

BACKGROUND AND PUBLIC INTEREST STATEMENT

I. Parties to the Transaction

American Samoa License, Inc.: American Samoa License, Inc. (“ASL”) is an American Samoa corporation headquartered in Pago Pago, American Samoa. ASL is the licensee of an earth station operating under call sign E990019. ASL is a wholly-owned, direct subsidiary of AST Telecom, LLC d/b/a Blue Sky Communications (“Blue Sky”), a Delaware limited-liability company. Blue Sky is a wholly-owned, direct subsidiary of eLandia International, Inc. (“eLandia International”).

Stanford International Bank, Ltd.: Stanford International Bank Limited (“SIBL”) is organized under the laws of Antigua and Barbuda. SIBL is a wholly-owned direct subsidiary of Stanford Bank Holdings, Ltd. (“SB Holdings”), also organized under the laws of Antigua and Barbuda. SB Holdings is wholly owned by R. Allen Stanford, a U.S. citizen. SIBL was placed in receivership on February 16, 2009, by order of the United District Court for the Northern District of Texas, in connection with a lawsuit brought by the Securities and Exchange Commission against SIBL (the “SEC Lawsuit”).¹ The court appointed Ralph S. Janvey as the Receiver, with the full powers of an equity receiver under common law and additional powers set forth in the court’s amended order appointing Mr. Janvey as Receiver.²

¹ *Securities and Exchange Commission v. Stanford Int’l Bank, Ltd.*, Case No. 3-09CV0298-N, pending in the United States District Court for the Northern District of Texas, Dallas Division.

² See Amended Order Appointing Receiver, Mar. 12, 2009, in *Securities and Exchange Commission v. Stanford Int’l Bank, Ltd.*, Case No. 3-09CV0298-N (N.D. Tex.), at ¶ 2.

Pete R. Pizarro: Mr. Pizarro is the trustee of the Voting Trust, as described below.³ Mr. Pizarro is also an individual shareholder of eLandia International, holding 2.9 percent of the issued and outstanding common shares of eLandia International. Mr. Pizarro is the chief executive officer of eLandia International. Mr. Pizarro is a United States citizen.

II. The Capital Structure Reorganization

On February 6, 2009, eLandia International consummated a reorganization of its capital structure (the “Capital Structure Reorganization”). As part of the Capital Structure Reorganization, the principal amount of \$12 million in outstanding debt held by SIBL was converted to non-voting preferred shares of eLandia International, SIBL surrendered for cancellation 16,148,612 shares of common stock of eLandia International held by SIBL, and SIBL deposited all of its shares of common stock and non-voting preferred stock into a Delaware voting trust established as part of the Capital Structure Reorganization (the “Voting Trust”).

Control of eLandia International (and of ASL) was transferred from SIBL to Mr. Pizarro, the trustee of the Voting Trust and also an individual shareholder, as a result of the Capital Structure Reorganization. Before the Capital Structure Reorganization, SIBL owned 68.1 percent of eLandia International. SIBL was issued Voting Trust Certificates in exchange for SIBL’s shares of eLandia International. SIBL has become subject to a receivership imposed by the United States District Court for the Northern District of Texas in connection with the SEC Lawsuit. The Receiver has “complete and exclusive control, possession, and custody” of “the assets, monies, securities, properties, real and personal, tangible and intangible, or whatever kind

³ The Voting Trust Agreement was previously provided to the Commission as part of America Samoa License, Inc., eLandia Technologies, Inc., and Pete R. Pizarro’s Joint Application for Transfer of Control of American Samoa License Inc. and eLandia Technologies, Inc.’s Section 214 Authorizations, File No. ITC-T/C-20100125-00032.

and description, wherever located” of SIBL.⁴ The Receiver confirmed by letter dated June 2, 2009, to Pete Pizarro that “the assets and business operations of eLandia and its subsidiaries are *not* part of the Receivership Estate. The Voting Trust Certificates are, however, a part of the Receivership Estate.”⁵

As a result of the reorganization (and subsequent share issuances), the Voting Trust now holds 44.75 percent of the common stock of eLandia International, and also holds non-voting preferred stock of eLandia International. Under the Voting Trust, Mr. Pizarro is given discretion to vote the eLandia International common stock held by the Voting Trust on most matters (and the Voting Trust Agreement sets forth voting requirements on other matters). Because Mr. Pizarro individually also owns 2.75 percent of the outstanding common stock of eLandia International, Mr. Pizarro now exercises the right to vote 47.50 percent of the voting shares of eLandia International, and has control of eLandia International pursuant to the Communications Act of 1934, as amended, and the Commission’s rules and regulations.⁶

The Voting Trust agreement provides that Mr. Pizarro, as trustee, has both the “duty” and “the full power and authority” to vote the shares in the Voting Trust as in the judgment of the trustee may be for the best interest of eLandia International “at all meetings of the stockholders” of eLandia International and “all actions to be taken by written consent of the stockholders” on

⁴ See Amended Order Appointing Receiver, Mar. 12, 2009, in *Securities and Exchange Commission v. Stanford Int’l Bank, Ltd.*, Case No. 3-09CV0298-N (N.D. Tex.), at ¶¶ 1, 4.

⁵ See Letter from Ralph S. Janvey, Receiver, to Pete R. Pizarro, CEO, eLandia International, Inc. (Jun. 2, 2009) (emphasis added), *filed as attachment to* SEC Form 8-K filed by eLandia International, Inc. (Jun. 3, 2009).

⁶ See *Stratos Global Corporation, Transferor, Robert M. Franklin, Transferee, Consolidated Application for Consent to Transfer of Control*, Memorandum Opinion and Order and Declaratory Ruling, 22 FCC Rcd. 21328 (Dec. 7, 2007) (holding that trustee with the power to vote shares is deemed to control shares in trust).

any and all matters and questions which may be brought before such meetings, including “in the election of directors.”⁷ The only limitation imposed by the Voting Trust on Mr. Pizarro’s voting power is a requirement that Mr. Pizarro vote the shares in trust in the same proportion as the holders of the remaining outstanding shares of common stock present and voting at any meeting of the stockholders with respect to the sale of eLandia International whether by merger, consolidation, sale of all or substantially all the assets or other similar transaction and with respect to certain increases to the amount of shares issuable pursuant to a stock option or other equity plan.⁸ Because Mr. Pizarro possesses voting control of the shares deposited by SIBL in the Voting Trust, he is deemed to control those shares.⁹

III. Public Interest Statement

The Capital Structure Reorganization of eLandia International has reduced the outstanding debt of eLandia International. The Capital Structure Reorganization has also eliminated SIBL and Mr. Allen Stanford, who are enmeshed in the SEC Lawsuit, from taking part in the decisions of the shareholders of eLandia International. This strengthens eLandia International, which indirectly wholly owns ASL. With these beneficial changes to eLandia International, ASL will be better able to deliver international telecommunications services to consumers, including consumers in the remote and economically depressed U.S. territory of American Samoa. Consequently, the Applicants believe that Commission grant of this transfer application will serve the public interest, convenience, and necessity.

⁷ Voting Trust Agreement § 4.2(a).

⁸ *Id.* § 4.2(b).

⁹ Mr. Pizarro may not be terminated as trustee by SIBL. Mr. Pizarro will cease to be trustee when he ceases to be the Chief Executive Officer of eLandia International, or upon his resignation, death, disability, bankruptcy, or breach of the Voting Trust. *See id.* § 6.1.