

GOVERNMENT OF THE VIRGIN ISLANDS
OF THE UNITED STATES

Public Services Commission

IN RE:)
) PSC DOCKET NO.: 558
)
VITELCO'S FINANCIAL VIABILITY) ORDER NO.: 59/2004
)
)
_____)

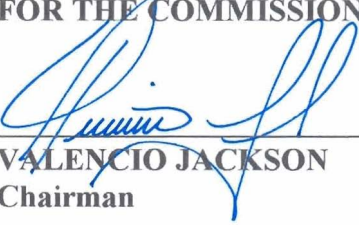
ORDER

THIS MATTER originally came before the Commission on August 25, 2004 on the report that in litigation now pending in the United States District Court for the Eastern District of Virginia that VITELCO (d/b/a/ Innovative Telephone) was alleged and has admitted to have issued and sold preferred stock in calendar year 2004 in an amount in excess of \$80 million. This preferred stock issuance was made without the authorization of the Commission, in apparent violation of Title 30 V.I. Code §43a. On that date the Commission entered an order to maintain the *status quo*. The Commission is advised that the litigation continues. Litigation in Delaware also still remains pending although reportedly settled. The Commission has served discovery on VITELCO. In order to ensure that the *status quo* remains during the pendency of the investigation in this docket and subject to preserving its position that the issuance of the preferred stock did not violate Title 30 V.I. Code §43a, VITELCO consents to the terms of this Order;

ORDERED that VITELCO is hereby directed not to further expend any of the monies raised by the sale of its preferred stock until further order of the Commission.

Dated: September ____, 2004

FOR THE COMMISSION



VALENCIO JACKSON
Chairman

