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Tom —
Your ticket
to greatness.
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November 11, 1998
985 Vista de la Mesa Drive
Santa Barbara, CA 93110

Mr. Bruce Reed
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. Reed:

Please lend me ten minutes of your reading time. It took me over ten months, since President Clinton's State of the Union address last January, to imagine, research, and codify this 2% solution.

Entertaining and as much fun as it is, when fully unfolded and understood by the American people, this 2% solution will bring in well over $306,000,000,000, over the next 30 years, in new deferred, non coercively raised revenues FBO the Social Security Trust Fund.

All of this fresh, non coercively raised funding (in excess of $10,200,000,000 per annum) is to be deployed sequentially starting in the year 2030 and going forward. Every billion helps. These new federal revenues are for forward delivery, commencing thirty years hence, exactly when they will be needed.

The IOCL's 2% in-additional-funds-solution. A very pleasant and public participatory way to partially remedy the actuarial FICA deficiencies that lie ahead.

Very Respectfully,

Peter Wisner

Peter Wisner
(805) 964-8477

Encl: (2)

ANNOUNCEMENT

SOCIAL SECURITY ADMINISTRATION

The Social Security Administration (SSA) has 2,700,000 tickets for sale as of July 1, 2000 for entry into its new national United States Interest Only Centimillionaire Lottery (the IOCL). All of the IOCL's offerings, or Orders To Bet (OTBs), are priced at $1000 per registered application and are open to all individual U.S. taxpayers who are over 18 years of age and who possess a valid Social Security number (SSN). Any individual U.S. taxpayer may choose to bet the IOCL, solo for $1000 a ticket, or choose to become the lead bettor (name entered in space number 1 of the OTB) and subsequently subdivide his or her OTB among and up to twenty friends, family members, colleagues, coworkers, or any combination thereof. Syndicated bets, within an affinity group, may be placed in individual denominations of $50 increments per bettor just as long as the total sum bet equals but does not exceed $1000 per application. Wagering is to be for any or all equal or unequal partners (as indicated in the "amount bet" box on the OTB form) signing on to a collective bet. For example: An OTB form may be broken down into twenty equal contributing partners in for $50 each, or ten bettors each in for $100 wagers. Or an equal or unequal OTB may be configured as $350, $150, $100 and $400 / or $400, $300, $200 and $100 / or $500, $250 and $250 / or $250, $250, $250 and $250 / or $750 and $250 / or $500 and $500. As you can see the permutations and combinations of $50 contributing denominations bet (totaling to a maximum of $1000) are thus many and varied. All OTBs (identified in print as "Form OTB-SOSS 2030-99" on the upper left hand corner of the 8 ½" x 14" application to be available at any U.S. Post Office after July 1, 2000) must be fully filled out, individually signed for by all equal or unequal money partners to the transaction, and be received by the IOCL in Washington D.C. prior to 5:00 PM on September 30, 2000 when all lottery ticket sales shall cease for the calendar quarter. More than one $1000 OTB may be sent in (on a separate application) solo, or by any combination of eligible bettors acting in one syndicate, and then in another syndicate. In other words, a potential Solo Centimillionaire bettor choosing to bet $1000 as a stand alone, or smaller bettors choosing to act within one or various composite syndicates totaling $1000 per collective wager. As you will see, there will be massive and multiple Treasury Interest Only Centimillionaire (TIOC) jackpots which will be offered and won per IOCL draw.

According to Adam Wolfson, executive editor of "The Public Interest", "In 1994 alone Americans spent $482 billion on gambling; that's more than they spent on movies, sports, music, cruise ships and theme parks combined". According to "Standard & Poors", "Legalized gambling in the U.S. is a $45 billion industry. One of the most popular forms of betting is through on-line state lotteries which had industry sales of $21.4 billion in 1997." Predicated on the numerical implications of either one of these two statements, and predicated on the firm belief that the overwhelming majority of Americans, acting in common cause, want their Social Security Trust Fund (SSTF) restored to some semblance of fiscal solvency before the year 2032 when the SSA is scheduled to run into an actuarial iceberg, it is therefore optimistically expected that all 2,700,000 IOCL tickets will be snapped up, at $1000 a piece, in a massive blowout sale. The IOCL shall resonate with the American people as no other gaming vehicle can. The IOCL is "spontaneous combustion" personified. The sheer magnitude in number and sizes of prizes offered and won per draw is both mesmerizing and mind boggling. As well as the fact that after its initial seed money, which the IOCL is obligated to pay back to the Congress in full, the IOCL is then totally self supporting each and every draw. The IOCL's lottery tickets are lottery tickets purchased on a first-come, first-served basis by adventuresome and fully informed Americans acting as solo buyers, twosomes, threesomes, foursomes and up to and including 20 bettors forming affinity groups. And thus $2,700,000,000 (the gross handle) will be raised, and subsequently 95% of which will be invested in a single issue of U.S. Treasury bellwether debt. This non coercively raised gross handle is a very appealing and nationally entertaining means to materially aid FICA revenues. The deferred proceeds derived from a succession of successful ongoing IOCL draws (possibly over $10,200,000,000 collected in deferred deposits per year and certainly totaling over $320,000,000,000 in similar deferrals at the end of 32 years when push is now scheduled to come to shove) is a drop in the bucket in the national effort to "save Social Security first." But then again, the IOCL is to be our drop in our bucket. This gross handle will now also be given a $135,000,000 "Haircut". This "Haircut" fund allows for a reserve of $50 per ticket ($50 times 2,700,000) to pay for all of the IOCL's administrative, advertising, promotional and transportation expenses. There are no retailer commissions involved. This lottery is very cost-efficient as well as prize-efficient. The scent of Centimillionaires is in the air. The IOCL is Social Security's 2 % in-additional-funds-solution. Totally self supporting IOCL draws are held quarterly, deferred Treasury corpii for future delivery are delivered in sequential forward quarters, commencing after 30 years. Monies realized from the IOCL's sequential deferrals, upon future delivery to the SSTF 30 years hence, are roughly equivalent to 2% of the total in FICA revenues now being collected per annum. Thus it can be said that every future IOCL billion secured today for the SSTF, non coercively and in a most entertaining manner, cannot but materially aid future FICA revenues when they are predicted to be actuarially deficient, in the second quarter of the 21st century. Every billion counts.

Thus the IOCL has a net handle of $2,565,000,000. This then is the IOCL's wherewithal to purchase a blended pool of a single bellwether Treasury bond whose issuance date is nearest to September 30, 2000, the end date when all ticket sales shall cease for the quarter. The hypothetical target bellwether issue that most meets this criteria is the 6% Treasury due June 15, 2030, issued on June 15, 2000. Using the secondary institutional market as its primary venue, the IOCL's purchasing mechanism will then effect a series of buys, to commence almost immediately (within one to three weeks) after the IOCL's $2,700,000,000 ticket sellout date. Thus $2,565,000,000 worth of the theoretical 6's of 06/15/30, inclusive of all accrued interest, will have been bought (at market premiums or discounts) and fully paid for. No leverage is employed here or in any other part of the IOCL's structure. The principal-only, or corpus, of this issue will then be put in trust escrow, FBO the Social Security Trust Fund (SSTF), upon its maturity, and the future series of 60 semi-annual interest-only payments will be divided and disbursed (passed through), as they are realized over the next 30 years, among the randomly selected winners chosen during the IOCL's quarterly draw. Televised live on C SPAN 1 and C SPAN 2, the IOCL draw shall take place no later than 20 business days after all of the secondary institutional market purchases have been executed.

For purposes of example only: Using a simplified yield to maturity of 6% on the 6's of 06/15/30 which are always to be theoretically purchased at 100 (par) in a highly liquid secondary market, (totally disregarding any accrued interest outstanding), the net handle of $2,565,000,000 will lock in collective annual jackpot prizes totaling $153,900,000 computed on a 360 day pay out period. (Taking this sum over the full life of the bond means a full IOCL pay out to all in the Circle of Winners totaling $4,617,000,000.) In order to adhere to the IOCL's stated mission to create a maximum multiplicity of Treasury Interest Only Centimillionaires (the TIOCs) per draw, mathematically THERE WILL BE 46 $100,000,000 (plus a small fractional added) WINNERS SELECTED during the draw and swipe ceremony at odds of 1 in 58,696 (2,700,000 OTBs divided by 46). Even at these odds, which are relatively low when compared to any other national civic lottery, or dollar bet state lottery, now being held anywhere in the world, you still must realistically expect to sustain the total loss of the sums that you freely choose to wager. Betting on the IOCL is a high risk undertaking. Know your financial limit and emotional tolerance for risk. Please play responsibly. As of the writing of this theoretical advertisement, the hypothetical Treasury 6's of 06/15/30 are market priced at a premium to actually yield 5%. Hence, $2,565,000,000 (the net handle always starts and stays at this figure) <u>worth</u> of this fully purchased issue (at a distinct premium), <u>inclusive</u> of all accrued interest, will lock in a collective annual jackpot prize for the IOCL's Circle of Winners, closer to the $128,250,000 level with approximately 38 TIOCs TO BE SELECTED during the first IOCL draw. The draw and swipe ceremony is to be held within 20 business days after the 6's of 06/15/30 purchasing operation has been completed. (By taking the sum of $128,250,000, over the life of the bond, you will see that $3,847,500,000 stands to be paid out to all 38 IOCL winners). Odds will now probably be in the neighborhood of 1 in 71,053 (2,700,000 OTBs divided by 38). So, as you can see, the odds as well as the number and allocation of massive prizes that create multiple numbers of TIOCs (statistics to be calculated before the draw and swipe ceremony is held), will vary with the interest rate environment in which the

IOCL's purchasing consortium has to function in in order to fulfill a $2,565,000,000 blended buy of a single issue of bellwether paper, inclusive of all accrued interest.

Orthodox and unorthodox odds: In one of the preceding examples, with $4,617,000,000 available over 30 years as a guaranteed positive interest-only cash flow, it is easy to see that $4,617,000,000 divided by $100,000,000 (the mathematical definition of what constitutes an interest-only "Centimillionaire") results in 46 winners being randomly selected at an IOCL draw. And 2,700,000 tickets sold when divided by 46 equals an orthodox odds outcome of 1 in 58,696. But taking the IOCL's denouement onwards to a skewed extreme, one which is always mathematically possible, on a FULLY SYNDICATED BASIS (that is, every OTB randomly drawn being one with 20 bettors wagering for $50 each – a full house), there will be 920 (46 times 20) absolute winners of an interest-only, completely sub divided, jackpot of approximately $5,000,000 (plus a fraction) each, spread out over the next 30 years. Thus, unorthodox odds of as low as 1 in 2935 (2,700,000 divided by 920) could be speculated upon. More likely is a denouement where a Circle of 46 Winners is randomly selected as: 10 Solo Centimillionaires, 10 OTBs each with 10 $100 wagering winners, 10 OTBs each with 20 $50 wagering winners and the rest of the draw being an evenly mixed OTB bag of twosomes, threesomes, foursomes, and fivesomes. Therefore, let us just say that a more typical draw will yield a total of 366 assorted winners at the unorthodox odds (but actually occurring) of 1 in 7378 (2,700,000 tickets divided by 366 actual winners due to various sized syndicates). With varying amounts of guaranteed positive interest only cash flows, such as the above $3,847,500,000 available for subdivision, the permutations of assorted Circles of Winners and their unorthodox but actually occurring odds, computed after the draw, are endless.

The IOCL's 2,700,000 tickets or OTBs, priced at $1000 each, are being offered for sale as of July 1, 2000 by written application only (wet signatures required). You may obtain Form OTB-SOSS 2030-99 ("Invitation To Buy and Bet, and Acceptance - Sale of Lottery Tickets by the United States") at any U.S. Post Office starting July 1, 2000. Form OTB-SOSS 2030-99 is very similar to the Federal Form W-9 which any U.S. taxpayer is required to fill out and sign when opening either a bank or securities brokerage account. Except that Form OTB-S0SS 2030-99 has 10 separate name entry boxes on its face for up to 10 signatures and 10 individual taxpayer identification numbers (TINs) - your social security number. On the reverse side there will be a much more detailed explanation of the risks and rewards offered by the IOCL. Please read both sides of this document before you sign its face (with date of birth included) and remit funds. If you are part of an OTB syndicate that contains more than 10 names, please clip two forms together. Again, the maximum size of an affinity group wishing to bet the IOCL is 20 individuals, all over age 18.

CASH ONLY - no credit cards or debit cards may be used to purchase IOCL tickets. All written OTBs, which are one and the same as the Form OTB-SOSS 2030-99, must by accompanied by a 100% cash payment in the form of a cashiers check, a certified check, or U.S. Postal Money Orders. Upon receipt of said payment and OTB, the lead or solo bettor will receive by return mail what is to be called the IOCL's Gold HardCard (sm). (Think of the plastic credit or debit cards now nestled in your wallet and visualize a clone). But this card will be custom dated (the date your OTB was time stamped in upon receipt at the IOCL's cashier section), and have only the name of the lead or solo bettor printed on its face along with his/her city and state of residence (street or P.O. Box address will be omitted). Each Gold HardCard (sm) will be mailed out by the IOCL as one card per OTB application per $1000 payment. HardCards (sm) are to be sequentially generated, and then mailed as OTBs, accompanied by good funds are received, dated, and time stamped in. First-come, first-served. Also on the face of the Gold HardCard (sm) will be a randomly generated, but sequential to the time stamp, 8 digit number to be LINKED with an identical number which will be stamped on your paper OTB form that is now in the possession of the IOCL and its computerized database.

By the time you have received your Gold HardCard (sm) in the mail, an exact duplicate of same will have been deposited to the IOCL's master sealed drum. (Visualize a jumbo ready-mix cement truck with its business end made of Lucite and within, 2,700,000 Gold HardCards (sm) tumbling over and over in wild abandon.) If on the day of the IOCL draw, as televised live on C Span 1 and 2, your Gold HardCard (sm) is one of the virtuous Circle of Winners randomly selected, its magnastrip or bar code will immediately be swiped against the IOCL's database, and your original and matching OTB form will be electronically retrieved so that all of the national television audience may see if you acted alone with "cold cash", or were aided and abetted with a collection of up to 20 of your friends, family members, neighbors, colleagues, co-workers or any combination thereof. Even though your winning OTB application will be instantly retrieved, as its magnastrip or bar code is linked electronically by identical 8 digit numbers, its video image will have all street addresses, dates of birth and social security numbers scan-suppressed to preserve the privacy of you or any member of your affinity group. Please keep in mind that if you bet the IOCL, your signature signifies your acceptance of some measure of personal publicity. Maybe your full 15 minutes worth, or maybe just 14. (See reverse side of form OTB-SOSS 2030-99 if this is of concern).

Sub Lottery: Therefore each wagering equal or unequal OTB partner should check off the ANONYMOUS box if you want your entire individual entry to be totally (less city and state) scan-suppressed or check off the RECOGNITION box (next to the "sum wagered" box) if you wish your name recognized, (less your date of birth and SSN which will definitely be suppressed in any and all cases during the televised draw and swipe ceremony). All of the IOCL's RECOGNIZED virtuous Circle of Winners (with a guest of your choice) will be invited to come to Washington D.C., at the "Haircut" fund's expense, and appear live on C SPAN during the next Silver HardCard (sm) draw and swipe ceremony. An IOCL Circle of Winners luncheon at the White House Mess is to be laid on in your honor (photographs taken) as well as a breakfast on Capitol Hill with your Senator or Congressman in attendance (photographs taken). Also, as a sub sub lottery, four couples will have their names chosen out of a hat to spend one night each in the Lincoln Bedroom. (Three days and four nights is the duration of your award trip to the Capitol.) It's the "People's House" and all eligible IOCL "People" present will get a random shot to sleep in it. Also, please keep in mind that even though all IOCL prize money pass-throughs are tax free of all state and local taxes during their entire 30 year duration, there still will be no charge made for lodging in the Lincoln.

The IOCL will also supply its Circle of Winners a list of tax attorneys,certified financial planners, bank trust departments, and security brokerages located in their home county to whom they may wish to consult for financial guidance with their newly acquired 30 year income stream. This list will be compiled by their local Chamber of Commerce and Better Business Bureau. After that, their arrangements with any tax attorney and financial advisor is of their own choosing.

After the draw and swipe ceremony is over, after the klieg lights have been turned off, all of the newly minted Centimillionaires, demi-Centimillionaires, and so on and so forth down the prize line to affinity groups composed of up to a virtuous circle of 20 lucky winners of approximately $5,000,000 each; all will be contacted by the IOCL's supervisory body, the United States Lottery Commission (USLC). The USLC will contact each winner by certified mail and you will be asked to supply the USLC with the name and address of a U.S. Commercial Bank, Thrift, Credit Union, or securities brokerage firm with which you have an established account. This account therefore will become your current choice to receive the first of 60 semi-annual U.S. Treasury interest-only payments by wire transfer.

All IOCL OTBs will be acted upon in a timely manner, and upon a strictly first-come, first-served basis. No exceptions. The use of U.S. Priority Mail (or other mode of express delivery) to send in your OTB is advisable but not mandatory. If the IOCL is over-subscribed, all OTBs in excess of 2,700,000 entries will be put over, encashed, and entered into the second quarterly or Silver HardCard (sm) IOCL which is currently scheduled to run from October 1, 2000, and close for ticket sale business on or before December 31, 2000. No cashier or certified checks, U.S. Postal Money Orders, or Form OTB-SOSS 2030-99s will be returned due to overage. The amount of overage received, if any, will be announced on C SPAN at the end of the first draw and swipe ceremony. As previously stated, all overage OTBs will be encashed, time-stamped in and accepted as early entrants to the next quarterly IOCL. These late bettors, of course, will immediately receive their Silver HardCards (sm) as proof of IOCL acceptance and physical deposit into a second mammoth Lucite drum. (Please envision 2,700,000 pieces of silver colored plastic tumbling over and over.) If ever an IOCL draw is under subscribed (a sell-out is not achieved), the USLC, acting on behalf of the Government, reserves the right to cancel the entire quarterly sale and return all monies to each and every individual bettor within 10 business days of said announcement. Also, to each and every signatory, along with the Government's check in the proper amount, will be a note of sincerest thanks and an apology.

The IOCL in a nutshell: All interest-only payments generated are passed through to a multiplicity of winning bettors, after the draw from an escrow pool (par, premium or discount bought) of $2,565, 000,000 worth of bellwether Treasury debt. All of this same pool's principal only (or corpus), subsequently passes through to the Social Security Trust Fund upon maturity -30 years hence. A very cost efficient and prize efficient use of your lottery's handle. Thus a succession of massive principal-only maturities will be in trust-escrow to certify that FICA revenues in the year 2032 and beyond, when they are currently estimated to be actuarially insufficient, will be meaningfully aided and supplemented.

The IOCL is somewhat like a squirrel in the Fall. Putting value-added ahead (think of the deferred bellwether corpus as acorns for the Winter of our old age) while sustaining its current appetite with massive monetary gaming incentives so that it has the necessary motivation to continue the job. In a certain sense, all IOCL losing bettors are going to be Social Security winners. If not for themselves and their children, then for that smiling seventh grader who lives down the street and has yet to have ever increasing FICA taxes withheld from his or her first paycheck. With the imprimatur of the Congress of the United States upon it, a virtuous circle has been established: The IOCL creating a fantastic non coercive opportunity to partially salvage Social Security, while in turn creating very large monetary gaming values for a multiplicity of bettors. This is the heart of the virtuous circle program. Also, if the current $50 to $80 billion budget surplus must be fully or partially tapped into, to "save Social Security first" vis-a-vis a federal income tax cut, as well as future budget surpluses being somewhat diminished for the same purpose, then let the American people have a modicum of constructive and very IOCL-profitable fun while helping FICA accumulate some necessary funds for a remarkably new and different SSTF remedy, during each and every calendar quarter going forward. Every IOCL billion raised, though it will only be approximately $10,200,000,000 per annum and be for future delivery 30 years hence, definitely will help ameliorate FICA's actuarial crisis when it fully hits us sometime after the year 2030. Every billion counts. Either raised voluntarily, making a relatively large coterie of risk taking, lucky Americans rich beyond their wildest dreams (with the IOCL in action), or coercively via changing future FICA taxing parameters. The IOCL is in a sense the "spoon full of sugar" that makes less medicine necessary.

With the successful non coercive IOCL being held quarterly, over $10,200,000,000 per annum in principal-only maturities will be put in place, and the Social Security system as we know it in the year 2000, may not have been as severely diminished by the year 2030 when the IOCL's deferred corpii will sequentially begin to fill in some of the holes not covered by the then FICA taxes. Some sound, ongoing fiscal gaming instrument guaranteeing a minimum of fresh funds, deferred-injected quarterly, into Social Security should prevail. By betting the IOCL, and it is a very attractive bet, the future national general welfare will be materially aided. Every billion helps. Even if it does not come into monetary play for 30 years hence. IOCL plus FICA equals the paid up insurance premiums for lasting economic security within "the general welfare" clause of the Constitution. (Please see "Steward Machine Company v. Davis", "Helvering v. Davis", "Weston v. Charleston" and "Cohens v. Virginia" for the historical and Constitutional law underpinnings needed for Congressional enabling legislation to create the IOCL and USLC.) The IOCL: Your new financial gaming engine to backstop the American social safety net. The self supporting 2 % in-additional-funds-solution, with entertainment added.

The Auction: The USLC reserves the right, from time to time as and when it sees fit, or as and when the IOCL draw and FRB auction dates are mathematically compatible, to have the IOCL tender its offer to purchase $2,565,000,000 worth of bellwether paper during the FRB's mechanism of public sale to the highest bidders. The USLC/IOCL shall approach and participate in the auction process as an outsider. A prudent and astute investor, acting like any other fiduciary on behalf of its client (the SSA), and not as a pre-informed confidant of the FRB. The latter is illegal and shall remain so. The USLC has absolutely no need of foreknowledge of the FRB's interest rate intentions, or of its future interest rate targets in order to have the IOCL function profitably. Of course, mathematically, the IOCL thrives on locking in higher long bond interest rates as, by the numbers, it will then have more state and local tax free cash to pass through and subdivide to more and larger virtuous Circles of Winners, inclusive of Solo Centimillionaires, every 180 days. On the other hand, if and when the IOCL can obtain discounts (say $2,565,000,000 worth of the hypothetical 8's of 08/15/2039 purchased at prices ranging from 95 to 96 ½ and inclusive of all accrued interest in the secondary institutional market), then more face amount corpus can be acquired for the Social Security Trust Fund (SSTF) in 2009 for future delivery thereto upon maturity 30 years hence. Also, it should be noted, that a large percentage of the outstanding bellwether U.S. Treasury debt, purchased at either the FRB auctions or in the secondary institutional market, is for the cyber-vaults of foreign central banks. These fiduciaries may be positioning themselves for either long or short term trading requirements, or for holding Treasury paper for the entire 30 year life of such bonds. As such, with foreign ownership involved, these bonds are interest exempt from all U.S. federal taxation as their semi-annual interest payments occur in foreign absentia. With the IOCL, on the other hand, with its sequential $2,565,000,000 permanent collections of bellwether debt, they are now eminently available and exposed to interest-only taxation by the federal government every 180 days. Transparent, identified and permanently in place, fully located taxable interest to swell IRS revenues. And as the USLC will only accept a cashiers check, a certified check, or U.S. Postal Money Orders totaling $1000 to bet the IOCL, the sale of Postal Money Orders should surge every quarter as quarterly lottery fever spreads across the nation and reaches its climax at some time prior to the end of ticket sales. The IOCL is truly the World Series of state and national civic lotteries FBO the American people. As the late President Kennedy once said, "Ask not what your country can to for you—rather ask what you can do for your country". Betting the IOCL (if you can truly afford to take the risk of losing $50 or more dollars in any one calendar quarter---that's roughly $16 a month or $4 a week) and its subsequent creation of a virtuous Circle of Winners, inclusive of Solo Centimillionaires, as well as creating all of the losing bettors; all shall embrace each one of these inspiring words spoken by JFK as well as totally fulfilling them in an interactive, financially patriotic sense. A civic game of chance, no matter how noble its cause, is just that, a game of chance. Substantial risk is involved as to the total loss of sums wagered. In this case, all bettors are bucking identical odds, in common cause, for the restoration of the SSTF. And what these bettors get for their money is a massive multiple jackpot, grand slam national civic lottery. The IOCL, especially when compared against a "super" or "powerball" lottery product, has the lowest and best odds offered on the planet. Much more bang for the bettor's buck. In addition, at every FRB auction attended by the IOCL, with its massive tender of $2,565,000,000, the IOCL will probably be one of the largest bidders present. As such, this outstanding and very publicly known "must bid" (if the secondary market venue has not previously been used for the execution of a blended purchase of the nearest single issue of bellwether paper) may quite possibly aid the FRB in cutting its borrowing costs. Only time, and the open auction market, will tell for sure if the IOCL's publicly certain bid is actually a coupon shaver.

Custody: Normally, the approximately $2,565,000,000 in U.S. Treasury debt corpus would be physically or electronically left on deposit within a Treasury Department vault as locked in collateral versus 60 semi annual mandated pay-outs of interest-only to winners. However, in addition to this primary mathematical transactional safeguard, the USLC/IOCL elects to double firewall in order to preserve and protect prize corpus against even the suspicion of possible authorized, or even unauthorized, collateral tampering or withdrawals during the next three decades. Hence, all IOCL Treasury debt securities will be lodged with the Bank of New York for privatized custodial servicing. The USLC/IOCL will be purchasing and prepaying the Bank of New York for 30 years worth of safekeeping and sequential 180 day electronic transfer pay-outs to winners from the IOCL's $135,000,000 "Haircut" fund. As the IOCL is a federal civic lottery, the General Accounting Office (GAO) will have access to inspect the Bank of New York's vault checks and other procedures as they pertain to the IOCL's subject collateral. After four quarterly IOCL draws shall have been completed and the requisite separate corpii put in place, for individual terms of 30 years hence, all custodial chores shall next be given over (for electronic initiation and imitation), to the Chase Manhattan Bank. And four IOCL draws later, 30 year custodial chores shall become the responsibility of the Mellon Bank. And twelve months later, thence to State Street Bank and Trust. And so on and so forth, individual IOCL custody will rotate on a four draw basis among these four very large U.S. commercial banks who are all very well known and respected for their mutual fund custodial expertise, as well as for vault check trust by shareholders worldwide. Even the IOCL's individual "Haircut" funds as collected per draw, as well as any interest earned on ongoing ticket sales (the "Float") during the formation of the gross $2,700,000,000 handles, will be put on matching scheduled checkbook deposit with these four fiduciary's institutional (U.S. Treasury and agency composite) money market funds. Thus the USLC will have for its operating budget the individual "Haircut" funds of $135,000,000 each per draw, sitting at interest, as well as the money market interest earned on the "Float" during each capital formation of the $2,700,000,000 gross handles. This then is the USLC's financial wherewithal with which it operates, promotes and protects every IOCL draw. At term, upon maturity 30 years hence, all $2,565,000,000 (an approximate figure not backing out premiums paid or discounts calculated) in individual corpii due and payable, will be electronically transferred by the operative commercial bank concerned to an account of the SSA's own choosing FBO the SSTF. The USLC reserves the right to expand the list of four rotating commercial custodial U.S. banks to that of up to ten U.S. receiving institutions, if costs for custodial services rendered can be cut substantially.

After four consecutive draws shall have occurred, the USLC shall then journal entry over all monies deposited with its "Haircut" money market funds and its use of the "Float" money market funds, in excess of $270,000,000 (the IOCL's minimum operating assets going forward), to the SSA for its immediate use as it then sees fit. With these key strokes set in place, every 12 months, all U.S. taxpayers will then clearly see that their IOCL is anywhere from 95% to 98% SSA-worthy-cause-efficient. A better mousetrap, or financial gaming instrument, has been built. There are no IOCL "Retailer Commissions and Bonuses". This chore is taken care of virtually gratis within the existing national network of U.S. Post Offices and their IOCL pads of 8 1/2" x 14" Form OTB-SOSS 2030-99s set out on counter tops, coast to coast. (The U.S. Postal Service's "Domestic Mail Manual" shall be so amended as to facilitate this action, if indeed an amendment is required.) And thence, the forms will be replicated with the private power of home and office photocopiers so that the form will become universal, as well as universally welcomed, by and to all eligible Americans wishing to become a wagering signatory to an OTB. Add in the filled out paperwork and ad hoc wet signatures (or Solo signatures from "high rollers") required, enclose a cashiers check, a certified check, or U.S. Postal Money Orders for $1000 per OTB, and return to the IOCL. The sheer magnitude of IOCL prizes and number of possible prize winners per draw is indeed "spontaneous combustion," a.k.a. lottery fever.

Future shock: Variety is the spice of life. Somewhere down the line, about five years hence, when the IOCL has safely earned and deposited over $51,000,000,000 in deferred bellwether (principal only) corpus for future delivery to the SSTF, when the USLC has repaid the Congress the $135,000,000 in seed money for the IOCL's first "Haircut" fund (deja vu Chrysler), when the IOCL has clearly become the U.S. taxpayer's financial gaming instrument of choice for each and every calendar quarter, when the year 2032 is no longer viewed as fraught with FICA deficiencies and actuarial alarm, the IOCL may choose to go "ballistic" once or twice a year. For example: The above Circle of Winners' $4,617,000,000 may be carved up into 4 $1,000,000,000 jackpots (60 semi annual payments of $16,666,666.67 to a Solo bettor or this same sum proportionally spread equally or unequally, as per $50 denominations bet, among the wagering members in a syndicate), and the remaining funds creating 6 $100,000,000 TIOC selectees. Thus we may very possibly have individual Treasury Interest Only Billionaires (the TIOBs) to also celebrate and bring to the White House as well as a somewhat smaller multiplicity of TIOCs. (The first four HardCards (sm) randomly drawn from the Lucite drum would identify the four Solo TIOBs or Syndicate TIOBs.) Of course the above $3,847,000,000 would create 3 TIOBs (first three draws) and 8 TIOCs with the remaining $47,000,000 being split equally among all 11 draw winners. Ditto with the $17,000,000 being split equally among the 10 winners in the first example of the IOCL/IOBL's "ballisticity". Though switching the IOCL to a "ballistic" mode of action, and thus becoming the IOCL/IOBL, the deferred $2,565,000,000 corpus dedicated to the SSTF upon maturity will remain as is and thus sacrosanct. The IOCL/IOBL's $135,000,000 "Haircut" fund would remain the same, but the fund's transportation and lodging costs would be somewhat lower. However, a "ballistic" IOCL/IOBL structure calls for a material change in the odds (2,700,000,000 divided by 10 draws or odds of 1 in 270,000 and 2,700,000 divided by 11 draws or odds of 1 in 245,455 respectively), but then some Solo or Syndicate bettors will end up having a piece of a far richer jackpot to share in in equal or unequal amounts as per size of $50 multiple denominations wagered. For example: A $50 wager as part of a TIOB win would be looking at $50,000,000 spread out over 30 years instead of $5,000,000 within a TIOC win. A $100 bet in a TIOB win would garnish a $100,000,000 win spread out over 30 years instead of $10,000,000 within a TIOC win. And so on and so forth. A solo $1000 wager could of course, end up as a TIOB stand alone. Imagine 3 to 6 "Ballistic Billionaires" actually being created instantaneously, quarterly or annually, during and well into the 21st Century. Unbelievable! But totally realistic and mathematically doable with the gaming support of the American people. When the long bond once again generates 7% and 8% coupons (and yields to approximately match), the monetary passthrough will be vastly increased as to size and scope as additional TIOCs and TIOBs will be added at these interest rate levels. If totals of up to 3,000,000 IOCL ticket sales can then be sustained per quarterly draw, the new net handle of $2,850,000,000 ($3,000,000,000 less $150,000,000 for a "Haircut" fund) can then be used to purchase much more corpii for future delivery to the SSTF upon maturity. Even at these TIOC/TIOB odds, which are still very low for any lottery gaming product anywhere on this planet, a bettor must still recognize that he or she is running against chance.

The IOCL uses no mathematical leverage whatsoever. It is a lock and load, cash up front operation. A cash on the barrel head financial gaming instrument, every step of the way. The reason the IOCL can and will honor the American generations yet to come, and their future claims for a solvent Social Security System, is that this non coercive, national civic lottery has the time to finish the job. A time advantage so value added that certain future levels of FICA contributions should not actuarially have to handle future FICA deficiencies alone. If this proposal were being written in the year 2030, and then implemented in the year 2031, the IOCL and its concept of deferred corpus FBO the SSTF would be dead on arrival. But the IOCL has the luxury of 30 to 32 years of lead time in which to work its monetary, sequentially preset miracles. And this time period is luckily and coincidentally the 30 year life of the bellwether Treasury issues in its escrow collections-in-waiting. Thus the IOCL can be much more cost efficient, prize efficient, and worthy cause efficient than the dollar bet on-line state lotteries, or any other national lottery in existence. To play the IOCL once, or more often, requires you (if you are over 18 and possess a valid TIN) to totally risk $50 or more per calendar quarter. That is $16 and pennies per month or $4 and pennies per week to bet this newest of financial gaming instruments. No lottery on earth is capable of offering such immense amounts of prize monies in absolute dollars, to such a vast multiplicity of winners per draw and swipe ceremony. At some time this IOCL may even create "Ballistic Billionaires". No other country (and no other gaming entity) but the United States of America could book such a bet, and then be trusted to have its full faith and credit sovereign debt pay it off over time, on time, in full, and tax free state and local. In either case, with the IOCL or its progeny the IOCL/IOBL, the best is yet to come. Either prize mechanism is totally mesmerizing in its intricacy and audacity. The United States IOCL/IOBL: Your most prudent wager available for aiding the future solvency of Social Security. Whether you be rich or poor, or in between, every one of us still mentally needs to know that such a minimal secure financial future still and will exist.

If you and yours agree with all of the above, or just some of it, and you choose to now bet the first quarterly Gold HardCard (sm), solo or within an affinity group, please make your $1000 payment (or multiples thereof) payable to: The U.S. Lottery Commission FBO the SSTF. Mail together with your completed and signed Form OTB-SOSS 2030-99, available at any U.S. Post Office. First come, first served as time stamped in. The use of U.S. Priority Mail (or some other form of private express delivery) is advisable but not mandatory. Send to: U.S. Lottery Commission, Cashier, Office of the Chairman, room 828-W, Whitten Building, 14th and Independence Avenue, SW, Washington, D.C. 20250-9410. One Gold HardCard (sm), per wager received, will be mailed out forthwith, to each lead or Solo bettor submitting, as well as its plastic twin being deposited into the USLC's sealed Lucite drum, pending the draw and swipe ceremony.

The USLC has chosen to run this very first IOCL as just that, a pure IOCL with the largest number of Solo Centimillionaires (and their equally and unequally partnered affinity groups subdivided within) to be drawn and swiped as is mathematically possible. However, the USLC would like to know for its future marketing judgments just how many of its actual bettors (those Americans who actually belly up to the bar and show us the color of their Ulysses S. Grants) would prefer to bet the "Ballistic Billionaire" or hybrid mode, ipso facto the IOCL/IOBL. A lottery structure wherein a few Solo Billionaires (and their mathematically much larger prizes for equally and unequally partnered affinity groups subdivided within) and several Solo Centimillionaires (and their mathematically syndicated affinity groups within) are drawn and swiped to form a virtuous Circle of Winners. Please check off either the box marked "IOCL" or "IOCL/IOBL", next to the space reserved for your signature on Form OTB-SOSS 2030-99. The USLC will be much obliged for your opinion on your OTB entry slot, and thus enlightened as to how a simple majority of actual bettors would like to see the massive prize pie graphics sliced up for future draw and swipe ceremonies.

It is wise for every single bettor to retain a photocopy of each completed and signed application or OTB.

If after you have read both sides of Form OTB SOSS 2030-99, you still have questions, please write the Office of the Chairman at the above address or please phone a USLC customer service representative at 1 (888) OTB SOSS. Or visit the USLC's website at www.soss.gov.

According to the "Associated Press", on October 17, 1998, "For 147 million working Americans, the maximum annual earnings subject to Social Security taxes will also rise, to $72,600 from $68,400, though the tax rate remains 6.2%. That means a maximum Social Security tax of $4501 for workers". With these prophetic words in mind, THINK! Then GIVE A DAMN! Become a wagering signatory to an OTB! Bet the IOCL! A small set of very self supporting and very pleasant solutions, sequentially deployed on the way to solving one seemingly immovable and much larger actuarial problem, dawning with the beginning of the 21st century. But then again, like staying healthy and living longer in the new millennium, getting there voluntarily (like the IOCL) every calendar quarter, is half the fun.

In the opinion of counsel, all of the IOCL's pass through prize monies are free from state and local taxes.

THE ABOVE IS THE RAW AND PARTIALLY UNEDITED COPY FOR A TENTATIVE SERIES OF DOUBLE PAGE ADVERTISEMENTS TO APPEAR IN THE NATIONAL EDITIONS OF: THE NEW YORK TIMES, THE WALL STREET JOURNAL, THE LOS ANGELES TIMES, THE CHICAGO TRIBUNE, THE WASHINGTON POST AND USA TODAY, AND POSSIBLY A SERIES OF TV COMMERCIALS TO APPEAR ON C SPAN. If you like what you have just read, please feel free to fax these pages, with your comments, to any and all who have the elected office or clout to pass enabling legislation to implement this United States national lottery.

Respectfully Submitted,

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ADDENDUM

Whether or not the Social Security Act of 1935 is to be kept in tact, exactly as it was prescribed by Franklin Roosevelt (and later aided in 1954 by the Federal Insurance Contributions Act or FICA), and blessed four times by Mr. Justice Cardozo (in the four "Social Security Act Cases"); and thus the Act of 1935 is to remain totally grounded on the principles of insurance guaranteed by Treasury bonds, or whether the Act of 1935 is to be now so amended as to be partially or fully grounded by ongoing investing in the nation's securities markets (via individual privatization or as part of a centralized investment pool consisting of a wide array of index funds as well as a new set of deferred age extensions in order to be eligible for the inception of benefits), the United States IOCL can still be very usefully employed to raise much deferred monies for its primary client, the SSTF. The IOCL is a civic resurgence lottery of stellar magnitude. Of such immense monetary proportions and such an odds on favorite, that it is truly unequaled anywhere, anytime and in any century.

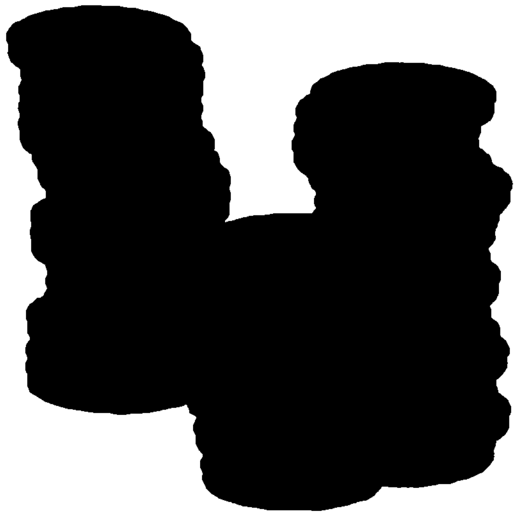
Since Augustus Caesar "found Rome brick and left it marble" due to his public lotteries, since the colonists of the Jamestown settlement found civic lotteries as the "first and most certaine" way to raise money, since Harvard, Dartmouth, Yale, Columbia, William and Mary, Union and Brown were all founded wholly or in part from the proceeds raised from lotteries, let us therefore give the United States IOCL its very viable civic resurgence chance to be a contender in the fight to "save Social Security first".

Competition is American. Both ends of government, state and now federal, are to be coming up with the means to better serve their constituents. Competition is American. The on-line dollar bet lotteries will still continue to serve their worthy cause purposes with their 72 hour to 96 hour swift and short wagering cycles (as well as instant gratification games). Vis a vis the IOCL's 90 day wait, register, think (check the bellwether's interest rate daily), and then be-totally-mesmerized cycles. We are comparing grapes (the states on-line dollar bets) to grapefruits (the IOCL's minimum $50 wager within a syndicate), and then on to watermelons (the IOCL's maximum "high roller" Solo Centimillionaire $1000 wager). Thus, from both ends of the lottery gaming market place, springs a new competition to better promote and provide for the general welfare.

The odds involved in winning the on-line dollar bet State of California Super Lottery are 1 in 18,017,000, and the odds for winning the dollar bet "Powerball Lottery" are 1 in 80,000,000. From 22 cents to roughly 26.5 cents of every "Powerball" dollar bet -the rest of the gross handle dollar going to pay for prizes, retailer commissions and bonuses, cost of goods, game support, (advertising, promotions and sponsorships)- reaches the worthy cause, namely education. Better this split than nothing coming in. With the State of California dollar bet lottery, it is 34 cents out of every wager that reaches the worthy cause, namely education. Better this split than nothing coming in. After the unveiling and implementation of the United States IOCL structured wager ("the bettor bet"), now reaching for the hearts, minds and wallets of the American gaming public, the on-line state dollar bets will continue to survive and prosper. Simply because the on-line state dollar bets are there, in place, a habit of sorts, and the firstus with the mostus in swift short betting cycles, ease of entry, constantly purveying instant gratification games, and of a much lower and quicker cost to play. However, there is plenty of excitement room to expand the gross national lottery product (the collective handle) from $21.4 billion in 1997 to $32.2 billion, raised per annum starting in the year 2000, with the advent of the IOCL. Become a wagering signatory to an OTB! Create or adopt a syndicate!

EVERY BILLION COUNTS!

The scent of Centimillionaires is in the air.



You could be one of many who wins one of the multiplicity of $100,000,000 prizes which are offered and awarded each draw.

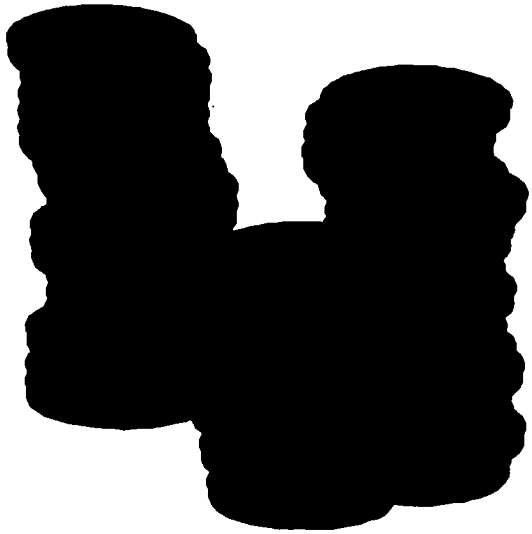
Bets may be from $50, $100, $150, $200, $250, $500 and up to and including a $1000 solo bet. Any combination or multiple thereof in $50 increments will work so long as the bet equals and totals $1000 and suits the financial means of you, your affinity group or syndicate. Risk is involved. You must be 18 years or over to register your bet and play the IOCL. You must be aware that you stand to lose the entire sum or sums wagered.

All interest-only prizes are paid out to IOCL winners over a 30-year period and are free of state and local taxes.

The massive principal-only deferred prize is paid to the Social Security Trust Fund upon maturity. Gross handle: $2,700,000,000. Net investable handle: $2,565,000,000.

Please visit your local U.S. Post Office to pick up your more detailed Order to Bet Form: OTB-SOSS 2030-99.

Please call 1(888) OTB-SOSS
or visit WWW.SOSS.GOV for further information.
Bet the IOCL – SOSS! 2030-2099



Bet the IOCL – SOSS!
2030-2099

Bets may be in minimum denominations of $50 each and be from $50, $100, $150, $200, $250, $500 and up to and including a $1000 solo bet. Any combination or multiple thereof will work so long as the bet totals $1000 and suits the financial means of your affinity group or syndicate. Risk is involved. You must be 18 years or over to register your bet and play the IOCL. You must be aware that you stand to lose the entire sum or sums wagered.

All interest only prizes are paid out to IOCL winners over a 30-year period and are free of state and local taxes.

The massive principal only deferred prize (or U.S. Treasury corpus) is paid to the Social Security Trust Fund upon maturity. Initial gross handle: $2,700,000,000. Investable net handle: $2,565,000,000.

Please visit your local U.S. Post Office to pick up your more detailed Order to Bet Form SOSS 2030-99.

Or visit WWW.SOSS.GOV for further information.

The scent of Centimillionaires is in the air.
The IOCL is Social Security's 2% solution.
Self-supporting Draws held Quarterly.