The Virgin Islands Consortium

Innovative Building Being Sold For Nearly $6 Million As Liquidation Process Continues

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ST. CROIX -- As Rural Telephone Finance Cooperative (RTFC), the company that gained control of then-Innovative Communications Corporation (ICC) from former owner Jeffery Prosser, continues its liquidation process of the firm's assets -- including Innovative and VITELCO -- the Innovative building, located at 7G & 7H Estate Diamond, has been placed on the market for sale through Chris Hanley of USVI Sotheby's International Realty for $5.9 million, The Virgin Islands Consortium has learned.

Sources with direct knowledge of the facility's construction cost revealed to *The Consortium* that Innovative spent $16 million on the modern space.

RTFC is a firm that provides loans to telephone companies. Innovative and RTFC had a longstanding relationship dating back to 1999, and the company received $312 million in accrued interest payments from Innovative from 1999 to 2007. But Prosser lost the companies after RTFC and Greenlight -- a New York-based hedge fund that RTFC paid to become its partner -- filed involuntary bankruptcy against Prosser and Innovative, which resulted in RTFC being awarded most of Prosser's assets, and have been liquidating them ever since.

In a January exposé, *VI Consortium* revealed the names and earnings of the companies and persons involved in the bankruptcy process, with parties receiving payments ranging from $500,000 to $312 million. They are:

- Rural Telephone Finance Cooperative – $312 million
- Vinson & Elkins – $28 million
- Greenlight – $27.5 million
- Alvarez and Marsal – $17 million
- Fox Rothschild – $8 million
- Stan Springel – $2.5 million
- Christies Auction House – $1.5 million
- James P. Carroll – $500,000

According to documents obtained by The Consortium, on June 26 of this year, National Rural Utilities Cooperative Finance Corporation/RTFC and Caribbean Asset Holdings LLC (CAH) executed a non-binding letter of intent (LOI) to dispose of the telecommunications and cable television operations held by operating subsidiaries of CAH as foreclosed assets.

"Over the past several months, we have engaged in a sale process related to these assets including the receipt of expressions of interest from multiple potential buyers for all or certain of the CAH businesses," the documents read. "The facilitation of due diligence related to the assets by certain potential buyers subject to nondisclosure agreements, and the negotiation of the terms of the LOI."

While RTFC has sold some Innovative assets in St. Thomas, the results, so far, has been different here. And even after it has secured a buyer, RTFC will need local government approval for the transferring of franchises for the cable, telephone and internet arms of Innovative -- even if the companies are sold separately.

Feature Image: Exterior of Innovative building.

Image Credit: Chris Hanley.