

Why Legislative Guardrails on Programmable Money are Important and Urgent

May 29, 2026

2:00 - 4:00 PM Eastern

The Solari Report 



Host

Elizabeth Murphy

Leading Solari's Financial Transaction
Freedom Legislative Initiatives



Our Presenters and Panelists



**Catherine
Austin Fitts**

CEO, Solari Inc.



**Dr. Jon
Padfield**

Privacy Expert,
Engineer, Ret. Indiana
State Legislator,
Business Professor



**Carolyn
Betts, Esq.**

General Counsel, Solari
Inc.



**David
Liechty, Esq.**

Attorney

Introduction

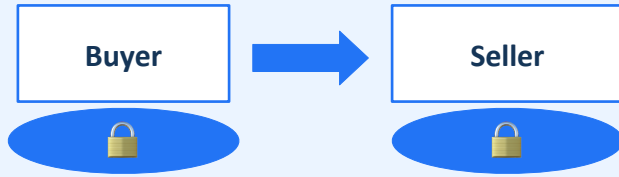
- I.** What is Programmable Money?
- II.** Intention: What the Central Bankers Have Told Us
- III.** The US Model: Public Private Partnerships for Programmable Money
- IV.** Programmable Money: The Clearing Function Is the Third Lock
- V.** The Two Other Legs of the Stool: Digital IDs and Local Hardware
- VI.** Taking Action: Putting Up Guardrails
- VII.** Solari Resources
- VIII.** Q&A

SECTION I

What is Programmable Money?

Programmable Money

Two Lock Transaction



Execution by Bank or Financial Institution

+ Manual Third Lock — MANY distributed actions

Rules: KYC · Anti-Money Laundering · Sanctions

Must be added one institution at a time

1,000s of banks & financial firms acting separately

Slow · Inconsistent · Banks remain as intermediaries

Three Lock Transaction



Execution on a Distributed Ledger

+ Automatic Third Lock — ONE Central Action

Central Bank / Treasury

One centralized instruction

Distributed Ledger — automated propagation

Bypasses ALL banks & financial institutions entirely

Instant · Universal · 1 action replaces 1,000s

Via the Money / Token

Via the Wallet

The Virtue Veil

Justifications used to mask centralized control of money — covering the real intention

Climate Change · Protecting the Environment · Fairness & Equity · Anti-Terrorism · Public Health

Financial Inclusion · Fighting Crime · National Security · Consumer Protection · Economic Stability

The Digital Control Grid

Surveillance & Coercion



Cameras, Towers, Drones,
AI & Data Centers,
Detention Centers

✘ Financial Freedom



Digital ID



Building the invisible
"panopticon" — tracking
everyone, everywhere

✘ Food Freedom



Programmable Digital \$



CBDC & Stablecoins
integrated with surveillance
and social credit systems

✘ Health Freedom

The reality of a

 **BRITCARD** 



@IMBROKEBUTDOPE

SECTION II

Intention: What the Central Bankers Have Told Us

International
Settlements

 BIS

Inter
Settl

 BIS



Bank for
International
Settlements

Bank for
Intern
S

S

Bank
Intern
Settle

B

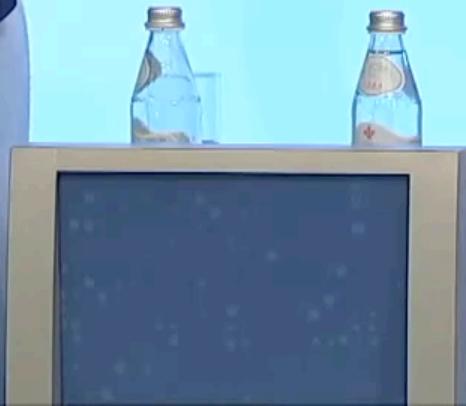
S



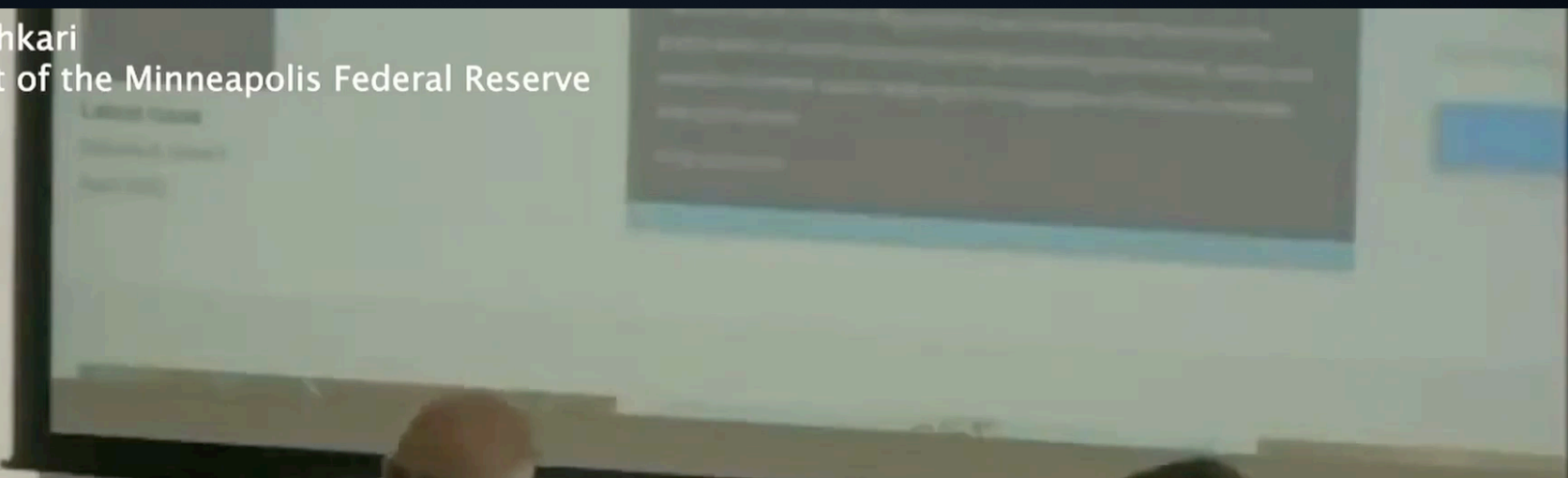
BIS Innovation Hub locations around the world

IS
DC
UND

IME



Neel Kashkari
President of the Minneapolis Federal Reserve



 COLUMBIA UNIVERSITY
IN THE CITY OF NEW YORK
Powered by Zoom

The Fast-Approaching Digital Control Grid

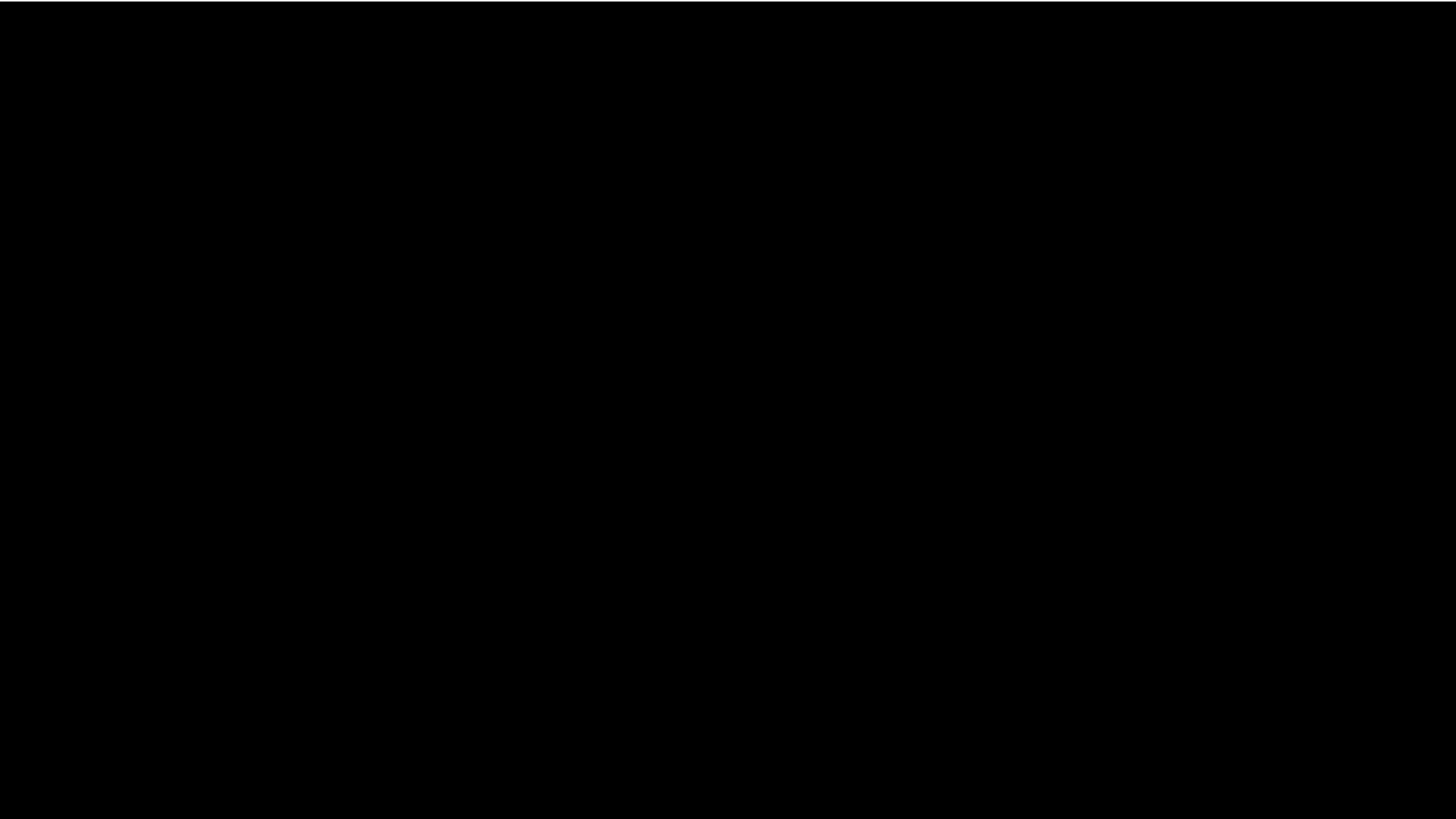
A Checklist of Trump Administration Actions to Date

July 17, 2025



SECTION III

**US: Public Private Partnerships
for Programmable Money
~ More Dangerous Than CBDC ~**



Blog

The GENIUS Act

and Its Implications for Financial Transaction Freedom

August 13, 2025



<https://solari.com/the-genius-act-and-its-implications-for-financial-transaction-freedom>

H.R.3633 - Digital Asset Market Clarity Act of 2025

119th Congress (2025-2026) |

BILL Hide Overview 

- Sponsor:** [Rep. Hill, J. French \[R-AR-2\]](#) (Introduced 05/29/2025)
- Committees:** House - Financial Services; Agriculture | Senate - Banking, Housing, and Urban Affairs
- Committee Meetings:** [07/14/25 4:00PM](#) [06/10/25 10:00AM](#) [06/04/25 10:00AM](#) ([All Meetings](#))
- Committee Reports:** [H. Rept. 119-168, Part 1](#); [H. Rept. 119-168, Part 2](#)
- Committee Prints:** [H.Prt. 119-6](#)
- Latest Action:** Senate - 09/18/2025 Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. ([All Actions](#))
- Roll Call Votes:** There has been [1 roll call vote](#)



More on This Bill

- [Constitutional Authority Statements](#)
- [CBO Cost Estimates \[1\]](#)

Subject — Policy Area:

- Finance and Financial Sector
- [View subjects >>](#)

Related CRS Products:

- [CRS Reports on H.R.3633](#)

Give Feedback on This Bill

- [Contact Your Member](#)

DTCC Advances Development of New Tokenization Service, Convenes 50+ Firms to Drive Digital Assets Adoption

DTCC to facilitate initial, limited production trades of tokenized securities in July 2026, with full service launch in October 2026

New York / London / Hong Kong / Singapore / Sydney

The Depository Trust & Clearing Corporation (DTCC) announced progress and timelines on DTC's tokenization service, designed with input from **more than 50 financial industry firms** spanning TradFi and DeFi ecosystems — including custodians, asset managers, brokers, trading venues, and more.

Participating firms include Bank of America, BlackRock, Citadel Securities, Goldman Sachs, J.P. Morgan, Morgan Stanley, Nasdaq, NYSE Group, Ripple Prime, Robinhood Markets, State Street, UBS, Wells Fargo, and dozens more.

Timeline & Key Details

July 2026: Initial, limited production trades of tokenized real-world assets

October 2026: Full commercial service launch

\$114 Trillion in assets currently under DTC custody

Covered Assets: Russell 1000 equities, major-index ETFs, and U.S. Treasury bills, bonds and notes

Regulatory: SEC No-Action Letter received December 2025, authorizing DTC tokenization for 3 years

"We believe tokenization will significantly change how markets work and operate, bringing new levels of liquidity, transparency and efficiency to investors."

— Frank La Salla, DTCC President & CEO

SECTION IV

Programmable Money: The Clearing Function Is the Third Lock

The legal, historical, and statutory case for state guardrails

THE THIRD LOCK

Catherine's term for what controls whether a transaction clears

The mechanism that sits between buyer and seller and decides whether the transaction goes through

THE CLEARING FUNCTION

Pre-computer legal and historical analog for the same mechanism

The mechanism that has always determined whether transactions clear — from Rothschild through BIS to today — now being automated and embedded in programmable money

THE ALGORITHM

Proprietary code embedded in the transaction that decides automatically whether it clears

No human review · no appeal while blocked · trade secret protected · updated silently

Operates at three levels: token · wallet · network

Credit Scoring: The Prototype for Algorithmic Financial Control

DIMENSION	CREDIT SCORE (FICO)	PAYMENT STABLECOIN
Methodology disclosed?	Partially — general factors known	No disclosure requirement
Your profile disclosed to you?	Yes — FCRA right	No equivalent right
Adverse action notice required?	Yes — FCRA mandates reason	No requirement
Dispute rights?	Yes — FCRA dispute process	None established
Government access?	Only with subpoena or court order	SAR secrecy — issuer may be legally barred from
Scope of control?	Credit decisions only	Every transaction — food, fuel, firearms, rent,
Trade secret protection?	Partial — general factors known	Trade secret claims may limit disclosure even in
Constitutional protection?	No — private bureaus	No — private issuer, no state action

Credit scoring is the prototype — private algorithm, no constitutional floor, limited consumer recourse

Payment stablecoins apply the same model to every transaction — food, fuel, firearms, rent, political donations

We Already Accepted It: Three-Lock Control Outside the Money

EBT / FOOD BENEFIT CARDS	FICO / CREDIT SCORING	PAYPAL \$2,500 FINE (2022)
<p>Government controls what you buy</p> <ul style="list-style-type: none">· Algorithm decides approved categories· Geographic restrictions in some states· Expiration rules on unspent balances· No constitutional challenge — framed as benefit, not restriction· Control at account/card level — outside the money itself	<p>Private algorithm controls access</p> <ul style="list-style-type: none">· Not just credit — housing, employment, insurance, utilities· Equifax, Experian, TransUnion — private, no democratic accountability· Partially disclosed — people learned to game it· FCRA: limited dispute rights — no constitutional floor	<p>Private platform fines speech</p> <ul style="list-style-type: none">· Terms update — \$2,500 deducted for COVID “misinformation”· Near-monopoly¹ — no meaningful alternative· Reversed within 24 hours — only because people noticed
<p>Fully accepted · No pushback</p>	<p>Fully accepted · Normalized</p>	<p>Attempted · Reversed under pressure</p>
<p>Sold as benefit program</p>	<p>Opacity = feature of next generation</p>	<p>Could return invisibly in programmable money</p>

The pattern: financial access used as behavioral control — private or government

EBT and FICO slipped through without resistance · PayPal was caught — barely · Programmable money makes all three permanent, invisible, and

¹ Essential facilities doctrine: legal principle that entities controlling essential infrastructure may be required to provide non-discriminatory access

What Exists Now — and What Is Likely Being Built

WHAT EXISTS TODAY — DOCUMENTED

USDC + USDT (Circle and Tether stablecoins pegged to the US dollar)

\$260B+ combined · outside consumer protection framework.
No GENIUS Act compliance required unless they choose to become permitted payment stablecoin issuers

Circle/USDC firearms block

Prohibited firearms purchases · reversed March 2026 under pressure
Demonstrated the capability exists · could return silently

Token-level blocking is real

Not hypothetical — \$260B system demonstrated it
Reversed only under public pressure

Wyoming FRNT

First state stablecoin · Jan 7, 2026 · outside GENIUS Act
Wyoming Stable Token Act (2023) · predates federal framework

No consumer protection framework applies

FCRA and EFTA not applicable by their terms — written for credit and banking, not stablecoins.
BSA/AML/KYC is the only framework that applies

CLEARING FUNCTION LIKELY BEING BUILT

Based on existing crypto architecture — implementation subject to GENIUS Act regulations

Permitted issuers

None yet · effective January 2027 at latest
Three federal dockets open for public comment

Three levels of control

Token · Wallet · Network — three independent chokepoints
The clearing function operates at three levels — see next slide

Wallet controlled by issuer or algorithm provider

Not the user — unlike Bitcoin wallet
Controls access, profile, and restrictions

Identity-based restrictions

Different users · different rules · updated silently
No notice required · no recourse

SAR secrecy

Issuer may be legally barred from explaining
why your payment was refused

Circle/USDC proved the capability exists · reversed under pressure · programmable money makes it permanent

LEVEL 1: IN THE TOKEN	LEVEL 2: IN THE WALLET ¹	LEVEL 3: AT THE NETWORK
<p>Same rules for every holder</p> <ul style="list-style-type: none">· Rules travel with the currency itself· Applies equally regardless of who holds it· Example: currency that cannot buy firearms or expires unused · Transfer doesn't eliminate or change the restrictions.	<p>Rules tied to your identity</p> <ul style="list-style-type: none">· Issuer or algorithm provider controls the wallet — not the user· Your compliance profile determines what is permitted· Different users face different restrictions · updated silently · Transfer to a different system may or may not eliminate or change the wallet-based restrictions — depends on settlement architecture.	<p>Who can participate at all</p> <ul style="list-style-type: none">· Permitted blockchain — operator decides who can participate· Exchange/on-ramp can cut off access to convert stablecoins· OFAC sanctions at settlement layer — independent of token or wallet · Blocks the transfer itself regardless of whether the restriction is in the token or the wallet.
<p>Less dangerous — equal treatment</p>	<p>Most dangerous — targeted control</p>	<p>Structural — cuts off participation entirely</p>

Three independent chokepoints — clearing any one does not guarantee your transaction goes through

Government jawboning can update any level silently · no notice · no appeal · no paper trail

¹ *Wallet: industry term for what most consider an account — controlled by the issuer or algorithm provider, not the user. Unlike a Bitcoin wallet which the user controls.*

Outside the Law: What Doesn't Apply

LEGAL FRAMEWORK	BANKS AND FINANCIAL	PAYMENT STABLECOINS
First, Second, Fourth, Fifth Amendment	Via state action doctrine	NO — private issuer, no state action
Fair Credit Reporting Act (FCRA)	N/A — credit decisions only	NO — not applicable by its terms
Electronic Fund Transfer Act (EFTA)	Yes — error resolution, liability limits	NO — not applicable by its terms
Equal Credit Opportunity Act (ECOA)	Yes — prohibits discriminatory denial of	NO — not a credit product
State consumer protection statutes	Yes — unfair/deceptive practices	UNCERTAIN — may be preempted
UCC payment finality rules	Yes — error resolution, finality	NO — not addressed in GENIUS Act
Administrative law / due process	Yes — notice, hearing, appeal rights	NO — private company, no due process
BSA/AML/KYC (surveillance)	Yes	YES — THE ONLY FRAMEWORK

The architecture is precisely inverted

Every framework that protects consumers does not apply · The one that does enables government monitoring and blocking

No Recourse: Why You Cannot Challenge What You Cannot See

SIX BARRIERS TO COURT CHALLENGE

1. You don't know it happened

SAR secrecy - issuer may be legally prohibited from telling you why your payment was refused

2. You can't prove it

No access to other users' data — can't show disparate treatment without discovery you can't yet get

3. You can't sue directly

GENIUS Act creates no private right of action — only regulators can bring enforcement cases

4. You can't afford to try

Mandatory arbitration — no class actions, no jury, no public record

5. You can't see the evidence

Trade secret claims may limit algorithm disclosure even in litigation

6. The regulator has no incentive

BSA/AML/KYC regulators focus on surveillance compliance — not consumer protection

Jawboning adds a seventh barrier: Murthy v. Missouri (2024) makes standing nearly impossible if government pressured the issuer

WHY THIS MATTERS FOR LEGISLATION

Illegal conduct is practically unchallengeable

An algorithm can embed criteria that violate ECOA, the First Amendment via jawboning, or discriminate by political affiliation — and no one outside the company would know without a whistleblower or litigation

The six barriers are cumulative and independent

Clearing one does not open the path to court — individual remedy is a fiction

State legislative action is the only path

No individual can fix this in court — only prospective legislation can close the gap — that is why you are here

The question before this briefing is not whether courts can fix this — they cannot

The question is whether legislatures will act before the architecture is permanent

This Did Not Just Happen

SECTION IV — THE ARCHITECTURE WAS DESIGNED

1871

Rothschild network De facto clearing function for European finance — sovereign debt, war reparations, cross-border payments. Nothing of significance cleared without their approval.

1930

BIS founded 63 member central banks · 95% of world GDP · sovereign immunity — cannot be sued, assets unseizable, accountable to no government or court

1992

UN Agenda 21 Sustainable development framework — ESG/carbon/DEI compliance criteria embedded globally as predecessor to Agenda 2030

2015

UN Agenda 2030 / SDGs 17 goals · 169 targets — the compliance criteria the payment algorithm will enforce without a vote, without legislation

2020

WHO pandemic + WEF Great Reset Accounts frozen · donations blocked · businesses debanked — proof of concept. WEF: COVID used to accelerate digital restructuring. “You’ll own nothing. And you’ll be happy.”

2022

ISO 20022 Global payment standard — compliance conditions encoded in every transaction. Carbon intensity and ESG compliance data already specified as fields.

2023

BIS Unified Ledger blueprint Explicit goal: remove humans from transaction approval loop — one central instruction, instant, universal, automated

2025

GENIUS Act signed July 18, 2025 Builds infrastructure to strengthen US Treasury demand · facilitate international transactions · enable crypto in everyday payments. Payment stablecoins are programmable money. Effective January 2027 at latest.

2026–27

Implementing regulations being finalized now Three comment dockets open · deadlines June 2 and June 9 · the window to shape this closes when regulations finalize

Programmable Money Adds a Third Party to Every Transaction



Two locks

Two parties agree — bank clears — courts available if dispute

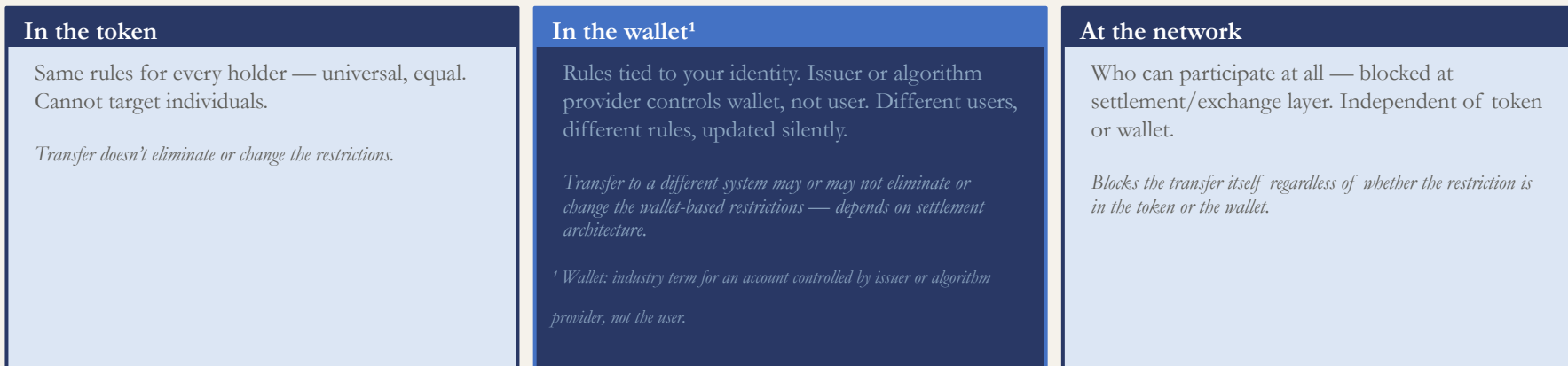


Three locks

No human review · no appeal while blocked · no notice · no paper trail

WHERE DOES THE ALGORITHM LIVE?

The answer determines who is targeted and whether transfer escapes the restriction



Three independent chokepoints — clearing any one does not guarantee the transaction goes through

Architecture based on existing crypto systems — subject to GENIUS Act regulations being finalized

SECTION IV — PART 2

How Programmable Money Can Be Used Against Us

Real Examples · Documented Cases · Constitutional and Other Legal
Implications

OPERATION CHOKE POINT¹

Legal businesses debanked without legal authority

- DOJ + FDIC pressure — no law, no charges, no court order
- Targets: firearms dealers, ammunition retailers, payday lenders
- Revived 2022–2024 targeting crypto via FDIC pause letters
- Pattern repeated across administrations

With programmable money: Debanking becomes automatic — no human decision, no paper trail, no recourse while frozen

CANADA TRUCKER CONVOY

Government froze accounts without court orders

- Emergencies Act invoked for vaccine mandate protesters
- Bank accounts of protesters and donors frozen
- Financial institutions granted immunity for acting on government lists
- Reversed only after international pressure

With programmable money: Wallet profile updated silently — target never knows why payment was refused

FARAGE / COUTTS BANK

UK private bank debanked Nigel Farage, conservative MP

- No law prohibited it — UK regulations permit account closure without stated reason
- Bank records reveal wealth reputational risk committee found his political views and associations misaligned with bank values
- Bank CEO resigned for revealing private financial information to a journalist

With programmable money: No internal records to obtain — algorithm updated silently, no audit trail

All three: financial access used as political control — no law, no court order, no paper trail

Programmable money automates what required human pressure

¹ Operation Choke Point: DOJ/FDIC 2013–2017 — no statute authorized the program, confirmed by congressional investigation. Revived 2022–2024 via FDIC pause letters, confirmed through Coinbase FOIA

WHAT HAS ALREADY HAPPENED

Firearms dealers debanked

Operation Choke Point targeted legal firearms dealers — debanked without legal authority

Merchant Category Code (MCC) 5723 — firearms

Major networks created firearms-specific MCC 5723 in 2022. Many states enacted laws banning firearms as a standalone MCC · a smaller number require it by law.

Bank of America data mining (2021)

Without legal process or FBI request, Bank of America provided the FBI a list of customers who had made firearms purchases and hotel stays in the DC area around January 5–7, 2021 — identifying potential suspects for the January 6th investigation based solely on lawful purchases and legal travel.

Source: House Judiciary Committee report and FBI whistleblower testimony, 2023

FEDERAL AGENCY PRESSURE

- Federal agencies designated firearms dealers as high risk — making lending more expensive to serve this sector without legislation
- Pattern: regulatory pressure achieves what legislation cannot

PROGRAMMABLE MONEY: AUTOMATIC ENFORCEMENT

- Automatically blocks or flags firearms and ammunition purchases
- Requires government compliance attestation before any transaction clears
- Tracks every purchase — creating de facto registration without legislation
- Circumvents all state-level MCC laws entirely

Under the wallet model: same profiling as Bank of America — silently, automatically, permanently, with no whistleblower opportunity

The right to keep and bear arms means nothing if you cannot pay for them

Programmable money enables permanent, invisible, unchallengeable enforcement — no law, no court order required

THE ESG INFRASTRUCTURE IS ALREADY BUILT

Basel Committee (BIS) embedded NGFS climate scenarios into international capital requirement standards. US federal regulators adopted Basel standards domestically — no Congressional vote, no explicit legislative authority — making fossil fuel lending more expensive to serve this sector without any democratic process.

ISO 2022 — global payment messaging standard

Compliance conditions encoded in virtually every transaction. Carbon intensity and ESG compliance data already specified as fields.

Cannabis businesses

Legal in many states, effectively debanked at the federal level due to Schedule I classification — a state-legal business cannot access normal banking because federal law treats it as criminal.

NO VOTE REQUIRED

None of this required a vote in Congress or the state legislature. Compliance conditions are written by unelected international bodies and enforced automatically through the algorithm — whether it resides in the token, the wallet, or the network.

Could it be in the network or exchange? Yes — network operators and exchanges may refuse to process transactions independently, with no government instruction required.

PROGRAMMABLE MONEY: AUTOMATIC ENFORCEMENT

Whether transactions are restricted depends on who controls the algorithm, not on law. Unlikely under current administration — the architecture to do so is being built and could be activated under different political conditions.

- Favoring EV lending over combustion engine vehicle financing — already occurring at major financial institutions through ESG criteria
- Restricting purchases of gas stoves and gas appliances
- Fossil fuel transactions may not clear in some political environments

The compliance conditions that could restrict energy transactions are already written — by unelected international bodies

No law · no vote · enforced automatically at the point of payment

ALREADY HAPPENED — HEALTH EMERGENCY

COVID demonstrated health-based financial control in action — before programmable money existed:

- Canadian truckers' case: accounts frozen for protesting vaccine mandates for cross-border truckers — a government health policy enforcement action
- GoFundMe froze \$10M in donations to convoy protesters — reversed after public outcry
- PayPal's attempted \$2,500 fine was specifically for COVID “misinformation” — a health compliance enforcement attempt by a private payment platform
- Australian banks (2021–2022) flagged and reported customers donating to anti-vaccine-mandate groups to authorities

These were manual interventions — reversed under pressure because they were visible.

Programmable money makes them automatic, invisible, and permanent.

PROSPECTIVE — PROGRAMMABLE RESTRICTIONS

- Expiring money — digital currency that expires unless spent on approved categories
- Purchase limits — government health programs restrict how benefits are spent
- Carbon footprint scoring — individual purchase scores already piloted
- Dietary mandates — disfavored food purchases trigger compliance flags

THE CONSTITUTIONAL PROBLEM

Government cannot constitutionally tell you what to eat. A private stablecoin company can.

The First and Fourth Amendment and due process protections apply only to government action — not to private companies or individuals.¹ Under the wallet model, these restrictions are tied to a user's identity profile — enabling individualized mandates invisible to courts.

COVID proved that health emergencies justify financial control — the infrastructure to make it permanent is now being built

¹ State action doctrine: Constitutional protections apply only to government action — not to private companies or individuals.

WHAT JAWBONING IS

Government informally pressures private companies to achieve enforcement goals — without a law, a court order, or a legal paper trail.

WITH SPEECH — TWITTER FILES

Federal agencies sent suppression requests to Twitter without legal authority. *Murthy v. Missouri* (2024): victims face near-impossible standing hurdles — must prove intermediary acted because of government pressure, not independently. No constitutional violation found.

WITH MONEY — WALLET-LEVEL TARGETING

Government whispers to a payment stablecoin issuer: this user's wallet profile should flag disfavored transactions. The wallet algorithm is updated for that user, silently, instantly. Transactions blocked. No fingerprints. No law. No court order. No judicial review.

WHY MONEY IS WORSE THAN SPEECH

Deplatformed from Twitter: you can still eat and pay rent

Payment blocked: you cannot eat, pay rent, or run a business

If programmable money becomes universal and cash or traditional accounts are no longer available, there is no alternative platform — which is why preserving non-programmable alternatives is the central protection the model legislation provides

THE SAR SECRECY PROBLEM

When an issuer files a SAR¹ after blocking a transaction, federal law prohibits telling the customer.

You have no right to know why your payment was refused.

No notice · No reason · No appeal · No paper trail the target can access

¹ SAR: *Suspicious Activity Report* — filed with FinCEN under BSA/AML/KYC. Tipping-off prohibition legally bars disclosure.

Jawboning was the template for speech suppression · Programmable money makes it the template for financial suppression

No fingerprints · no law · no recourse · *Murthy v. Missouri* forecloses individual challenge

GOVERNMENT-ISSUED CBDC

- Constitutional constraints apply
- Courts can review government action
- Requires legislation to implement
- Public accountability and FOIA access
- First, Fourth, Fifth Amendment protections apply

Constitutional floor exists

The GENIUS Act bans a government CBDC on surveillance grounds — then licenses private issuers to build the same architecture with no constitutional floor and no public accountability

PRIVATE PAYMENT STABLECOIN

- No constitutional constraints
- State action doctrine does not apply
- No democratic accountability
- No FOIA, no transparency requirements
- Can combine government's coercive reach with zero oversight
- Issuer or algorithm provider controls wallet — who can transact, on what terms, updated silently

No constitutional floor

“The First Amendment only restrains government. It does not restrain Visa, Mastercard, or a payment stablecoin issuer.”

This is counter-intuitive — but it is the central legal reality

Private programmable money is more dangerous than a government CBDC because it has no constitutional floor

Once programmable money is installed as infrastructure, the window to shape it closes permanently. Private programmable money is the most powerful tool of control ever built — and it is being deployed without a single vote, a single law, or a single court order.

WHAT STATES CAN DO

1. LEGISLATE

Pass the model bills prohibiting discriminatory payment algorithms and mandating non-programmable alternatives — vendor prohibition immediately enforceable through procurement

2. COORDINATE

AG action · banking regulator examinations
· pension fund investment criteria · joint comment letters · 50-state firewall

3. BUILD THE COMPACT

Interstate compact for long-term structural protection — start now · the Founders designed this mechanism for exactly this situation

Comment deadlines: Treasury June 2 · FinCEN/OFAC and FDIC June 9 · ft2freedom.solari.com

Section VI covers each action in detail

SECTION V

The Two Other Legs of the Stool: Digital IDs and Local Hardware

The Digital Control Grid

Surveillance & Coercion



Cameras, Towers, Drones,
AI & Data Centers,
Detention Centers

✘ Financial Freedom



Digital ID



Building the invisible
"panopticon" — tracking
everyone, everywhere

✘ Food Freedom



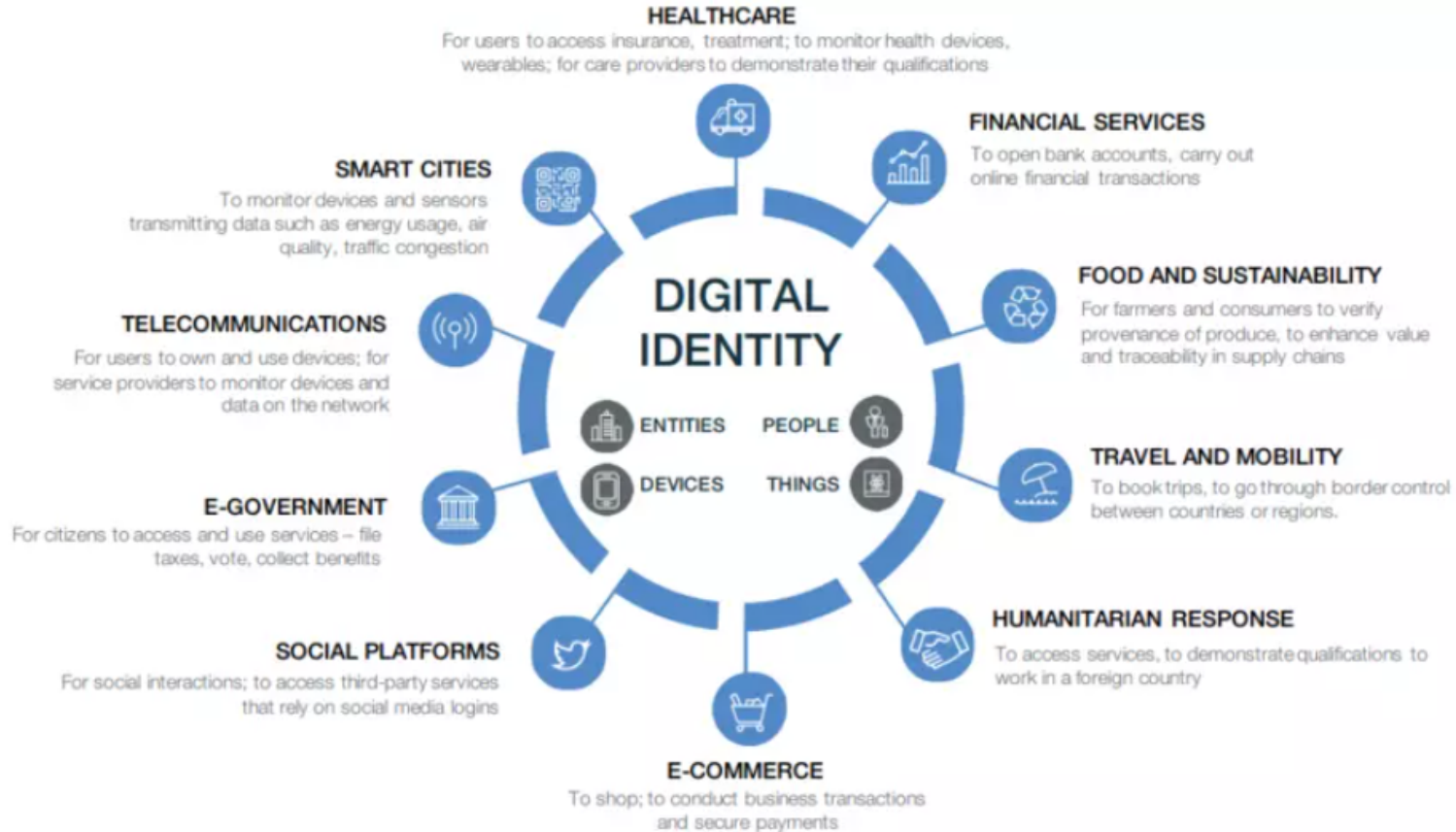
Programmable Digital \$

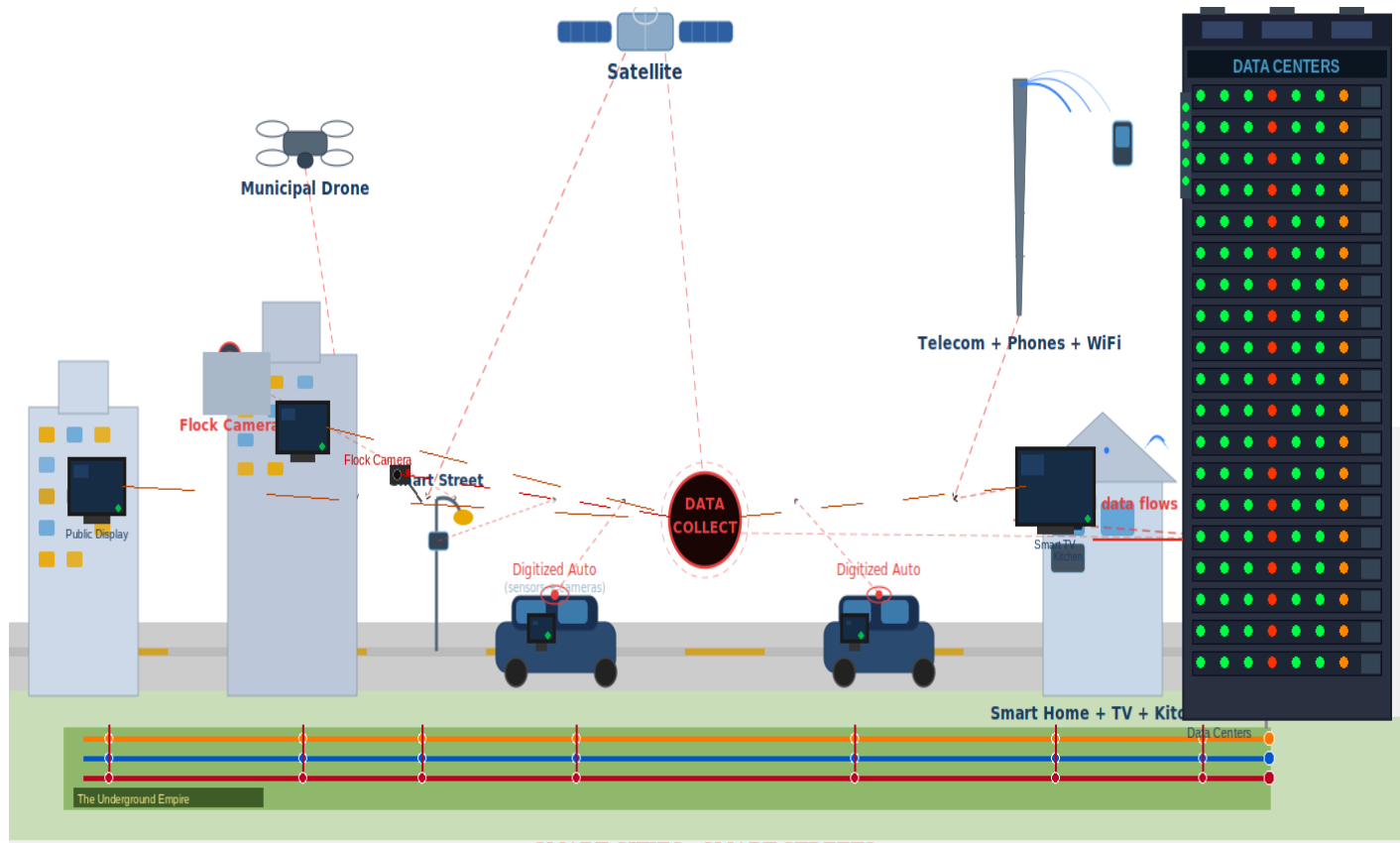


CBDC & Stablecoins
integrated with surveillance
and social credit systems

✘ Health Freedom

Programmable Money Depends On a Digital ID





SMART CITIES · SMART STREETS

Satellite · Municipal Drones · Telecom Towers + Phones · Flock Cameras · Digitized Autos · Smart Homes · TVs + Kitchen · Data Centers

Every device is an endpoint. Every citizen is a data point. | solari.com

Comments from Dr. Jon Padfield

- Privacy Expert
- Engineer
- Ret. Indiana State Legislator
- Business Professor



SECTION VI

Taking Action: Putting Up Guardrails

What State Legislators, Attorneys General, and Financial Officers Can Do Right Now

Taking Action: All Available Tools

ACTION	WHAT IT IS	WHO CAN ACT	URGENCY
1	Comment on Federal Regulations	All state officials	URGENT — June 2 + June 9
2	State Legislation — Model Bills	Legislatures	Act before preemption
3	State Procurement Power	Governor · Treasurer	No legislation needed
4	AG + Banking Regulator Action	AGs · Financial regulators	Authority exists now
5	Interstate Compact	Legislatures · Governors	Build the firewall
6	Pension Fund Investment Criteria	Treasurer · Fiduciaries	Fiduciary duty now
7	Additional Tools	Various	Multiple timeframes

Model legislation and comment letter guide at ft2freedom.solari.com

Three dockets open at [regulations.gov](https://www.regulations.gov) — deadlines this week and next

JUNE 2, 2026 — TREASURY

MOST CRITICAL

TREAS-DO-2026-0232-0001

Determines whether your state's financial freedom protection laws survive federal preemption. Comment to argue that anti-discrimination guardrails belong inside 'substantially similar' — not outside it.

JUNE 9, 2026 — FinCEN/OFAC AML & SANCTIONS

IMPORTANT

FINCEN-2026-0100-0001

Builds the surveillance and blocking infrastructure including SAR secrecy. Comment to demand consumer notice, dispute rights, and oversight mechanisms preventing government-directed payment blocking.

JUNE 9, 2026 — FDIC PRUDENTIAL STANDARDS

SUPPLEMENTARY

FDIC-2026-0044

Financial safety standards. Comment to argue that prudential soundness and financial freedom protection are complementary, not competing.

OCC comment period closed May 1 — extension possible — monitor [regulations.gov](https://www.regulations.gov)

See companion Comment Letter Guide at ft2freedom.solari.com for what to argue and how to coordinate

CONSUMER PAYMENT RIGHTS AND TRANSPARENCY ACT — Programmable Money Bill

PROHIBITION 1: Access to alternatives

Prohibit any entity subject to state law from offering only programmable money as a payment option. Customers must always have access to non-programmable alternatives.

PROHIBITION 2: No discriminatory algorithms

Prohibit algorithms that block, delay, or condition transactions based on lawful activity — firearms, political donations, religious organizations, energy industry — whether in the token, the wallet, or the issuer's compliance infrastructure.

FROM THE MODEL LEGISLATION:

“Programmable money effectively creates a new power to prohibit lawful activity through financial exclusion. The legal right to challenge an action that is already over is not, in any meaningful sense, a protection. Unlike other platforms, access to money is how you eat, pay rent, and run a business. There is no alternative platform.”

**Enact NOW — before federal regulations under the GENIUS Act
finalize and potentially preempt state law**

Download at fi2freedom.solari.com

CASH ACCEPTANCE BILL — Draft (Tennessee Version Available)

Requires brick and mortar businesses with six or more employees to accept cash as payment.

Ensures no customer is forced into digital-only payment.

Many ways to structure — contact elizabeth@solari.com for guidance.

Download draft at fi2freedom.solari.com

Tennessee version: SB0739 — adaptable for any state

Idaho model for government agencies also available

WHAT STATES ALREADY CONTROL

State governments spend enormous sums through procurement contracts. Governors, treasurers, and legislatures can act immediately:

- Condition ALL state contracts on vendors accepting non-programmable payment options
- Require vendors to disclose any programmable money restrictions before contract award
- Prohibit state agencies from mandating programmable money or stablecoins for services or benefits; EBT and similar restricted-use cards are not affected
- Require state benefit programs to maintain non-programmable payment options alongside any digital alternatives

This is procurement policy — no new legislation required. Executive action by governor or treasurer is sufficient in most states.

Governors and treasurers can act today — no legislative session required

WHY THIS MATTERS

Government is a major payment counterparty — benefits, contracts, tax payments

If government mandates programmable payment, the ‘choice’ to avoid it disappears entirely

Procurement conditions create immediate market pressure on issuers without waiting for legislation

WORKS WITH MODEL LEGISLATION

The vendor prohibition in the model bill is the legislative version of this same tool.

Procurement policy can be enacted immediately; NOW; legislation reinforces and extends it.

Together: procurement conditions set the standard today, legislation locks it in permanently.

Action 4: AG and State Banking Regulator Coordinated Action

AG LEGAL TOOLS	STATE BANKING REGULATOR TOOLS	COORDINATED ACTIONS NOW
<ul style="list-style-type: none">· <i>Parens patriae</i>¹ standing — sue on behalf of state residents, bypassing <i>Murthy v. Missouri</i> standing barriers· State consumer protection laws — unfair/deceptive practices apply to stablecoin issuers operating in state· Civil investigative demands and subpoenas over entities doing business in state· Challenge overbroad federal preemption in court — build state law record NOW· Condition state contracts on constitutional rights and financial freedom protections	<ul style="list-style-type: none">· Examination authority over state-chartered entities — require algorithm transparency as condition of charter· GENIUS Act state track: states can license payment stablecoin issuers directly under a state framework Treasury deems ‘substantially similar’ — build financial freedom protections into that licensing regime· Require regular audits of transaction-blocking criteria for state-chartered entities· Demand disclosure of any government-directed blocking instructions received· Coordinate with AG on enforcement actions	<ul style="list-style-type: none">· Joint comment letters — deadlines June 2 and June 9· Use the NAC precedent² — coordinated comments alone defeated the SEC/NYSE Natural Asset Companies proposal without litigation· Coordinated investigation of discriminatory payment algorithms already in operation· Demand algorithm transparency and audit rights

¹ *Parens patriae*: ‘parent of the nation’ — allows state AGs to sue on behalf of residents, bypassing near-impossible individual standing requirements

² In January 2024, coordinated comments from state AGs and financial officers defeated the SEC/NYSE Natural Asset Companies proposal — no litigation required

WHAT AN INTERSTATE COMPACT DOES

A formal legal agreement between states — a mechanism the Founders specifically designed for states to act collectively.

For financial freedom protection:

- Establishes common anti-discrimination standards across member states
- Creates a multi-state enforcement bloc
- Harder for federal preemption to displace than individual state laws
- Signals to stablecoin issuers that a large market requires compliance

HISTORICAL PRECEDENT:

The Port Authority of NY/NJ, the Delaware River Compact, and dozens of others show interstate compacts are a proven constitutional mechanism for collective state action.

WHY IT'S THE STRONGEST TOOL

Federal preemption is harder to apply to a compact between sovereign states than to individual state statutes

Collective market power — a 10-state compact covering 30% of US economy is a different negotiating position than one state's law

Congressional consent required only if the compact affects federal supremacy — may not be required here

FEDERALISM AND PREEMPTION CONCERNS

Commerce Clause risk: payment systems are interstate commerce — a compact imposing conditions on stablecoin issuers may face federal preemption challenge once GENIUS Act regulations finalize.

Mitigants:

- Compact applies equally to all issuers — no discrimination against out-of-state commerce
- State police power over financial institutions doing business in state
- No federal statute yet preempts until regulations finalize

Legal counsel advised before proceeding.

An interstate compact is the institutional answer to an institutional problem

Requires legislative action — start now · contact Solari to coordinate across states

\$5.5 TRILLION IN STATE AND LOCAL PENSION ASSETS

State officials control investment criteria for trillions in pension assets.

Direct fiduciaries to:

- Require disclosure of programmable money exposure in portfolio companies
- Require financial freedom impact assessments for stablecoin issuers in state pension portfolios
- Exclude stablecoin issuers that implement politically controlled payment algorithms or require payment with programmable money
- Exclude companies that have blocked lawful firearms, energy, or political transactions

THIS IS NOT ESG — IT IS FIDUCIARY DUTY:

Investment criteria based on legal risk, reputational risk, and concentration risk is the definition of sound fiduciary management. A stablecoin issuer that blocks lawful transactions exposes itself to litigation and loss of market access.

USE THE NAC PRECEDENT

In January 2024, coordinated comment letters from state AGs and financial officers across party lines defeated the SEC/NYSE proposal to create Natural Asset Companies.

No litigation required. No legislation required. Coordination alone was sufficient.

The same model is available here.

WHO CAN ACT

Governors, state treasurers, and legislatures can direct pension fund investment criteria. No new legal authority required — fiduciary oversight is an existing power.

Coordinate with other state financial officers for maximum impact.

State pension funds control \$5.5 trillion — that's not a request, it's leverage

State insurance regulation

Prohibit insurers from using stablecoin transaction histories as underwriting criteria. Closes a back door where blocked transactions become evidence of ‘risky’ behavior.

State securities regulation (Blue Sky)

Require disclosure of stablecoin algorithm risks as a material investment risk in any offering documents sold in state.

Legislative oversight and investigation

State legislative committees can hold hearings, issue subpoenas, and conduct investigations into stablecoin issuers operating in state. Creates public record and political pressure without requiring executive action.

State tax and fee payment policy

Explicitly authorize or require acceptance of cash or non-programmable payment for tax payments and government fees — creates a statutory floor that cannot be displaced by stablecoin issuers.

The States Are the Firewall

Summary of Actions — In Order of Urgency

Once programmable money is installed as infrastructure, the window to shape it closes permanently.
The Founders built the states as a check on federal power. That check is needed now.

WHAT STATES CAN DO — IN ORDER OF URGENCY

Comment NOW

Treasury deadline June 2 · FinCEN/OFAC and FDIC deadline June 9 · see ft2freedom.solari.com for comment letter guide

Legislate

Enact the model bills before federal preemption forecloses the option · vendor prohibition immediately enforceable through procurement

Coordinate

AG action · banking regulator examinations · pension fund criteria · joint investigations · 50-state firewall

Build the compact

Interstate compact for long-term structural protection · start now · contact Solari to coordinate

ft2freedom.solari.com · solari.com · elizabeth@solari.com

Model legislation · Comment letter guide · Coordination with other state officials

SECTION VII

Key Resources

Financial Transaction Freedom <https://ft2freedom.solari.com>

Monthly Legislative Briefings - including recordings and slides

Model Legislation

Sign Up for Weekly Newsletter

Team Cash

Publication on What States Can Do to Protect Financial Freedom

Genius Act Solari Comment Letters on Proposed OCC Rules

The Solari Report <https://solari.com>

SECTION VIII

Q&A

Catherine Austin Fitts

Solari Inc.

Dr Jon Padfield

Privacy Expert, Engineer, Retired
State Legislator, Business Professor

Carolyn Betts, Esq.

General Counsel, Solari Inc.

David Liechty

Attorney

Elizabeth Murphy

Host, Financial Transaction
Freedom Legislative Initiatives