

Anatomy of an Elsie Dump

Under the influence of natural demand and only natural demand, the [Elsie](#) cannot fall below 99% of the [peg](#). Only a large dump of Elsies by retail holders has the financial force to push Elsie beneath its floor. However, there are no retail holders if the only demand is natural. The 99% Elsie floor is mathematically secure without retail holders.

Unlike version 6.0, the [counties](#), [ABC](#), and [VTLM](#) are not retail holders of Elsie by default. They receive their rent distribution in U.S. dollars. [Property owners](#) pay \$99.15 for 100 Elsies of rent. Of that \$99.15, \$43.50 goes to the counties, ABC, and VTLM. Depending on current requirements, between \$0 and \$26 goes to the [land fund](#). Because 26.25 Elsies are sequestered in the [EDSF](#), Elsie demand by market makers increases by the same amount. Rental demand for Elsies generates between 26.25% and 52.5% of additional demand. The conversion of this demand into property purchases drives the process forward.

[Rental arbitrage](#) is not the only form of natural demand. Purchasing Elsies for [treble arbitrage](#) spans the gap between natural demand and retail holdings. Can a dump of [treble](#) escrow accounts push Elsie beneath its floor? Possible, but highly unlikely. Trebling is an increasing function of property value, and property value is constantly increasing (through additional acquisitions if nothing else). A material dumping of Elsies in treble escrow is statistically unlikely. Next month's demand for trebling Elsies will always be greater than this month's, resulting in a net need for Elsies.

Unfortunately, natural demand alone requires over two centuries to complete [Phase I](#). Creating a retail demand for Elsies is a primary objective of both the ABC and VTLM. Considering immediate-delayed disposition, even the counties will be pushing the Elsie.

Only a supply shock of Elsies dumped on the market can push the Elsie below 99% of the peg. To discard Elsies, one must have purchased them first and be willing to take a loss on the investment. However, barring mass panic selling, there is a simple way to dispose of unwanted Elsies without taking a material loss or affecting the market value.

Market makers purchase Elsies at 99.05% of the peg and sell them at 99.15% of the peg. If you bought 1 million Elsies at \$991,500 from the market makers and wish to sell them, any market maker that needs to replenish inventory will buy those Elsies for \$990,500. However, if market makers are flush with stock, a little patience will allow those Elsies to be sold at less of a loss. Offer the Elsies at \$991,400. Anybody purchasing Elsies for rent, trebling, commerce, or investment will buy your Elsies at 99.14% rather than from the market makers at 99.15%. The market makers will not like it, but soon, you will be depleted, and they will be back in business.

Dumps need to be distinguished from the withdrawal of market-making capital. The market maker will frequently be overcapitalized (have more Elsies in inventory than can be turned over in a day). Lowering capitalization is accomplished by setting a lower inventory level and restocking only to that new lower level. This will slow the pace of [ram and jam](#) but will not disturb the 99% of the peg Elsie floor.

It takes a lot to breach the 99% floor, but panics happen. Pump and dump schemes incur only a slight loss for the dumper. Rather than being an act of sabotage against the [AFFEERCE business plan](#), they are an act of grace, as you will see. The simulations in this module will show the resiliency of the business plan in the face of Elsie dumps, as well as the net effect on Phase I duration.

When the Elsie falls below 99% of the peg, all trebles will be in Elsie, not U.S. dollars. Regardless of the parameter setting, “Owners allowing rent to fall times percent of treblers using Elsie” will be internally set to 100% whenever there is a deep discount. The discount means that all owners who fail to raise their rent to match the discount are allowing their rent to fall. The discount also implies that all treblers will use Elsie. A good argument can be made that once deep discounting has occurred, all future trebles will be in Elsie, even after the 1% discount (99%) is restored.

The base case is run with the following parameters.

	General Inflation rate	2%	Commons land Appreciation	5.0%
Owners allowing rent to fall times percent of treblers using Elsie		100%		
	Retail Demand/Savers	0.00%		

Using natural demand, the time to complete Phase I with these parameters is 187 years exactly. Because we will be testing with a 10 billion Elsie purchase and dump and doing it with a little-used method that requires the entire ram and jam to be performed in a single run, the \$1 million initial land fund is inadequate for the test. The land fund is instead initialized with \$100 million. If this is a loan, it can quickly be repaid from land fund revenues in one month when the purchased properties go to auction. Using this higher initial land fund, the base case duration falls to 183 years exactly.

The rarely used method of purchasing Elsie bypasses the market maker and waits on the ABC to perform ram and jam. Since this is being done at the start of the process, the market maker has no Elsie, nor will it have a market capitalization to handle 10 billion Elsie for many years, if at all. This is a late addition to the spreadsheet, so it only functions properly with an adequate land fund.

First, the demand shock. Ten billion Elsie are purchased in month 1. Using natural demand from that point forward, Phase 1 will be completed in 122 years and three months. The 10 billion Elsie purchase at the start shaved about 61 years (183 – 122) off the duration of Phase I.

Period	Segment	MM Demand (Mil \$)	Percent Peg	Dividend Percent	Retail Supply Shock(+) Demand Shock(-)	Ram and Jam Contracts Signed	Land Fund (Mil \$)	Total Purchases (number of properties)	Market Maker (Mil LCS)	MM Desired Inventory	Retail Elsie	Sequestered Treble Arbitrage	Dividend Payable	Elsie Created	Elsie Earning Dividend	Annualized Dividend
0 E		\$6.00	99.00%	3.50%	0		\$100.00		0	6	0					
1 A		\$6.00	99.00%	3.50%	-10000	\$6.00	\$3.54	40,340	6	6	10,000.00	0.00	0.00	10,006.00	0.00	0.00%
1 B		\$0.25	99.00%	3.50%	0	\$0.00	\$3.54	40,340	6	6	10,000.00	0.00	0.00	10,006.00	0.00	0.00%
1 C		\$0.25	99.00%	3.50%	0	\$0.00	\$3.54	40,340	6	6	10,000.00	0.00	0.00	10,006.00	10,005.75	0.00%
1 D		\$0.25	99.00%	3.50%	0	\$0.00	\$3.54	40,340	6	6	10,000.00	0.00	0.00	10,006.00	0.00	0.00%
1 E		\$0.25	99.00%	3.50%	0	\$0.00	\$3.54	40,340	6	6	10,000.00	0.00	0.00	10,006.00	0.00	0.00%
2 A		\$0.25	99.00%	3.50%	0	\$0.00	\$3.54	40,340	-1,180	6	10,000.00	1,185.32	0.00	10,006.00	0.00	0.00%
2 B		\$6.00	99.00%	3.50%	0	\$0.00	\$3.54	40,340	-1,202	2,365	10,000.00	1,185.32	0.00	10,006.00	0.00	0.00%
2 C		\$2,365.14	99.00%	3.50%	0	\$0.00	\$3.54	40,340	-1,202	2,365	10,000.00	1,185.32	0.00	10,006.00	8,797.86	0.00%
2 D		\$2,365.14	99.00%	3.50%	0	\$0.00	\$3.54	40,340	-1,202	2,365	10,000.00	1,185.32	0.00	10,006.00	0.00	0.00%
2 E		\$2,365.14	99.00%	3.50%	0	\$0.00	\$3.54	40,340	-1,202	2,365	10,000.00	1,185.32	0.10	10,006.00	0.00	0.01%
3 A		\$2,365.14	99.00%	3.50%	0	\$1,376.06	\$9.04	45,817	169	2,365	10,000.11	1,190.26	0.00	11,382.06	0.00	0.00%
3 B		\$2,195.67	99.00%	3.50%	0	\$0.00	\$9.04	45,817	148	2,365	10,000.11	1,190.26	0.00	11,382.06	0.00	0.00%
3 C		\$2,216.72	99.00%	3.50%	0	\$0.00	\$9.04	45,817	148	2,365	10,000.11	1,190.26	0.00	11,382.06	10,148.53	0.00%
3 D		\$2,216.72	99.00%	3.50%	0	\$0.00	\$9.04	45,817	149	2,365	10,000.11	1,190.26	0.00	11,382.06	0.00	0.00%
3 E		\$2,215.96	99.00%	3.50%	0	\$0.00	\$8.04	45,817	149	2,365	10,000.11	1,190.26	0.06	11,382.06	0.00	0.01%
4 A		\$2,215.96	99.00%	3.50%	0	\$0.00	\$7.58	45,817	-17	2,365	10,000.18	1,356.68	0.00	11,382.06	0.00	0.00%
4 B		\$2,365.14	99.00%	3.50%	0	\$0.00	\$7.58	45,817	-410	2,399	10,000.18	1,356.68	0.00	11,382.06	0.00	0.00%
4 C		\$2,398.69	99.00%	3.50%	0	\$0.00	\$7.58	45,817	-410	2,399	10,000.18	1,356.68	0.00	11,382.06	9,590.24	0.00%
4 D		\$2,398.69	99.00%	3.50%	0	\$0.00	\$7.58	45,817	-410	2,399	10,000.18	1,356.68	0.00	11,382.06	0.00	0.00%
4 E		\$2,398.69	99.00%	3.50%	0	\$0.00	\$6.58	45,817	-410	2,399	10,000.18	1,356.68	23.29	11,382.06	0.00	2.91%
5 A		\$2,398.69	99.00%	3.50%	0	\$0.00	\$166.45	45,817	-242	2,399	10,024.46	1,362.33	0.00	11,382.06	0.00	0.00%
5 B		\$2,398.69	99.00%	3.50%	0	\$0.00	\$166.45	45,817	-266	2,641	10,024.46	1,362.33	0.00	11,382.06	0.00	0.00%
5 C		\$2,640.73	99.00%	3.50%	0	\$0.00	\$166.45	45,817	-266	2,641	10,024.46	1,362.33	0.00	11,382.06	9,758.33	0.00%
5 D		\$2,640.73	99.00%	3.50%	0	\$0.00	\$166.45	45,817	-265	2,641	10,024.46	1,362.33	0.00	11,382.06	0.00	0.00%
5 E		\$2,640.73	99.00%	3.50%	0	\$0.00	\$166.45	45,817	-265	2,641	10,024.46	1,362.33	0.27	11,382.06	0.00	0.03%
6 A		\$2,640.73	99.00%	3.50%	0	\$2,640.73	\$140.11	56,275	2,369	2,641	10,024.74	1,368.01	0.00	14,022.79	0.00	0.00%

In the table, most columns are hidden. A request for 10 billion Elsie by a philanthropist occurs in 1-A. In the retail supply shock and demand shock column, demand requests in segment A are handled by the ABC with ram and jam, not the market maker, provided the land fund is sufficient. The 10 billion Elsie (recall that all Elsie and U.S. dollar columns are in millions) are found in the Retail Elsie column as soon as ram and jam is complete.

At this point, natural demand (demand for Elsie's to pay rent and treble) takes over. Recall that when people allow their rent to fall until trebled, a treble occurs about once a year. At any given time, about 1/12 of such properties are under treble. The 100% number is too high at 99% of the peg. Many people live paycheck to paycheck and do not have the liquidity to employ the strategy, and with only a 1% discount, some will treble with U.S. dollars, foregoing the discount. The 1,185.32 Elsie's sequestered for trebling in 2-A is on the high side. However, this is a test of dumping, and when a dump occurs, the percentage jumps to 100% immediately.

The philanthropist waits for the dividend from auction proceeds in 5A and then dumps all 10,024 Elsie's in month 6. (The negative market maker inventory, an artifact of the spreadsheet, distorts the dividend upwards slightly for those checking the math.) With philanthropists like that, who needs saboteurs?

Period	Segment	MM Demand (Mil \$)	Percent Peg	Dividend Percent	Retail Supply Shock(+) Demand Shock(-)	Ram and Jam Contracts Signed	Land Fund (Mil \$)	Total Purchases (number of properties)	Market Maker (Mil LCS)	MM Desired Inventory	Retail Elsie's	Sequestered Treble Arbitrage	Dividend Payable	Elsie's Created
5 A		\$2,398.69	99.00%	3.50%	0	\$0.00	\$166.45	45,817	-242	2,399	10,024.46	1,362.33	0.00	11,382.06
5 B		\$2,398.69	99.00%	3.50%	0	\$0.00	\$166.45	45,817	-266	2,641	10,024.46	1,362.33	0.00	11,382.06
5 C		\$2,640.73	99.00%	3.50%	0	\$0.00	\$166.45	45,817	-266	2,641	10,024.46	1,362.33	0.00	11,382.06
5 D		\$2,640.73	99.00%	3.50%	0	\$0.00	\$166.45	45,817	-265	2,641	10,024.46	1,362.33	0.00	11,382.06
5 E		\$2,640.73	99.00%	3.50%	10024	\$0.00	\$166.45	45,817	9,759	2,641	0.46	1,362.33	0.27	11,382.06
6 A		\$7,117.90	99.00%	3.50%	0	\$0.00	\$165.45	45,817	9,753	2,641	0.74	1,368.01	0.00	11,382.06
6 B		\$7,112.21	99.00%	3.50%	0	\$0.00	\$165.45	45,817	9,729	2,641	0.74	1,368.01	0.00	11,382.06
6 C		\$7,088.02	99.00%	3.50%	0	\$0.00	\$165.45	45,817	9,729	2,641	0.74	1,368.01	0.00	11,382.06
6 D		\$7,088.02	99.00%	3.50%	0	\$0.00	\$165.45	45,817	9,730	2,641	0.74	1,368.01	0.00	11,382.06
6 E		\$7,089.60	99.00%	3.50%	0	\$0.00	\$165.45	45,817	9,730	2,641	0.74	1,368.01	0.32	11,382.06
7 A		\$7,089.60	99.00%	3.50%	0	\$0.00	\$164.45	45,817	9,725	2,641	0.74	1,373.71	0.00	11,382.06
7 B		\$7,084.21	99.00%	3.50%	0	\$0.00	\$164.45	45,817	9,701	2,641	0.74	1,373.71	0.00	11,382.06
7 C		\$7,059.92	99.00%	3.50%	0	\$0.00	\$164.45	45,817	9,701	2,641	0.74	1,373.71	0.00	11,382.06
7 D		\$7,059.92	99.00%	3.50%	0	\$0.00	\$164.45	45,817	9,703	2,641	0.74	1,373.71	0.00	11,382.06
7 E		\$7,062.25	99.00%	3.50%	0	\$0.00	\$164.45	45,817	9,703	2,641	0.74	1,373.71	0.36	11,382.06
8 A		\$7,062.25	99.00%	3.50%	0	\$0.00	\$164.45	45,817	9,698	2,641	0.74	1,379.43	0.00	11,382.06

Supply shocks (positive) are done in Segment E, not Segment A, like demand shocks (negative). A supply shock in segment A would correspond to a privatization of Commons Trust land if implemented.

The supply shock, whose effect is seen in red in the MM Demand column, will increase the discount to the point that natural demand exceeds supply. This can be seen by lowering the peg percentage until demand in the following month turns black. This is a manual operation; experiment with the smallest discount (highest percentage of peg) needed to turn the demand black in 7-B.

Period	Segment	MM Demand (Mil \$)	Percent Peg	Dividend Percent	Retail Supply Shock(+) Demand Shock(-)	Ram and Jam Contracts Signed	Land Fund (Mil \$)	Total Purchases (number of properties)	Market Maker (Mil LCS)	MM Desired Inventory	Retail Elsie's	Sequestered Treble Arbitrage	Dividend Payable	Elsie's Created	Elsie's Earning Dividend	Annualized Dividend
5 A		\$2,398.69	99.00%	3.50%	0	\$0.00	\$166.45	45,817	-242	2,399	10,024.46	1,362.33	0.00	11,382.06	0.00	0.00%
5 B		\$2,398.69	99.00%	3.50%	0	\$0.00	\$166.45	45,817	-266	2,641	10,024.46	1,362.33	0.00	11,382.06	0.00	0.00%
5 C		\$2,640.73	99.00%	3.50%	0	\$0.00	\$166.45	45,817	-266	2,641	10,024.46	1,362.33	0.00	11,382.06	9,758.33	0.00%
5 D		\$2,640.73	99.00%	3.50%	0	\$0.00	\$166.45	45,817	-265	2,641	10,024.46	1,362.33	0.00	11,382.06	0.00	0.00%
5 E		\$2,640.73	99.00%	3.50%	10024	\$0.00	\$166.45	45,817	9,759	2,641	0.46	1,362.33	0.27	11,382.06	0.00	0.03%
6 A		\$7,117.90	93.80%	29.75%	0	\$0.00	\$165.45	45,817	9,753	2,641	0.74	1,368.01	0.00	11,382.06	0.00	0.00%
6 B		\$7,112.21	93.80%	29.75%	0	\$0.00	\$165.45	45,817	9,727	2,641	0.74	1,368.01	0.00	11,382.06	0.00	0.00%
6 C		\$7,086.68	93.80%	29.75%	0	\$0.00	\$165.45	45,817	9,727	2,641	0.74	1,368.01	0.00	11,382.06	9,728.15	0.00%
6 D		\$7,086.68	93.80%	29.75%	0	\$0.00	\$165.45	45,817	9,729	2,641	0.74	1,368.01	0.00	11,382.06	0.00	0.00%
6 E		\$7,088.26	93.80%	29.75%	0	\$0.00	\$165.45	45,817	9,729	2,641	0.74	1,368.01	2.70	11,382.06	0.00	0.33%
7 A		\$7,088.26	93.80%	29.75%	0	\$0.00	\$164.45	45,817	2,583	2,641	0.74	8,516.99	0.00	11,382.06	0.00	0.00%
7 B		\$58.03	93.80%	29.75%	0	\$0.00	\$164.45	45,817	2,557	2,641	0.74	8,516.99	0.00	11,382.06	0.00	0.00%
7 C		\$83.67	93.80%	29.75%	0	\$0.00	\$164.45	45,817	2,557	2,641	0.74	8,516.99	0.00	11,382.06	2,557.80	0.00%
7 D		\$83.67	93.80%	29.75%	0	\$0.00	\$164.45	45,817	2,559	2,641	0.74	8,516.99	0.00	11,382.06	0.00	0.00%
7 E		\$81.29	93.80%	29.75%	0	\$0.00	\$164.45	45,817	2,559	2,641	0.74	8,516.99	3.11	11,382.06	0.00	1.46%
8 A		\$81.29	93.90%	29.75%	0	\$0.00	\$164.45	45,817	2,527	2,641	0.74	8,552.48	0.00	11,382.06	0.00	0.00%
8 B		\$113.67	93.90%	29.75%	0	\$0.00	\$164.45	45,817	2,501	2,641	0.74	8,552.48	0.00	11,382.06	0.00	0.00%
8 C		\$139.38	93.90%	29.75%	0	\$0.00	\$164.45	45,817	2,501	2,641	0.74	8,552.48	0.00	11,382.06	2,502.09	0.00%
8 D		\$139.38	93.90%	29.75%	0	\$0.00	\$164.45	45,817	2,504	2,641	0.74	8,552.48	0.00	11,382.06	0.00	0.00%
8 E		\$136.26	93.90%	29.75%	0	\$0.00	\$164.45	45,817	2,504	2,641	0.74	8,552.48	3.49	11,382.06	0.00	1.67%
9 A		\$136.26	94.00%	29.75%	0	\$0.00	\$164.45	45,817	2,611	2,641	0.74	8,449.60	0.00	11,382.06	0.00	0.00%

In this case, the magic number is 93.8%. Notice what happens to sequestered Elsie's for treble arbitrage in 7-A, jumping from 1.3 billion to 8.5 billion. While the 1.3 billion was likely high, the 8.5 billion is not. Property can be acquired at 6.2% discounts should the treble succeed. And it gets more expensive to match the trebler as time goes on. In month 8, the peg percentage increased to 93.9%, and in month 9, it grew to 94%, all without creating supply issues. A smart trebler will wait until the discount returns to 1%

(99% of the peg) before springing a difficult-to-match treble. Whether sequestered or held in an account, the supply glut disappears at 93.8%.

Unfortunately, the peg percentage does not rise smoothly without hitting supply snags. This can be seen in 9-A when Elsie's sequestered for trebling falls. The only reason it rose in 8-A was that property appreciation exceeded the fall in treble demand. By 9-A, that is no longer the case. Those who trebled and lost have no problem selling the Elsie's they bought for 93.8% back at 94%. (Even smarter ones will wait for the peg percentage to go even higher. Smarter ones still will never dump Elsie's, as they will realize the historical superiority of the currency – but that is not natural demand, it is psychological demand and the educational responsibility of a good CEO.)

Period	Segment	MM Demand (Mil \$)	Percent Peg	Dividend Percent	Retail Supply Shock(+)	Ram and Jam Contracts Signed	Land Fund (Mil \$)	Total Purchases (number of properties)	Market Maker (Mil LCS)	MM Desired Inventory	Retail Elsie's	Sequestered Treble Arbitrage	Dividend Payable	Elsies Created	Elsies Earning Dividend	Annualized Dividend
101	E	\$81.95	96.40%	29.50%	0	50.00	\$164.45	45,817	2,559	2,641	0.99	7,513.49	10.39	11,382.06	0.00	4.59%
102	A	\$81.95	96.50%	28.50%	0	50.00	\$164.45	45,817	2,742	2,641	0.99	7,340.88	0.00	11,382.06	0.00	0.00%
102	B	\$101.04	96.50%	28.50%	0	50.00	\$164.45	45,817	2,705	2,641	0.99	7,340.88	0.00	11,382.06	0.00	0.00%
102	C	\$64.05	96.50%	28.50%	0	50.00	\$164.45	45,817	2,705	2,641	0.99	7,340.88	0.00	11,382.06	2,705.77	0.00%
102	D	\$64.05	96.50%	28.50%	0	50.00	\$164.45	45,817	2,720	2,641	0.99	7,340.88	0.00	11,382.06	0.00	0.00%
102	E	\$79.60	96.50%	28.50%	0	50.00	\$164.45	45,817	2,720	2,641	0.99	7,340.88	10.08	11,382.06	0.00	4.47%
103	A	\$79.60	96.50%	28.50%	0	50.00	\$164.45	45,817	2,905	2,641	0.99	7,166.70	0.00	11,382.06	0.00	0.00%
103	B	\$263.85	96.50%	28.50%	0	50.00	\$164.45	45,817	2,867	2,641	0.99	7,166.70	0.00	11,382.06	0.00	0.00%
237	D	\$105.84	98.80%	5.50%	0	50.00	\$164.45	45,817	2,561	2,641	1.42	4,646.99	0.00	11,382.06	0.00	0.00%
237	E	\$79.25	98.80%	5.50%	0	50.00	\$164.45	45,817	2,561	2,641	1.42	4,646.99	3.32	11,382.06	0.00	1.57%
238	A	\$79.25	98.90%	4.50%	0	50.00	\$164.45	45,817	2,904	2,641	1.42	4,307.41	0.00	11,382.06	0.00	0.00%
239	D	\$508.25	98.90%	4.50%	0	50.00	\$164.45	45,817	3,176	2,641	1.42	3,964.91	0.00	11,382.06	0.00	0.00%
239	E	\$535.05	98.90%	4.50%	0	50.00	\$164.45	45,817	3,176	2,641	1.42	3,964.91	2.74	11,382.06	0.00	1.04%
249	A	\$68.69	98.90%	4.50%	0	50.00	\$164.45	45,817	2,695	2,641	1.43	4,133.24	0.00	11,382.06	0.00	0.00%
249	B	\$54.38	98.90%	4.50%	0	50.00	\$164.45	45,817	2,629	2,641	1.43	4,133.24	0.00	11,382.06	0.00	0.00%
249	C	\$12.14	98.90%	4.50%	0	50.00	\$164.45	45,817	2,629	2,641	1.43	4,133.24	0.00	11,382.06	2,630.03	0.00%
249	D	\$12.14	98.90%	4.50%	0	50.00	\$164.45	45,817	2,656	2,641	1.43	4,133.24	0.00	11,382.06	0.00	0.00%
249	E	\$15.76	98.90%	4.50%	0	50.00	\$164.45	45,817	2,656	2,641	1.43	4,133.24	2.85	11,382.06	0.00	1.30%
250	A	\$15.76	98.90%	4.50%	0	50.00	\$164.45	45,817	2,642	2,641	1.44	4,150.47	0.00	11,382.06	0.00	0.00%
250	B	\$1.39	98.90%	4.50%	0	50.00	\$164.45	45,817	2,575	2,641	1.44	4,150.47	0.00	11,382.06	0.00	0.00%
250	C	\$65.40	98.90%	4.50%	0	50.00	\$164.45	45,817	2,575	2,641	1.44	4,150.47	0.00	11,382.06	2,576.77	0.00%
250	D	\$65.40	98.90%	4.50%	0	50.00	\$164.45	45,817	2,603	2,641	1.44	4,150.47	0.00	11,382.06	0.00	0.00%
250	E	\$37.38	98.90%	4.50%	0	50.00	\$164.45	45,817	2,603	2,641	1.44	4,150.47	2.87	11,382.06	0.00	1.33%
251	A	\$37.38	99.00%	3.50%	0	\$37.38	\$163.72	45,916	2,626	2,641	1.44	4,167.76	0.00	11,419.45	0.00	0.00%
251	B	\$14.81	99.00%	3.50%	0	50.00	\$163.72	45,916	2,559	2,641	1.44	4,167.76	0.00	11,419.45	0.00	0.00%
251	C	\$81.81	99.00%	3.50%	0	50.00	\$163.72	45,916	2,559	2,641	1.44	4,167.76	0.00	11,419.45	2,560.35	0.00%

In the long stretch back to 99% in month 251 (a wait of just over 20 years from the time of the dump), the ABC has not been able to purchase a single property with ram and jam. There have been many periods of supply snags, with a small sample shown above at 96.5% and 98.9%. An increasing number of Elsie's are destroyed – the entire monthly land fund distribution (not shown) and a rising number are sequestered in the EDSF (not shown) as the dividend returns to normal. The property continues to appreciate. Due to property and rent appreciation, the amount of Elsie's sequestered for treble arbitrage has increased to over 4 billion.

Counties, the ABC, and VTLM are unaffected by the deep discount. If they please, their rental revenue in Phase I is always in dollars. This is not a problem. If you examine the system as an integrated unit, the system received \$99.15 for 100 Elsie's in rent when the percent of the peg was at the standard discount. About \$43.50 is paid to the ABC, VTLM and counties. In the depth of the deep discount (what we show to be the worst possible case), the system received \$93.80 for 100 Elsie's, with \$43.50 paid out to the ABC, VTLM, and counties. Although the dynamics are more complex, it reduces to this.

Furthermore, this can never happen again. 100% of the retail Elsie's were dumped. There is nothing left in the Retail Elsie column other than dividends on loose change left behind. When is the end of Phase I reached? In 137 years and 11 months. The cost was only 18 years, even though it took 20 years to get out of the impasse. Can this be called a cost? If the philanthropist had not purchased the Elsie's in the first place, Phase I would have taken 183 years from natural demand. However, because the philanthropist purchased the Elsie's and then turned around and dumped them a few months later, the

time of Phase I is reduced to 138 years with only natural demand. The philanthropist gave us a gift of 45 years.

How much did the philanthropist lose by buying the Elsie's and then dumping them? The 10 billion Elsie's were purchased for 10,000,000,000 * 99.05% (assuming they were purchased in ram and jam and not from the market maker.)

The philanthropist paid \$9,905,000,000 for the Elsie's. The 10.024 billion Elsie's (after dividends) are sold for 10,024,000,000 x 93.8% = \$9,402,512,000. The philanthropist spends \$502.5 million to shave 45 years off the world's path toward freedom.

We have seen the worst case. Suppose the philanthropist waits ten years before dumping 100% of their Elsie's.

Period	Segment	MM Demand (Mil \$)	Percent Peg	Dividend Percent	Retail Supply Shock(+/-) Demand Shock(-)	Ram and Jam Contracts Signed	Land Fund (Mil \$)	Total Purchases (number of properties)	Market Maker (Mil LCS)	MM Desired Inventory	Retail Elsie's	Sequestered Treble Arbitrage	Dividend Payable	Elsies Created	Elsies Earning Dividend	Annualized Dividend
120 A		\$101.43	99.00%	3.50%	0	\$101.43	\$9.47	93,933	2,612	2,641	10,352.60	4,267.99	0.00	24,361.79	0.00	0.00%
120 B		\$28.97	99.00%	3.50%	0	\$0.00	\$9.47	93,933	2,509	2,641	10,352.60	4,267.99	0.00	24,361.79	0.00	0.00%
120 C		\$131.47	99.00%	3.50%	0	\$0.00	\$9.47	93,933	2,509	2,641	10,352.60	4,267.99	0.00	24,361.79	12,861.86	0.00%
120 D		\$131.47	99.00%	3.50%	0	\$0.00	\$9.47	93,933	2,539	2,641	10,352.60	4,267.99	0.00	24,361.79	0.00	0.00%
120 E		\$102.13	99.00%	3.50%	10352	\$0.00	\$9.47	93,933	12,891	2,641	0.60	4,267.99	4.21	24,361.79	0.00	0.39%
121 A		\$10,249.87	96.60%	27.50%	0	\$0.00	\$9.47	93,933	12,862	2,641	3.99	4,297.68	0.00	24,361.79	0.00	0.00%
121 B		\$10,221.01	96.60%	27.50%	0	\$0.00	\$9.47	93,933	12,757	2,641	3.99	4,297.68	0.00	24,361.79	0.00	0.00%
121 C		\$10,115.91	96.60%	27.50%	0	\$0.00	\$9.47	93,933	12,757	2,641	3.99	4,297.68	0.00	24,361.79	12,760.62	0.00%
121 D		\$10,115.91	96.60%	27.50%	0	\$0.00	\$9.47	93,933	12,786	2,641	3.99	4,297.68	0.00	24,361.79	0.00	0.00%
121 E		\$10,145.45	96.60%	27.50%	0	\$0.00	\$9.47	93,933	12,786	2,641	3.99	4,297.68	33.30	24,361.79	0.00	3.13%
122 A		\$10,145.45	96.60%	27.50%	0	\$0.00	\$9.47	93,933	2,444	2,641	4.00	14,672.99	0.00	24,361.79	0.00	0.00%
122 B		\$196.57	96.60%	27.50%	0	\$0.00	\$9.47	93,933	2,366	2,641	4.00	14,672.99	0.00	24,361.79	0.00	0.00%
122 C		\$274.78	96.60%	27.50%	0	\$0.00	\$9.47	93,933	2,366	2,641	4.00	14,672.99	0.00	24,361.79	2,369.94	0.00%
122 D		\$274.78	96.60%	27.50%	0	\$0.00	\$9.47	93,933	2,396	2,641	4.00	14,672.99	0.00	24,361.79	0.00	0.00%
122 E		\$244.85	96.60%	27.50%	-111	\$0.00	\$9.47	93,933	2,285	2,641	114.79	14,672.99	20.06	24,361.79	0.00	10.16%
123 A		\$355.65	96.70%	26.50%	0	\$0.00	\$9.47	93,933	2,244	2,641	114.83	14,734.12	0.00	24,361.79	0.00	0.00%
123 B		\$396.75	96.70%	26.50%	0	\$0.00	\$9.47	93,933	2,166	2,641	114.83	14,734.12	0.00	24,361.79	0.00	0.00%
123 C		\$475.21	96.70%	26.50%	0	\$0.00	\$9.47	93,933	2,166	2,641	114.83	14,734.12	0.00	24,361.79	2,280.35	0.00%
123 D		\$475.21	96.70%	26.50%	0	\$0.00	\$9.47	93,933	2,196	2,641	114.83	14,734.12	0.00	24,361.79	0.00	0.00%
123 E		\$444.90	96.70%	26.50%	-111	\$0.00	\$9.47	93,933	2,085	2,641	225.09	14,734.12	19.45	24,361.79	0.00	10.23%
124 A		\$556.16	96.80%	25.50%	0	\$0.00	\$9.47	93,933	2,477	2,641	227.07	14,360.35	0.00	24,361.79	0.00	0.00%
124 B		\$163.92	96.80%	25.50%	0	\$0.00	\$9.47	93,933	2,398	2,641	227.07	14,360.35	0.00	24,361.79	0.00	0.00%
124 C		\$242.63	96.80%	25.50%	0	\$0.00	\$9.47	93,933	2,398	2,641	227.07	14,360.35	0.00	24,361.79	2,625.17	0.00%
124 D		\$242.63	96.80%	25.50%	0	\$0.00	\$9.47	93,933	2,429	2,641	227.07	14,360.35	0.00	24,361.79	0.00	0.00%
124 E		\$211.97	96.80%	25.50%	-56	\$0.00	\$9.47	93,933	2,373	2,641	282.93	14,360.35	18.82	24,361.79	0.00	8.60%
125 A		\$267.83	96.90%	24.50%	0	\$0.00	\$9.47	93,933	2,767	2,641	284.56	13,983.21	0.00	24,361.79	0.00	0.00%
125 B		\$126.51	96.90%	24.50%	0	\$0.00	\$9.47	93,933	2,688	2,641	284.56	13,983.21	0.00	24,361.79	0.00	0.00%
125 C		\$47.55	96.90%	24.50%	0	\$0.00	\$9.47	93,933	2,688	2,641	284.56	13,983.21	0.00	24,361.79	2,972.84	0.00%

After ten years, the discount from dumping 10.352 billion (100%) of retail Elsie's brings the percentage of the peg down to 96.6%, much better than the 93.8% of the peg above. Notice the size of the annualized dividends. The system creates a small demand to return the dividend to 6%. The three attempts are - 111, -111, and -56 in the E segments. They fail to bring the dividend down much but add to the overall demand necessary to escape the quagmire. While the immediate dump above took 20 years to restore 99% of the peg, this 10-year-later dump takes only 10.5 years. Phase I will be completed in 127 years and three months.

In any real-world situation, a 100% dump of Elsie's is absurd. Using a 10-year waiting period before dumping, here are the results of dumping different percentages of total Elsie's.

Retail Dump After 10 Years of Natural Demand (1:3.6)			
Percentage Dumped	Equilibrium % Peg	Time until 99% restored	Time until Phase I Ends
100%	96.6%	Ten years, seven months	127 years, two months
80%	97.1%	Eight years, nine months	126 years, six months
60%	97.6%	Six years, one month	125 years, five months
40%	98%	Four years, four months	124 years, four months
20%	98.5%	One year, five months	123 years, one month
10%	98.8%	Three months	122 years, five months

5%	98.9%	Two months	122 years, one month
0%-2%	99%	-	121 years, nine months

The measurement determining these results is the ratio of retail Elsie to property in the commons trust. The worst case is 1:1, which happened when the 10 billion Elsies were purchased in the first month of ABC operations and dumped in month 4.

Although the property value column is not shown, there are \$36.7 million of property in the commons trust after ten years, but still not much more than 10 million Elsies in retail. The ratio is 1:3.6.

Here are the same tests after 40 years. There are 16 billion Elsies in retail due to dividends and \$440.6 billion worth of property. The ratio is 1:27.5.

Retail Dump After 40 Years of Natural Demand (1:27.5)			
Percentage Dumped	Equilibrium % Peg	Time until 99% restored	Time until Phase I Ends
100%	98.7%	Four months	121 years, 11 months
80%	98.79%	Three months	121 years, 11 months
60%	98.85%	Three months	122 years
40%	98.9%	Two months	121 years, 11 months
20%	98.9%	Two months	121 years, ten months
0%-16%	99%	-	121 years, nine months

At this low ratio of Elsies to property value, even a 100% dump of all retail Elsies stops ram and jam for no more than four months. Up to a 16% dump can occur with ram and jam slowed but not halted.

Notice the anomaly where Phase 1 goes slightly faster if 100% of retail Elsies are dumped rather than 60%. This is due to larger dividends and imprecision in the natural demand heuristics to handle them, as seen below. The property value column is included for reference. Two of the dividends shown are, in part, an artifact of negative market maker inventory but are high nonetheless. The 55.88 million dividend payable is split between 134.16 million Elsies in retail. That is a 41% monthly return and a 492% annualized return, as opposed to the 1899% return displayed in the table.

Period	Segment	MM Demand (Mil \$)	Percent Peg	Dividend Percent	Retail Supply Shock(+) Demand Shock(-)	Ram and Jam Contracts Signed	Land Fund (Mil \$)	Property Value (Mil \$)	Total Purchases (number of properties)	Market Maker (Mil LCS)	MM Desired Inventory	Retail Elsie	Sequestered Treble Arbitrage	Dividend Payable	Elsies Created	Elsies Earning Dividend	Annualized Dividend
479 A		\$1,206.67	99.00%	3.50%	0	\$1,206.67	\$208.22	\$432,470	438,423	2,296	2,641	16,087.54	50,392.84	0.00	181,335.91	0.00	0.00%
479 B		\$345.08	99.00%	3.50%	0	\$0.00	\$208.22	\$432,470	438,423	1,086	2,641	16,087.54	50,392.84	0.00	181,335.91	0.00	0.00%
479 C		\$1,554.42	99.00%	3.50%	0	\$0.00	\$208.22	\$432,470	438,423	1,086	2,641	16,087.54	50,392.84	0.00	181,335.91	17,173.85	0.00%
479 D		\$1,554.42	99.00%	3.50%	0	\$0.00	\$208.22	\$432,470	438,423	1,433	2,641	16,087.54	50,392.84	0.00	181,335.91	0.00	0.00%
479 E		\$1,207.59	99.00%	3.50%	16087	\$0.00	\$208.22	\$432,470	438,423	17,520	2,641	0.54	50,392.84	49.64	181,335.91	0.00	3.47%
480 A		\$14,879.41	98.70%	6.50%	0	\$0.00	\$208.22	\$434,272	438,423	17,172	2,641	47.04	50,744.40	0.00	181,335.91	0.00	0.00%
480 B		\$14,530.99	98.70%	6.50%	0	\$0.00	\$208.22	\$434,272	438,423	15,948	2,641	47.04	50,744.40	0.00	181,335.91	0.00	0.00%
480 C		\$13,307.16	98.70%	6.50%	0	\$0.00	\$208.22	\$434,272	438,423	15,948	2,641	47.04	50,744.40	0.00	181,335.91	15,994.93	0.00%
480 D		\$13,307.16	98.70%	6.50%	0	\$0.00	\$208.22	\$434,272	438,423	16,297	2,641	47.04	50,744.40	0.00	181,335.91	0.00	0.00%
480 E		\$13,656.36	98.70%	6.50%	-87	\$0.00	\$208.22	\$434,272	438,423	16,210	2,641	133.89	50,744.40	92.22	181,335.91	0.00	6.99%
481 A		\$13,569.50	98.70%	6.50%	0	\$0.00	\$208.22	\$436,082	438,423	805	2,641	134.16	66,242.59	0.00	181,335.91	0.00	0.00%
481 B		\$1,835.74	98.70%	6.50%	0	\$0.00	\$208.22	\$436,082	438,423	-99	2,641	134.16	66,242.59	0.00	181,335.91	0.00	0.00%
481 C		\$2,640.73	98.70%	6.50%	0	\$0.00	\$208.22	\$436,082	438,423	-99	2,740	134.16	66,242.59	0.00	181,335.91	35.30	0.00%
481 D		\$2,739.59	98.70%	6.50%	0	\$0.00	\$208.22	\$436,082	438,423	254	2,740	134.16	66,242.59	0.00	181,335.91	0.00	0.00%
481 E		\$2,485.36	98.70%	6.50%	-1308	\$0.00	\$208.22	\$436,082	438,423	-1,054	2,740	1,442.41	66,242.59	55.88	181,335.91	0.00	1899.63%
482 A		\$2,739.59	98.80%	5.50%	0	\$0.00	\$208.22	\$437,899	438,423	-1,487	3,794	1,654.80	66,518.60	0.00	181,335.91	0.00	0.00%
482 B		\$3,793.61	98.80%	5.50%	0	\$0.00	\$208.22	\$437,899	438,423	-2,393	5,280	1,654.80	66,518.60	0.00	181,335.91	0.00	0.00%
482 C		\$5,280.13	98.80%	5.50%	0	\$0.00	\$208.22	\$437,899	438,423	-2,393	5,280	1,654.80	66,518.60	0.00	181,335.91	0.00	0.00%
482 D		\$5,280.13	98.80%	5.50%	0	\$0.00	\$208.22	\$437,899	438,423	-2,036	5,280	1,654.80	66,518.60	0.00	181,335.91	0.00	0.00%
482 E		\$5,280.13	98.80%	5.50%	-1314	\$0.00	\$208.22	\$437,899	438,423	-3,350	5,280	2,968.49	66,518.60	47.49	181,335.91	0.00	569847069.60%
483 A		\$5,280.13	98.90%	4.50%	0	\$0.00	\$208.22	\$439,723	438,423	1,665	5,280	2,862.08	61,657.62	0.00	181,335.91	0.00	0.00%

These simulations show that it is better to dump than never purchase Elsies in the first place. In a commercial equilibrium, there is an average of 0% net currency dumping. At a ratio of 1:3.6, the system seamlessly handles a 2% net monthly Elsie dump. At a ratio of 1:27.5, the system seamlessly handles a 16% net monthly Elsie dump. Despite the examples in this module, such a dump is statistically almost impossible.

These tables assume only natural demand (beyond the one-time purchase and dump). With natural demand, there are no retail Elsies bought or sold. Markets tend toward equilibrium. None of the

scenarios described above will happen in the implementation. Those purchasing Elsie have no intention of dumping for a loss; indeed, not every purchaser is in collusion, discarding at the same time for an even more significant loss. Falling below 99% of the peg is conceivable. Buyers will rush in like a department store on Black Friday. Falling below 99% of the peg twice is not.

As for the 10 billion Elsie pump and dump by the philanthropist on day 1, that would be a blessing. For one, due to human demand, the downtime is unlikely to last 20 months, let alone 20 years. The 10 billion will give the ABC and VTLM each a monthly starting revenue of \$1.45 million. And three, the break in ram and jam will allow staff to develop the biometric and commercial software needed for a short and successful Phase I.