

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.

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