FEDERAL TRADE COMMISSION
PROTECTING AMERICA'S CONSUMERS

For Release

Air AI and its Owners will be Banned from Marketing Business Opportunities to Settle FTC Charges the Company Misled Many Entrepreneurs and Small Businesses

Agency alleged Air AI made deceptive claims about business growth, earnings potential, and refund guarantees

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Tags: Consumer Protection | Bureau of Consumer Protection | Going into Business | Technology | Franchises, Business Opportunities, and Investments | Advertising and Marketing | Small Business | Artificial Intelligence

Air AI will be banned from marketing business opportunities as part of a settlement with the Federal Trade Commission over charges the company misled many entrepreneurs and small businesses with deceptive claims about business growth, earnings potential, and refund guarantees.

The FTC's August 2025 complaint against Air AI, five related companies, and their owners—Caleb Maddix, Ryan O'Donnell, and Thomas Lancer—alleged that, since at least February 2023, the company and its owners:

- Falsely claimed that people who purchase their services will or are likely to make substantial earnings;
- Falsely claimed that purchasers of the Air AI Access Card or licenses are protected by a refund or buy-back guarantee;
- Misrepresented the performance, efficacy, nature, or central characteristics of their services, their refund policies, or the risk, earnings potential, or profitability of its

services, in violation of the Telemarketing Sales Rule (TSR); and

- Failed to provide consumers with required disclosure documents and earnings claims statements, made false claims about the profitability of the investment and their refund and cancellation policies, and failed to provide refunds when consumers met the refund policy requirements, in violation of the Business Opportunity Rule.

The proposed order against Air AI includes a monetary judgment of $18 million, which will be largely suspended based on the company's and operators' inability to pay the full amount, requiring the operators of Air AI to pay $50,000 to the Commission for consumer relief. Under the proposed order, Air AI and its operators are banned from:

- Selling or marketing any business opportunity;
- Making false claims or misrepresentations while telemarketing or otherwise violating the TSR;
- Making false claims or misrepresentations while selling any goods and services; and
- Making earnings claims without adequate substantiation or disclosure.

The Commission vote approving the filing of the proposed order was 2-0. The FTC filed the proposed order in the U.S. District Court for the District of Arizona.

NOTE: Stipulated final orders or injunctions, etc. have the force of law when approved and signed by the District Court judge.

The Federal Trade Commission works to promote competition and protect and educate consumers. The FTC will never demand money, make threats, tell you to transfer money, or promise you a prize. Learn more about consumer topics at consumer.ftc.gov, or report fraud, scams, and bad business practices at ReportFraud.ftc.gov. Follow the FTC on social media, read consumer alerts and the business blog, and sign up to get the latest FTC news and alerts.

Press Release Reference

FTC Sues to Stop Air AI from Using Deceptive Claims about Business Growth, Earnings Potential, and Refund Guarantees to Bilk Millions from Small Businesses

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