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The Catalyst!™
- Since the late 20th century

AD|MAX Secures a \$10,000,000 Credit Facility and Partners with XRAYMEDIA —

- Catalyst House subsidiary prepares for anticipated \$1 million offering and a subsequent multi-city rollout -



Catalyst House managing director Lynnea M. Bylund recently announced that her company's AD|MAX Media unit has secured a \$10 million combined media-based credit facility from the dual sources of Springboard Capital Corporation and Millennium Capital Quest Corp. Additionally, the company has been granted sales agency rights to an additional \$40 million in deeply discounted major media running the gamut of newspaper, cable TV, radio, and Web.

"These transactions strategically position AD|MAX for both the completion of an anticipated \$1 million private debenture funding place-

ment for the provision of working and development capital, and the continued ongoing sales of media products. The creative use of media in both transactions underscores the Company's unique involvement in the combined media and barter industries. The \$10 million bond facility enhances our subsidiary's balance sheet and the media credits fortify our inventory of top flight merchant media products and solutions," states Ms. Bylund.

Further underscoring the Company's unique business and financial coup, the CAT subsidiary's procurement of both the \$10 million underwriting instrument, a media-backed bond, as well as the \$40 million media sales inventory, was acquired 100% with so-called "trade-



Lynnea M. Bylund

dollars," a form of barter-backed credits that were issued by Bartercard, the world's largest business-to-business barter system.

Bartercard's U.S. division in return, has received \$750,000 in cash-capital infusions, to date, directly as a result of Catalyst House's efforts as Bartercard U.S.'s strategic and capital representative.

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The Golden Hedge Part 2

Where's The Gold?

The gold is gone! And, its going to \$1000 an ounce!

This ain't your father's supply and demand commodity anymore!

Gold has been much maligned as a strategic historic inflation hedge, and those who focus on its historic role as a standard of value are often labeled as "kooks." But, given the recent highs that gold prices have posted, it looks like the "gold bugs" are having a hell of a time. With the stock market floundering, gold returned

over 50 percent to investors, moving from \$255 an ounce to sixteen-year highs of \$450 in barely 4 years.

Some analysts are quick to explain recent rises in the gold price is due to the war with Iraq, many hard-money analysts argue that the war is of little long-term consequence to the price of gold because, they say, "gold is a commodity" and its price a matter of "supply and demand." - *continued on page 3*

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→ Catalyst This!

Mission Catalyst!

Catalyst!

*cat*a*lyst (kat'l-ist) n.*

1: that which instigates an acceleration of forces,

2: that causes important events to happen,

3: that which provokes or speeds significant change or action!

The Mission of Catalyst House is to be an agent of extraordinary change and acceleration for its growing portfolio of clients, fomenting new ventures, wealth, and philanthropic influence while actualizing planetary equilibrium!

Who? - What?

Catalyst House ('CAT'), is a strategic-teaming consultant. Services that CAT arranges for its clients include broker-dealer and capital formation introductions, business opportunities, buyer and distributor relations, introduction of prospective strategic partners and affiliates, and debt, equity, and hybrid business finance.

CAT is dedicated to assisting small and medium-sized businesses with an emphasis on emerging technologies and sustainable enterprise.

Since its inception in the late 20th century, CAT Associates have assisted in the provision of over \$30 million in debt and equity to emerging technology and sustainable business enterprises.

CAT Client & Affiliate News -

- CAT strategic partner **XRAYMEDIA** announced that the company has entered into a joint venture with noted entertainment industry executive and producer **Mark Canton** for an exciting new movie and television series idea contest called **The Screenwriter Dig**, which is designed to "unearth new talent" throughout the world. During his more than two decades as a studio executive and independent producer, Mr. Canton has brought more than 300 pictures to the screen including such mega-hits as **Jerry Maguire**, **A Few Good Men**, **As Good as It Gets** and the **Batman** and **Lethal Weapon** franchises, amongst others. CAT's subsidiary, **ADJMAX**, and XRAY have also jointly announced the basis for their working alliance which is discussed elsewhere in this issue.



- **Matchbin**, the world's first cooperative trading network, recently held its official launch party. The Salt lake City, Utah-headquartered innovator, originally called '**BarterFarm**,' has changed its emphasis to the science and service of matching and trading the needs and wants of individuals and companies using its proprietary '**QuickMatch**' technology. Matchbin also allows its member-users to buy, sell, and search for goods on both a localized and international level. Matchbin is designing a major media awareness and branding campaign for release summer-fall '05.



- CAT advisor and watershed consciousness researcher and author, **Marilyn Ferguson** (**The Aquarian Conspiracy**, **Brain/Mind Bulletin**, etc.), has appointed CAT to manage and represent several new upcoming books including the long-awaited sequel to her best-selling **The Aquarian Conspiracy** - '**Aquarius Now!**'



- **Liberty Bloom**, founded by **Dr. Phil Harrington** and **Sir Bob Geldof** to create corporate-quality online retail sales and marketing software for small to medium-sized enterprises (SME's) in the music industry, has completed development of its 2.0 version titled **Liberty CommerceCity™** in October and is now bringing on new clients and developing a pipeline of client prospects. The company is targeting to bring on approximately 25 "partner" clients in the next 9 months. Research and development on the "Platform" version commenced at the beginning of October. Development is targeted to be completed mid 2005 and will enable the full vision of Liberty Bloom and allow the management of "very large numbers" of businesses around the world. In related news, on January the 16th of this year in London, **Sheila Robinson**, Liberty Bloom's Director of Business Development for Emerging Markets facilitated a Think Tank for the "**Africa Commission**" on mobile telephony, IT and e-commerce. The Africa Commission was set up earlier last year at the suggestion of Sir Bob by **UK Prime Minister Tony Blair** to address issues facing Africa. Liberty Bloom recently obtained UK EIS (Enterprise Investment Scheme) Advance Approval from the UK Inland Revenue. EIS relief allows qualifying UK investors to make a reduction on their income tax at the time of making the investment and avoids the payment of capital gains tax at the time of realization of the investment.



- 'CAT-woman Bylund' was spotted at the **Hard Rock Hotel and Casino** in Las Vegas, not long ago, where she was hosting newspaper publishing and barter dignitaries including the south seas newspaper and cable TV family, the **Annesleys**, **Tribune Media Group/Las Vegas Tribune** head, **Rolando Larraz**, and **Bartercard U.S.** chief, **Mark Savoy**. On a related note, the hotel suites for Ms. Bylund and the Annesleys were paid for with trade-dollars issued by **United Trade Network**, the biggest barter system in the Vegas area.



- affiliate news continued on page 6



AD | MAX, XRAYMEDIA (continued)

STRATEGIC PARTNERS



Since its inception, AD|MAX MEDIA has culled a substantial roster of strategic providers and partners, including the following exceptional companies:

XRAYMEDIA

RAVE REVIEW

JACOB TYLER

BARTERCARD

FANDANGO

COUPONS, INC.

MATCHBIN

LIBERTY BLOOM

COX MEDIA

TIMES DIRECT

This announcement comes on the heels of news last month that Catalyst House had formed a strategic partnership with XRAYMEDIA (OTCBB:XRYM) in anticipation of the then pending closure of the subject media assets. "This new partnership is aimed to merge the advertising resources of both companies while utilizing XRAYMEDIA's live negotiating systems technology," states XRAYMEDIA President and CEO Raymond C. Dabney.



Primarily benefiting Southern California and Southern Nevada merchants, initially, by increasing customer flow, the AD|MAX proven 'unified-media' approach combines quality exposure elements of both a local and worldwide Internet portal presence, along with local cable and radio spots, residential direct mailings, and barter-exchange commerce and economics.

Additional strategic partners and media providers to AD|MAX also include Money-Mailers, Restaurants.com, Cox Cable, LocalTender.com, Las-Vegas.Net, Yellowpages.com, RaveReview.biz, and the Tribune Media Group, publisher of the uniquely independent downtown Las Vegas newspaper the Las Vegas Tribune.

"Beyond the Southern California and Southern Nevada markets, AD|MAX anticipates a franchise system roll-out later this year, commencing with Seattle, South Florida, New York City, Phoenix, and Atlanta, adds Ms. Bylund.

Catalyst House, Inc. managing director, Lynnea M. Bylund, confirmed, "We are positioning to rollout our AD|MAX advertising franchise business model across the US and we are looking forward to integrating XRAYMEDIA's live negotiating platform into our company's services. The LMM platform will be used to facilitate live media negotiations and placement for

AD|MAX employees, and our clients; the LMM provides an easily accessed, secure forum which thousands can use simultaneously to instantly amplify our market reach and track our media inventory. Our unique business model has proved successful in preliminary BETA test markets, and our AD|MAX unit will be building our franchise brand with XRAYMEDIA's live negotiating technology as the web-based backbone for our internal media operations."

"Our partnership with Catalyst House and its subsidiary AD|MAX will effectively unite their advertising properties with our live negotiating technology as the primary channel of exposure. Our Live Media Marketplace (LMM) opens the industry to AD|MAX by providing instant enhanced reach nationally and internationally, to both AD|MAX associates and their respective clientele," comments XRAYMEDIA President and CEO Raymond C. Dabney. ●

Where's The Gold? (continued)

But in a February 2003 article appearing in Insight On The News entitled "The Gold Is Gone!" author Kelly O Meara writes –

"... the "lunatic fringe" has long argued that the price of gold is being manipulated by a "gold cartel" involving J.P. Morgan Chase, Citigroup, Deutsche Bank, Goldman Sachs, the Bank for International Settlements (BIS), the U.S. Treasury and the Federal Reserve, but that the manipulation had been sufficiently exposed to require that it be abandoned, producing the steady upward increase in the price of the shiny, yellow metal

In fact the "gold bugs," as they're known, are so sure of their research that not only do they believe the price of gold will continue to climb, but many are expecting to see prices of \$1,000 or more per ounce."

O Meara continues -

"... Until recently, most in the gold and financial worlds scoffed at such a prediction, but last year the Bank of Portugal made an announcement that shocked those who credit official gold-reserve data and added fuel to the contention of the gold bugs that the "gold-cartel" manipulation is in meltdown. What the Bank of Portugal revealed in its 2001 annual report is that 433 tonnes

"(metric tons) of gold -- some 70 percent of its gold reserve -- has been lent or swapped into the market. According to Bill Murphy, chairman of the Gold Anti-Trust Action Committee (GATA), a nonprofit organization that researches and studies the gold market and reports its findings at LeMetropoleCafe.com: "This gold is gone -- and it lends support to our years of research that the central banks do not have the 32,000 tonnes of gold in reserve that they claim. The big question is: How many other central banks are in the same predicament as the Portuguese?"

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The 'New-Old' Currency - Part 3

Bartering Is Good Business*

By Lynnea M. Bylund

*This article appeared in the Las Vegas Tribune on November 19, 2004.



CAT-woman Bylund shares a "Kodak moment" with Las Vegas Mayor Oscar Goodman at the opening of 'Take 1'.

Like any new dining and entertainment venue the Take 1 Nightclub and Benedetto's Bistro, in the downtown entertainment district of Las Vegas, faces expenses every day before it serves a single customer. The electricity must be on. The building must be kept up. Cooks, servers and bartenders must be in place. Any customer beyond the first is significantly cheaper to serve since the overhead already is covered. Yet, like most new restaurants, Take 1/Benedetto's has empty seats, and to help fill those empty seats Gary Sax and Ben Ardito, the restaurant's owners, are checking into an old idea that has been rapidly gaining in popularity: bartering. In their previous entertainment and culinary ventures, in Florida and New Jersey, Ardito and Sax have seen eats, libations, musical entertainment, and video production services traded for everything from automobiles to radio advertising to public relations and publicity releases.

Bartering among U.S. businesses reached nearly \$12 billion in 2003 and is growing at more than 10 percent annually, according to the National Association of Trade Exchanges which tracks bartering activity and recently held its yearly industry event in Las Vegas.

Evolving from one-to-one trades among businesses, bartering now mainly takes place through exchanges where businesses receive 'trade-credits' in lieu of cash that can be spent on a multitude of items from other member businesses. Even large corporations are using barter networks rather than handing excess product over to liquidators.

"We're seeing a lot more small businesses trading now," says Kevin Anderson, the sales manager for United Trade Network, Las Vegas' largest business-to-business 'trade-exchange,' which currently boasts over 1200 member businesses throughout Nevada and Southern California. Members of United Trade Network purchase services from one another ranging from house cleaning and legal representation to dentistry and other forms of healthcare to restaurants, plumbing, travel, painting, fashion apparel, printing, and radio, TV, mail, and newspaper advertising, and more, without the expenditure of cash. With nearly 1000 businesses in the greater Las Vegas area, UTN was a likely decision for a new club and restaurant like Benedetto's.

"Bartering is older than farmers trading crops for bales of hay," says Anderson. "We bring members additional business they wouldn't otherwise have. Our small business trading solutions provide a dynamic alternative currency and marketing liquidity that most of our business members would not otherwise enjoy."

Another trade-exchange, and a newcomer to Las Vegas, Bartercard is the world's largest barter system with over 60,000 business members in 30 countries. Bartercard, which is setting up

its North American headquarters in Las Vegas, claims that virtually every type of business goods and services are represented within its membership. Bartercard also facilitated the sale of some \$50 million in real estate for trade credits last year, underscoring the viability of this new currency alternative. In all, Bartercard facilitated over \$1.5 billion in trade transactions between its members, last year.

"Joining a trade-exchange program is an investment in relationships and an investment in your business," says Bartercard executive Dr. Henry Petree. "A client we bring you, that otherwise wouldn't have used you but had trade dollars to spend, might bring in another 10 people because they liked you."

"Better information flow about what's available for barter, new barter networks abroad and interconnections between various barter networks are factors that have contributed to the growth of the modern bartering practice, thus barter is becoming mainstream," adds UTN's Anderson.

Attorney Patrick Clary, whose Las Vegas-based law firm has bartered regularly for years, says he must devote time to completing trades, but it results in saving his personal and business cash and improves the firm's bottom-line. Clary's firm enjoys thousands of dollars in additional legal billings annually through his affiliation with BXI, a national barter exchange system with a reported high rate of satisfaction among its 20,000 members. "It allows me to use funds that I wouldn't otherwise receive," says Attorney Clary.

John Miller, an investment banker in Newport Beach, California, is another aficionado of business barter: "I recently paid for a 3 week stay at the posh 'Swiss Lodge' in Bangkok Thailand with trade credits I garnered through the Bartercard system. Barter is great!"

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**Commercial barter trade credit ...
...Is it the same as cash?**

Yes...and no.

'Yes' - The trade exchange that is issuing the credit to you when you sell within its network is giving you a form of currency called a 'trade credit'.

'No' - A trade credit is not insured by any agency like currency is. Rather it is backed by the strength of the exchange that issues it.

Therefore, make sure the exchange that you belong to has a reputable history of operation and is regarded well within the community it serves.

Where's The Gold? (continued)

"The GATA camp has uncovered information that shows that over 15,000 tonnes of gold is no longer held by the central banks, leaving the central-banks' reserves with less than half of what is officially reported."

"This is why those who follow such arcana are predicting an explosion in the price of gold."

"The essence of the alleged gold market 'shell game' is that the bullion banks borrowed central-bank gold from various vaults and flooded the market with supply, keeping the price down. The GATA camp has uncovered information that shows that over 15,000 tonnes of gold is no longer held by the central banks, leaving the central-banks' reserves with less than half of what is officially reported."

This is why those who follow such arcana are predicting an explosion in the price of gold. According to GATA's Bill Murphy, "The gold establishment says that the gold loans from the central banks are only 4,600 to 5,000 tonnes, but GATA's information is that these loans are more than three times that number, which means "they're running out of physical gold to continue the scheme," Murphy adds.

According to O Mear's article, John Embry, the manager of last year's best-performing North American gold fund and manager of the Royal Precious Metals Fund for the Royal Bank of Canada, is putting his and his clients' money on the "lunatic fringe" in this dispute: "I've examined all the evidence gathered by GATA and everyone else, and I think these guys are anything but lunatics. They've done their homework and have unearthed a lot of interesting stuff. The problem, though, is that the market is sufficiently opaque that there is really no way to know who is right and who is wrong. I think that [GATA is] right and that officialdom doesn't want this exposed. GATA is willing to have a public debate but the gold world won't debate. I'm an analyst who has looked at both sides of the issue and I bet my money on GATA."

So far they've been right.

Whether the gold bugs are right or wrong about the reasons and likelihood of gold's continued meteoric price rise is uncertain, but, according to GATA's Murphy: "It's all the more reason to have the central banks come clean about the actual amount of gold that physically exists in their reserves. Either way, the price of gold will continue to rise because, as we already know and others are discovering, the gold is gone."

So, where's the gold?

Its Gone... and on its way to a thousand bucks an ounce! •

The Catalyst Commentary -

Bush's Small Business Agenda

by Lynnea M. Bylund

Catalyst House Founder & President

Recently I accepted an appointment, at the behest of Congressman Tom Reynolds (R-NY), as Honorary Chairwoman of the National Republican Congressional Committee's Small Business Advisory Council. As such, I will be playing a role in helping to advance the President Bush's pro small business agenda during the next year. I thought I'd kick it off with an overview of the Presidential Business Commission's small business commitment, the main mission of which is to advance deeper tax cuts, health care and tax reform.

Small business issues played a central role in Bush's recent State of the Union speech: "To make our economy stronger and more competitive, America must reward, not punish, the efforts and dreams of entrepreneurs. Small businesses will be the heart of America's renewed economic growth."

Every new business starts with an idea for a better product or process. But ideas become reality only when confident entrepreneurs are willing to take economic risks. Small businesses are the heart of the American economy because they drive innovation – new firms are established on the very premise that they can do a better job. For innovative small businesses, adequate performance is never good enough and excellence is an endless pursuit. These dynamic companies also drive the job creation process. In fact, small and young companies create two thirds of the net new jobs in our economy, and they employ half of all private-sector workers.

The role of government is not to create wealth, but to create an environment where entrepreneurs can flourish. President Bush has stated his belief that low taxes and clear, sensible regulations are essential to helping all 25 million small businesses in America. Equally important, the President believes we must work to ensure that employees of small businesses have access to high-quality health care and reliable pensions. And for those small businesses that deal with the federal government, the contracting process should be fair, open, and straightforward.

High tax rates inhibit entrepreneurial activity because they act as a tax on success, claiming a larger share of income from flourishing enterprises, while the government shares little of the risk.

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"America must reward, not punish, the vision of entrepreneurs."

Small businesses will be the heart of America's new economic growth."

• ***George W. Bush***

CAT Client & Affiliate News (continued)



Catalyst House's Lynnea Bylund was recently appointed an Honorary Chair of the National Republican Congressional Committee's ('NRCC'), Business Advisor Council.

The appointment was made by Rep. Tom Reynolds (R) New York. Congressman Reynolds is the Chairman of the NRCC.

Ms. Bylund's duties will include reviewing proposed legislation affecting U.S. small business issues, from tax to healthcare, prior to its vote on the House Floor.

Additionally, Ms. Bylund has been appointed to serve on the Presidential Business Commission. The Presidential Business Commission is a unique group of the nation's business leaders who will work with Congressional leaders to advance the pro-business agenda of deeper tax cuts, healthcare and tax reform and reducing gov't interference in small business.

- The **Jacob Tyler Creative Group** has been signed by CAT to develop the **ADJMAX 'Local Tender'** community advertising Web-portal and related business image. The firm prides itself as being a tightly knit group of talented experienced marketing, media, and software development professionals. Jacob Tyler is a full-service, boutique design firm specializing in printed collateral, Web design and development, product design, and online marketing strategy development and execution.



- The **Law Offices of Patrick J. Clary** has been retained by CAT to prepare a \$1 million private offering memorandum for the ADJMAX subsidiary. **Attorney Clary** has been an avid trader since his early prior career days as a radio station manager and has been a member of several exchange systems over the years. Clary's firm currently enjoys thousands of dollars in extra legal billings annually through his affiliation with **BXI**, a national barter exchange system with a reported high rate of satisfaction among its 20,000 members. "It allows me to use funds that I wouldn't otherwise receive," says Attorney Clary.



Urgent Catalyst Health Alert -

Your Supplements Are Under Attack!

By Lynnea M. Bylund

A controversial new EU regulation that has threatened to outlaw thousands of mineral supplements and bankrupt health food stores was upheld recently.

The Codex Alimentarius Commission sounds like one of those shadowy, sinister organizations conjured up by one-world-government nuts to scare people.

The Food and Agriculture Organization and the World Health Organization created this commission in the early 1960s to set standards for food safety and to "harmonize" the laws of member nations. The commission was endorsed by U.N. Resolution 39/248, which says:

"When formulating national policies and plans with regard to food, governments should take into account the need of all consumers for food security and should support and, as far as possible, adopt standards from the ... Codex Alimentarius. ..."

The Codex Alimentarius Commission consists of delegates from 163 member nations representing 97 percent of the world's population. It meets every two years, either in Rome or Geneva. Between meetings, the commission is governed by an executive committee that directs the activities of its many committees.

Of immediate concern is the ongoing effort to bring dietary supplements in America under the control of standards set by this commission. Dietary supplements generate a \$17 billion industry in the United States, which affects more than 150 million consumers, according to Congressional findings (H.R. 2485). Proposed procedures and standards could virtually destroy this market and deprive millions of Americans of the supplements they want to use.

The European Union Directive on Dietary Supplements, which became law in August, severely restricts the types and quantities of supplements that may be legally sold. Most forms of vitamins C and E, for example, are not available, or are available only in extremely small doses. If current plans proceed on course, American consumers are in for a shock.

The European Court of Justice approved the Food Supplements Directive even though the court's own Advocate-General advised that the Directive was invalid under EU law.

The ruling - greeted with surprise - is a defeat for a concerted campaign by more than a million British health food customers and shops. They have argued that the law, which will come into effect on August 1, will impose an unprecedented level of regulation on mineral supplements and could threaten the existence of small suppliers.

The Alliance For Natural Health (ANH), a group backed by the British Health Food Manufacturers' Association, have contended that it is unfair for health food manufacturers to bear the cost of applying for approval for products they have been selling for many years.

How can this little-known international commission control what consumers buy in the United States?

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Supplements Under Attack (continued)

The effort to regulate dietary supplements has been under way for more than a decade.

Now, however, the Codex Commission is teaming up with the World Trade Organization to bring similar enforcement to dietary laws in America.

This is not fantasy nor theory, it is real!

An even less-known agency, deep within the bowels of the U.S. Department of Agriculture is responsible for U.S. participation in the Codex Commission and designates delegates to each of the commission's committees. Barbara O. Schneeman is the delegate to the Codex Committee on Nutrition and Food for Special Dietary Uses.

The effort to regulate dietary supplements has been under way for more than a decade. In 1994, Congress adopted the Dietary Supplement Health and Education Act, which kept supplements beyond the reach of the drug police. In the past, Codex recommendations have been non-binding. Now, however, the Codex Alimentarius Commission is teaming up with the World Trade Organization to bring international enforcement to the dietary-supplement battle.

Ironically, it was primarily the U.S. that brought the WTO into existence in 1994, as the successor to GATT, the General Agreement on Tariffs and Trade. The WTO agreement specifically requires that the member nations – including the U.S. – conform its laws to meet the requirements of WTO decisions. Failure to conform results in stiff financial penalties. The Codex Commission and the European Union want the WTO to enforce Codex standards, which fly directly in the face of the Dietary Supplement Health and Education Act.

Pascal Lamy of France was just selected as director general of the WTO. Lamy served as a member of the French Socialist Party's steering committee and was chief of staff and representative of the European Commission for President Jacques Delors. Since 1995, he has served as a member of the Central Office of the Mouvement Européen (France) and as a member of the European Commission, responsible for trade.

The Codex Commission met in Rome earlier this month to adopt the final rules on dietary supplement use.

The Codex Alimentarius Commission's reach is much broader than dietary supplements. Its committees are also working on standards for pesticide residue, labeling of all kinds of foods, food additives and nutrients, veterinary medicine and drugs, as well as standards and methods for analysis. The function of this organization is to establish standards for all food worldwide and to enforce those standards through the power of the World Trade Organization.

Few people know that there is such a thing as the Codex Alimentarius Commission. It was created to promote food safety in international trade. It is on the brink of becoming an Orwellian bureaucracy – far worse than the worst fantasies of the one-world conspiracy theories.

The Codex Alimentarius Commission is neither fantasy nor theory; it is real! •

Bartering Is Good Business (continued)

According to Mr. Miller's CPA, trade credits can also be donated to qualified charity foundations for full cash-value tax deductions, but Miller's accountant stresses that a good tax advisor should definitely be in the loop if such a strategy was to be attempted.

Predictions in recent years that the Internet would revolutionize bartering haven't yet come true. Most business owners who barter still rely on local exchange brokers to help identify and facilitate trades.

Notwithstanding, Bartercard recently unveiled an upgraded and redesigned website which places increased emphasis on online trade facilitation. "The technology behind this improved website is certain to increase the amount of business we do online, which was very meaningful even prior to this upgrade," points out Michelle Thompson, Bartercard's Director of Marketing for North America.

"Using the Bartercard website, members and trade coordinators alike can easily access account information, identify and consummate desired trades both locally and globally, and communicate throughout the Bartercard universe," continues Ms. Thompson.

The largest corporate exchange, Pearl River, N.Y.-based Active International, takes bartering beyond what most networks do by purchasing excess television ad time and space for print advertisements. Active then buys assets from large companies for cash and trade credits, which companies can use to advertise products or defray travel and other expenses.

The New York company has bought a range of corporate assets, everything from excess inventory to equipment to real estate, including the former Toys-R-Us operating center for \$15 million. "About \$1.4 billion worth of products pass through Active annually," says Mary Harte, the company's senior vice president of marketing. •

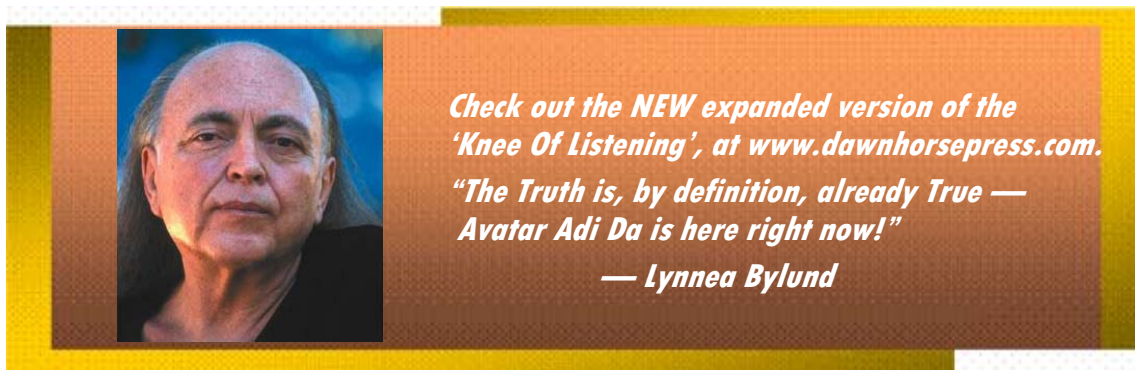


"Bartering among North American businesses reached nearly \$12 billion in 2003 and is growing at more than 10 percent annually, according to NATE."



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White House Small Business Agenda (continued)

For entrepreneurs, taxes reduce their companies' cash flow – to ensure continued innovation, President Bush believes that the government should leave as many resources as possible with the entrepreneurs and companies that are generating new ideas, better jobs, and greater wealth, proposing:

- Increase small business expensing. This proposal would allow more small businesses to immediately expense more new investment. Under this proposal, firms with up to \$325,000 in new investments could immediately expense the first \$40,000. The cost of this proposal is \$7 billion over ten years;

- Simplify taxes for small businesses. The Treasury Department will shortly announce final rules to allow service-oriented businesses with less than \$10 million in gross receipts to use cash accounting rather than accrual accounting; and,

- Permanently repeal the death tax. The death tax can fall most heavily on small businesses that are asset rich but cash poor.

Catalyst House lauds President Bush's small business tax proposals because they will allow small business to grow, create new jobs and boost our nation's economic security.

Small businesses frequently have trouble providing health care and pensions to their employees. The President proposes:

- Permit associations to provide health insurance. This change would give small businesses the same kind of purchasing power and coverage options that large firms can provide for their employees;

- Dramatically improve Medical Savings Accounts that combine a tax-free saving account with a high-deductible health insurance plan, thus providing a lower-cost health care option that is ideal for small businesses.

Between 2001 and 2004, the Bush Administration increased the number of loans to small businesses by more than 100%, a 50-year record.

An additional item on the President's Small Business Agenda includes increased opportunity for small businesses in the bidding process for government contracts, ensuring that government contracts are open to all small businesses that can supply the government's needs.

The President has announced a new initiative to expand business ownership and entrepreneurship among minorities. The Administration will undertake a unique association with the National Urban League to create an entrepreneurship network. Supported by the Business Roundtable and the Ewing Marion Kauffman Foundation, it will include one-stop centers for business training, counseling, financing, and contracting.

All in all, President Bush is proving to be a great benefactor to our nation's small businesses. ●