ABC – The First 20 Years

The AFFEERCE Benefit Corporation (ABC) is formed at the same time as the VIP Treasury and VIP Land Management nonprofits. While the nonprofits are concerned with software, security, databases, charters, leases, and dreams, the ABC seeks to make a profit by purchasing land into its own ABC Commons Trust.

Before the first property is purchased into a commons trust, the ABC will develop legal strategies toward signing up counties to agree to our terms (30% of ground rent in lieu of property taxes). These include developing required and optional parts of the agreement and researching jurisdictions for legal obstacles. Lobbying is preferable to adjudication. A good relationship with all levels of government would be optimal.

This module assumes familiarity with startup costs and purchasing modes.

The ABC Begins

Following the multi-year creation of software, legal documents, and business plans, the ABC begins operations with a $7 million land account supplied by the investor. There is an additional $1.57 million in operating losses during the first seven months.

The basic ABC operation is called ram and jam after the poker phrase. In possibly rapid succession, real estate is purchased from the land account, VIP$ are minted from the purchase, VIP$ are converted to U.S. dollars at market, real estate is purchased, VIP$ are created, and the sequence is repeated until all generated funds are insufficient for purchasing or depleted. VIP$ supply shocks force the ABC to destroy VIP$ and restore market equilibrium before continuing with ram and jam.

There are two banking rates, which, when combined, determine the rate at which supply shocks force VIP$ destruction. These are the VIP economy banking rate (VEB) and the world economy banking rate (WEB).

In the simulation of the first 20 years of the ABC, the VEB is set equal to the WEB, which is conservatively set to 63%. The WEB has no effect in the first two years.

For simulation purposes only, property purchases are combined into units. These units in the first three years represent a specific mix of residential purchases between sales mode and advance rent mode.

During the first two years, 95% of the properties are in sales mode, the third year has a 50% mix of the two modes, and during the fourth year and beyond, 95% of properties are assumed to be in advance rent mode.

Vacant land, commercial property, and properties still listed "for sale" will bring in higher rents and make up the 5% sales mode that continues throughout the simulation.

A unit is defined as eight $250,000 purchases per month. Purchases are selected by purchasing agents from "for sale" properties in counties that have signed the property tax agreement.

A waiting list of properties includes properties within the entire range of land share, non-residential properties, and those listed as traditionally for sale versus those listed as non-abandonment sales. Exact criteria on the appropriate mix are set in the business plan and modified from day to day by the VIP Treasury.

"For sale" properties bring in high rents initially, regardless of land share, and always take precedence as long as VIP$ are being destroyed. The U.S. dollar cost of a unit purchase (8 properties) is $250,000 x 8 = $2 million.

Funding into the 1-year advance rent account for sales mode purchases is about 50% of the purchase price, bid at auction. Bidder demand for discounted VIP$, called bidder arbitrage tends to create demand in excess of supply. All calculations in this module were done before bidder arbitrage was discovered and will tend to be conservative. Funding into the advanced rent account for non-abandoned advance rent purchases is exactly 5% of the purchase price.

Conservatively, the average rent falls to 2% of purchase price and stops falling in the simulation. A month's rent is defined as 8.33% of the 1-year advance rent fund. Rents drop by 8.75% per month, leaving the property owner with a tiny refund each month, by default. Here are a unit's first month's rent calculations based on the three mode mixtures used in the simulation:

Sales Only Mode			
Mode	Percent of Purchases	Rent as Percent of Purchase	Rent on Unit Purchase
Sales Mode	95%	50%	$950,000
Advance Rent Mode	5%	5%	$5,000
		Total Advance Rent:	**$955,000**
		First Months Rent:	**$79,583**

Mixed Sales and Advance Rent Modes			
Mode	Percent of Purchases	Rent as Percent of Purchase	Rent on Unit Purchase
Sales Mode	50%	50%	$500,000
Advance Rent Mode	50%	5%	$50,000
		Total Advance Rent:	**$550,000**
		First Months Rent:	**$45,833**

Advance Rent Mode			
Mode	Percent of Purchases	Rent as Percent of Purchase	Rent on Unit Purchase
Sales Mode	5%	50%	$50,000
Advance Rent Mode	95%	5%	$95,000
		Total Advance Rent:	**$145,000**
		First Months Rent:	**$12,083**

In reality (outside of the simulation), the transition will be continuous and not discreet.

With an 8.75% default drop in rent each month, the advance rent account is never fully depleted.

In the spreadsheet, each month is considered a non-divisible period. All properties are purchased for U.S. dollars in ABC Phase I (the first 20 years), although property owners have the option of receiving VIP$. This is not wise, as the VIP$ trades at a 1% discount to peg. On the other hand, property owners will pay rent in VIP$ and treblers will treble in VIP$ for the same reason.

The goal of the first month is to get 4 units (32 properties) into the ABC Commons Trust and preserve market equilibrium between the demand and supply of VIP$. There are 30 purchasing agents available to do the closings, which is about 1 closing each in the first month.

By the last month of the first year, there will be almost 234 purchasing agents needed to close 24 properties per month, each. It is expected that purchasing agents will be former real estate agents. They will go through additional training.

With 32 properties in the commons trust at the start of month 2, the VIP economy will be far less shocked with new VIP$ when 2 units (16 properties) are closed in the following month. This will be the only break, as units purchased will increase in the following months.

Units purchased for each of the first 12 months are [4, 2, 4, 11, 40, 100, 200, 200, 200, 200, 400, 700]. This is the power of sales mode. ABC operations and VIP Treasury operations are fully supported by 10% of the ground rent each, by the end of month 7. This is over 150x the rate of growth in one year. Financially it works. Logistically, maybe not.

Market equilibrium is achieved by banking a sufficient number of VIP$. During the first month, 63% of all VIP$ are destroyed, although this will actually be much lower with bidder arbitrage. This is the VIP Economy Bankrate (VEB). Years later, should the ABC have the logistical and political might to purchase all the world's land into a commons trust, 63% of the last VIP$ created would be banked or sequestered as well. This is the World Economy Bankrate (WEB).

The effective bank rate drops from 63% to under 1% in 7 months (it actually falls to zero due to sequestration of VIP$ in the Earth Dividend Subsidy Fund discussed later). In month 34, it begins its very slow rise back to 63%. The actual VEB is unknowable and will change over time. 63% was chosen for both reasonableness and symmetry with the more easily calculated WEB.

A big issue during the first year is predicting the initial demand for the VIP$ (measured by the VEB). Some AFFEERCE fans will be buying VIP$ on day one, but that demand is not sustainable. Property auctions of purchased "for sale" properties create a much more sustainable level of demand, called bidder arbitrage which is not accounted for on the spreadsheet.

This will introduce people to the real rate of return of the VIP$, its convenience, and purchasing power. As an added buffer of safety, purchasing should not begin until there are merchants in the county ready to accept the VIP$.

The Virtual Spreadsheet

Spreadsheet months, for the first two or three years, are virtual. The "next month" should not be started until all the objectives of the previous month have been met. This includes the ability to meet the purchasing demands of the next month, in a month's time.

Failure to meet purchasing requirements in a timely manner could lead to VIP$ supply shortages that raise the VIP$ above 99.1% peg, lowering the dividend. Although equilibrium at 99% is restored in the short run, a vibrant VIP economy relies on VIP$ stability.

Part of the criteria for moving to the next month includes the resources to create the VIP ID for every person in the county who might want one. Are there enough purchasing agents? Are there enough agreeable counties with enough 'for sale' land? The biggest downside of going too slowly are operating losses prior to virtual month seven.

The first community reaches Phase II in month 28 of the spreadsheet simulation. That will mark the start of Earth Dividend Auction Lotteries. It is expected that once Earth Dividend auction lotteries begin, exogenous factors will be the only obstacle to purchasing land.

With perfect timing, properties will close just as their VIP$ are needed for ram and jam.

Shown below are the first two years, month by month. The table is split horizontally, with a second Month column. The right half of the table is displayed later. After the first Month column, the Land Account column shows how much money is available at the start of the month for land purchases. The first entry, $7 million, is provided by the investor. This money is used for the direct purchase of the number of units shown in the units' column.

Next are the effective VEB and WEB. The effective VEB is the effect of a supply shock on the current VIP economy, and the effective WEB is the effect of a supply shock on the world economy.

The next column titled Sequester Effect shows the extent to which the sequestering of VIP$ in the Earth Dividend Subsidy Fund, the advance rent fund, and present value fund neutralizes the VEB and WEB. Sequestering is similar to destruction, except sequestered VIP$ pay a dividend.

Global Parameters					
Net Rent After County	70%	*Total World Land Value*	$217,000,000,000,000	*Monthly Structure Appreciation*	0.167%
ABC Operations	10%	*Available World Land Value*	$120,000,000,000,000	*Monthly PVaue int,inf, death*	0.417%
VIP Treasury	10%	*U.S. $ Spent to Purchase Unit*	$2,000,000	*Auction Multiplier*	110%
Land Fund Share	37.50%	*VIP$ Generated Per Unit*	$2,000,000	*Monthly Advance Rent Remaining*	91.25%
Earth Dividend Subsidy Share	37.50%	*ABC VIP$ Revenue Per Unit*	$2,000,000	*VIP$ Discount*	1%
Standard Dividend Share	5%	*Minimum Monthly Rent Per Unit*	$3,333	*Months in Year*	12
Standard Percent Peg	99%	*Last Sales Mode Only Month*	24	*Monthly Inflation Rate*	0.167%
VIP Economy Bankrate	63%	*Last Mixed Sales Mode Month*	36		
World Economy Bankrate	63%				

Month	Land Account	Units	VEB	WEB	Sequester Effect	Remaining VIP$	U.S. Dollars from Ram and Jam	Extra Units	Land Value in Commons	Purchase Cost	Total VIP$ Minus Bank
1	$7,000,000	3	63.00%	0.00%	0.00%	$2,197,800	**$3,434,062.50**	1	8,000,000	$6,000,000	2,960,000
2	$2,516,789	1	42.57%	0.00%	-2.82%	$1,193,059	**$2,928,146**	1	12,000,000	$2,000,000	5,257,297
3	$1,561,787	1	23.97%	0.00%	-3.84%	$1,581,501	**$7,485,970**	3	20,000,000	$2,000,000	11,339,962
4	$1,237,111	1	11.11%	0.00%	-3.47%	$1,828,753	**$21,169,222**	10	42,000,000	$2,000,000	30,895,508
5	$806,618	1	4.08%	0.00%	-2.59%	$1,950,454	**$78,261,779**	39	122,000,000	$2,000,000	107,632,888
6	$260,925	1	1.17%	0.00%	-1.17%	$1,980,000	**$198,000,000**	99	322,000,000	$2,000,000	305,291,525
7	$1,417,279	2	0.83%	0.00%	-0.83%	$3,960,000	**$396,000,000**	198	722,000,000	$4,000,000	701,989,389
8	$4,433,796	2	0.36%	0.00%	-0.36%	$3,960,000	**$396,000,000**	198	1,122,000,000	$4,000,000	1,100,552,632
9	$10,972,711	2	0.23%	0.00%	-0.23%	$3,960,000	**$396,000,000**	198	1,522,000,000	$4,000,000	1,499,635,425
10	$20,725,815	2	0.17%	0.00%	-0.17%	$3,960,000	**$396,000,000**	198	1,922,000,000	$4,000,000	1,898,961,494
11	$33,411,866	4	0.27%	0.00%	-0.27%	$7,920,000	**$792,000,000**	396	2,722,000,000	$8,000,000	2,696,833,765
12	$48,910,576	7	0.33%	0.00%	-0.33%	$13,860,000	**$1,386,000,000**	693	4,122,000,000	$14,000,000	4,092,243,998
13	$70,830,351	10	0.31%	0.00%	-0.31%	$19,800,000	**$1,980,000,000**	990	6,122,000,000	$20,000,000	6,086,062,073
14	$104,288,864	16	0.33%	0.00%	-0.33%	$31,680,000	**$3,168,000,000**	1,584	9,322,000,000	$32,000,000	9,275,405,241
15	$154,160,508	25	0.34%	0.00%	-0.34%	$49,500,000	**$4,950,000,000**	2,475	14,322,000,000	$50,000,000	14,258,289,531
16	$230,572,680	39	0.34%	0.00%	-0.35%	$77,220,000	**$7,722,000,000**	3,861	22,122,000,000	$78,000,000	22,031,083,161
17	$348,582,489	60	0.34%	0.01%	-0.35%	$118,800,000	**$11,880,000,000**	5,940	34,122,000,000	$120,000,000	33,989,134,275
18	$531,531,753	94	0.35%	0.01%	-0.36%	$186,120,000	**$18,612,000,000**	9,306	52,922,000,000	$188,000,000	52,721,760,585
19	$814,381,113	146	0.35%	0.02%	-0.36%	$289,080,000	**$28,908,000,000**	14,454	82,122,000,000	$292,000,000	81,815,387,734
20	$1,253,984,247	227	0.35%	0.02%	-0.37%	$449,460,000	**$44,946,000,000**	22,473	127,522,000,000	$454,000,000	127,045,848,785
21	$1,937,047,122	353	0.35%	0.04%	-0.39%	$698,940,000	**$69,894,000,000**	34,947	198,122,000,000	$706,000,000	197,372,544,465
22	$2,998,681,667	550	0.35%	0.06%	-0.41%	$1,089,000,000	**$108,900,000,000**	54,450	308,122,000,000	$1,100,000,000	306,923,049,315
23	$4,649,142,721	856	0.35%	0.09%	-0.44%	$1,694,880,000	**$169,488,000,000**	84,744	479,322,000,000	$1,712,000,000	477,368,287,866
24	$7,217,293,556	1332	0.35%	0.14%	-0.49%	$2,637,360,000	**$263,736,000,000**	131,868	745,722,000,000	$2,664,000,000	742,460,968,211

The effective WEB assumes the VIP$ is replacing fiat currency. To the extent in which that is not the case, the VIP$ will find no home in a world saturated with currency and will be destroyed at a faster clip than the effective WEB indicates. This destruction will increase both the dividend and demand for the VIP$, bringing the rate of destruction back to equilibrium at the WEB.

Nothing should be assumed from a phenomenal start. Six months in, there could be a spate of VIP$ destruction. Destruction delayed improves results and strengthens the bottom line. It is welcome, provided no premature capital investments are made based on a false sense of the VEB. After a year or so, the law of large numbers allows a more accurate measure of the VEB and, several years later, the WEB.

The next column, Remaining VIP$ calculates the value in U.S. dollars of VIP$ that remain unbanked after the ABC sells those VIP$ on the market for the next stage of ram and jam. Initial ram and jam banking begins at 99.04% of peg. Any VIP$ remaining after the price drops to 99.00%, are destroyed as well.

In the first month's transactions for 3 units, the ABC collect $6,000,000 VIP from the VIP Treasury for its $6,000,000 property purchases into the ABC Commons Trust. 63% of those VIP$ are destroyed, leaving $2,220,000 VIP or $2,197,800 U.S. How VIP$ are destroyed is discussed in Holding 99 Percent.

In the next two columns, magic happens. Magic might be the best way to describe ram and jam, the process of creating U.S. dollars seemingly out of thin air.

In the column U.S. Dollars From Ram and Jam, we find the amount of U.S. dollars created by ramming and jamming the VIP$ remaining after the first purchase.

Instead of adding the $2,197,800 remaining in the first month to the land account, it is rammed and jammed at a 63% bank rate into a total of $3.43 million U.S dollars, creating 1 unit worth ($2,000,000) of purchases in the process.

In this case, the VIP$ remaining after the first 3-unit purchase are enough to purchase an additional unit. The extra money from a continuation of ram and jam is insufficient to purchase yet another unit and it is added to next month's land account.

The formula for ram and jam assumes an infinite number of iterations, and exhaustion of all funds. The formula for infinite iterations is very simple: $VIP\$\ Multiplier = \frac{1}{VEB+WEB+SQE+VIP\$\ discount}$.

SQE is the sequester effect from VIP$ held in escrow. In Year 1, it is 0.00. The WEB is also zero. The multiplier is $1.56 = \frac{1}{63\% + 1\%}$. Indeed $2,197,800 x 1.56 = $3.43 million U.S. dollars “created”. This appears in the U.S. Dollars from Ram and Jam column.

The next column, Extra Units, represents the rounded down number of units that can be purchased with the “created” dollars. It is rounded down because an infinite number of iterations is not possible. Residual dollars added to the land fund will be rammed and jammed in future months.

The next column is the Land Value in the ABC Commons Trust (or any commons trust). Although it reflects total purchase price, the time will come when it is equal to the land value alone. $8,000,000 VIP$ reflects the first 4 units purchased during the month.

The next column, Purchase Cost, represents the cost of the initial purchase itself. This money comes from the Land Fund and lowers its balance. $6,000,000 is the dollar cost of the first 3 units.

The next column, Total VIP$ Minus Bank, keeps a tally of the VIP$ remaining in circulation at the end of the month. New VIP$ accumulated are the VIP$ created during the month multiplied by one minus the net bank rate: 1 - (WEB + VEB + SQE).

Month	Rent Revenue of ABC Operations or VIP Treasury	Equal Shares to Land Fund & EDSF	EDSF + Present Value Fund	Earth Dividend Holders	Annualized Dividend at 99% of peg	Total Units	Monthly Ground Rent Revenue	Initial Rent	Back Rent	Minimum Rent
1	$22,060	$82,727	83,562		4.472%	4	$315,150	$315,150	$0	$13,333
2	$31,160	$116,852	201,906		3.556%	6	$445,149	$157,575	$287,574	$6,667
3	$50,494	$189,354	393,771		2.672%	10	$721,349	$315,150	$406,199	$13,333
4	$106,743	$400,284	798,975		2.073%	21	$1,524,893	$866,662	$658,231	$36,667
5	$318,008	$1,192,528	2,004,930		1.773%	61	$4,542,965	$3,151,500	$1,391,465	$133,333
6	$841,694	$3,156,354	5,196,128		1.654%	161	$12,024,206	$7,878,750	$4,145,456	$333,333
7	$1,871,071	$7,016,517	12,290,682		1.599%	361	$26,729,588	$15,757,500	$10,972,088	$666,667
8	$2,810,377	$10,538,915	22,952,430		1.532%	561	$40,148,249	$15,757,500	$24,390,749	$666,667
9	$3,667,494	$13,753,104	36,873,760		1.467%	761	$52,392,777	$15,757,500	$36,635,277	$666,667
10	$4,449,614	$16,686,051	53,773,446		1.406%	961	$63,565,909	$15,757,500	$47,808,409	$666,667
11	$6,266,322	$23,498,709	77,572,517		1.394%	1,361	$89,518,892	$31,515,000	$58,003,892	$1,333,333
12	$9,578,607	$35,919,775	113,945,241		1.404%	2,061	$136,837,239	$55,151,250	$81,685,989	$2,333,333
13	$14,255,604	$53,458,514	168,077,094		1.405%	3,061	$203,651,480	$78,787,500	$124,863,980	$3,333,333
14	$21,832,438	$81,871,644	250,972,570		1.412%	4,661	$311,891,976	$126,060,000	$185,831,976	$5,333,333
15	$33,709,912	$126,412,172	378,957,002		1.419%	7,161	$481,570,178	$196,968,750	$284,601,428	$8,333,333
16	$52,269,283	$196,009,810	577,394,680		1.424%	11,061	$746,704,037	$307,271,250	$439,432,787	$13,000,000
17	$80,786,470	$302,949,264	884,088,979		1.426%	17,061	$1,154,092,434	$472,725,000	$681,367,434	$20,000,000
18	$125,559,829	$470,849,359	1,360,745,058		1.429%	26,461	$1,793,711,845	$740,602,500	$1,053,109,346	$31,333,333
19	$195,094,169	$731,603,134	2,101,358,468		1.431%	41,061	$2,787,059,559	$1,150,297,500	$1,636,762,059	$48,666,666
20	$303,216,767	$1,137,062,875	3,252,412,241		1.432%	63,761	$4,331,668,096	$1,788,476,249	$2,543,191,847	$75,666,666
21	$471,369,212	$1,767,634,545	5,041,782,901		1.433%	99,061	$6,733,845,887	$2,781,198,749	$3,952,647,138	$117,666,665
22	$733,456,281	$2,750,461,053	7,826,046,835		1.434%	154,061	$10,477,946,870	$4,333,312,498	$6,144,634,372	$183,333,332
23	$1,141,373,556	$4,280,150,835	12,158,782,498		1.435%	239,661	$16,305,336,516	$6,744,209,997	$9,561,126,519	$285,333,330
24	$1,776,118,020	$6,660,442,574	18,901,037,915		1.435%	372,861	$25,373,114,566	$10,494,494,996	$14,878,619,571	$443,999,996

Next, we move to the right half of the spreadsheet. The Month column repeats for ease of viewing.

The next column, Rent Revenue of ABC Operations or VIP Treasury, shows the total rent revenue received during the month by the ABC and also by the VIP Treasury and Land Management. Both receive 10% of the net rents (after the county takes its 30%). By month 7, the $1.87 million monthly rent revenue easily covers costs.

The next column, Equal Shares to Land Fund and EDSF, displays the 37.5% of net rents that go to the Land Fund, and another 37.5% of net rents that go to the Earth Dividend Subsidy Fund. Unlike the land fund, which is spent on more land purchases, the EDSF simply accumulates. It cannot be touched, except to move it into the Present Value Fund when an Earth Dividend is awarded.

The accumulation can be seen in the next column. Notice that the contribution to the EDSF in the first month is $82,727, but the amount accumulated is $83,562 VIP. The contribution column is in U.S. dollars and the EDSF is in VIP$ which trades at a 1% discount. It is critical that the EDSF and present value fund contain only VIP$ (for Phase II monetary policy).

The EDSF + Present Value Fund column is the sum of the Earth Dividend Subsidy Fund and Present Value Fund. When an Earth Dividend is issued, money is moved from the EDSF to the Present Value Fund. The Present Value Fund pays out $1,000/month (2022 dollars) as a dividend to Earth Dividend holders.

The sum of the two funds is used to calculate the total VIP$ sequestered and thus reducing supply in circulation. There are no Earth Dividend holders in the first 24 months. The column is blank. One community must go into Phase II before Earth Dividends can be awarded. The simulation assumes this is in month 28. The Earth Dividend is covered in more depth below.

The next column is the annualized VIP$ dividend given out during the month. The dividend on the VIP$ is altogether different than the Earth dividend. The dividend on the VIP$ is the real rate of return from holding the currency. It is paid by 5% of the net ground rent if the VIP$ is trading at 99% peg.

The 4.472% annualized return paid during the first month is due to the 63% rate of VIP$ destruction. The high rate drops rapidly in subsequent months. However, it is a real rate of return, as land value keeps up with U.S. dollar inflation.

The Total Units column is simply an accumulation of units purchased.

Monthly Ground Rent Revenue is the total sum of rent from the current month's land purchases (Initial Rent column) and the remaining rent on every property purchased earlier and falling by 8.75% monthly (Back Rent column) until the minimum rent is reached (Minimum Rent Column). Inflation adjustment is applied as well. These formulas are complex and created by code, available on the website.

Good County Candidates for the 30% Ground Rent Agreement

What are good candidates for the property tax agreement? In the following table, two counties, DuPage County, IL and Denver County, CO are analyzed. First, they are examined in month 20, when sales mode is artificially boosting rents, and then in month 97, when sales mode is long over and rents are at equilibrium.

Homes in DuPage County are assumed to cost on average 1.4 times the $250,000 property in a unit, while homes in Denver are assumed to cost on average exactly $250,000. DuPage County's equivalent residences are shown in the Unit Price Adjusted Residences column.

The next column is the 30% ground rent from the spreadsheet for the appropriate month. The following column shows the percentage of that ground rent going to the county based on the ratio of adjusted residences to total residences in the commons trust (from total units in the spreadsheet). The final columns are the current monthly property tax revenue from census data and then the revenue from ground rents.

County	Number of Residences	Unit Price Multiplier	Unit Price Adjusted Residences	Total Residences in Commons	Percent Ground rent going to County	30% Ground rent (Monthly)	Current Property Tax Revenue	Monthly 30% Ground Rent Revenue For	Improvement from Agreement
DuPage County, IL Month 20	344,314	1.4	482,040	510,088	94.50%	$1,299,500,429	$257,500,000	$1,228,044,312	476.91%
Denver County, CO, Month 20	287,786	1	287,786	510,088	56.42%	$1,299,500,429	$31,333,333	$733,163,749	2339.88%
DuPage County, IL Month 97	344,314	1.4	482,040	186,451,672	0.26%	$26,867,543,240	$257,500,000	$69,461,537	26.98%
Denver County, CO, Month 97	287,786	1	287,786	186,451,672	0.15%	$26,867,543,240	$31,333,333	$41,469,742	132.35%

In sales mode, all counties come out ahead, with DuPage County getting 477% of their typical property tax revenue, despite being in Illinois with its very high property tax. Denver County gets a whopping 2,340% of their typical revenue.

However, when the dust settles and sales mode is finished, DuPage County's revenue drops to 27% of their current revenue, while Denver County earns a 32% premium. DuPage County, IL is not a good candidate for the 30% rents in lieu of property tax, while Denver County, CO certainly is.

Annualized Data

Here is the same data, annualized, for the full 20 years. Notice that the ABC pays $26 billion in corporate taxes by year 20. The freedom tax is even larger, and discussed later. The cost of operations is estimated below.

While these numbers might be a logistical, political, and legal fantasy, they are financially reasonable and can be considered as real in context. One amazing feature is that, should real time last longer than the time allotted in the spreadsheet, operating profits will rise rather than fall, provided there is no premature capital spending.

Year	Month	Land Account	Total Bank rate	Total VIP$	Annual ABC or VIP Treasury Rent Revenue	Annual Land Fund or Auction Subsidy Fund	Earth Dividend Holders	Units Purchased During	Corporate Tax	Freedom Tax	ABC Operations Cost	ABC Profit
0		$7,000,000	63.00%	0	$0	$0		0	0		$12,590,000	($12,590,000)
1	12	$48,910,576	0.00%	4,092,243,998	$30,013,646	$112,551,171	0	2,061	$0		$27,480,000	$2,533,646
2	24	$7,217,293,556	0.00%	742,460,968,211	$4,949,041,541	$18,558,905,779	0	370,800	$1,058,724		$4,944,000,000	$3,982,817
3	36	$186,255,268,847	1.59%	16,328,225,463,411	$107,577,594,285	$403,415,978,570	1,165,914	7,992,460	$212,406,800		$106,566,133,333	$799,054,152
4	48	$197,194,578,392	5.11%	30,618,932,298,637	$194,439,082,933	$729,146,560,999	4,211,219	7,688,603	$19,304,119,016	$10,939,309,546	$102,514,706,667	$72,620,257,251
5	60	$200,897,793,077	6.08%	35,213,735,606,763	$91,451,557,487	$342,943,340,577	5,667,581	2,554,240	$12,052,955,072	$3,703,214,684	$34,056,533,333	$45,342,069,082
6	72	$203,660,166,180	6.64%	37,961,662,458,464	$61,651,460,395	$231,192,976,480	6,598,583	1,548,121	$8,612,067,883	$2,762,373,103	$20,641,613,333	$32,397,779,178
7	84	$208,949,792,931	7.17%	40,622,194,562,932	$65,605,447,179	$246,020,426,922	7,573,295	1,514,053	$9,537,795,508	$5,289,626,751	$20,187,373,333	$35,880,278,338
8	96	$224,987,576,962	7.68%	43,249,850,553,352	$72,381,702,019	$271,431,382,570	8,652,604	1,510,438	$10,970,931,024	$16,037,784,031	$20,139,173,333	$41,271,597,662
9	108	$246,042,901,051	8.17%	45,845,166,095,246	$77,566,103,152	$290,872,886,820	9,809,559	1,507,024	$12,069,214,462	$21,055,324,090	$20,093,653,333	$45,403,235,357
10	120	$268,201,029,775	8.67%	48,459,038,200,105	$82,927,768,321	$310,979,131,206	11,046,542	1,533,517	$13,120,983,748	$22,158,128,724	$20,446,893,333	$49,359,891,241
11	132	$283,400,664,726	9.21%	51,152,232,568,434	$88,702,971,037	$332,636,141,388	12,369,691	1,597,082	$14,155,794,318	$15,199,634,951	$21,294,426,667	$53,252,750,052
12	144	$292,389,711,219	9.79%	53,902,545,691,351	$94,746,230,338	$355,298,363,767	13,783,199	1,649,389	$15,278,419,171	$8,989,046,493	$21,991,853,333	$57,475,957,834
13	156	$296,309,208,853	10.38%	56,687,794,128,354	$101,010,045,620	$378,787,671,076	15,290,422	1,689,991	$16,480,134,780	$3,919,497,634	$22,533,213,333	$61,996,697,507
14	168	$305,020,090,776	10.95%	59,428,027,801,508	$107,320,529,662	$402,451,986,231	16,892,396	1,682,674	$17,825,824,029	$8,710,881,923	$22,435,653,333	$67,059,052,299
15	180	$322,893,576,068	11.50%	62,106,606,523,764	$113,610,624,757	$426,039,842,838	18,588,650	1,664,684	$19,197,115,999	$17,873,485,292	$22,195,786,667	$72,217,722,091
16	192	$350,236,515,841	12.03%	64,731,985,180,258	$119,982,879,636	$449,935,798,634	20,380,375	1,651,383	$20,572,532,323	$27,342,939,772	$22,018,440,000	$77,391,907,312
17	204	$386,420,603,935	12.54%	67,319,163,725,697	$126,459,608,421	$474,223,531,579	22,269,067	1,647,199	$21,944,360,568	$36,184,088,094	$21,962,653,333	$82,552,594,519
18	216	$421,831,785,983	13.06%	69,929,178,441,447	$133,216,681,973	$499,562,557,399	24,258,671	1,682,445	$23,264,657,214	$35,411,182,048	$22,432,600,000	$87,519,424,759
19	228	$454,817,963,446	13.60%	72,564,099,962,147	$140,267,741,754	$526,004,031,576	26,353,739	1,720,410	$24,639,077,768	$32,986,177,462	$22,938,800,000	$92,689,863,985
20	240	$486,231,276,304	14.16%	75,215,001,334,049	$147,549,939,629	$553,312,273,610	28,557,756	1,753,945	$26,074,441,322	$31,413,312,859	$23,385,933,333	$98,089,564,974
												$1,073,313,624,056

At the end of 20 years, the $486 billion surplus in the land account (which means the ABC had more money to buy land than it was able to spend) is not a real balance.

In the business plan, any surplus at the end of the year is distributed as a freedom tax shown in the 11th column. Logistically, it is almost impossible to spend the entire land fund on purchases (and any required VIP$ destruction) without incurring large deficits from operations.

The Last Three Months of ABC Phase I

Month	Land Account	Units	VEB	WEB	Sequester Effect	Remaining VIP$	U.S. Dollars from Ram and Jam	Extra Units	Land Value in Commons	Purchase Cost	Total VIP$ Minus Bank
238	$481,103,729,716	22100	0.04%	24.69%	-10.66%	$37,604,605,277	**$249,659,934,518**	124,829	85,332,058,000,000	$44,200,000,000	74,772,406,483,202
239	$483,689,258,661	22200	0.04%	24.77%	-10.70%	$37,754,317,510	**$249,882,274,750**	124,941	85,626,340,000,000	$44,400,000,000	74,993,673,491,057
240	$486,231,276,304	22300	0.04%	24.86%	-10.74%	$37,903,792,066	**$250,099,682,675**	125,049	85,921,038,000,000	$44,600,000,000	75,215,001,334,049

Month	Rent Revenue of ABC Operations or VIP Treasury	Equal Shares to Land Fund & EDSF	EDSF + Present Value Fund	Earth Dividend Holders	Annualized Dividend at 99% of peg	Total Units	Monthly Ground Rent Revenue	Initial Rent	Back Rent	Minimum Rent	Monthly profit
238	$12,475,625,180	$46,783,594,427	8,002,435,331,597	28,182,854	0.100%	42,666,029	$178,223,216,864	$1,757,638,158	$176,465,578,706	$489,763,328	**$10,516,571,847**
239	$12,517,798,105	$46,941,742,894	8,055,260,418,798	28,369,989	0.100%	42,813,170	$178,825,687,216	$1,760,174,208	$177,065,513,008	$490,469,995	**$10,555,918,105**
240	$12,579,512,279	$47,173,171,044	8,108,347,337,492	28,557,756	0.100%	42,960,519	$179,707,318,265	$1,762,662,408	$177,944,655,857	$491,163,328	**$10,614,858,945**

There are 75.2 trillion VIP$ in circulation which correspond to 85.9 trillion VIP$ worth of property in the ABC Commons Trust. This represents almost half the world's land value. It is more than sufficient to move into ABC Phase II.

The annualized table shows both the VIP Treasury and ABC taking in $147.6 billion per year (ABC subject to the 21% corporate tax), and the Earth dividend subsidy fund (EDSF) and land fund each annually receive $553 billion from the ground rents by year 20.

In the table showing the last three months, the increase in total units is 42,960,519 – 42,813,170 = 147,349 from month 239 to month 240. As a percentage, that is 0.34%. If all land purchases were to cease at this point, an annual 4.08% U.S. dollar inflation rate would hold rents constant until they shortly thereafter began to increase.

As shown in later modules, the end of the Land Fund and end of the Freedom Tax in Phase II makes this or even a higher inflation rate extremely likely. However, even with a projected 2% inflation rate, rents will resume their upward climb in about 12 months.

With the land fund gone in Phase II, the EDSF will receive twice the $47.2 billion every month, or 24 times that annually. The EDSF will increase by $1.13 trillion annually.

The Earth Dividend

The Earth dividend is awarded in lotteries, free to residents of Phase II cellular dominions. Earth Dividend auctions for people outside of Phase II dominions, or new Phase II residents awaiting a dividend, are held periodically, primarily as a tool of monetary policy.

Auctions are used to reduce VIP$ supply and serve as a tool of Phase II monetary policy. In the 20-year spreadsheet, described earlier in this module, distributions begin in month 28. In the snapshot below, the right-side of the spreadsheet is shown from months 25 through 48 (years 3 and 4).

The EDSF + Present Value Fund column shows the total VIP$ in both funds. Most Earth dividends will be issued as soon as they can be, moving money from the subsidy fund to the present value fund, but keeping the total the same.

The number of Earth Dividend holders once dividends are issued is assumed to be 100% of the fund's capability or the size of the fund divided by the $250,000 VIP average present value. For each holder, $1,000/month is subtracted from the fund for distribution.

Month	Rent Revenue of ABC Operations or VIP Treasury	Equal Shares to Land Fund & EDSF	EDSF + Present Value Fund	Earth Dividend Holders	Annualized Dividend at 99% of peg	Total Units	Monthly Ground Rent Revenue	Initial Rent	Back Rent	Minimum Rent
25	$2,763,441,592	$10,362,905,972	**29,391,227,273**		1.436%	580,061	$39,477,737,035	$16,324,769,993	$23,152,967,042	$690,666,660
26	$3,309,985,703	$12,412,446,385	**41,964,227,510**		1.205%	828,261	$47,285,510,036	$11,262,074,992	$36,023,435,044	$827,333,325
27	$3,964,661,078	$14,867,479,042	**57,024,028,211**		1.063%	1,125,561	$56,638,015,398	$13,489,987,490	$43,148,027,908	$990,999,990
28	$4,748,815,858	$17,808,059,467	**75,062,470,368**	0	0.968%	1,481,661	$67,840,226,539	$16,158,037,488	$51,682,189,051	$1,186,999,988
29	$5,688,282,719	$21,331,060,197	**98,824,179,927**	71,232	0.901%	1,908,261	$81,261,181,703	$19,356,974,986	$61,904,206,717	$1,421,999,986
30	$6,813,621,730	$25,551,081,488	**127,288,456,873**	156,556	0.852%	2,419,261	$97,337,453,287	$23,186,624,983	$74,150,828,304	$1,703,333,316
31	$8,161,612,452	$30,606,046,696	**161,385,563,174**	258,761	0.816%	3,031,361	$116,594,463,604	$27,774,037,480	$88,820,426,124	$2,040,333,313
32	$9,776,297,861	$36,661,116,979	**202,229,852,581**	381,185	0.788%	3,764,561	$139,661,398,015	$33,268,949,976	$106,392,448,039	$2,443,999,976
33	$11,710,254,546	$43,913,454,548	**251,155,428,786**	527,829	0.767%	4,642,761	$167,289,350,659	$39,848,324,971	$127,441,025,688	$2,927,333,304
34	$14,026,888,868	$52,600,833,257	**309,761,402,237**	703,483	0.751%	5,694,719	$200,384,126,692	$47,732,594,215	$152,651,532,477	$3,506,526,632
35	$16,801,858,837	$63,006,970,639	**379,963,116,526**	913,887	0.740%	6,954,797	$240,026,554,815	$57,176,039,208	$182,850,515,606	$4,200,259,958
36	$19,811,873,041	$74,294,523,902	**462,746,769,390**	1,165,914	0.728%	8,365,321	$283,026,757,722	$64,002,526,453	$219,024,231,269	$4,701,746,620
37	$21,805,615,878	$81,771,059,543	**553,884,239,404**	1,463,093	0.705%	9,538,806	$311,508,798,258	$53,246,881,836	$258,261,916,421	$3,911,616,628
38	$20,742,946,460	$77,786,049,226	**640,638,657,285**	1,790,177	0.608%	10,548,296	$296,327,806,574	$12,076,024,092	$284,251,782,482	$3,364,966,633
39	$19,643,402,201	$73,662,758,255	**722,810,978,904**	2,101,321	0.534%	11,402,708	$280,620,031,447	$10,220,903,522	$270,399,127,926	$2,848,039,972
40	$18,561,034,604	$69,603,879,765	**800,470,490,618**	2,395,972	0.474%	12,162,737	$265,157,637,201	$9,091,846,887	$256,065,790,314	$2,533,429,975
41	$17,501,023,016	$65,628,836,309	**873,707,904,434**	2,674,388	0.425%	12,836,362	$250,014,614,511	$8,058,239,040	$241,956,375,470	$2,245,416,644
42	$16,473,166,290	$61,774,373,589	**942,655,344,903**	2,936,903	0.383%	13,437,619	$235,330,947,007	$7,192,536,843	$228,138,410,164	$2,004,189,980
43	$15,490,591,391	$58,089,717,717	**1,007,500,024,873**	3,184,000	0.346%	13,985,543	$221,294,162,732	$6,554,540,832	$214,739,621,901	$1,826,413,315
44	$14,546,887,674	$54,550,828,777	**1,068,402,768,368**	3,416,359	0.315%	14,477,210	$207,812,681,055	$5,881,566,471	$201,931,114,583	$1,638,889,984
45	$13,650,753,143	$51,190,324,285	**1,125,560,995,805**	3,634,563	0.287%	14,927,069	$195,010,759,181	$5,381,438,273	$189,629,320,908	$1,499,529,985
46	$12,801,029,406	$48,003,860,272	**1,179,167,537,137**	3,839,324	0.262%	15,338,705	$182,871,848,657	$4,924,195,636	$177,947,653,021	$1,372,119,986
47	$11,992,000,885	$44,970,003,320	**1,229,391,629,586**	4,031,339	0.240%	15,710,136	$171,314,298,361	$4,443,243,325	$166,871,055,036	$1,238,103,321
48	$11,230,631,984	$42,114,869,941	**1,276,431,687,497**	4,211,219	0.220%	16,053,924	$160,437,599,776	$4,112,563,939	$156,325,035,837	$1,145,959,989

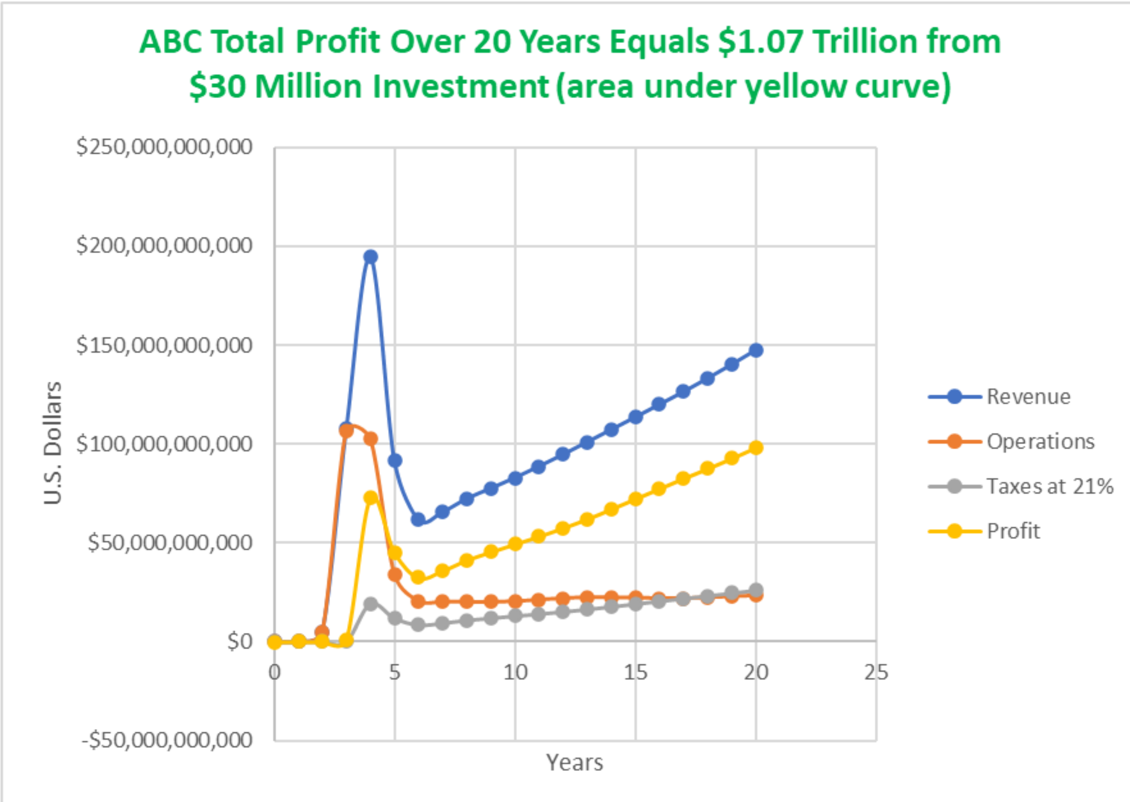
There are $98.82 billion VIP available for subsidies when the first community goes into Phase II in month 29. The entire community of 107,800 will have the Earth Dividend in under 2 months. By month 48, 4.2 million Earth dividends have or can be awarded.

Operations

The ABC Operations Cost column in the left-hand section of the annualized data described earlier in this module, is computed under conservative assumptions. The basis of operations computation is the number of purchasing agents computed at 24 closings per month (3 units) at a monthly cost of $4,000 pre-commission.

We call this cost P. Commissions are assumed equal to P, so total purchasing agent compensation is 2P. There are the same number of administrators, managers, and professionals (mostly legal and software) as there are purchasing agents. Because they do not earn commission, their salary is also 2P.

Rent, utilities, and maintenance is assumed to be 2P. Marketing, political negotiation, and court costs are assumed to be 2P. Therefore, total operations cost is equal to 10P, where P is calculated from the Units Purchased During Year column of the 20-year annualized table.



The data in this module is the projected outcome for the first 20 years of ABC. It will be used as a basis for modules Phase II Monetary Theory and Hyperdeflation Scenarios and other projections.

However, there are other possibilities. Logistical and political problems can produce very different results. Consider that only one county or small developing nation signs the property tax agreement. See how this develops in the module Hayseed County.