

The Prosperity Mandate

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A SUSTAINABLE AND RENEWABLE ECONOMIC RECOVERY PLAN

Originally designed as a new paradigm to remove the necessity of GIVING AWAY money via donations to fund charitable endeavors such as the Micro-Finance industry, the concept of "PayBack" Loans is being expanded into The Prosperity Mandate to fund and stimulate a full Economic Recovery. This presentation has intentionally and methodically removed all personal and partisan character so that the ideas professed may be placed under critical review without prejudice as to any prior authority.

This website is presented as an open invitation to discuss The Prosperity Mandate and the improvements and modifications required to implement a new financial paradigm.

The intention is pure, the need is acute, and ... the Time is Now!

PURPOSE:

- 1) Introduce a new financial paradigm: FUND AMERICA PAYBACK LOANS to cure the current Liquidity Trap and provide \$1 Trillion cash and 6 million new jobs – WITHOUT GOVERNMENT FUNDS! "TPM Summary"*
- 2) Propose the 'Fund America' - Economic Recovery Tax Initiative for public discussion, legislative review and enactment. "Fund America Economic Recovery Tax Initiative Proposal"*
- 3) Suggest diverse applications and strategies to secure and deploy economic recovery capital and fund needed programs. "Getting Started - Programs"*
- 4) Ignite a lively debate about the pros and cons of The Prosperity Mandate concepts and proposals, open to anyone who wishes to express an opinion. "TPM Blog"*
- 5) Bring together a premier Who's Who Board of Advisors and select a Chairman to direct the activities, coordinate government interface, and implement The Prosperity Mandate. "Leadership"*

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SUMMARY:

\$1+ Trillion Economic Recovery Fund America Paradigm

Mission: The Prosperity Mandate will promote, implement, and advocate a new financial paradigm that will deploy net worth into Banks to create widespread liquidity and fund charitable good works, job training, urban and infrastructure renewal, and targeted venture capital.

The concept is simple: Think of parents depositing funds into a CD at the bank and pledging it to secure a first car loan for their kid, only here the parents have insurance assuring that the loan will be paid in full.

Macro scale: Major corporations, high net worth individuals, and Trusts purchase CDs. WHEN those CDs are pledged as collateral, the principal is guaranteed by the US Government. The collateral is used to fund diverse programs structured with "PAY BACK" prerequisites, payment assurance policies, and oversight monitoring.

Tax Incentives, Risk Management, and Insurance policies are structured to minimize any potential default and partial call on the collateral CDs.

This works! Implemented properly, \$1+ Trillion will fund banks, create liquidity and finance a dramatic Recovery over the next 4 years.

Imagine:

1. Five home construction industry companies... WEYERHAEUSER; BLACK AND DECKER; LOWES, INC.; ANDERSON; and W.W. GRAINER, INC. each deposits a \$100,000,000 into a CD at their chosen banks, each owns their own funds, receive Tax Credits, and the CDs earn interest tax free. The CDs are guaranteed by the US Government (instead of funding the banks directly). The Companies pledge the CDs to secure **Fund America - PayBack Loans (FA Loans)** to build Low Income housing.

2. Berkshire Hathaway Insurance Group issues a Completion Bond on Construction AND a Stop Loss Assurance Bond (at 80%) on the Collateral Pledged CDs to minimize the risk to the CD Depositor.

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3. Non Profit Builders (such as Habitat for Humanity) use \$500,000,000 to build *affordable homes* for “**PayBack FA Loan Recipients**”. When the homes are completed they are ***sold – not given*** to qualifying PayBack Recipients. The new 1st Mortgages will equal the total costs of the **FA-Loan** program – roughly 40% of the fair market value of the completed homes.

4. Conventional Mortgages are recorded and funded to pay off the pro rata share of the **FA-Loans** plus all program costs. This releases the pledged CDs *at no cost to the CD/Guarantor*; in turn the US Government is released from its Guarantee of the CD.

5. The PayBack Recipients live in quality new homes at Mortgage costs equal to approximately 40% of fair market value, improving their lives, and are empowered by the fact that they are paying their own way – instead of receiving hand outs.

Here are the benefits of this single example:

Banks have received \$500,000,000 in deposits, and can leverage the deposits to create liquidity and infuse \$4+ Billion of loans.

The Depositors receive Tax Free interest on US Government guaranteed deposits and a 10% Tax Credit. Absolute Worst case scenario they would break even due to Stop Loss Assurances. The government has not funded a single dollar.

Non Profit Builders get funded without expending up to 30% on Fund Raising and thus, more affordable housing is built per funded dollar.

Over 100,000 jobs are created and \$500,000,000 flows into the economy in the form of wages and purchase of goods.

**WITHOUT \$1.00 BEING GIVEN AWAY or DONATED,
WITHOUT \$1 of GOVERNMENT DIRECT FUNDING
\$500,000,000 FUNDS BANKS, HOMES, and JOBS
NEW LOW RISK LOW RATIO MORTGAGES are ISSUED
ALL THE FUND AMERICA ER LOANS are PAID IN FULL, AND
THE SAME FUNDS CAN BE USED AGAIN
and AGAIN!**

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This **Fund America - Loan** paradigm can fund the following sectors:

I. **PERSONAL ASCENSION LOANS (“PALs”): \$20 Billion** Participants (Single Moms) will legally contract to PayBack their individual **Personal Ascension Loans** (“PALs”) covering the costs of the benefits they receive plus a pro rata share of other costs. The program will test, train, and place enrollees in higher paying jobs. Initial focuses would be on Registered Nurses. Participants agree to a 20% wage garnishment from new wages. Immediate benefits to the participants will be hope, empowerment, and a bright future. They also receive a secure income during vocation education, finance management and effective living training, job placement, Health Care Coverage, Disability and Life insurances (to PayBack the PALs in case of catastrophe). See FA-ERTI for prevention of Phantom Income Tax.

II. **Micro-Finance: \$10 Billion** Village based lending micro loans to women to emerge from poverty demonstrates a 30 year track record of consistent on time repayment. Stop Loss assurance could be 90% of CDs.

III. **Low Income Housing: \$10 Billion** Beneficiary buys home at approximately 40% of fair market value funded by a 1st Mortgage.

IV. **Inner City Reconstruction: \$20 Billion** – Loans for Urban redevelopment construction are paid off by mortgages from sales, and/or selling off the revenue streams from long term leasing.

V. **Infrastructure Construction up to \$1 Trillion** Funded by FA Loans would become PayBack scenarios by selling off future revenues based on user fees (think toll roads) to institutional fixed income investors.

VI. **Higher Education Funding** College students will **INVEST in THEMSELVES** by contracting a specified % of wage garnishment on future wages. College Trust Funds could deposit the CDs and fund their tuitions.

VII. **Targeted Venture Capital Funds: up to \$500 Billion**
More challenging and of higher risk, **FA Loans** based on pledged CDs can fund Venture Capital/Research efforts constructed on a PayBack financial structure, dedicated to funding targeted purpose R&D conducted in ‘open format’ structures to accelerate development. Samples:

Green and Alternative Energy Technologies;

Health Research & Development; and

Biosphere and Ecological Technologies for Industry.

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Beneficiaries: PayBack RECIPIENTS: Ideally, anyone who wants to improve their life should have **ready access** to capital to **invest in themselves**, while being given the tremendously important added benefit that they undertake the **RESPONSIBILITY, SELF RESPECT, and EMPOWERMENT** of paying back the benefit costs that helped them become **SELF RELIANT**. Improving someone's life and asking them to take the responsibility to pay back the costs and allow for helping the next person in line is a powerful and universal force. This follows the old adage of rather than giving away a fish dinner, you teach someone how to fish, so they can continue to help themselves, and another, and so on.

Matching corporate self-interest with Fund America. Building Industry companies would secure Fund America Loans for Housing Development. Headquarter and Regional Offices would create Fund America Loans for local Personal Ascension Loans - Vocation Training and Urban Renewal. Hospital and insurance Companies could pledge Fund America Loans for accelerated Nursing Credential Schools, to aggressively address the increasing costs of qualified nurse shortages. Energy Companies would pledge security to Fund America Loans directed into Venture Capital for Biosphere, and Renewable Energy technologies. College Trust funds could keep and grow their principal in CDs while providing low cost Fund America Loans for their students. Large retirement trusts such as California Retirement Trust (CalPERS), could pledge CDs to Fund America Loans to build or renew infrastructure which would sell off the future toll or usage fee to pay off the construction loans. Companies interested in emerging third world markets would naturally support Fund America Loans to Micro-Finance, which builds Emerging Markets here and abroad.

The Prosperity Mandate will solicit **\$100,000,000 CD** deposits from:

Every Fortune 5000 Company with \$ 1 Billion Current Assets

All Trusts with Assets over \$1 Billion;

The top 2% of Wealthiest Individuals;

All major Non-Profit organizations with substantial assets; AND

Master Limited Partnerships: Amounts as low as \$100 will be aggregated in on the major stock exchanges for Fund America ER Loans providing small investors with the same tax benefits.

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The Depositor/Guarantors *retain ownership, receive tax credits and tax free interest, to grow their private asset base.* The structure would also allow for the pledge of collateral as security from Assets other than cash. The initial term of the Pledges will be from 3 - 5 years depending on the loan purpose.

FUND AMERICA - ECONOMIC RECOVERY TAX INITIATIVE:

Fund America ERTI legislation will incentivize and safeguard all participants: (Read the ERTI Proposal section).

1. Establish a **Fund America ER Loan 10% Tax Credit** of the CDs.
2. Pledged CDs earn **interest tax free**;
3. Wages used to PayBack FA-Loans are **Exempt** from income taxes.

Overall, the FA-Loans will do much more than the prevailing tax code incentives to end our current Liquidity Trap by infusing capital into the economy. New jobs will be created to carry out a broad spectrum of charity, infrastructure, research, and good works. The new rule will be simple, pay full tax bracket rates or fund liquidity:

**“Fund America –
Create Jobs –
get a Tax Break!”**

The only limitation for creating logical and viable Fund America PayBack Loan programs is our collective imagination and a focused intention. As this new financial paradigm gains exposure American ingenuity will exponentially expand practical applications and uses.

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GETTING STARTED - PROGRAMS

Concisely, TPM enables Net Worth to fund Liquidity at low risk while earning tax free interest and receiving a Tax Credit!

It's simple: think of parents co-signing the first car loan for their kid, only here the parents are assured that the loan will be paid in full, and they would receive significant tax benefits.

The Prosperity Mandate has developed a comprehensive new economic paradigm, Fund America Payback Loans that will generate a new cash infusion of \$1 Trillion in US domestic and another \$1 Trillion in international charity and good works. TPM will solve the current Liquidity Trap, Capital Scarcity and financial market inefficiencies plaguing our economy and social, charitable, and scientific development endeavors.

Based on *Abundance*, The Prosperity Mandate Fund America PayBack Loan Program provides *renewable and sustainable virtually limitless* Capital sourcing, – creating jobs, funding critical research, renewing infrastructure by mobilizing worldwide Net Worth into Good Works, Self-Worth, and Personal Ascension.

To jump start and accelerate these efforts (concurrent with passing supporting tax initiatives providing profit motivating incentives), a series of highly publicized 'proof of concept' pilot programs need to be started -- immediately.

In each case, the Benefactor (individual, company or non profit) retains ownership and earns interest on their funds deposited into a CD at their bank, pledges the CD as security to guarantee a loan in a risk-managed scenario to a Fund America PayBack Loan program.

The following are some examples of pilot program 'starts':

I. ***OPRAH-WOW Reality TV Program***: Single Mom Ascension Program: Oprah Winfrey undertakes changing the dynamics of reality shows the way she transformed talk shows. Oprah (or a Corporate Sponsor) pledges as collateral a \$5 Million CD to guarantee a money center bank loan to the new (prototype) *Oprah Personal Resource Academy Honoring Women Obtaining Work (OPRAH-WOW)*, a comprehensive pilot program designed to transform the lives of inner city single Moms and their families.

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Televised prime time, the country will watch as HARPO Productions' *OPRAH-WOW* carefully reviews, tests and selects 24 (3 teams of 8) highly motivated inner city single Moms, who are committed to improving their lives and the lives of their kids by becoming Registered Nurses. *WOW* women will receive salaries, accelerated Nursing education, and life training.

All participants will legally contract to PayBack their individual ***Personal Ascension Loans*** ("PALs") covering the costs of the benefits they receive plus a pro rata share of other direct costs. Competing Teams of 8 will be jointly and severally responsible for one another and rewarded for accomplishment. Each *WOW* Mom will agree to a wage garnishment of 20% of their new higher wages. AND, after PayBack, each will agree to place into savings 25% of future wages until they hold savings equal to one year's gross salary. Immediate benefits to the participants will be hope, empowerment, and a bright future. They also receive a secure income, vocation education, finance management and effective living training through cooperative living, job placement, Health Care Coverage, Disability and Life insurances (to PayBack the PALs in case of catastrophe). [The Charitable Loans Tax Initiative will preclude phantom income tax on the Garnished wages during PayBack of PALS].

The \$5 Million Charitable Loan will be covered by a stop loss assurance policy issued by Warren Buffet's Berkshire Hathaway – also as a pilot prototype – to assure 90% coverage of the Bank loans to *OPRAH-WOW*. This protects the Guarantor and its CD. New tax legislation will reward the entity providing the CD and pledge with a 10% Tax Credit up front – thus, the Guarantor CD principal is safe.

The original pilot *OPRAH-WOW* TV show will kick off with frequent prime time nightly shows during selection, and then run once a week for 3 years, tracking her trials and successes of the first 24 WOWs becoming high income earning RNs.

II. ***MICRO-FINANCE – Poverty Prevention:*** A small group of corporations, existing Non-Profits or private Philanthropists each pledges as collateral their own \$10 Million CD to guarantee a money center bank loan to *FINCA* (the American based Micro-Finance organization) for deployment specifically in the US. Warren Buffet through Berkshire Hathaway underwrites a Stop Loss Indemnity to guarantee 90% of the debt repayment. *FINCA* makes the Micro Finance loans to US beneficiaries and collects the PayBack funds retire the debts on the bank loans plus all costs.

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III. **AFFORDABLE HOUSING:** Non-Profits, Construction, Lumber, or Home Improvement companies pledge as collateral an aggregate \$100+ Million CDs to guarantee a money center bank loan to Habitat for Humanity (or other) to build low income housing for *qualified buyers*. The Buyers PayBack the building loans with a First Trust Deed equal to the pro rata total costs of the program (equal to approximately 40% of the completed home's Fair Market Value). Berkshire Hathaway would insure the debt repayment – effectively with a construction completion bond. Instead of Habitat for Humanity spending upwards of 27% on fund raising – the total fees including interest – would be less than half their normal costs. Most importantly, upon completion, the funds could be withdrawn, redeposited or increased.

IV. **INFRASTRUCTURE Construction Superfund:** INFRASTRUCTURE CREATION AND RENEWAL: Fund America PayBack Loans issued to build or retrofit Infrastructure would be paid off by the sale of the future streams of revenues from tolls or usage fees upon completion of projects. Think of a Super Highway from Maine to the Keys in Florida built on Fund America PayBack Loans with Toll charges sold off at auction to fixed income investors to retire the construction loans.

As a specific example, CALPERS, the extremely large California Retirement Trust, could pledge CDs to fund Loans for renewing and building infrastructure in California. CALPERS is mandated with investing in the California community – but – must do so without risk! Once again, the pledged CDs would be safeguarded by project completion bonds and paid off by the sale of the future revenue stream. This format could also be used for INNER CITY URBAN RENEWAL projects.

Applications of The Prosperity Mandate Fund America PayBack Loan paradigm are limitless. Brief examples:

V. **BATTERY POWERED CAR Energy Recharge Network:** Fund America PayBack Loans would finance the installation of a network (eventually nation-wide) of recharging / battery replacement centers to serve a new fleet of vehicles. The future revenue stream for battery charge/ replacement fees would be sold to fixed income investors and pay off the construction loans.

VI. **BIOSPHERE TECHNOLOGIES Venture Capital Fund:**

Use the Fund America PayBack Loan paradigm to establish a new **Green Superfund** with a pre-eminent oversight Board of Directors. This could start-up with an initial \$10 Billion funding (\$1B per Energy Company with each receiving a 10% Tax Credit). Some of the characteristics of this new form of Fund America VC

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firm would be that while operating for profit – derived from tradition VC strategies, ALL information would be open format (akin to the Michael Milken funded Colon Cancer research efforts). Funding companies and/or Fund America MLPs would enjoy a right of first refusal to license, produce, or market the eventual products, along with traditional exit strategies. The Venture Capital format would generate the revenues to pay off the original loans guaranteed by the CDs. Note the stop loss insurance would be approximately 60% of funding – but there is a strong profit incentive combined with the Tax Credit and tax free interest.

VII. Cure Venture Capital Superfund: MEDICINE RESEARCH & DEVELOPMENT could be funded in the same manner, per the Michael Milken research fundings.

The Prosperity Mandate looks forward to the opportunity to discuss your personal priorities and objectives to co-create a dedicated Fund America PayBack Loan program for you. Please share your ideas and comments, as your analytical and critical input during this pre-release phase is both needed and appreciated. The Prosperity Mandate works, together we can accomplish great things, ...

After all, Yes We Can!

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RISK MANAGEMENT & OVERSIGHT:

All **Fund America** programs will include strident risk management and oversight safeguards, plus “system wide” fees to protect the whole **Fund America** financial structure.

The Prosperity Mandate will implement multi tier diverse *Risk Management* measures to prevent or minimize any Benefactor CD Pledge on any Fund America Loan ever being called upon. Each Fund America transaction will include built in Oversight Monitoring and Reporting transparency controls. A cash reserve will be established as a cash ‘fence’ to be used as the first call funds in the event of any calls on pledged CDs.

The following will be part of each Fund America loan:

- A. Stop Loss Assurance Policies at varying % of loan
- B. Oversight Monitoring and Reporting transparency
- C. First Call FA Cash Accumulation Account (2%)
- D. The Prosperity Mandate operations fee (1%).

A. Before a Fund America Loan can be funded, a stop loss assurance policy, completion bond, or other form of indemnity will be negotiated and the premiums funded at loan origination. Where loans are to individuals, such as PALs or Educational loans, there will also be term life insurance and disability policies to guarantee PayBack. The costs will be included in the PayBack collections as payback of principal. We intend to ask Berkshire Hathaway Insurance Group (and others) to issue **Stop Loss Insurance Policies** on all Fund America Loans ranging from:

90% - 95% for Micro-Finance and Housing Construction; 80% on Urban Renewal and Infra Structure Projects

80% Personal Ascension Loans (PALs), and

60% on Targeted Fund America Venture Capital Funds.

B. Oversight Monitoring and Reporting transparency protocols will be established under guidelines established by major Foundations, such as Gates, Soros, Clinton Globalization, and others. Hopefully, specific Foundations will be willing to act as independent **Oversight Monitoring Agencies** overseeing the outflow, compliance, reporting, and payback of funds.

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C. Each Fund America funding will automatically forward 2% of total funding as a fee into a First Call Fund America Cash Accumulation Account to be professionally managed for preservation of principal and growth. This growing fund is a reserve available as the first funds for any call on any Fund America loan.

D The Prosperity Mandate will receive a 1% fee of total funding to fund its operations, oversee the entire system, and develop new programs. TPM will forward to the First Call Cash Accumulation Account ALL surplus funds after reasonable reserves for operations and modest salaries.

PLEASE add your thoughts and concepts to this Risk Management and Oversight section by proceeding to the TPM Blog.

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LEADERSHIP

The Prosperity Mandate requires immediate high impact leadership. Such leadership requires a purity of intention, effectiveness, and a desire coupled with the capacity to manage the creation of something both new and better.

The following individuals would be ideal (if, upon review, they choose to serve). They are exemplary -- the right people at the right time.

Managing Director: Colin Powell

Advisory Board: Eli Broad

John T. Chambers

Alexander S. Friedman

John Hatch

Jeffrey R. Immelt (CEO of GE)

Michael Milken

Charles Munger

Joseph Stiglitz

Tom Tierny

Meg Whitman

PLEASE: Go to the TPM Blog section to suggest people you think could guide the successful implementation of The Prosperity Mandate – TPM welcomes your input. If you know how to get The Prosperity Mandate into the hands of any of the above, or to people you suggest, please advise us or forward a printed version yourself.