ATSI COMMUNICATIONS INC/DE Form SC 13G August 31, 2004

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No.)*

| (Amendment No.) | | |
|---|--|--|
| ATSI Communications, Inc | | |
| (Name of Issuer) | | |
| Common Stock | | |
| (Title of Class of Securities) | | |
| 00209G 20 2 | | |
| (CUSIP Number) | | |
| | | |
| August 27, 2004 | | |
| (Date of Event which Requires Filing of this Statement) | | |
| Check the appropriate box to designate the rule pursuant to which this Schedule is filed: | | |
| [] Rule 13d-1(b) [X] Rule 13d-1(c) [] Rule 13d-1(d) | | |

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13G CUSIP No. 00209G 20 2

| | 1. | Names of Reporting Persons. Celebration Inc I.R.S. Identification Nos. of above persons (entities only). 75-2464419 | |
|--|-----|---|--|
| | 2. | Check the Appropriate Box if a Member of a Group (See Instructions) (a) [] (b) [] | |
| | 3. | SEC USE ONLY | |
| | 4. | Citizenship or Place of Organization | |
| | | Texas | |
| Number of | | 5. Sole Voting Power 190,179 | |
| Shares Beneficially Owned by Each Reporting Person With: | | 6. Shared Voting Power | |
| | | 7. Sole Dispositive Power 190,179 | |
| | | 8. Shared Dispositive Power | |
| | 9. | Aggregate Amount Beneficially Owned by Each Reporting Person 190,179 | |
| | 10. | Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) [] | |
| | 11. | Percent of Class Represented by Amount in Row (9) | |
| | | 6.1% | |
| | 12. | Type of Reporting Person | |
| | | СО | |

| Item 1. | | | | | |
|---------|-----|---|---|--|--|
| | (a) | Name of Issuer | | | |
| | | ATSI Communications, Inc | | | |
| | (b) | Address of Issuer's Principal Executive Offices | | | |
| | | 8600 Wurzbach, Suite San Antonio, Texas 78 | | | |
| Item 2. | | | | | |
| | (a) | Name of Person Filing | | | |
| | (b) | Celebration Inc Address of Principal I | Business Office or, if none, Residence | | |
| | | 3803 Ward Neal Road Bells, Texas 75414 | I | | |
| | (c) | Citizenship | | | |
| | | USA | | | |
| | (d) | Title of Class of Secur | rities | | |
| | | Common Stock | | | |
| | (e) | CUSIP Number | | | |
| | | 00209G 20 2 | | | |
| Item 3. | | If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a: | | | |
| | (a) | [] | Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o). | | |
| | (b) | [] | Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c). | | |
| | (c) | [] | Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c). | | |
| | (d) | [] | Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C 80a-8). | | |
| | (e) | [] | An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E); | | |
| | (f) | [] | An employee benefit plan or endowment fund in accordance with \$240.13d-1(b)(1)(ii)(F); | | |
| | (g) | [] | A parent holding company or control person in accordance with $\S 240.13d-1(b)(1)(ii)(G)$; | | |
| | (h) | [] | A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813); | | |
| | (i) | [] | A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3); | | |
| | (j) | [] | Group, in accordance with §240.13d-1(b)(1)(ii)(J). | | |

| Item 4. Ownership. | | Ownership. | | | |
|--------------------|---------------|---------------------------|--|--|--|
| | (a) | Amount benefici | Amount beneficially owned: | | |
| | | 190,179 | | | |
| | (b) | Percent of class: | | | |
| | | 6.1% | | | |
| | (c) | | es as to which the person has: | | |
| | | (i) | Sole power to vote or to direct the vote | | |
| | | | 190,179 | | |
| | | (ii) | Shared power to vote or to direct the vote | | |
| | | | -0- | | |
| | | (iii) | Sole power to dispose or to direct the disposition of | | |
| | | . , | 190,179 | | |
| | | (iv) | Shared power to dispose or to direct the disposition of | | |
| | | (17) | | | |
| | | | -0- | | |
| Item 5. | | | Ownership of Five Percent or Less of a Class | | |
| | hic ctatemer | nt is being filed to repo | ort the fact that as of the date hereof the reporting person has ceased to be the beneficial | | |
| | | | of securities, check the following []. | | |
| | | | | | |
| Instruction | n: Dissolutio | on of a group requires a | response to this item. | | |
| | | | | | |
| | | | | | |
| Item 6. | | | Ownership of More than Five Percent on Behalf of Another Person | | |
| | | | | | |
| | | | | | |
| Item 7. | | | Identification and Classification of the Subsidiary Which Acquired the Security | | |
| | | | Being Reported on By the Parent Holding Company | | |
| | | | | | |
| Item 8. | | | Identification and Classification of Members of the Group | | |
| | | | | | |
| | | | | | |
| Item 9. | | | Notice of Dissolution of Group | | |
| | | | | | |
| | | | | | |
| Item 10. | | | Certification | | |

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: August 31, 2004

Celebration Inc

By:/s/ Albert Wray Denson

Albert Wray Denson Title: President

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