



March 24, 2026

VIA EMAIL

Chris Mufarrige, Director
Bureau of Consumer Protection
Federal Trade Commission
cmufarrige@ftc.gov

Re: Shapes, Inc.

Dear Mr. Mufarrige:

Given the Commission's focus¹ on AI systems that may mislead consumers, simulate human relationships, or otherwise operate in ways that obscure material risks – especially for younger users – we write to bring to your attention the advertising and business practices of Shapes, Inc., an online platform that offers AI-powered chatbot companions referred to as “Shapes.” Our concerns regarding this platform are detailed in a recent TINA.org ad alert, available at <https://truthinadvertising.org/articles/shapes-inc/>.

As explained in the ad alert, TINA.org's investigation identified the following issues:

- **Misleading “safety-first” claims:** Shapes promotes its AI companions as helpful assistants for everyday tasks – like homework, relationships and planning – and represents that each Shape undergoes a “thorough automated screening” to prevent exposing users to harmful or illegal content.² In practice, however, users – including minors as young as 13 – can enable an “Unrestricted Mode” that disables those safeguards entirely. In this mode, chatbots may generate explicit, abusive or illegal content. In fact, user-generated chatbots on the platform have been observed engaging in racism, sexism, manipulation training, drug-related discussions, abuse and sexually explicit content – including reports of sexual content involving minors.³ These practices not only contradict the company's

¹ FTC Launches Inquiry into AI Chatbots Acting as Companions, Sept. 11, 2025, <https://www.ftc.gov/news-events/news/press-releases/2025/09/ftc-launches-inquiry-ai-chatbots-acting-companions>.

² Shapes Safety page, <https://shapes.inc/safety>.

³ Google Play reviews, https://play.google.com/store/apps/details?id=com.shapes.shapesinc&hl=en_US.

safety representations but also raise significant concerns under Section 5 of the FTC Act, particularly given reported risks of AI companions to minors.⁴

- **Deceptive pricing and autorenewal practices:** Although Shapes advertises access to its AI models as “free,” more than half require payment through the platform’s virtual currency (which can be obtained either with real money or through platform activity/promotion). Consumers who purchase the platform’s virtual currency are then automatically enrolled in an “auto top-up” feature – disclosed only in fine print – that can lead to recurring charges unless manually disabled. These practices appear to violate the Restore Online Shoppers’ Confidence Act (ROSCA)⁵ and FTC law, including the Commission’s Negative Option Rule.⁶
- **Problematic and undisclosed endorsements:** Shapes has incentivized users to promote the platform on social media by offering virtual currency rewards, yet has not required disclosure of these material connections. As a result, promotional content may appear organic when it is, in fact, compensated. Additionally, some of the platform’s most popular chatbots mimic well-known celebrities, including several musicians and athletes,⁷ raising additional concerns about deceptive – or unauthorized – endorsements. These practices may violate the FTC’s Endorsement Guides and related rules governing consumer reviews and testimonials.⁸

Taken together, these issues suggest a pattern of conduct that may mislead consumers, obscure material terms and expose users – particularly minors – to significant risks.⁹ They also illustrate the very concerns identified by the Commission in its September 2025 announcement regarding AI chatbots.

⁴ See, e.g., AI chatbots and digital companions are reshaping emotional connection, American Psychological Association, Jan. 1, 2026, <https://www.apa.org/monitor/2026/01-02/trends-digital-ai-relationships-emotional-connection>; AI Companions Decoded: Common Sense Media Recommends AI Companion Safety Standards, Apr. 30, 2025, <https://www.common sense media.org/press-releases/ai-companions-decoded-common-sense-media-recommends-ai-companion-safety-standards>.

⁵ 15 U.S.C. §§ 8401-8405.

⁶ 16 C.F.R. § 425, <https://www.federalregister.gov/documents/2024/11/15/2024-25534/negative-option-rule>.

⁷ On March 16, 2026, TINA.org reached out to representatives for a sampling of celebrities whose names and images are being used by Shapes to promote its AI chatbots, including LeBron James, Ice Spice, Nicki Minaj and Beyoncé, but has not received responses.

⁸ FTC Guides Concerning the Use of Endorsements and Testimonials in Advertising, <https://www.ftc.gov/sites/default/files/attachments/press-releases/ftc-publishes-final-guides-governing-endorsements-testimonials/091005revisedendorsementguides.pdf>; 16 C.F.R. § 465, https://www.ftc.gov/system/files/ftc_gov/pdf/r311003consumerreviewstestimonialsfinalrulefrn.pdf.

⁹ TINA.org contacted Shapes on March 12 notifying the company of our investigation findings and asking for its response. Shapes has yet to respond.

As such, we respectfully urge the Commission to investigate Shapes' advertising and business practices.

Thank you for your attention to this matter.

Sincerely,



Laura Smith, Esq.
Legal Director
Truth in Advertising, Inc.



Bonnie Patten, Esq.
Executive Director
Truth in Advertising, Inc.