

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Joint ) Application No. C-3781  
Application of Yak )  
Communications (America) Inc., )  
Aventure, Florida; Yaktastic )  
Inc., Tampa, Florida; and ) GRANTED  
Blackbird Corporation, )  
Aventure, Florida, seeking )  
approval Nunc Pro Tunc of a )  
transfer of control of Tak )  
Communications (America) Inc. ) Entered: April 25, 2007

BY THE COMMISSION:

On March 15, 2007 an Application was jointly filed by Yak Communications (America) Inc. ("Yak America") of Aventure, Florida, Yaktastic Inc., ("Yaktastic") of Tampa, Florida, and Blackbird Corporation ("Blackbird"), of Aventure, Florida (together "Applicants") seeking approval Nunc Pro Tunc of a transfer of control in which Blackbird acquired control of Yak America from Yaktastic. Notice of the application was published in The Daily Record, Omaha, Nebraska, on March 20, 2007. No protests were filed; therefore, this application is processed pursuant to the Commission's Rule of Modified Procedure.

O P I N I O N   A N D   F I N D I N G S

The Parties:

Blackbird is a Florida corporation with its principal offices located in Aventure, Florida. Blackbird is a newly formed corporation entirely owned by Mr. Jose Cadi.

Yak America is a corporation organized under the laws of the State of Florida with its principal offices located in Aventure, Florida. Yak America provides resold interconnection telecommunications services in the forty-eight (48) contiguous states and the District of Columbia. Yak America is authorized to provide intrastate resold long distance telecommunications services in the State of Nebraska under and by virtue of authority heretofore granted by this Commission<sup>1</sup>. Prior to the transfer, Yak

<sup>1</sup> See Application No. C-2963, *In the Matter of the Application of Yak Communications (America), Inc. of Ontario, Canada, seeking authority for a Certificate of Public Convenience and Necessity to provide resold*

America was a wholly owned subsidiary of Yaktastic, a Delaware corporation, with its principal offices located in Tampa, Florida.

Description of the Transaction:

The current Application follows a grant of authority by this Commission on December 2006 in Docket No. C-3712, for the sale of Yak America by it's parent company, Yak Communications Inc., to Yaktastic.<sup>2</sup> The sale of Yak America by Yak Communications was ancillary to a much larger transaction, involving other entities. Yaktastic believed that it would be able to successfully operate Yak America. Events following the closing dispelled the expectations of both the buyer and seller of Yak America. The new ownership found it more difficult to operate Yak America switching and billing functions than it had anticipated.

Several of the former principals in Yak Communications retained some non-financial interest in Yak America and the difficulties encountered by Yak America under the control of Yaktastic did not go unnoticed. One of those individuals, Mr. Cadi, formed Blackbird and acquired Yak America from Yaktastic to serve the U.S. Market. Mr. Cadi engaged other former principals and managers of Yak Communications in this endeavor essentially restoring the prior management of Yak America to the helm of the company.

The need to quickly close the sale of Yak America to Blackbird was necessary to fill management voids following the sale to Yaktastic. Applicants state that Yak America was in need of capable operational and executive management. The FCC approved the acquisition of Yak America by Blackbird prior to the transaction, but Applicant submits time did not allow for obtaining state Commission approval before the transaction. Therefore, the Applicants seek approval nunc pro tunc for the sale of Yak America to Blackbird, that occurred on January 16, 2007.

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*interexchange telecommunications services in the state of Nebraska.,*  
Granted (July 15, 2003).

<sup>2</sup> See Application No. C-3781, *In the Matter of the Application of Yak Communications (America) Inc., Toronto, Ontario, Yak Communications Inc., Toronto, Ontario, Yaktastic Inc., Tampa, Florida, seeking approval of a change in ownership of an authorized telecommunications provider.,* Granted (December 12, 2006).

The transaction did not involve the transfer of any operating authority, assets, or customers of Yak America. Immediately after the transaction Yak America's customers continued to receive their existing services at the same rates, terms and conditions as at present. The transaction was entirely transparent to consumers in Nebraska. The day-to-day operations of Yak America have not changed; the only change is Yak America is now owned by Blackbird.

Mr. Cadi sought to minimize any interruption in the day to day management of Yak America and to maintain continuity in personnel. Those hired by Mr. Cadi are largely former Yak America employees including the former President, Vice President of Network Operations and Engineering and Director of Customer Service, Provisioning and Sales Support for Yak America. Yak America is being operated by a highly qualified management team, all of whom have extensive backgrounds in telecommunications services.

The Applicants submit that the public interest will be served because the transaction will allow a competitor in the long distance telecommunications marketplace to remain in the market. The transaction is expected to strengthen the competitive position of Yak America to the benefit of Nebraska consumers and the State's telecommunications marketplace.

Based on the evidence, we find the application to be fair and reasonable and in the public interest. The application should be granted.

Application No. C-3781

Page 4

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-3781 be, and it is hereby, approved.

MADE AND ENTERED at Lincoln, Nebraska, this 25th day of April, 2007.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

*Gerald L. Ugg*  
*Tim Schram*

//s// Rod Johnson  
//s// Frank E. Landis

Chairman *Rod Johnson*

ATTEST:  
*A. B. Pollak*  
Executive Director