

**UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

ALCAZAR NETWORKS INC., a  
corporation, and

GAVIN GRABIAS, individually and as an  
officer and owner of ALCAZAR  
NETWORKS INC.,

Defendants.

**Case No.** 6:20-cv-2200

**COMPLAINT FOR PERMANENT  
INJUNCTION AND OTHER  
EQUITABLE RELIEF**

Plaintiff, the Federal Trade Commission (“FTC” or “the Commission”), for its Complaint alleges:

1. Plaintiff brings this action under Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, and Section 6 of the Telemarketing and Consumer Fraud and Abuse Prevention Act (“Telemarketing Act”), 15 U.S.C. § 6105, to obtain a permanent injunction, rescission or reformation of contracts, damages, disgorgement of ill-gotten monies, restitution, the refund of monies paid, and other equitable relief for Defendants’ acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the FTC’s Telemarketing Sales Rule (“TSR” or “Rule”), as amended, 16 C.F.R. Part 310.

**SUMMARY OF ALLEGATIONS**

2. As set forth in detail below, Defendants Alcazar Networks Inc. and Gavin Grabias assisted and facilitated violations of the TSR by continuing to provide services to their customers even after knowing or consciously avoiding knowing their customers were using Alcazar’s

services to initiate calls that: (a) were placed to numbers on the National Do Not Call Registry; (b) delivered prerecorded messages; and (c) displayed spoofed caller ID numbers, including displaying “911” as a caller ID number.

### **JURISDICTION AND VENUE**

3. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345.

4. Venue is proper in this District under 28 U.S.C. § 1391(b)(1), (b)(2), (b)(3), (c)(1), (c)(2), (c)(3), and (d), and 15 U.S.C. § 53(b).

### **PLAINTIFF**

5. The FTC is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41–58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce. The FTC also enforces the Telemarketing Act, 15 U.S.C. §§ 6101-6108. Pursuant to the Telemarketing Act, the FTC promulgated and enforces the TSR, 16 C.F.R. Part 310, which prohibits deceptive and abusive telemarketing acts or practices.

### **DEFENDANTS**

6. Defendant Alcazar Networks Inc. (“Alcazar”) is a closely held Pennsylvania corporation with its principal place of business in Trexlertown, PA. Alcazar transacts or has transacted business in this district and throughout the United States.

7. Defendant Gavin Grabias (“Grabias”) is the founder, sole owner, and president of Alcazar. He is one of its only three employees and is actively involved in Alcazar’s day-to-day operations. He is also in charge of Alcazar’s legal compliance and is the sole signatory on Alcazar’s bank accounts. Grabias resides in this district and, in connection with the matters

alleged herein, transacts or has transacted business in this district and throughout the United States. At all times material to this Complaint, acting alone or in concert with others, Grabias had the authority and responsibility to prevent or correct Alcazar's unlawful acts and practices. Also at all times material to this Complaint, Grabias has formulated, directed, controlled, had the authority to control, or participated in Alcazar's acts and practices, including the acts and practices set forth in this Complaint.

### **COMMERCE**

8. At all times material to this Complaint, Alcazar and Grabias (collectively, "Defendants") have maintained a substantial course of trade in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

### **THE TELEMARKETING SALES RULE AND THE NATIONAL DO NOT CALL REGISTRY**

9. Congress directed the FTC to prescribe rules prohibiting abusive and deceptive telemarketing acts or practices pursuant to the Telemarketing Act, 15 U.S.C. §§ 6101-6108. The FTC adopted the original TSR in 1995, extensively amended it in 2003, and amended certain provisions thereafter. 16 C.F.R. Part 310.

10. Among other things, the 2003 amendments to the TSR established a do not call registry, maintained by the FTC (the "National DNC Registry" or "Registry"), of consumers who do not wish to receive certain types of telemarketing calls. Consumers can register their telephone numbers on the Registry without charge either through a toll-free telephone call or online at donotcall.gov.

11. Consumers who receive telemarketing calls to their registered numbers can complain of Registry violations the same way they registered, through a toll-free telephone call or online at donotcall.gov, or by otherwise contacting law enforcement authorities.

12. The TSR defines “telemarketing” as a plan, program or campaign which is conducted to induce the purchase of goods or services or a charitable contribution, by use of one or more telephones and which involves more than one interstate telephone call. 16 C.F.R. § 310.2(gg).

13. Under the TSR, a “telemarketer” is any person who, in connection with telemarketing, initiates or receives telephone calls to or from a customer or donor. 16 C.F.R. § 310.2(ff).

14. A “seller” means any person who, in connection with a telemarketing transaction, provides, offers to provide, or arranges for others to provide goods or services to the customer in exchange for consideration. 16 C.F.R. § 301.2(dd).

15. The FTC allows sellers, telemarketers, and other permitted organizations to access the Registry online at [telemarketing.donotcall.gov](http://telemarketing.donotcall.gov), to pay any required fee(s), and to download the numbers not to call.

16. Under the TSR, an “outbound telephone call” means a telephone call initiated by a telemarketer to induce the purchase of goods or services or to solicit a charitable contribution. 16 C.F.R. § 310.2(x).

17. The TSR prohibits sellers and telemarketers from initiating an outbound telephone call to numbers on the Registry. 16 C.F.R. § 310.4(b)(1)(iii)(B).

18. As amended, effective September 1, 2009, the TSR prohibits initiating an outbound telephone call that delivers a prerecorded message to induce the purchase of any good or service. 16 C.F.R. § 310.4(b)(1)(v). Calls delivering prerecorded messages are commonly called “robocalls.”

19. The TSR requires that sellers and telemarketers transmit or cause to be transmitted the telephone number of the telemarketer and, when made available by the telemarketer's carrier, the name of the telemarketer ("caller ID information"), to any caller identification service in use by a recipient of a telemarketing call, or transmit the customer service number of the seller on whose behalf the call is made and, when made available by the telemarketer's carrier, the name of the seller. 16 C.F.R. § 310.4(a)(8). Transmitting inaccurate caller ID information, or causing inaccurate caller ID information to be transmitted, violates the TSR and is commonly called "spoofing."

20. It is a violation of the TSR for any person to provide substantial assistance or support to any seller or telemarketer when that person knows or consciously avoids knowing that the seller or telemarketer is engaged in any practice that violates Sections 310.3(a), (c) or (d), or 310.4 of the TSR. 16 C.F.R. § 310.3(b).

21. Pursuant to Section 3(c) of the Telemarketing Act, 15 U.S.C. § 6102(c), and Section 18(d)(3) of the FTC Act, 15 U.S.C. § 57a(d)(3), a violation of the TSR constitutes an unfair or deceptive act or practice in or affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

### **DEFENDANTS' BUSINESS ACTIVITIES**

#### *Defendants' General Business Practices*

22. Alcazar is a nationwide provider of interconnected Voice over Internet Protocol ("VoIP") services, including termination (outbound) services and origination (inbound) services.

23. Alcazar's interconnected VoIP services offer the capability of generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications.

24. The Telecommunications Act of 1996 provides two definitions relevant to understanding Alcazar's business activities.

25. The first, “information service,” means “the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications, and includes electronic publishing, but does not include any use of any such capability for the management, control, or operation of a telecommunications system or the management of a telecommunications service.” 47 U.S.C. § 153(24).

26. The second definition, “telecommunications service,” means “the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.” 47 U.S.C. § 153(53).

27. Alcazar’s interconnected VoIP services offer the “capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications.”

28. Therefore, Alcazar’s VoIP services fit within the meaning of “information service” as defined by 47 U.S.C. § 153(24).

29. Alcazar has advertised on its website that “[u]nlike most wholesale termination carriers, we accept welcome, invite, and cater to all types of dialer traffic.”

30. Alcazar also offers its customers Direct Inbound Dialing (“DID”) origination and provisioning.

31. Alcazar’s DID origination service uses interconnected VoIP to route inbound calls dialed to a specific DID number to its customers. DID origination service is “information service” as defined by 47 U.S.C. § 153(24).

32. Alcazar’s website has stated that “[o]ur origination service transports Public Switched Telephone Network (PSTN) originated local calls from multiple locations (rate centers) and terminates them to the customer’s softswitch or media gateway via IP or TDM connectivity using local DID telephone numbers.”

33. In its DID provisioning service, Alcazar licenses caller ID numbers to customers for them to display in their outbound calls. Alcazar’s provisioning and licensing of DID numbers is not telecommunications service activity under the Telecommunications Act, nor is it information service activity.

34. Providing interconnected VoIP services to a telemarketer constitutes the provision of substantial support and assistance to a telemarketer under the TSR.

35. Providing DID origination and DID provisioning to a telemarketer also constitutes the provision of substantial support and assistance to a telemarketer under the TSR.

36. Providers of Interconnected VoIP service are required to register with the Federal Communications Commission (“FCC”) by completing the FCC’s Form 499. Alcazar maintained an active registration—listing Grabias as the company president—until July 1, 2014. Since July 1, 2014, Alcazar has failed to maintain an active FCC 499 filer registration.

37. Alcazar has also failed to pay required FCC licensing fees, including contributions to the FCC’s Universal Service Fund (“USF”). The USF supports affordable telephone service across the country.

38. In July 2019, the United States of America (through private counsel) sued Alcazar for unpaid regulatory fees for the FCC USF as well as the Telecommunication Relay Service, which helps people with hearing or speech disabilities place and receive phone calls. The Complaint alleges that Alcazar owes the FCC \$73,198.78 in fees (including interest, penalties,

and costs). *See USA v. Alcazar Networks, Inc.*, No. 5:19-cv-03283-JFL (E.D. Pa. filed July 26, 2019). According to documents attached to the Complaint in that case, the unpaid regulatory fees were for fiscal years 2012-2014. Alcazar was personally served with the Complaint at its offices in October 2019 and Alcazar retained counsel to appear in the case. On March 27, 2020, Alcazar agreed to a settlement under which it would pay \$50,000.

39. From July 1, 2014 through at least May 13, 2020, Alcazar failed to reactivate its FCC 499 registration. It remained delinquent in meeting that obligation, as it had at all times since July 1, 2014.

40. As the Alcazar employee in charge of the company's legal compliance, Grabias should know of the company's failure to meet these regulatory requirements.

*Alcazar Assisted and Facilitated Derek Bartoli's Violations of the TSR*

41. On June 21, 2019, the United States Department of Justice ("DOJ") filed a lawsuit against Derek Bartoli on behalf of the FTC, alleging that Bartoli violated the TSR. On the same date, the DOJ also filed a Stipulated Final Order in which Bartoli resolved the FTC's claims by agreeing to a monetary judgment and injunctive relief. Bartoli dialed the illegal calls at issue in that case using VoIP services provided by Alcazar.

42. As outlined below, Alcazar continued providing Bartoli with VoIP and DID services even after knowing or consciously avoiding knowing that Bartoli was using those services to dial calls that violated the TSR.

43. From December 1, 2017 through May 2018, Alcazar received numerous indications that Bartoli was using Alcazar's VoIP lines and DID services to dial illegal telemarketing calls. Alcazar even sent Bartoli several communications in which Alcazar

expressly acknowledged that it had received complaints about calls dialed through Bartoli's account.

44. First, on December 1, 2017, the FTC sent a letter to Alcazar asking for the name, address, and place of business of Alcazar's customer or subscriber that dialed a specific telephone call at 12:43 AM. The TSR prohibits telemarketing calls made to a telephone number between 9:00 PM and 8:00 AM of the local time where the called party resides. The letter specifically noted that the written request was "relevant to a law enforcement investigation concerning telemarketing fraud."

45. Alcazar responded and identified Derek Bartoli as the customer or subscriber that dialed the relevant call, but Alcazar's response incorrectly identified Bartoli's company as "Medical Alarms," with an address in the Philippines. In truth, "Medical Alarms" was the name Bartoli assigned to a specific telemarketing campaign. Bartoli's company name was Marketing Consultation Solutions, incorporated and located in Florida.

46. Alcazar had entered into contractual agreements with Marketing Consultation Solutions in Florida, not Medical Alarms.

47. On December 20, 2017, the FTC issued a Civil Investigative Demand ("CID") to Alcazar requesting additional information about Bartoli, Medical Alarms, and the same telephone call previously identified in the FTC's prior letter dated December 1, 2017. In that CID, the FTC identified the subject of the investigation as an inquiry regarding whether the "Subject Customers," defined to include Bartoli, had violated the Telemarketing Sales Rule.

48. In response to the December 20, 2017 CID, Alcazar produced contracts signed by Bartoli on behalf of Marketing Consultation Solutions, along with other responsive documents and information.

49. Grabias personally handled Alcazar's response to the FTC's December 20, 2017 CID, corresponding with the FTC about Bartoli on multiple occasions. For example, on the morning of January 2, 2018, Grabias participated as Alcazar's representative during a meet and confer regarding the requirements of the CID. Following the call, the FTC confirmed in writing—and Grabias responded affirmatively—that Grabias understood that the subjects of the CID included all of Alcazar's customers or subscribers that were associated with Bartoli. Grabias confirmed that Mr. Bartoli prepaid for the services provided by Alcazar using a credit card. In responding to that CID, Grabias personally sent the FTC more than a dozen emails and he directed his employees to compile Bartoli's call detail records and other responsive information. As a result, Grabias knew that the FTC was investigating whether Bartoli had violated the TSR.

50. For several months after it responded to the FTC's December 2017 CID, Alcazar continued receiving complaints and inquiries about calls dialed through Bartoli's account from other voice service providers to which Alcazar routed calls, known as upstream line carriers. Alcazar then emailed Bartoli about those complaints.

51. For example, on February 15, 2018, Alcazar sent Bartoli an email stating: "We have received complaints for DID 813-320-0315 telemarketing/scamming Florida residences without any regard to the Do Not Call List. Please investigate this report and take proper action."

52. Two weeks later, on February 28, 2018, Alcazar emailed Bartoli and informed him that: "We have received reports of spam calls from DID 217-203-9135 to 7735453890 according to our records this DID is assigned to Medical Alarms please investigate and take appropriate action."

53. The following day, on March 1, 2018, Alcazar sent Bartoli yet another email complaining about calls dialed through his account, stating: “We have received more complaints regarding this DID that is assigned to your account. Calls are being reported as receiving spam calls outside of normal business hours and waking people.”

54. Then, on March 15, 2018, Alcazar emailed Bartoli again about calls violating the TSR’s DNC rules, stating: “Alcazar Networks is notifying your company that the following TN’s that are assigned to your company are experiencing high levels of complaints per number. Please note that there are two sets of complaints. The first being complaints directly received, and the second being tied to the FTC DNC complaints.”

55. By no later than March 15, 2018, Alcazar knew, or consciously avoided knowing, that Bartoli was using Alcazar’s services for calls that violated the TSR.

56. Instead, after March 16, 2018, Alcazar continued letting Bartoli use its services. From March 16, 2018 through July 2, 2018, using services provided by Alcazar, Bartoli dialed 107,875,507 calls, of which 57,539,792 were to numbers listed on the DNC Registry for more than 31 days. Many of these calls delivered prerecorded messages, and many of these calls used spoofed caller ID numbers.

57. After March 16, 2018, Alcazar received additional indications that Bartoli was engaged in illegal dialing.

58. On April 25, 2018, the Mississippi Public Service Commission (“Mississippi Commission”), which administers the Mississippi state DNC statute, sent Alcazar a subpoena. The subpoena stated that the Mississippi Commission was serving the subpoena in connection with an investigation about alleged violations of Mississippi’s Do No Call List, which is similar to the FTC’s DNC Registry. The subject line of the subpoena stated: “Alleged Violation of

Miss. Code Ann. §77-3-101 *et seq.*, as amended, by telephonic solicitation of a residential line customer who has subscribed to the Mississippi Public Service Commission's Do Not Call List pursuant to the Mississippi Telephone Solicitation Act and accompanying rules.”

59. Alcazar—and Grabias, who was in charge of Alcazar's legal compliance—failed to respond to the subpoena.

60. On May 11, 2018, the Mississippi Commission followed up with a second request that Alcazar respond to its subpoena.

61. On May 21, 2018, Alcazar responded by identifying its customer as “Medical Alarms” with an address in the Philippines. It also provided Derek Bartoli's name, phone number and email address.

62. As before, Alcazar incorrectly identified Bartoli's company as “Medical Alarms.” In truth, “Medical Alarms” was the name Bartoli assigned to a specific telemarketing campaign. Bartoli's company name was Marketing Consultation Solutions, incorporated and located in Florida. Alcazar had entered into a contract with Marketing Consultation Solutions, not Medical Alarms. Nevertheless, Alcazar did not identify Marketing Consultation Solutions in its response to the Mississippi Commission.

63. Alcazar did not send Bartoli emails about these government inquiries, nor did it take any actions to determine whether Bartoli was dialing unlawful calls.

64. From May 22, 2018 through July 2, 2018, Bartoli's “Medical Alarms” telemarketing campaign dialed more than 25 million telemarketing calls using Alcazar's VoIP and DID services. Of these calls, more than 16 million were placed to numbers that had been listed on the National Do Not Call Registry for more than 31 days, in violation of the TSR.

65. In addition, many, if not all, of the telemarketing calls Bartoli dialed using Alcazar's services delivered prerecorded messages, in violation of the TSR.

66. Further, many, if not all, of the telemarketing calls Bartoli dialed using Alcazar's services displayed spoofed caller ID numbers, also in violation of the TSR.

67. At an investigational hearing conducted by the FTC on July 26, 2018, Bartoli testified that, while he owned Marketing Consultation Solutions, he never accessed the National Do Not Call Registry to remove numbers on the registry from his calling lists. He also testified that his "Medical Alarms" telemarketing campaigns used prerecorded messages in outbound telemarketing calls to sell medical alert devices. In addition, Bartoli testified that his usual practice was to spoof caller ID numbers for most of his clients, stating that he would set the caller ID "for a random number" where the first six digits matched the number of the consumer he was calling. All of these practices violated the TSR.

68. Bartoli's telemarketing campaigns, including his "Medical Alarms" campaigns, involved millions of interstate telephone calls. Bartoli dialed many of these calls from Florida, using internet service to connect to Alcazar's VoIP servers located in Pennsylvania, in order to reach consumers in states other than Florida or Pennsylvania.

*Alcazar Also Assisted and Facilitated Illegally Spoofed Calls Displaying 911 as the Caller ID*

69. More than twenty of Alcazar's customers have delivered, transmitted, or routed calls using Alcazar's VoIP services that displayed "911" as the caller ID number.

70. Under prevailing laws, regulations, and industry standards, "911" is a number used only for calling during an emergency. Only a Public Safety Access Point ("PSAP") or a communications center operated for emergency services would have a valid or legal reason to

display “911” as the caller ID number. Commercial entities have no valid reason to display “911” as the caller ID number in their calls.

71. Mass, autodialed campaigns displaying “911” as the caller ID number present a two-fold danger. First, scammers may scare or deceive consumers into believing they are the government, police, or law enforcement to fraudulently obtain money. Second, when consumers return missed calls from “911,” these calls are routed to legitimate PSAPs and can occupy “911” operators, rendering them unavailable to answer actual emergency calls.

72. For one specific customer, E. Sampark (located in India), Alcazar continued providing services even after several specific indications that the customer was illegally spoofing “911” in its calls.

73. Many of the calls that E. Sampark dialed using Alcazar’s VoIP services impersonated the Social Security Administration.

74. On July 1, 2019, Alcazar received notice from a telecommunications trade association, USTelecom, that a call transmitted across Alcazar’s network had “been deemed suspicious” and displayed “911” as the caller ID number. In an email response that same day, Alcazar identified its customer responsible for that call as a business named “E. Sampark” located in the Gujarat province of India.

75. Alcazar did not email E. Sampark to inquire about these suspicious calls displaying “911” as a caller ID number.

76. After July 2, 2019, Alcazar consciously avoided knowing that E. Sampark’s calls were fraudulent calls to solicit money from consumers. The Defendants also knew that E. Sampark’s calls displayed spoofed caller ID numbers.

77. Nonetheless, Alcazar emailed E. Sampark to solicit additional business, noting that the number of minutes E. Sampark had been dialing decreased.

78. Alcazar continued permitting its customers—including E. Sampark—to transmit calls displaying “911” as the caller ID number.

79. After July 2, 2019, Alcazar permitted E. Sampark to dial more than 250,000 additional calls using Alcazar’s VoIP services, including more than 300 calls displaying “911” as the caller ID number, along with numerous others displaying “1911”, “10911, or “11911” as the caller ID number.

80. The FTC issued Alcazar a CID on October 4, 2019 requesting records regarding any customers which had originated, initiated, or routed telephone calls using Alcazar’s services in which “911” was displayed as the caller ID. The CID also specifically requested records related to E. Sampark. The CID stated that the purpose of its investigation was to determine whether Alcazar had assisted and facilitated violations of the TSR.

81. Alcazar responded on October 29, 2019. These responses showed that 24 of Alcazar’s customers had dialed calls which displayed “911” as the caller ID.

82. Between July 2, 2019 and October 29, 2019, Alcazar sent E. Sampark approximately 400 emails. None of them inquires of E. Sampark as to why it was using “911” as a caller ID.

83. Between October 2019 and February 2020, Alcazar permitted E. Sampark and thirteen other customers to dial calls showing “911” as the caller ID.

## **COUNT I**

### **Assisting and Facilitating Violations of the Telemarketing Sales Rule**

84. Defendants provided substantial assistance or support to Bartoli and / or his customers, who were “seller[s]” and/or “telemarketer[s]” engaged in “telemarketing,” as defined by the TSR, 16 C.F.R. § 310.2.

85. As set forth above in paragraphs 41 to 68, in numerous instances, in connection with telemarketing, Bartoli and / or his customers:

- a. Initiated or caused the initiation of outbound telephone calls to telephone numbers on the National DNC Registry to induce the purchase of goods or services, in violation of 16 C.F.R. § 310.4(b)(1)(iii)(B);
- b. Initiated or caused the initiation of outbound telephone calls that delivered prerecorded messages to induce the purchase of goods or services, in violation of 16 C.F.R. § 310.4(b)(1)(v); and
- c. Failed to transmit or cause to be transmitted to caller identification services the telephone number and name of the telemarketer making the call, or the customer service number and name of the seller on whose behalf the telemarketer called, in violation of 16 C.F.R. § 310.4(a)(8).

86. At all relevant times, Defendants knew, or consciously avoided knowing, that Bartoli and or his customers were making the unlawful calls described in paragraph 85, which violated § 310.4 of the TSR.

87. Defendants’ substantial assistance and support, as alleged in paragraphs 41 to 68, above, violates the TSR, 16 C.F.R. § 310.3(b).

88. Defendants have also provided substantial assistance or support to E. Sampark and / or its customers, which is a “seller[s]” and/or “telemarketer[s]” engaged in “telemarketing,” as defined by the TSR, 16 C.F.R. § 310.2.

89. As set forth above in paragraphs 69 to 83, in numerous instances, in connection with telemarketing, E. Sampark and / or its customers transmitted false caller identification in violation of 16 C.F.R. § 310.4(a)(8).

90. At all relevant times, Defendants knew, or consciously avoided knowing, that E. Sampark was making the unlawful calls described in paragraph 89, which violated § 310.4 of the TSR.

91. Defendants' substantial assistance and support, as alleged in paragraphs 69 to 83, above, violates the TSR, 16 C.F.R. § 310.3(b).

### **CONSUMER INJURY**

92. Consumers in the United States have suffered and will suffer substantial injury as a result of Defendants' violations of the TSR. In addition, Defendants have been unjustly enriched as a result of their unlawful acts or practices. Absent injunctive relief by this Court, Alcazar is likely to continue to injure consumers and harm the public interest.

93. Based on the facts and violations of law alleged in this Complaint, the FTC has reason to believe that Defendants are violating or are about to violate laws enforced by the Commission, and that consumers will continue to be injured by those ongoing violations, because, among other things: (a) Defendants have shown a pattern and practice of continuing to assist and facilitate violations of the TSR, even after learning of the violations; (b) Defendants remain in the VoIP industry and maintain the means, ability, and incentive to resume their unlawful conduct; (c) Defendants repeatedly provided law enforcement agencies with inaccurate information about the identity of their customer; and (e) Defendants have shown a disdain for following other legal requirements, such as the requirement that interconnected VoIP service providers maintain an active registration with the FCC and pay all required regulatory fees.

**THIS COURT'S POWER TO GRANT RELIEF**

94. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and other ancillary relief to prevent and remedy any violation of any provision of law enforced by the FTC.

95. Section 19 of the FTC Act, 15 U.S.C. § 57b, and Section 6 of the Telemarketing Act, 15 U.S.C. § 6105, authorize this Court to award damages and grant such relief as the Court finds necessary to redress injury to consumers resulting from Alcazar's violations of the TSR.

96. This Court, in the exercise of its equitable jurisdiction, may order disgorgement, restitution, the refund of monies paid, and award ancillary relief to prevent and remedy any violation of the TSR or the FTC Act.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff requests that this Court, as authorized by Sections 5(a), 13(b), and 19 of the FTC Act, 15 U.S.C. §§ 45(a), 53(b), 57b, and Section 6 of the Telemarketing Act, 15 U.S.C. § 6105, and pursuant to its own equitable powers:

A. Enter judgment against Defendants and in favor of Plaintiff for each violation alleged in this Complaint;

B. Enter a permanent injunction to prevent future violations of the TSR and the FTC Act by Defendants; and

C. Award Plaintiff such other and additional relief, including disgorgement and/or damages, the costs of bringing this action, and any other additional relief the Court may determine to be just and proper.

Respectfully submitted,  
Alden Abbott  
General Counsel



Dated: 12/3/2020

---

Ian L. Barlow  
Virginia G. Rosa  
Federal Trade Commission  
600 Pennsylvania Ave. NW, Mailstop 8525  
Washington, DC 20580  
202-326-3120 (Barlow)  
202-326-3068 (Rosa)  
ibarlow@ftc.gov  
vrosa@ftc.gov  
*Attorneys for Plaintiff*  
FEDERAL TRADE COMMISSION