

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT
NASHVILLE, TENNESSEE**

February 15, 2007

IN RE:)	
)	
JOINT APPLICATION OF YAK COMMUNICATIONS)	DOCKET NO.
(AMERICA) INC., YAK COMMUNICATIONS INC.,)	06-00264
AND YAKTASTIC INC. FOR APPROVAL OF A)	
CHANGE IN OWNERSHIP OF AN AUTHORIZED)	
TELECOMMUNICATIONS PROVIDER)	

ORDER APPROVING TRANSFER OF AUTHORITY

This matter came before Chairman Sara Kyle, Director Eddie Roberson and Director Ron Jones of the Tennessee Regulatory Authority (the “Authority” or “TRA”), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on December 4, 2006, for consideration of the *Application* filed by Yak Communications (America), Inc. (“Yak America”), Yak Communications, Inc. (“Yak”), and Yaktastic, Inc. (“Yaktastic”) (collectively, the “Applicants”) on October 20, 2006, for approval pursuant to the provisions of Tenn. Code Ann. § 65-4-113 (2004) to transfer authority of Tennessee-certificated Yak America as a result of the acquisition of 100% of the issued and outstanding shares of capital stock of Yak America by Yaktastic.

The Application

Yak America, a direct wholly-owned subsidiary of Yak, is authorized to provide resold interexchange telecommunications services in all of the contiguous 48 states and the District of

Columbia.¹ The services offered by Yak America include basic 1+ long distance services, 10-10 casual calling services and calling card services. Yak America is also authorized by the Federal Communications Commission (“FCC”) to provide domestic interstate and facilities-based and resold international telecommunications services.

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’s principal business is telecommunications. Mr. Zwebner does not hold a 10 percent or greater ownership interest in any other company that offers domestic or foreign telecommunications services.

Yaktastic is 100% owned by Mr. Anthony Lopez (“Mr. Lopez”). Neither Yaktastic nor Mr. Lopez hold any authorizations to provide telecommunications services. In addition, neither Yaktastic nor Mr. Lopez holds a 10 percent or greater ownership interest in any company that offers domestic or foreign telecommunications services.

The *Application* requests approval from the Authority to consummate a proposed transaction whereby, 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”). As a result, Yak America will become a direct, wholly-owned subsidiary of Yaktastic. The Agreement specifically provides that the sale of Yak America to Yaktastic will be consummated before the sale of Yak’s common stock to Globalive Communications Corp.² The

¹ In Tennessee, Yak America is authorized to provide intrastate resold long distance telecommunications services pursuant to Authority Order in Docket No. 04-00043, but does not currently have any customers.

² The *Joint Application* states that on September 21, 2006, the Board of Directors of Yak approved and agreed to support a cash tender by Globalive Communications Corp. (“Globalive”) to acquire all of the outstanding shares of Yak’s common stock pursuant to a definitive agreement with Globalive.

Applicants currently have a Domestic Section 214 Application pending before the FCC, in WC Docket No. 06-182, for the transfer of control of Yak America from Yak to Yaktastic.

The *Application* further states that the proposed Transaction does not involve a transfer of operating authority, assets, or customers. Yak America will continue to offer the same services at the same rates, terms, and conditions, pursuant to existing authorizations, tariffs, contracts, and published rates and charges. The Transaction will be transparent to customers. 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 a discontinuance of service for any customer. The *Application* asserts that the day-to-day operations of Yak America, including its existing management team and technical qualifications will not change as a result of the Transaction, and that Yak America will continue to have the financial resources necessary to provide telecommunications services to consumers in the State of Tennessee.

December 4, 2006 Authority Conference

Tenn. Code Ann. § 65-4-113 (2004) requires a public utility to obtain TRA approval to transfer its authority to provide utility services. Tenn. Code Ann. § 65-4-113(a) (2004) states as follows:

No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.


Tenn. Code Ann. § 65-4-113(b) (2004) provides the standards by which the TRA shall consider an application for transfer of authority, in pertinent part, as follows:

Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. The authority shall approve the transfer after consideration of all relevant factors and upon finding that such transfer furthers the public interest.

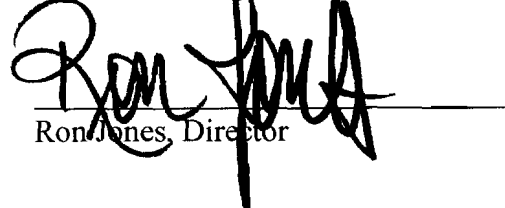
At the regularly scheduled Authority Conference held on December 4, 2006, the voting panel assigned to this docket considered the transfer requested in the *Application*. Thereafter, based upon the evidentiary and administrative record as a whole and relying on the legal standard set forth in Tenn. Code Ann. § 65-4-113 (2004), the panel determined that the transfer furthers the public interest and voted unanimously to grant approval of the *Joint Application* contingent upon FCC approval.

IT IS THEREFORE ORDERED THAT:

1. The indirect transfer of authority of Yak Communications (America), Inc. to Yaktastic, Inc. as described in the *Application* and discussed herein is approved contingent upon the Federal Communications Commission's approval of the Domestic and International Section 214 Application for the Transfer of Control of Yak Communications (America) Inc. to Yaktastic, Inc.
2. Because this transaction is an indirect transfer of authority, Yak Communications (America), Inc. will become a direct, wholly-owned subsidiary of Yaktastic, Inc. and will retain its certificate of public convenience and necessity.
3. The Applicants shall file with the Authority the Federal Communications Commission's approval of their Domestic and International Section 214 Application.


Sara Kyle, Chairman


Eddie Roberson, Director


Ron Jones, Director