
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the Securities and Exchange Act of 1934**

Date of Report (Date of earliest reported event): March 30, 2006

YP CORP.

(Exact name of registrant as specified in charter)

Nevada
(State or other jurisdiction
of incorporation)

000-24217
(Commission
File Number)

85-0206668
(IRS Employer
Identification No.)

4840 East Jasmine Street, Suite 105, Mesa, Arizona
(Address of principal executive offices)

85205
(Zip Code)

Registrant's telephone number, including area code: **(480) 654-9646**

Copies to:
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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 (see General Instruction A.2. below):

- * Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - * Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - * Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - * Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry Into a Material Definitive Agreement

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

On March 31, 2006, YP Corp. entered into an employment agreement with Gary Perschbacher, pursuant to which Mr. Perschbacher will serve as Chief Financial Officer of YP Corp.

Mr. Perschbacher has 35 years of management experience. He joined YP Corp. on November 28, 2006 as Special Assistant to the Chairman of the Board working with the Chairman in implementing cost reduction and revenue enhancement programs. Since June, 2000, Mr. Perschbacher has been a financial leadership partner in the executive services and consulting firm, Tatum LLC, and in that capacity has worked with several emerging growth companies. Mr. Perschbacher has a BBA, with a concentration in finance, from the University of Wisconsin-Milwaukee, a MBA from Keller Graduate School of Management, and is a Certified Public Accountant.

Item 7.01 Regulation FD Disclosure

On March 30, 2006, YP Corp. announced that it will report its second fiscal quarter financial performance on May 15, 2006 and provided forward guidance with regard to its key financial measures for that quarter. A copy of the press release that discusses this matter is filed as Exhibit 99.1 to, and incorporated by reference in, this report. In accordance with Regulation FD, this current report is being filed to publicly disclose all information that was provided in its press release. This report under Item 7.01 is not deemed an admission as to the materiality of any information in this report that is required to be disclosed solely by Regulation FD.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

Exhibit Number	Description
<u>10.1</u>	Employment Agreement, by and between YP Corp. and Gary Perschbacher, dated as of March 31, 2006.
<u>99.1</u>	Press Release, dated March 30, 2006, issued by YP Corp.

SIGNATURES

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

YP CORP.

Date: April 3, 2006

/s/ Daniel L. Coury Sr.

Daniel L. Coury Sr.

Chief Executive Officer

Employment Agreement

March 31,2006

YP Corp.
Mesa, Arizona 85205

Dear Mr. Daniel L. Coury, Sr:

This letter will serve as the entire agreement between YP Corp (the "Company") and Gary L. Perschbacher (the "Employee"), with respect to your employment with the Company.

1. Term

The Employee will work full-time, beginning on April 1, 2006 (the "Beginning Date"). As an employee of the Company you will serve as its Chief Financial Officer and perform such services as are customary for an individual having such title and holding such position.

2. Salary

Initially, the Employee will be paid an annual salary (the "Salary") of \$160,000. Salary for any portion of a month will be prorated based upon the number of normal workdays remaining in the month. The salary will be subject to increase by the Company from time to time. The salary will be processed through payroll and paid at the same time as other employees.

3. Incentive Bonus and Equity Participation

The Employee will be entitled to receive incentive cash bonuses and/or warrants or options for the purchase of the Company's stock as may be approved by the Board of Directors. As long as the employee remains a partner of Tatum, Employee will share with Tatum a portion of his or her economic interest in any stock options or equity bonus that the Company may grant the Employee and may also share with Tatum (to the extent specified in the Resources Agreement referenced below) a portion of any cash bonus and severance paid to the Employee by the Company. The Company acknowledges and consents to such arrangement.

4. Tatum Resources

The Company acknowledges and agrees that the Employee is and will remain a partner of, and has and will retain an interest in, Tatum, which will benefit the Company in that the Employee will have access to certain Tatum resources pursuant to a certain Full-Time Engagement Resources Agreement between the Company and Tatum (the "Resources Agreement").

5. Employee Benefits

The Employee will be eligible for vacation and holidays consistent with the Company's policy as it applies to senior management.

The Company will reimburse the Employee for all out-of-pocket business expenses promptly after they are incurred.

The Employee may elect to participate in the Company's employee retirement plan and/or 401(k) plan, and the Employee will be exempt from any delay periods required for eligibility.

In lieu of the Employee participating in the Company-sponsored employee medical insurance benefit, the Employee will remain on his or her current Tatum medical plan. The Company will reimburse the Employee for amounts paid by the Employee for such medical insurance for him/herself and (where applicable) his/her family of up to \$500 per month upon presentation of reasonable documentation of premiums paid by the Employee to Tatum. In accordance with the U.S. federal tax law, such amount will not be considered reportable W-2 income, but instead non-taxable benefits expense.

The Employee must receive written evidence that the Company maintains adequate directors' and officers' insurance to cover the Employee in an amount reasonably acceptable to the Employee at no additional cost to the Employee, and the Company will maintain such insurance at all times while this agreement remains in effect.

Furthermore, the Company will maintain such insurance coverage with respect to occurrences arising during the term of this agreement for at least three years following the termination or expiration of this agreement or will purchase a directors' and officers' extended reporting period, or "tail," policy to cover the Tatum Partner.

The Company agrees to indemnify the Employee to the full extent permitted by law for any losses, costs, damages, and expenses, including reasonable attorneys' fees, as they are incurred, in connection with any cause of action, suit, or other proceeding arising in connection with Employee's employment with the Co

6. Termination; Severance Payment

The Company may terminate this Agreement at any time. In the event this Agreement is terminated other than by Employee voluntarily or by the Company for Cause (as defined below), or by reason of Employee's death or permanent disability, Employee shall be entitled to the following:

If the termination of this agreement is within 9 months of the Beginning Date, the Employee will be entitled to receive a severance payment ("Severance Payment") equal to three month's salary. After that employee shall receive the remainder of this one year contract.

The Company will pay directly to Tatum a portion of any Severance Payments that the Company may make to Employee equal to the same percentage that applies above with respect to Salary. For purposes hereof, "Severance Payment" means any payments to Employee by Company in connection with the termination of Employee's employment.

This agreement will terminate immediately upon the death or disability of the Employee. For purposes of this agreement, disability will be as defined by the applicable policy of disability insurance or, in the absence of such insurance, by the Company's Board of Directors acting in good faith.

The Salary will be prorated for the final pay period based on the number of days in the final pay period up to the effective date of termination or expiration.

7. Miscellaneous

This agreement contains the entire agreement between the parties, superseding any prior oral or written statements or agreements.

Neither the Employee nor the Company will be deemed to have waived any rights or remedies accruing under this agreement unless such waiver is in writing and signed by the party electing to waive the right or remedy. This agreement binds and benefits the successors of the parties.

The provisions of this agreement concerning the payment of salary and bonuses, directors' and officers' insurance and confidentiality will survive any termination or expiration of this agreement.

The terms of this agreement are severable and may not be amended except in a writing signed by the parties. If any portion of this agreement is found to be unenforceable, the rest of this agreement will be enforceable except to the extent that the severed provision deprives either party of a substantial portion of its bargain.

This agreement will be governed by and construed in all respects in accordance with the laws of the State of Arizona, without giving effect to conflicts-of-laws principles.

Each person signing below is authorized to sign on behalf of the party indicated, and in each case such signature is the only one necessary.

Please sign below and return a signed copy of this letter to indicate your agreement with its terms and conditions.

Sincerely yours,

YP Corp.

By: /s/ Daniel L. Coury, Sr.
Signature

Name: Daniel L. Coury, Sr.
Title: Chairman and acting CEO

Acknowledged and agreed by:

EMPLOYEE

/s/ Gary Perschbacher
(Signature)

Gary Perschbacher
(Print name)

Date: 3/31/06

YP CORP ANNOUNCES SECOND FISCAL QUARTER 2006 RELEASE DATE AND GUIDANCE

March 30, 2006 - Business Wire, Mesa, Arizona - YP Corp (YPNT: OTCBB), a leading provider of nationwide Internet Yellow Pages and related services, today announced that it will report its second fiscal quarter financial performance for the period ended March 31, 2006 on May 15, 2006. Further, the company is providing the following forward guidance with regard to its key financial measures for that quarter in the following ranges:

Net revenues - \$8.4 million to \$8.8 million
Operating income - \$1.2 million to \$1.3 million
Net Income - \$750,000 to \$825,000

This guidance represents substantial improvements in all measures from the first quarter ended December 31, 2005 (during which the company installed a new senior management team and Board of Directors), and from the same quarter in the previous year. In this connection, Daniel L. Coury Sr., Chairman of the Board and Acting CEO, commented, "I am confident that we can achieve this improved performance based on the continued success of our cost containment programs, expanded marketing methods, and the opening of new Local Exchange Carrier (LEC) territories. We expect the expanded marketing methodology and LEC billing ability to grow our billed listings substantially during the second quarter. In addition, we will continue to invest in the development of our website, continue to expand our product offerings and continue the development of strategic partnerships to add value for our customer base."

About YP Corp

YP Corp., a leading provider of Internet-based Yellow Pages services, offers an Internet Advertising Package™ ("IAP") that includes a Mini-WebPage™ and Preferred Listing through its Yellow Pages website at www.yip.com. The Company's website contains listings for approximately 17 million businesses in the United States.

YP Corp. also provides an array of other Internet services that complements its Yellow Pages website, including an Internet Dial-Up Package™ (dial-up internet access) and QuickSite™ (website design & hosting services).

YP Corp. is a longstanding member, exhibitor, and sponsor of the two major Yellow Pages trade associations - Yellow Pages Association (YPA), the major trade association of Yellow Pages publishers throughout the world, and the Association of Directory Publishers (ADP), which mostly represents independent Yellow Pages publishers. YP Corp. is based in Mesa, Ariz., and Las Vegas. For more information, visit the website at www.yip.com.

Forward-Looking Disclaimer

This press release includes statements that constitute “forward-looking statements,” which are often characterized by the terms “may,” “believes,” “projects,” “expects,” or “anticipates,” and do not reflect historical facts. Forward-looking statements involve risks, uncertainties, and other factors that may cause actual results, performance, or achievements of YP Corp and its subsidiary to be materially different from those expressed or implied by such forward-looking statements.

Forward-looking statements speak only as of the date the statement was made. YP Corp. does not undertake and specifically declines any obligation to update any forward-looking statements.

Contact Information

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YP Corp.

Investor Relations

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