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October 18, 2006

VIA UPS

Ms. Sharla Dillon, Docket Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

06-00264

Re: Application of Yak Communications (America) Inc., Yak
Communications Inc. and Yaktastic Inc. for Approval of a Change in
Ownership

Dear Mr. McNulty:

Enclosed for filing with the Tennessee Regulatory Authority, please find an original, thirteen (13) copies and a duplicate copy of the above-referenced application, as well as the \$25 filing fee. Please also find a self-addressed, postage-paid envelope. Please date-stamp the duplicate upon receipt and return it in the envelope provided. Should there be any questions regarding this matter, please contact Melissa Conway at (202) 342-8552.

Respectfully submitted,

Melissa Conway
Melissa S. Conway

Enclosures

**Before the Tennessee Regulatory Authority
Nashville, Tennessee**

October 18, 2006

In the Matter of)	
)	
Joint Application of)	
)	
Yak Communications (America) Inc.,)	
Yak Communications Inc.,)	Docket No. _____
and Yaktastic Inc.)	
)	
for Approval of a Change in Ownership of an)	
Authorized Telecommunications Provider)	

APPLICATION

Yak Communications (America) Inc. ("Yak America"), Yak Communications Inc. ("Yak") and Yaktastic Inc. ("Yaktastic") (collectively, "Applicants"), by their counsel and pursuant to Tenn. Code Ann. § 65-4-113, hereby respectfully request authority from the Tennessee Regulatory Authority ("TRA" or "Authority"), to the extent it may be required, to transfer control of Yak America as a result of the acquisition of 100% of the issued and outstanding shares of capital stock of Yak America by Yaktastic. Yak America is a competitive carrier that provides long distance resale telecommunications services to residential customers throughout the United States, including in Tennessee.

This change in control does not involve a transfer of operating authority, assets or customers, and therefore, will not affect the identity of the company authorized to provide telecommunications services in Tennessee. Yak America will continue to offer the same services at the same rates, terms and conditions as at present. Yak America will continue to operate under its current name and CCN issued by the Authority, and its

business license as filed with the Secretary of State. Accordingly, the contemplated transfer of control will be transparent to consumers. The only change will be that Yak America will be wholly-owned by Yaktastic.

The Applicants request that the Authority grant all relief sought herein at its earliest convenience. In support of this Application, the Applicants provide the following information:

I. APPLICANTS

A. Yaktastic Inc.

Yaktastic Inc. is a newly formed corporation organized under the laws of the State of Delaware. Yaktastic is located at 16508 Milan de Avila, Tampa, Florida 33613-1076. The telephone number for Yaktastic is (416) 204-0240. Yaktastic is 100% owned by Mr. Anthony Lopez (“Mr. Lopez”), a U.S. citizen, whose principal business is investment. Mr. Lopez can be reached at 16508 Milan de Avila, Tampa, Florida 33601-1076. Neither Yaktastic nor Mr. Lopez holds any authorizations to provide telecommunications services. Neither Yaktastic nor Mr. Lopez holds a 10 percent or greater ownership interest in any company that offers domestic or foreign telecommunications services.

B. Yak Communications Inc. and Yak Communications (America) Inc.

Yak Communications (America) Inc. is a corporation organized under the laws of the State of Florida and was incorporated on March 8, 2001. Yak America is located at 300 Consilium Place, Suite 500, Toronto, Ontario M1H 3G2 Canada. The telephone number for Yak America’s corporate headquarters is (647) 722-2752. Yak America is a direct, wholly owned subsidiary of Yak Communications Inc. (“Yak”), a Florida corporation formed on December 24, 1998. Yak is located at 300 Consilium Place, Suite 500, Toronto, Ontario M1H 3G2 Canada.

Yak America is authorized to provide and provides resold interexchange telecommunications services in all of the contiguous 48 states, and the District of Columbia. The services offered by Yak America include basic 1+ long distance services, 10-10 casual calling services and calling card services. In Tennessee, Yak America is authorized to provide intrastate resold long distance telecommunications services pursuant to Docket No. 04-00043, April 2, 2004. At this time, however, Yak America does not have any customers in Tennessee. Yak America is also authorized by the Federal Communications Commission ("FCC") to provide domestic interstate and facilities-based and resold international telecommunications services.¹ Yak America has no affiliates that offer domestic telecommunications services and is regulated as a non-dominant carrier on all international routes.²

At present, Yak is a publicly held company. Charles Zwebner, a Canadian citizen, holds 25 percent of the stock of Yak and is the only shareholder with an interest of 10 percent or greater. Mr. Zwebner serves as President and CEO of Yak and CEO of Yak Canada. Mr. Zwebner may be reached at 121 Westgate Boulevard, Toronto, Ontario M3K 1P5. Mr. Zwebner's principal business is telecommunications. Mr. Zwebner does

¹ The Applicants filed for approval of the transfer of control at the FCC on September 29, 2006. That application currently is pending. The Applicants are in the process of making similar filings, where required, in all other states in which Yak America is authorized to provide intrastate telecommunications services (all states, except Alaska and Hawaii).

² Yak has another direct, wholly owned subsidiary, Yak Communications (Canada) Inc. ("Yak Canada"), that provides international long distance discount services to business and residential customers in Canada. Yak Canada is an Ontario corporation formed on October 15, 1998. Yak Canada is registered as a reseller with the Canadian Radio-Television and Telecommunications Commission ("CRTC"). Yak Canada holds a Class A license for the provision of basic international telecommunications services, effective September 24, 2004. Yak Canada began telecommunications operations in Canada in June 1999. Yak Canada does not conduct business in the U.S.

not hold a 10 percent or greater ownership interest in any other company that offers domestic or foreign telecommunications services.

On September 21, 2006, Yak announced that its Board of Directors approved and agreed to support a cash tender offer by Globalive Communications Corp. (“Globalive”) to acquire all of the outstanding shares of Yak’s common stock pursuant to a definitive agreement with Globalive. Globalive is a Nova Scotia unlimited liability company. Yak intends to close the sale of Yak America to Yaktastic before consummating the sale of its common stock to Globalive.

A diagram showing the current corporate structure of Yak America is provided in **Exhibit A**.

II. DESIGNATED CONTACTS

The designated contacts for this Application are:

For Yak America and Yak	For Yaktastic
Catherine Wang, Esq. Troy F. Tanner, Esq. Bingham McCutchen LLP Suite 300 3000 K Street, N.W. Washington, DC 20007 (202) 373-6037 Counsel for Yak and Yak America With copies to: Benjamin Rovet, Esq. Corporate and Regulatory Counsel Yak Communications (America) Inc. 300 Consilium Place Suite 500 Toronto, Ontario M1H 3G2 Canada (647) 722-2752	Brad E. Mutschelknaus, Esq. Joan M. Griffin, Esq. Melissa Conway, Esq. Kelley Drye & Warren LLP 3050 K Street, Suite 400 Washington, D.C. 20007-5108 (202) 342-8552 Counsel for Yaktastic With copies to: Simon Lockie Yaktastic Inc. 16508 Milan de Avila Tampa, Florida 33613-1076 (416) 204-0240

III. DESCRIPTION OF THE TRANSACTION

Pursuant to the terms of a Stock Purchase Agreement (“Agreement”) dated September 25, 2006, among Yaktastic, Yak and Yak America, Yaktastic will purchase from Yak all of the issued and outstanding shares of capital stock of Yak America for a note equal to Yak America’s book value (the “Transaction”).³ As a result, Yak America will become a direct, wholly-owned subsidiary of Yaktastic. The Agreement specifically

³ A copy of the executed Agreement is appended hereto as Exhibit C. Please note that the Agreement is **CONFIDENTIAL** and is being filed **under seal**.

provides that the sale of Yak America to Yaktastic will be consummated before the sale of Yak's common stock to Globalive.

The proposed Transaction does not involve the transfer of any operating authority, assets, or customers. Immediately following the closing, Yak America will continue to offer to its consumers the same services at the same rates, terms and conditions as at present pursuant to existing authorizations, tariffs, contracts, and published rates and charges. Accordingly, the contemplated Transaction will be generally transparent to consumers. The only change will be that Yak America will be owned by Yaktastic, and ultimately owned by Mr. Lopez. The Transaction is not expected to result in any discontinuance of service for any customer. The day-to-day operations of Yak America, including its existing management team and technical qualifications, will not change as a result of this Transaction. Yak America will continue to have the financial resources necessary to provide quality telecommunications services to consumers in Tennessee.

A diagram showing the corporate structure of Yak America post-Transaction is provided in **Exhibit B**.

III. PUBLIC INTEREST STATEMENT

The proposed Transaction will serve the public interest. Mr. Zwebner and the other existing owners of Yak have determined that their continued participation as investors in Yak America is no longer consistent with their investment objectives. Yaktastic's purchase of Yak America will enable Yak America to continue providing telecommunications services in the U.S. market, to the ultimate benefit of American consumers.

Since the proposed Transaction entails simply the sale of ownership interests in Yak America to another company, the Transaction will be completely transparent to consumers. Post-close, Yak America will continue to operate under its same name and operating authorities as at present. The Transaction entails no immediate change to the services, rates, terms and conditions of service; any future change will be made in accordance with all applicable Commission requirements. All existing tariffs will remain in place, and customers will continue to use the same number to reach customer service. The only change will be in the ownership of Yak America.⁴

At the same time, the proposed Transaction does not present any anti-competitive issues. Since neither Yaktastic nor Mr. Lopez currently provides telecommunications services, no competitors will be eliminated as a result of the Transaction. Rather, the Transaction will preserve Yak America as a competitor to AT&T, Verizon and other carriers in the long distance markets for telecommunications services.

⁴ The contemplated transfer of control does not raise any slamming concerns or necessitate compliance with FCC or state procedures to notify customers prior to a carrier-to-carrier sale or transfer of subscribers as the contemplated transaction does not involve any change in a customer's existing service provider. Yak America's customers will remain with their company and will continue to be served under Yak America's existing authorization.

VI. CONCLUSION

Based on the foregoing, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by grant of this Application.

Respectfully submitted,

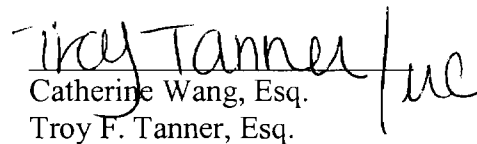
Yaktastic Inc.


Brad E. Mutschelknaus, Esq.
Joan M. Griffin, Esq.

Melissa Conway, Esq.
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3050 K Street NW
Suite 400
Washington, DC 20007
(202) 342-8552

Its Counsel

Yak Communications (America) Inc. and Yak Communications Inc.


Catherine Wang, Esq.
Troy F. Tanner, Esq.

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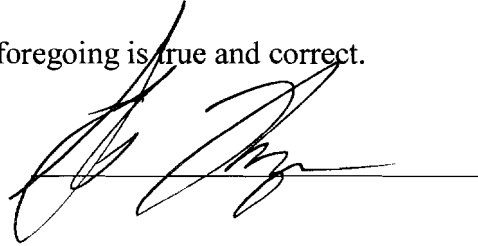
Their Counsel

Date: October 18, 2006

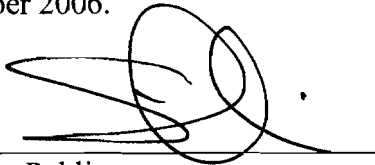
VERIFICATION

I, Stewart Thompson, am Secretary of Yaktastic Inc. I am authorized to represent it and its affiliates and to make this verification on their behalf. The statements in the foregoing document relating to Yaktastic Inc. and its affiliates, except as otherwise specifically attributed, are true and correct to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct.

A handwritten signature in black ink, appearing to be 'Stewart Thompson', written over a horizontal line.

Subscribed and sworn to before me this 3rd day of
October 2006.

A handwritten signature in black ink, consisting of several loops, written over a horizontal line.

Notary Public

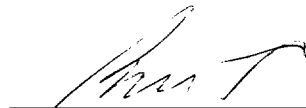
VERIFICATION

I, Paul Broude, am Chief Accounting Officer of Yak Communications Inc. I am authorized to represent it and its affiliates, including Yak Communications (America) Inc., and to make this verification on their behalf. The statements in the foregoing document relating to Yak Communications Inc. and its affiliates, except as otherwise specifically attributed, are true and correct to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct.


Paul Broude

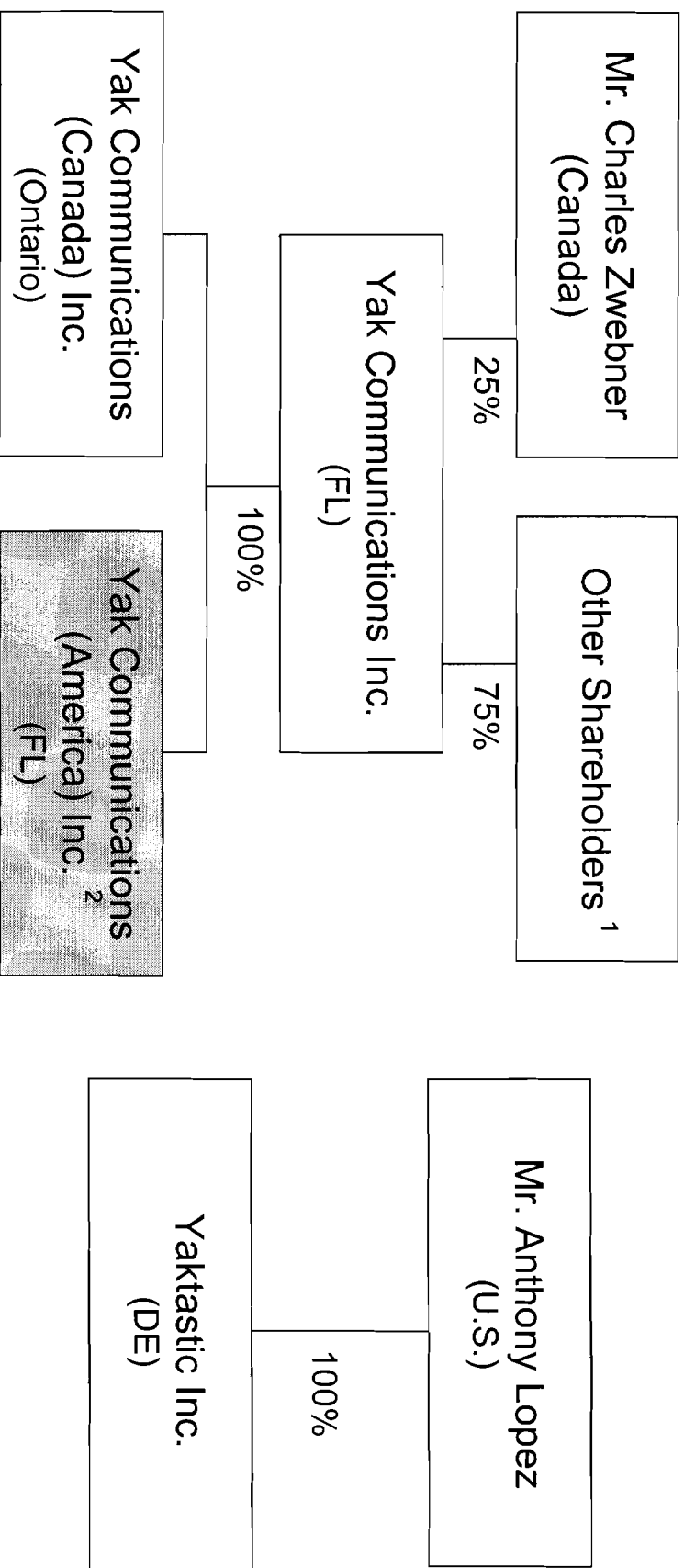
Subscribed and sworn to before me this 16th day of
October 2006.


Notary Public

My Commission expires: 11/1

EXHIBIT A

Pre-Transaction Corporate Structure

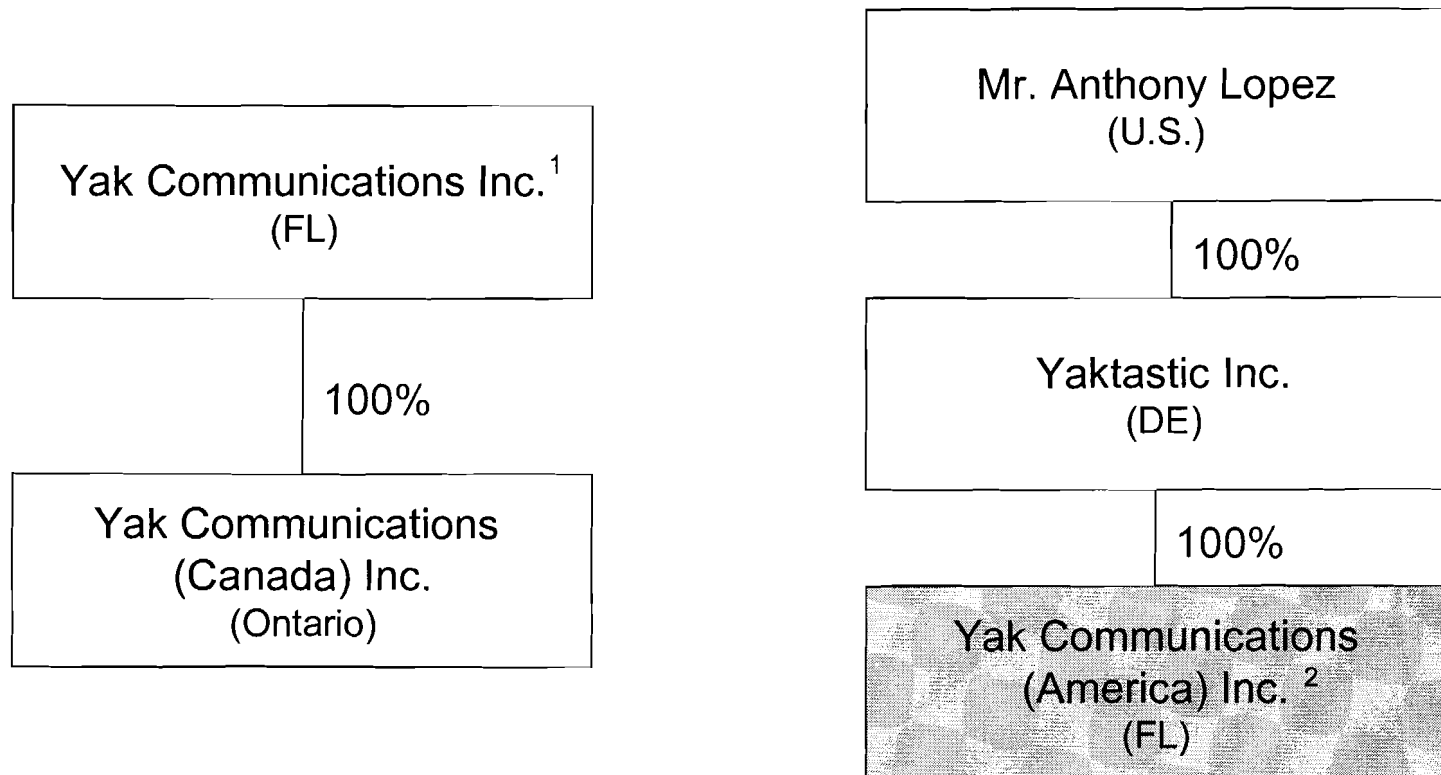


¹ No shareholder other than Mr. Zwebner holds 10 percent or more of the equity of Yak.

² Yak America is authorized to provide telecommunications services in the states.

EXHIBIT B

Post-Transaction Corporate Structure



¹ Yak has entered into an agreement to sell all of its common stock to Globalive in a transaction that will close after the sale of Yak America to Yak.

² Yak America is authorized to provide telecommunications services in the states.