above, which have yields of 3% or greater, it would cost you about \$107,000. Also, by the time you get this newsletter, the prices will have changed but, you should buy the companies you desire, assuming the dividend yield at the time of your purchase is above or near 3.00%.

Some of you may already own many of these stocks; feel free to add to them. First purchase the stocks you own less of. Some of you may not own any of these great businesses. Some of you may have \$100,000 to invest while others may only have \$1,000. Using a discount broker (e.g., E*TRADE, Schwab, TD Ameritrade, Fidelity, etc.), whether you buy 10 shares or 1,000 shares, the brokerage fees will be less than ten dollars! In addition, **once you acquire any of these DRIP's, you should instruct your discount broker to automatically reinvest the dividends.** The reinvested dividends should be done with no additional cost.

If you are just starting this investment program, first acquire the three *U.S. Dividend Champions/Aristocrats* that we have recommended for everyone's portfolio, i.e., XOM, KO, and PG. The order of our listing has nothing to do with one company being better than the others; they are all great businesses! If you have enough investment capital to invest in all three, 20-to-100 shares of each, then you should consider doing so. Your goal would be to acquire 100 shares of each of these three *U.S. Dividend Champions/Aristocrats* before moving on to any of the other recommendations.

If you only have \$1,000 to invest, buy 20 shares of Coca-Cola (KO); then buy more shares the next month; or, pick any other great business listed as *U.S. Dividend Champions* that you personally like; they are all great companies that have paid and raised their dividends for more than 25-years. As an alternative, you might select one-to-three stocks to acquire each month.

Start investing in these great businesses... NOW!

Remember, the only way to become financially independent, assuming you do not win the lottery or strike it rich speculating in crypto-currencies, is to acquire assets (e.g., DRIP's) that pay you enough passive income to cover and exceed your lifestyle expenses. Even if you are lucky and become a multi-millionaire overnight, you will need to invest in DRIP's to maintain your financial independence.

When you buy a DRIP, you are buying it for life. At some point in the future, you will no longer reinvest ALL the dividends; you will live off the dividends.

April 17, 2018 – The Day Americans Waived Their Rights

On this infamous day each year, usually the 15th, every United States citizen and resident, who has taxable income, is required to file their individual income tax return with the Internal Revenue Service (our version of the *Gestapo*), pay any taxes that still may be due, or, at the very least, request an extension of time to file it.

Unbeknownst to the average person, including most attorneys and accountants, when we file our tax returns and disclose the preponderance of information required, which keeps growing each, and every year, we are waiving our right to be secure in our papers and effects (4th Amendment) and our right not to be compelled to be a witness against ourselves (5th Amendment). And, to add insult-to-injury, we sign the return *under penalties of perjury*.

Real criminals (e.g., those that commit robbery and murder) are usually subject to less harsh punishment than taxpayers who use aggressive tax-shelters to protect their property. Real criminals receive a *Miranda* warning explaining their rights. We (taxpayers) are not explained our rights and are purposely lied to.

The U.S. individual income tax, as administered today, is unconstitutional. Read, *The U.S. Individual Income Tax is Incompatible with a Free Society*; it is available at www.jeffersoniangroup.com, Amazon.com, and Barnes & Noble. Please encourage family members, friends, neighbors, and associates to read and distribute copies of this book. As Supreme Court Justice Bradley stated, when declaring a tax law unconstitutional:

. . . any compulsory discovery by extorting the party's oath, or compelling the production of his private books and papers, to convict him of crime, or to forfeit his property, is contrary to the principles of a free government. It is abhorrent to the instincts of an Englishman; it is abhorrent to the instincts of an American. It may suit the purposes of despotic power; but it cannot abide the pure atmosphere of political liberty and personal freedom.

Tax Reform does not work, will not get rid of the *gestapo tactics* used by the IRS, and, will only last until the next political party takes control of the country. We need a Tax Revolution—we

must repeal the 16th Amendment to take the ability away from Congress to tax all incomes. Please go to our website, www.jeffersoniangroup.com and sign our petition to abolish the IRS.

Dum Spiro, spero—While I breathe I hope.

Slainte mhath,

Robert G. Beard Jr., C.P.A., C.G.M.A., J.D., LL.M.

SIGN UP FOR OUR ELECTRONIC VERSION OF THIS NEWSLETTER

Please go to our website, www.jeffersoniangroup.com, and sign up for our electronic version of this newsletter.

The benefits of doing so are: (1) You will usually receive the newsletter sooner; and (2) you will be able to click-on the various links within the electronic version so that you may access related information directly.

In the future, we may decide to stop printing and mailing hard copies of this newsletter.