

SITESTAR CORP  
Form 8-K  
February 23, 2004

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): January 31, 2004

SITESTAR CORPORATION

(Exact name of registrant as specified in its charter)

Nevada

000-27763

88-0397234

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(State of Incorporation) (Commission File Number) (IRS Employer  
Identification No.)

7109 Timberlake Road

Lynchburg, VA 24502

(Address of principal executive offices) (Zip Code)

(434) 239-4272

(Registrant's telephone number, including area code)

NOT APPLICABLE

(Former name or former address, if changed since last report)

Effective January 31, 2004, Registrant entered into a Settlement Agreement with New Millennium Capital Partners II, LLC and AJW Partners, LLC (the "Convertible Debenture Holders") whereby all legal action pending regarding the convertible debentures held by the Convertible Debenture Holders will be dismissed. The terms of the agreement include a cash payment of \$100,000 plus \$80,000 worth of common stock. The Convertible Debenture Holders agree to receive a limited amount of stock from their Escrow Agent each month with limits on how much can be sold. In exchange, Registrant agrees to guarantee a certain average price for the stock that is sold and will gross up the balance, if any, the following year. The Settlement Agreement is an exhibit to this report.

Item 7. Financial Statement and Exhibits

(c) Exhibits:

Exhibits	Description
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10.1	Settlement Agreement effective January 31, 2004
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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: February 23, 2004

SITESTAR CORPORATION

By: /s/ Frank Erhartic

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Name: Frank Erhartic

Title: President