PUBLIC RECORDS / WORKED EXAMPLE

Cleo AI: a due diligence dossier

From headline to evidence | Part 1

Prepared by Dossier Editorial | November 3, 2026

EVIDENCE SOURCES	EVIDENCE CHECKED	PUBLISHER INSTITUTIONS
6	2026-11-03	1

SECTIONS	READER QUESTIONS	REVIEW SCOPE
7	5	Public records

EVIDENCE CHECKED	2026-11-03
EDITION	1 | Public-source research
ARTICLE	dossierplus.ai/blog/cleo-ai-ftc-due-diligence-dossier

IMPORTANT USE NOTE

An educational public-record case study prepared with AI assistance and source checks. It is not a client engagement, a legal opinion, an independently audited investigation, or a claim that Dossier's automated research ran on this case. No private customer records were used. The linked PDF contains the same evidence selection as this article.

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PART 01

The decision in brief

Build a due diligence dossier by defining a decision, identifying the exact parties, preserving the original sources, and separating each allegation from settlement terms and later events. Then map every answer to evidence and a remaining gap. The Cleo AI FTC record shows why a settlement amount, an announced refund distribution, and money actually received by consumers are three different facts.

Publication date: November 3, 2026. Historical event dates are identified separately. This PDF and the article use the same structured source selection and findings.

PART 02

What does the Cleo AI record actually establish?

The Federal Trade Commission brought a civil consumer-protection case against Cleo AI, Inc., a cash-advance app company. Its March 27, 2025 announcement described an agreement to pay $17 million and a proposed settlement addressing advance amounts, delivery timing, fees, and subscription cancellation. Those are the agency's allegations and announced settlement terms, not findings from a contested trial. **[S01] [S02] [S03]**

The reason to revisit the case now is a later event: on October 8, 2026, the FTC announced a distribution of more than $15.8 million, with PayPal payments scheduled to begin October 27. The refund page identifies 2,124,796 payments. That makes this a useful example of following a matter beyond its original headline. The reviewed pages do not show individual payment redemption or establish that every intended recipient received money. **[S04] [S05]**

Our decision question is practical: what can a prospective fintech partner learn from the public record, and what additional evidence would be needed before relying on claims about present compliance? The answer is that the historical complaint, proposed obligations, and announced redress warrant focused follow-up. They do not, by themselves, establish the company's present operating practices, financial condition, or suitability for a particular partnership. **[S01] [S02] [S04]**

PART 03

Start with the decision and the exact legal entity

The complaint caption identifies Federal Trade Commission v. Cleo AI, Inc., No. 1:25-cv-02594-ALC, in the Southern District of New York. Paragraph 9 describes the defendant as a Delaware corporation with its principal place of business in New York. We use that caption and case number to bind the records together. The matching word Cleo on another website would not establish that it is the same legal entity. **[S01]**

PARTY OR INSTITUTION	DOCUMENTED ROLE	BOUNDARY
Federal Trade Commission	Plaintiff and issuer of the refund announcements	Its complaint is an adversarial filing. [S01] [S04]
Cleo AI, Inc.	Named corporate defendant	Do not extend findings to affiliates or individuals without evidence. [S01]

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PARTY OR INSTITUTION	DOCUMENTED ROLE	BOUNDARY
Southern District of New York	Federal court identified by the caption	This review is not a complete docket search. [S01] [S06]
Rust Consulting	Refund administrator identified by the FTC	This does not establish ownership of Cleo or responsibility for the alleged conduct. [S05]

The scope is six freely available FTC sources, checked on November 3, 2026. It excludes private transaction records, a complete PACER docket, corporate ownership research, interviews, and an operational test of the current app. Multiple pages from one agency are useful for chronology, but are not independent corroboration from multiple institutions.

PART 04

Build a timeline without changing what each date means

DATE	OBSERVED EVENT	HOW TO RECORD IT
March 27, 2025	FTC announced the complaint and proposed settlement; its case timeline links the stipulated order under this date.	Announcement / document listing date. Do not substitute it for judicial entry. [S03] [S06]
May 1, 2025	The reviewed complaint copy bears the court stamp Document 19, Filed 05/01/25.	Filing date for this document copy; not a claim that the case began on that date. [S01]
May 2, 2025	The agency case timeline lists that complaint PDF.	Agency listing date, distinct from the May 1 court stamp. [S01] [S06]
October 8, 2026	FTC announced a distribution of more than $15.8 million.	Agency-reported redress announcement. [S04]
October 27, 2026	Announced start of PayPal payments.	Scheduled distribution start, not proof of each transfer or redemption. [S04] [S05]
November 3, 2026	Evidence review and first publication of this case study.	Our research/publication date, separate from the historical events.

This distinction prevents a common error: treating the most recent date visible on a website as the date of the underlying court action. Keep event date, source publication date, and retrieval date in separate fields. An undated or ambiguously dated event should stay unresolved until its owning record is checked.

PART 05

Answer the material questions and keep the gaps beside them

QUESTION	ANSWER AND OUTCOME	MATERIAL GAP
What conduct did the FTC challenge?	Supported as allegations: advertised advance amounts and speed, fees, and cancellation obstacles. See complaint paragraphs 2-5 and the detailed allegations.	This review does not independently prove the underlying transactions. [S01]

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QUESTION	ANSWER AND OUTCOME	MATERIAL GAP
Did Cleo admit all allegations?	No such conclusion is supported. Finding 3 of the posted stipulation says the defendant neither admits nor denies the allegations, with the stated jurisdictional exception.	Section VI contains specific subsequent-enforcement provisions; the non-admission clause must not erase those qualifications. [S02]
What does the $17 million represent?	Supported as the settlement monetary term in Section V of the posted stipulated order and the FTC announcement.	The posted copy and announcement do not supply transaction-level proof of receipt or a final redress reconciliation. [S02] [S03]
What does more than $15.8 million represent?	Supported as the FTC's announced consumer distribution, with 2,124,796 planned PayPal payments.	It is not an additional penalty to add to $17 million, a valuation, or proof of consumer redemption. [S04] [S05]
Has the court entered the final order?	Insufficient reviewed evidence for the entry date. The linked PDF has a blank judicial date/signature field; the case page still labels the matter Pending.	Obtain the court-entered order and docket entry. The agency page label may be stale. [S02] [S06]
Is the current app compliant?	Insufficient reviewed evidence. Historical allegations and announced remedies are not a present-day compliance test.	Obtain current disclosures, consent records, cancellation evidence, relevant compliance reports, and counsel's assessment.

The apparently mismatched case-status label is an evidence-quality issue to preserve, not a reason to pick whichever source fits a preferred conclusion. The FTC's later refund activity supports a later redress stage; it does not fill in a missing court entry date. Likewise, the difference between $17 million and the announced distribution cannot be labeled fees, profit, loss, or unpaid restitution without a reconciliation. **[S02] [S04] [S06]**

PART 06

The decision tree: from a headline to a defensible answer

1. DOES THE SOURCE IDENTIFY THE EXACT ENTITY AND PROCEEDING?

- If established: Bind it to the caption, case number, and document identity.
- If unresolved: Keep it as an unconfirmed lead; do not merge by name alone.

2. IS THIS A COMPLAINT, AN ORDER, OR A LATER ANNOUNCEMENT?

- If established: Assign the matching evidence class: allegation, stipulated term, or agency-reported event.
- If unresolved: Find the underlying record before treating a summary as a finding.

3. DOES THE DOCUMENT PROVE THE EVENT BEING CLAIMED?

- If established: Record the precise proposition and source anchor.
- If unresolved: Narrow the proposition: an announced payment is not a received payment.

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4. IS THE DATE TIED TO THE ACTUAL EVENT?

- If established: Add it to the chronology with its date type.
- If unresolved: Store the publication or listing date separately; leave the event date unresolved.

5. IS THE EVIDENCE ENOUGH FOR THE BUSINESS DECISION?

- If established: Write the supported answer and the limits of reliance.
- If unresolved: Create a specific evidence request and keep the decision open.

Applied here, the complaint passes entity identification but remains an allegation source. The stipulation supports the proposed terms, while its blank court execution field leaves entry unverified in this packet. The refund page supports an announced distribution. Present compliance remains an open diligence question. This is an editorial assessment of the reviewed record, not a legal determination. **[S01] [S02] [S05]**

PART 07

How to reproduce this review in a Dossier workspace

- Define the project around a decision: for example, review public enforcement history before considering a fintech partnership. Save separate questions about allegations, settlement terms, redress, and current controls.
- Capture the original complaint and stipulated-order PDFs and the agency pages. Preserve originals, source URLs, retrieval dates, document titles, and hashes. Verify that extraction has completed before relying on passages.
- Keep the FTC, Cleo AI, the court, and the refund administrator as distinct actors. Record only the roles supported by the documents; do not infer ownership or liability from proximity in a graph.
- Build timeline entries from the date types above. Attach the relevant source and paragraph or section to each event. Do not treat an agency upload date as a court filing date.
- Compare the headline to the underlying documents. Record the non-admission clause, monetary definitions, blank judicial execution field, and case-page status as explicit qualifications.
- Draft answers with supported, partially supported, or insufficient-evidence outcomes. Review source anchors and unresolved questions before preparing a report for its intended audience. A generated summary does not independently verify its own sources.

This article is the completed public-source worked example. The steps above describe how a reader can reproduce it in their own authorized workspace; they are not a receipt for an automated platform run or an assurance of complete court coverage. Workspace access, document extraction, research permissions, and any applicable credits remain part of the normal product workflow.

PART 08

What would we investigate next?

- Court disposition: obtain the docket and court-entered order, then bind the exact entry date and any later modification to the timeline.
- Money movement: obtain an authorized reconciliation distinguishing the settlement obligation, funds received by the administrator, payments issued, payments redeemed, and remaining funds.
- Present controls: review dated app disclosures, consent and cancellation flows, complaint handling, and relevant compliance reporting. Test only with appropriate authorization and avoid real customer financial data.

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- Contrary evidence and response: add any relevant public company response, later court ruling, or correction before strengthening the conclusions. No separate company response was reviewed for this edition.
- Freshness: update this article only when newly reviewed evidence changes an answer. Preserve the earlier edition and identify the change instead of merely refreshing its date.

The next part of this series will focus on verifying court disposition and documenting what a public docket does and does not resolve. Each installment should answer a distinct reader question; a longer record can span several days without repeating the same headline.

PART 09

Questions readers ask

WHAT IS A DUE DILIGENCE DOSSIER?

A due diligence dossier is an organized, source-linked record built to answer a defined decision question. It combines entity identification, a chronology, findings, contrary evidence, and unresolved gaps so a reader can trace each conclusion to its basis.

DOES AN FTC COMPLAINT PROVE THAT A COMPANY VIOLATED THE LAW?

A complaint states the agency's allegations. To describe an outcome, read the relevant court order or other disposition and preserve its qualifications. In this case, the posted stipulation includes a non-admission clause and specific enforcement provisions. **[S01] [S02]**

CAN I ADD THE $17 MILLION SETTLEMENT AND THE $15.8 MILLION REFUND ANNOUNCEMENT?

No. They describe different stages and measures of the same redress matter. The reviewed sources do not support adding them into a total penalty or loss, and they do not establish how much each consumer redeemed. **[S02] [S04] [S05]**

WHERE CAN I CHECK THE OFFICIAL CLEO AI REFUND INFORMATION?

Use the FTC's Cleo AI Refunds page in source S05. It gives the agency's payment schedule and administrator information. This article does not determine anyone's eligibility or ask for financial information. **[S05]**

CAN AN AI-GENERATED REPORT REPLACE EVIDENCE REVIEW?

No. AI can help organize and draft, but reviewers still need to verify identity, source meaning, dates, amounts, and gaps. A coherent narrative can remain wrong if it treats an allegation as a finding or a scheduled payment as money received.

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PART 10

Linked source register

Titles with a recorded URL link to that source. Entries without a URL identify retained material but do not open an original file. For any court or business record being used in litigation, obtain a certified copy directly from the clerk or filing authority and preserve the retrieval date.

S01 **FTC complaint: Cleo AI, Inc.**
Complaint / allegations. Anchor: Pages 1-3: caption, paragraphs 2-5 and 9; page 1 filing stamp; detailed allegations in the remainder. Agency-hosted copy stamped Document 19, Filed 05/01/25. The agency lists it under May 2, 2025; these dates describe different events. · retrieved 2026-11-03

S02 **Posted stipulated order for permanent injunction and monetary judgment**
Stipulated settlement document. Anchor: Page 1: Finding 3; pages 4-10: Sections I-VI; page 14: judicial execution field. The reviewed copy has a blank judicial signature/date field. Court entry and entry date were not independently verified. · retrieved 2026-11-03

S03 **FTC announces the $17 million Cleo AI settlement**
Agency announcement. Anchor: March 27, 2025; settlement description and concluding note on court approval. Describes the proposed settlement at the time of announcement. · retrieved 2026-11-03

S04 **FTC announces more than $15.8 million in Cleo AI consumer payments**
Agency redress announcement. Anchor: October 8, 2026; distribution amount, recipient count, and October 27 payment schedule. Supports the agency's announced distribution, not individual payment receipt or redemption. · retrieved 2026-11-03

S05 **Cleo AI Refunds**
Public refund-program page. Anchor: October 2026; payment schedule and refund administrator. Current public consumer information checked on the retrieval date; individual eligibility was not assessed. · retrieved 2026-11-03

S06 **Cleo AI, Inc., FTC v. - official case page**
Agency case index. Anchor: Case Status; Last Updated; Case Summary; Case Timeline. Displays Pending and Last Updated May 2, 2025 while also listing the October 8, 2026 update. Not a substitute for the court docket. · retrieved 2026-11-03

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