

ATSI COMMUNICATIONS INC/DE  
Form 8-K  
March 23, 2006

**UNITED STATES  
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)** March 22, 2006

**ATSI Communications, Inc.**  
(Exact Name of Registrant as Specified in Its Charter)

**Nevada**  
(State or Other Jurisdiction of Incorporation)

**1-15687**  
(Commission File Number)

**74-2849995**  
(I.R.S. Employer Identification No.)

**8600 Wurzbach, Suite 700W**  
**San Antonio, Texas**  
(Address of Principal Executive  
Offices)

**78240**  
(Zip Code)

**(210) 614-7240**  
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act.
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act

**Item 4.02. Non-reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review.**

On March 22, 2006, our board of directors determined that the previously-issued audited financial statements for the year ended July 31, 2005 and interim financial statements for the three months ended October 31, 2005 should not be relied upon because they do not reflect a net gain or benefit from certain embedded derivative securities issued by ATSI. The board of directors has reviewed the accounting treatment of the Company's convertible securities with the Company's independent accountants and intends to promptly amend and restate any affected financial statements previously filed with the Securities and Exchange Commission.

**SIGNATURES**

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

ATSI Communications, Inc.  
Dated: March 22, 2006

By: /s/ Antonio Estrada

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Antonio Estrada  
Corporate Controller