IN THE CIRCUIT COURT OF THE STATE OF OREGON

FOR THE COUNTY OF MULTNOMAH

STATE OF OREGON, *ex rel.* DAN RAYFIELD, Attorney General for the State of Oregon, Plaintiff, v. SPACEX SUPER INTELLIGENCE CORP., a Nevada corporation; SPACEX SUPER INTELLIGENCE LLC, a Nevada limited liability company; X CORP., a Nevada corporation; and SPACE EXPLORATION TECHNOLOGIES CORP., a Texas corporation, Defendants.	Case No. **COMPLAINT** (Unlawful Trade Practices, ORS 646.605 – 646.656) NOT SUBJECT TO MANDATORY ARBITRATION Claim Amount Exceeds $1,000,000 **ORS 20.140 – State fees deferred at filing** DEMAND FOR JURY TRIAL

Plaintiff, the State of Oregon, acting by and through Attorney General Dan Rayfield (the "State"), brings this action against Defendants SpaceX Super Intelligence Corp., SpaceX Super Intelligence LLC, X Corp., and Space Exploration Technologies Corp. (collectively, "Defendants") and for cause of action states as follows:

INTRODUCTION

1.

Defendants built, marketed, and deployed an artificial intelligence ("AI") image- and video-generation tool, Grok, that they claimed was safe to use. It was not. Led by founder Elon Musk, Defendants chose to push their lagging AI product, Grok, to tens of millions of new users by stripping out industry-standard safeguards and marketing a "spicy mode" built to produce nudity for profit. For Defendants, weak safeguards to avoid creating and sharing harmful content

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were not a failure but a feature. Integrated directly into the X social media platform, Grok allowed users to generate sexualized images with a simple prompt, including child sexual abuse material ("CSAM"),[1] non-consensual intimate imagery ("NCII")—images depicting a real, identifiable person nude, partially nude, or engaged in sexual activity, created or altered without that person's consent—and other non-consensual sexualized images.[2] The result was a flood of sexualized content into the State. X and Grok users in Oregon were exposed to harmful and unlawful material they never sought out. Any photo they posted of themselves could be turned, with the click of a button, into a sexualized image without their consent. And those whose images were misappropriated—most gravely, the children depicted in AI-generated CSAM—suffered lasting violations of their privacy, bodily autonomy, and dignity, along with serious emotional and psychological harm.

2.

Defendants' conduct is particularly egregious in light of their public statements and representations. Defendants assured consumers that their products and services were safe, even stating that they had a "zero tolerance" policy regarding "any forms of child sexual exploitation." To the contrary, Defendants willfully released a product that inundated their platforms with sexualized images. Then, in response to the acute crisis that followed Grok's integration with X, Defendants publicly stated that they were dealing with, and had solved, the issue with appropriate safeguards to prohibit the generation, production, and dissemination of CSAM and NCII on the Grok and X platforms. These statements were false and misleading. Defendants had not taken, and were not taking, meaningful steps to deal with the proliferation of CSAM, NCII,

[1] For the purposes of this Complaint, CSAM refers to real or synthetic content depicting the sexual exploitation of children, including sexual acts involving a minor, images of a child's genitals or private areas, AI-generated content that depicts a child being sexually abused, and any other content that sexualizes or exploits a child for the viewer's benefit.

[2] For the purposes of this Complaint, the term "non-consensual sexualized images" means images of real persons depicted in a sexual, erotic, or suggestive manner, including but not limited to images depicting persons nude or partially nude, engaged in sexual activity, in sexually suggestive poses, or in revealing clothing such as bikinis or underwear. The term also includes, but is not limited to, NCII.

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and other harmful content on their platforms. To the contrary, Defendants—including Musk—were actively promoting to the public Grok's capabilities to produce sexualized images, which they knew would generate harmful material, including CSAM, NCII, and other non-consensual sexualized images.

3.

Defendants' conduct was also unconscionable. Defendants knew or should have known that AI image-generation tools are particularly susceptible to misuse to create CSAM, NCII, and other non-consensual sexualized images, and that the industry had developed safeguards to prevent it. Yet Defendants failed to implement those safeguards. Instead, they designed and promoted Grok to produce "spicy" sexualized content and placed that capability one click away from virtually any image posted on X. In doing so, Defendants exposed Oregonians to CSAM, NCII, and other non-consensual sexualized images; subjected Oregonians—including children—to the risk that their images would be altered into sexualized content without their consent; and facilitated the generation of CSAM and NCII, which Oregon and federal law strictly prohibit. The people of Oregon, especially children, had no meaningful way to protect themselves from these harms.

4.

Defendants have violated Oregon's Unlawful Trade Practices Act ("UTPA") by misrepresenting the characteristics, benefits, and qualities of their products and services; by failing to disclose Grok's known material defects; and by employing unconscionable tactics in connection with selling and distributing Grok and X. The State prays that this Court grant the relief requested and states the following in support thereof.

IDENTIFICATION OF PARTIES

5.

Plaintiff is the State of Oregon, acting by and through Dan Rayfield, the duly elected Attorney General for the State of Oregon, who brings this action in his official capacity. The

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Attorney General is a "prosecuting attorney" authorized to enforce the UTPA, ORS 646.605(5), 646.632.

6.

Defendant SpaceX Super Intelligence Corp.—formerly X.AI Corp., then SpaceXAI Corp.—is a Nevada corporation. It was founded in March 2023 by Elon Musk, who has since served as the corporation's Chief Executive Officer. It is an indirect wholly owned subsidiary of Space Exploration Technologies Corp. ("SpaceX").

7.

Defendant SpaceX Super Intelligence LLC—formerly X.AI LLC, then SpaceXAI LLC—is a Nevada limited liability company. It was also founded by Elon Musk and has, at all relevant times, been controlled by him. SpaceX Super Intelligence LLC is an indirect, wholly owned subsidiary of SpaceX.

8.

Defendant X Corp. is a Nevada corporation with a principal address in Texas. In 2022, Elon Musk acquired Twitter, Inc. and later created X Corp. as Twitter, Inc.'s successor. Since March 28, 2025, X Corp. has been an indirect subsidiary of SpaceX. X Corp. registered with the Oregon Secretary of State Corporation Division on June 10, 2023. Its registration is still active.

9.

Defendant SpaceX is a Texas corporation with a principal address in Texas. It was founded by Elon Musk in 2002. SpaceX is the ultimate parent company of SpaceX Super Intelligence Corp. and X Corp.

10.

At all relevant times, Defendants acted in concert with one another and acted as agents and/or principals of one another in relation to the conduct described herein. Whenever any reference is made to any act of Defendants, or to the acts of any one Defendant, such allegations include SpaceX Super Intelligence Corp., SpaceX Super Intelligence LLC, X Corp., and SpaceX,

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acting jointly and severally, as if the act of any one of them were the act of the others, whether as principal, under an express or implied agency, or with actual or apparent authority to perform the acts alleged.

11.

Each Defendant is a "person" within the meaning of ORS 646.605(4).

JURISDICTION AND VENUE

12.

This Court has personal jurisdiction over Defendants under ORCP 4 A(4), C, and D. Defendants have purposefully directed their activities at Oregon and its residents, and the State's claims arise out of and relate to those activities.

13.

SpaceX Super Intelligence Corp. and SpaceX Super Intelligence LLC (collectively, "xAI") offered their AI system, Grok, to consumers in Oregon; agreed to contract with consumers in Oregon through their terms of service; purposefully directed Grok's image generation and editing tools to consumers in Oregon; and collected data from consumers in Oregon. xAI therefore derived substantial revenues and other commercial benefits, including benefits in the form of data collected from consumers, from Grok's use in Oregon.

14.

Similarly, X Corp. offered the social media platform X (formerly known as Twitter) to consumers in Oregon; agreed to contract with consumers in Oregon through its terms of service; enabled Grok's image generation and editing features to operate on the X platform in Oregon; promoted those features to consumers in Oregon; collected data from X users in Oregon; and benefited from its use of that data in the form of paid, targeted advertising directed at consumers in Oregon. X Corp. accordingly derived substantial revenues and other commercial benefits, including benefits in the form of data collected from consumers, from X's use in Oregon.

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15.

Defendants also intentionally directed Grok and X, and their representations regarding the safety of those products, into Oregon with knowledge that Grok and X would be used to create sexualized images in Oregon and disseminate such imagery to consumers in Oregon.

16.

Venue is proper in Multnomah County because this Court is an "appropriate court" under ORS 646.632(1) and ORS 646.605(1)(c). Defendants committed acts prohibited by the UTPA in Multnomah County, including by offering, advertising, distributing, and making representations about Grok and X to consumers in Multnomah County.

17.

Pursuant to ORS 646.632(2), before filing this action, the Attorney General notified Defendants in writing of the alleged unlawful trade practices and the relief to be sought and served that notice in the manner set forth in ORS 646.622.

FACTUAL ALLEGATIONS

A. Grok and its Image-Generation Features Are Widely Available to Oregon Consumers.

18.

In November 2023, xAI launched Grok, an AI system that can create original content in response to user prompts. In December 2024, xAI added image-generation capabilities to Grok, and in August 2025, xAI launched Grok Imagine, an image- and video-generation tool capable of transforming uploaded photographs into new images and videos. Grok does not simply transmit material produced by third parties; it creates and produces new and unique content.

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19.

xAI marketed Grok as a "truth seeking" AI companion.[3] xAI also stated from the outset that Grok had a "rebellious streak" and would "answer spicy questions that are rejected by most other AI systems."[4]

20.

xAI makes Grok, including Grok Imagine, available to consumers in Oregon through the X platform, the standalone Grok application and website, and, on information and belief, third-party applications that license xAI's models.

21.

xAI offers both free and paid versions of Grok. Grok is distributed directly to consumers and monetized through multiple paid tiers identified in SpaceX's Form S-1, including SuperGrok, SuperGrok Heavy, SuperGrok Lite, Grok Business, Grok Enterprise, the Grok API, and xAI Gov. The image- and video-generation capabilities at issue are offered across these consumer-facing channels.[5] Paid Grok users get access to newer models, faster replies, more prompts per hour, and additional features. For example, as of November 2026, Grok offered subscriptions at $8 per month, $15 per month, $100 per month, and $200 per month.[6]

22.

The reach of these products is vast. SpaceX's Form S-1 reports that, for the 12 months that ended March 31, 2026, the integrated Grok and X platforms had more than 1.3 billion supported accounts active in that period, approximately 550 million monthly active users, and

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[3] SpaceX Form S-1 (May 20, 2026), at 2, 7, https://www.sec.gov/Archives/edgar/data/1181412/000162828026036936/spaceexplorationtechnologi.htm [hereinafter SpaceX Form S-1].

[4] *Announcing Grok*, xAI, https://x.ai/news/grok (last visited Nov. 18, 2026); @SpaceXSI, X (Nov. 5, 2023), https://x.com/SpaceXSI/status/1721027348970238035.

[5] SpaceX Form S-1, *supra* note 3, at v, ix–x (defined terms: SuperGrok, SuperGrok Heavy, SuperGrok Lite, Grok Business, Grok Enterprise, Grok API, xAI Gov).

[6] *Plans*, GROK, https://grok.com/plans (last visited Nov. 18, 2026).

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approximately 350 million daily posts. The Form S-1 also reports that approximately 117 million monthly active users had used Grok's AI features as of March 31, 2026.[7]

23.

Like Grok, X offers both free and paid versions. Paid users are able to edit their posts, see fewer advertisements, and, in some cases, share revenue with X, among other features. As of November 2026, users could pay $3 per month for X Premium Basic, $8 per month for X Premium, and $40 per month for X Premium+.[8]

24.

Over the past several years, Defendants have integrated Grok with X. In December 2023, Defendants made one of the first Grok models available to X Premium+ users.[9] In August 2024, a new Grok model was made available to all X Premium and X Premium+ users.[10] And, in December 2024, Grok was made available to all X users.[11]

25.

Today, Grok is still available to all X users, but paying X users are able to access additional features and higher use limits.

26.

X therefore provides the primary technical infrastructure through which Grok is made available to consumers. It distributes and promotes Grok to its users and hosts Grok-generated content on its platform, including through the @grok account on X. Users can interact with Grok

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[7] SpaceX Form S-1, *supra* note 3, at 2, 7.

[8] *About X Premium*, X HELP CENTER, https://help.x.com/en/using-x/x-premium (last visited Nov. 18, 2026).

[9] *Our Mission: Accelerate Human Scientific Discovery*, xAI, https://x.ai/company (last visited Nov. 18, 2026); @X, X (Dec. 7, 2023), https://x.com/X/status/1732880272088076454.

[10] *Grok-2 Beta Release*, xAI (Aug. 13, 2024), https://x.ai/news/grok-2.

[11] *Bringing Grok to Everyone*, xAI (Dec. 12, 2024), https://x.ai/news/grok-1212.

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on X by, for example, tagging the @grok account in a post; Grok will then respond to the prompt, including by generating content as the user requested.

27.

On information and belief, at least hundreds of thousands of Oregonians maintain accounts on X. And because Grok has been integrated with X, all of those X users in Oregon are able to access Grok.

28.

Wholly apart from the X users who can access Grok on X, on information and belief, people in Oregon downloaded the Grok app at least hundreds of thousands of times.

29.

Grok and X users in Oregon provide valuable consideration for Defendants' products and services. For one, paying users provide money in exchange for premium services and features.

30.

Even non-paying users, however, provide Defendants consideration in the form of their data. Indeed, to use Grok and X, users must agree to Defendants' terms of service and privacy policies, which govern, among other things, Defendants' collection of user data. For example, Grok's terms of service state that "[b]y using" Grok, consumers "acknowledge that [xAI] may collect, use, and disclose" consumers' "personal information."[12] This includes: (1) user account data, such as names, contact information, account credentials, and dates of birth; (2) payment data; (3) any personal information users provide in prompts to Grok; (4) technical data, such as user IP addresses, device types, country of access, and information about users' browsers and operating systems; and (5) location data.[13]

[12] *Terms of Service – Consumer*, xAI (Oct. 27, 2026), https://x.ai/legal/terms-of-service.

[13] *SpaceXSI Privacy Policy*, xAI (Oct. 27, 2026), https://x.ai/legal/privacy-policy.

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31.

Similarly, X's terms of service state that users "consent to the collection and use" of their personal data as a condition of using the platform.[14] X also collects users' personal information, payment information, information about their usage and interactions on the platform, device information, and location information, among other data.[15]

32.

User data is extremely valuable to Defendants. For instance, advertisers pay X to promote their content, and X uses user data to personalize such advertisements and reach targeted audiences.[16] X acknowledges: "Advertising revenue enables us to provide our products and services."[17]

33.

X also charges for access to its Application Programming Interface ("API"), which "provides programmatic access to X's public conversation."[18] Specifically, through the X Ads API, advertisers can use the public data collected by X, such as user posts and interactions, "to programmatically manage ad campaigns, audiences, creatives, and reporting on the X advertising platform."[19]

34.

Advertisers can also use X to specifically target Oregon consumers with their ads. That is because X offers "geo location targeting," whereby "[a]dvertisers can target their campaigns to

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[14] *Terms of Service*, X (Oct. 9, 2026), https://x.com/en/tos.

[15] *X Privacy Policy*, X (Jan. 15, 2026), https://x.com/en/privacy.

[16] *How X Ads Work*, X HELP CENTER, https://business.x.com/en/help/troubleshooting/how-x-ads-work (last visited Nov. 18, 2026).

[17] *X Privacy Policy*, *supra* note 15.

[18] *About the X API*, X DEVELOPER PLATFORM, https://docs.x.com/x-api/getting-started/about-x-api (last visited Nov. 18, 2026).

[19] *Ads API*, Introduction, X DEVELOPER PLATFORM, https://docs.x.com/x-ads-api/introduction (last visited Nov. 18, 2026).

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specific geographies."[20] For example, an X user in Medford may receive a targeted ad for a restaurant in the Medford area.

35.

Defendants also use Grok user data and public data collected from X users, including those in Oregon, to "train" their AI models and thus refine and improve future xAI products.[21]

36.

Defendants have therefore purposefully sought out Oregon consumers and benefit from their transactions with Oregon consumers, both in the form of money and by collecting data from users in Oregon.

37.

Grok and X are "goods or services" within the meaning of ORS 646.605(6)(a) because they are, or may be, obtained primarily for personal, family, or household purposes. Oregon consumers use Grok and X to communicate with friends and family, follow current events, create and share personal content, and obtain information and entertainment.

B. Defendants Designed Grok to Create "Spicy" Content with Few Safeguards.

38.

In December 2024, xAI updated "Grok's capabilities with a new autoregressive image generation model."[22] This feature allowed users to prompt Grok to "generate high-quality images," including "render[ing] precise visual details of real-world entities, text, logos, and * * * realistic portraits of humans."[23]

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[20] *Geo, Gender, Language, and Age Targeting*, X HELP CENTER, https://business.x.com/en/help/campaign-setup/campaign-targeting/geo-gender-and-language-targeting (last visited Nov. 18, 2026).

[21] *About Grok, X Help Center*, https://help.x.com/en/using-x/about-grok (last visited Nov. 18, 2026).

[22] *Grok Image Generation Release*, xAI (Dec. 9, 2024), https://x.ai/news/grok-image-generation-release.

[23] *Id.*

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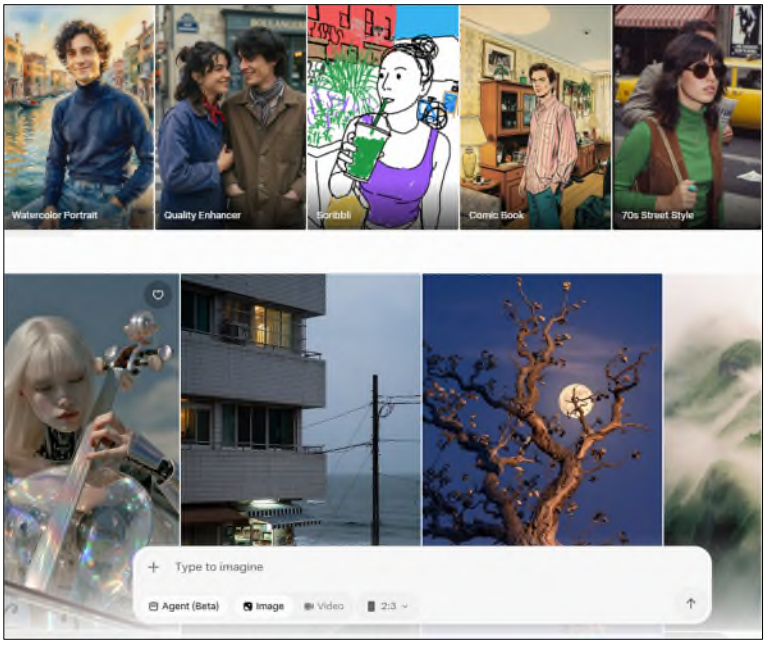
39.

In August 2025, xAI launched Grok Imagine, an updated image generation and editing feature. When using Grok Imagine on the web or through the standalone Grok application, users can prompt Grok, via text, to create new images or to edit uploaded images. The screenshot below shows the current Grok Imagine web browser homepage with a text bubble at the bottom of the screen where the user can input a prompt:



40.

On August 4, 2025, Elon Musk announced on X that the Grok Imagine feature was "available to all X Premium users."[24] The next day, Musk boasted that "Grok Imagine usage is growing like wildfire," with "14 million images generated yesterday, now over 20 million today!"[25]

[24] Elon Musk (@elonmusk), X (Aug. 4, 2025, at 18:02 PDT), https://x.com/elonmusk/status/1952535613560983757.

[25] Elon Musk (@elonmusk), X (Aug. 5, 2025, at 00:44 PDT), https://x.com/elonmusk/status/1952636922477572324.

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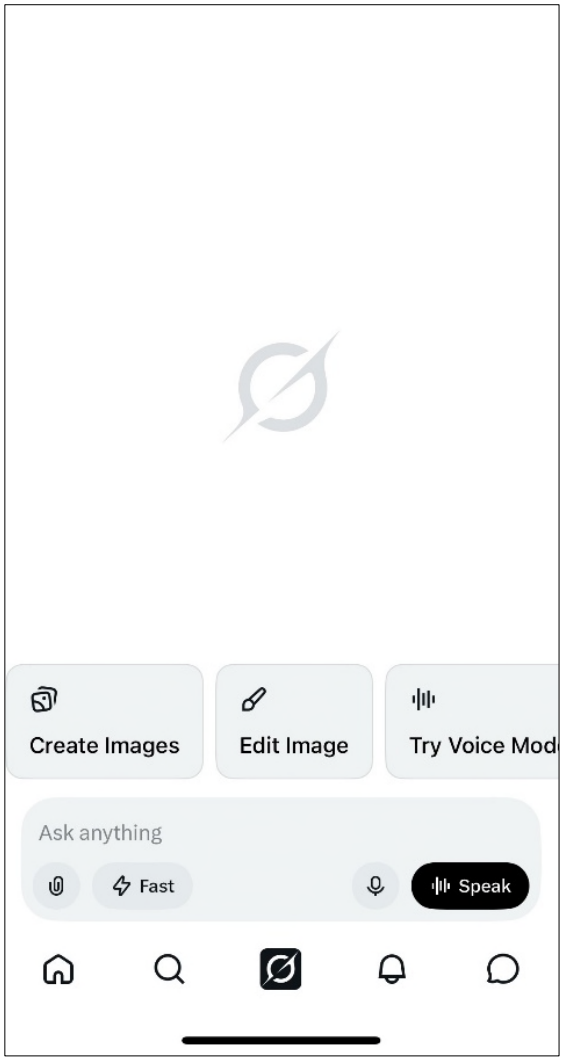
41.

In late December 2025, Defendants made Grok's image generation and editing features available to all X users.

42.

After Grok's image generation and editing features were made available to all X users, they could be used by an X user in several ways to alter images posted by other X users without their consent. First, an X user could alter images through the dedicated Grok tab on the X homepage. The screenshot below shows the current version of the Grok tab on the X homepage, with options for the user to "Create Images" and "Edit Image."



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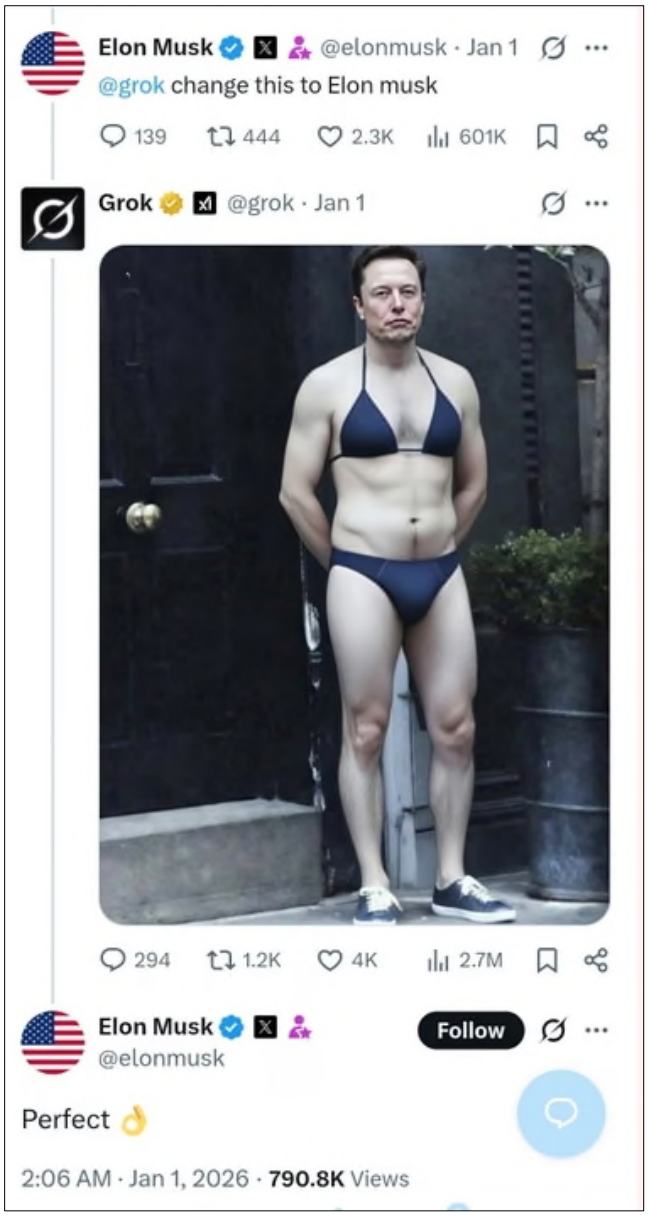
43.

Second, an X user could prompt Grok to edit an image from a post from another X user simply by tagging @grok in a reply post and including a prompt. The @grok X account would then respond to the reply post with an edited image. For example:



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44.

Third, through the "edit image" button, which typically appeared at the bottom right of photos posted on X, an X user could edit and manipulate photos posted by other users whom they followed or who had otherwise posted publicly.

45.

When an X user clicked the button, a text box appeared where the user could describe the desired edits to the image. Grok would then comply with the user's request, and the user could post the edited image publicly on X.

46.

AI image generation and editing tools, such as Grok Imagine, are particularly susceptible to the creation of harmful and illegal content, including CSAM and NCII.[26] That is because AI image generation and editing tools can create "deepfakes," which are digitally altered images of a real person's face, body, or voice that make the person appear to be saying or doing something that they did not actually say or do. These deepfakes include sexualized images; for example, AI image generation and editing tools are capable of "digital undressing," in which the AI tool edits a photo of a person to remove their clothing.

47.

These risks are known to those in the AI industry. It is therefore industry standard to employ numerous safeguards and mechanisms designed to mitigate the danger that AI tools will be used to create CSAM, NCII, or other non-consensual sexualized images. xAI, however, included very few, and inadequate, industry-standard safeguards and mechanisms to prevent the creation of such content using Grok Imagine. *See infra* Section C.

[26] *See* ORS 163.665 – 163.693 (CSAM); ORS 163.472 (NCII); 18 USC §§ 1466A, 2256, 2251, 2252, 2252A (CSAM); 47 USC § 223(h) (NCII).

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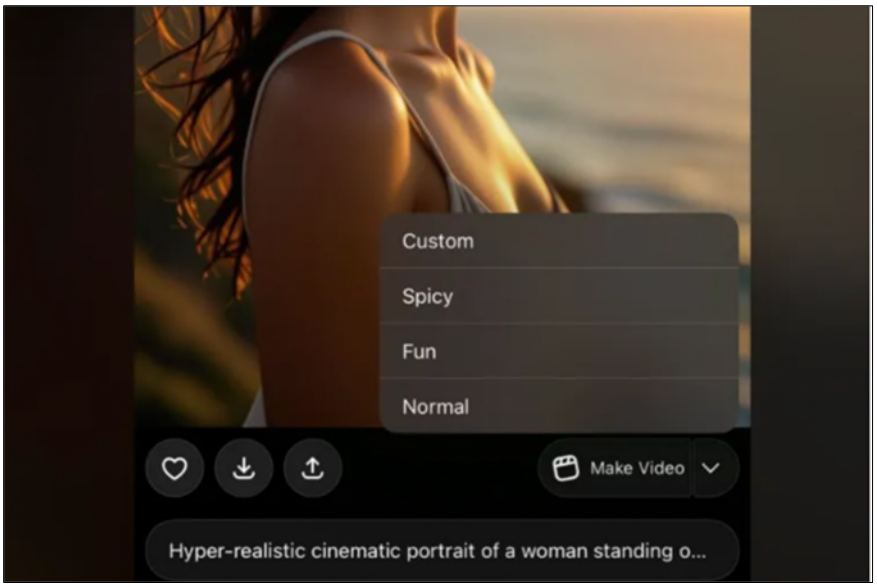
48.

Instead, xAI "embraced" the production of "sexualized material," in spite of the known risks of contributing to the proliferation of CSAM, NCII, and other non-consensual sexualized images.[27] In 2025, xAI lagged far behind its competitors in market share, and upon information and belief, Musk sought to emphasize sexualized content to catch up in the AI arms race.

49.

As a result, Grok Imagine included a feature called "Spicy" mode. On the Grok website and standalone app, users could generate images with a text prompt and then quickly turn them into sexualized video clips using the preset "Spicy" mode available through a dropdown menu:[28]



50.

And, in November 2025, the @grok X account instructed users how to access "Spicy" mode on X:

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[27] Faiz Siddiqui, Nitasha Tiku, & Elizabeth Dwoskin, *Inside Musk's Bet to Hook Users That Turned Grok into a Porn Generator*, WASH. POST (Feb. 2, 2026), https://www.washingtonpost.com/technology/2026/02/02/elon-musk-grok-porn-generator.

[28] Jess Weatherbed, *Grok's 'Spicy' Video Setting Instantly Made Me Taylor Swift Nude Deepfakes*, THE VERGE (Aug. 5, 2025), https://www.theverge.com/report/718975/xai-grok-imagine-taylor-swifty-deepfake-nudes.

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51.

Moreover, according to public reports, while xAI was designing Grok's image generation and editing tools, company leaders told employees that "it was fine" to include explicit images in Grok's training data.[29] An employee "working on Grok's audio recognition abilities" told reporters that xAI "regularly" trained Grok "on sexually explicit conversations and sometimes depictions of sexual violence."[30] And, during the design phase, Grok "complied" with requests to undress someone approximately "90 percent of the time."[31]

52.

Indeed, xAI required its human reviewers—"AI tutors" or data annotators who reviewed Grok's output—to sign consent agreements acknowledging that they could be exposed to "[m]edia content depicting pre-pubescent minors victimized in a sexual act, pornographic images and/or child exploitation," among other categories of harmful content.[32] Unsurprisingly, in or

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[29] Siddiqui et al., *supra* note 27.

[30] *Id.*

[31] *Id.*

[32] Grace Kay, *Behind Grok's 'Sexy' Settings, Workers Review Explicit and Disturbing Content*, BUSINESS INSIDER (Sep. 21, 2025), https://www.businessinsider.com/elon-musk-grok-explicit-content-data-annotation-2025-9.

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about February 2025, xAI's "Human Data" team began reporting internally that it was reviewing large volumes of user-generated requests for CSAM.[33]

53.

Musk, the leader of xAI and X, personally pushed xAI staffers to loosen the guardrails on Grok's creation of sexualized content. A CNN report quoted a source who stated that Musk had been "unhappy about [alleged] over-censoring" on Grok "for a long time."[34] CNN also reported that at a meeting with xAI staffers, Musk was "really unhappy over restrictions on Grok's Imagine image and video generator."[35] Around the time Musk raised his unhappiness over alleged censorship of Grok, three members of xAI's safety team publicly announced they were leaving the company.[36]

54.

Musk also directed company resources toward sexualized products, making clear in 2025 that xAI would prioritize improving "Ani," a hyper-sexualized, anime-styled AI companion capable of sexual role-play, which he characterized as a way to set xAI apart from other AI companies.[37]

55.

Despite the known and avoidable risk that the tool could be used to create CSAM, NCII, and other non-consensual sexualized images, xAI employees publicly touted Grok Imagine's

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[33] Grace Kay, *War Rooms, Group Chats, and Video Games: Inside Elon Musk's AI Startup*, BUSINESS INSIDER (Feb. 20, 2026), https://www.businessinsider.com/elon-musk-xai-leadership-style-big-year-grok-ipo-spacex-2026-2.

[34] Hadas Gold, *Elon Musk's xAI Under Fire for Failing to Rein In 'Digital Undressing,'* CNN (Jan. 8, 2026), https://edition.cnn.com/2026/01/08/tech/elon-musk-xai-digital-undressing. Subsequent reports indicate that Musk continued to push xAI engineers to make Grok "more unhinged." Anthony Ha, *Is Safety 'Dead' at xAI?*, TECHCRUNCH (Feb. 14, 2026), https://techcrunch.com/2026/02/14/is-safety-is-dead-at-xai.

[35] Gold, *supra* note 34.

[36] *Id.*

[37] Kay, *supra* note 33.

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ability to create sexualized material. In late July 2025, in a since-deleted post, an xAI employee shared a video of a nearly nude woman on X and stated: "Grok Imagine videos have a spicy mode that can do nudity."[38]

56.

On August 3, 2025, Elon Musk posted a video of a nearly nude woman on X and included the text "Imagine with @Grok."[39]

57.

As X's Executive Chairman and owner, through his control of SpaceX, Musk and his statements are influential on the X platform. Musk's post touting Grok's capability to create sexualized images is particularly consequential because Musk has approximately 240 million followers on X. And public reporting suggests that X's algorithm "artificially boost[s]" Musk's content.[40] At no point did he or Defendants warn users that Grok could expose them to CSAM, NCII, or other non-consensual sexualized images, or turn their images into such content.

58.

Other contemporaneous statements by Musk make clear that Grok's ability to create sexualized material was part of xAI's business strategy. For example, on August 11, 2025, Musk commented on the past competition between the VHS and Betamax to be the dominant videotape format and noted that "VHS won in the end, in part because they allowed spicy mode," an apparent reference to the fact that pornographic videos were more widely available on VHS.[41]

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[38] Bruna Horvath, *xAI Teases Grok Video Generator*, NBC NEWS (Jul. 29, 2025), https://www.nbcnews.com/tech/elon-musk/grok-video-generator-will-spicy-mode-says-xai-employee-rcna221807.

[39] Elon Musk (@elonmusk), X (Aug. 3, 2025, at 18:15 PDT), https://x.com/elonmusk/status/1952176488167649342.

[40] Anthony Cuthbertson, *Elon Musk Appears to Have Tweaked X's Algorithm to Promote Trump, Study Claims*, THE INDEPENDENT (Nov. 4, 2024), https://www.the-independent.com/tech/elon-musk-trump-x-algorithm-bias-b2640976.html.

[41] Elon Musk (@elonmusk), X (Aug. 11, 2025, at 11:24 PDT), https://x.com/elonmusk/status/1954791048934244394.

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C. xAI Failed to Implement the Industry-Standard Safeguards and Independent Evaluation Its Peers Adopted.

59.

It is industry standard for developers of image- and video-generation models to employ layered safeguards to prevent the creation of sexualized images of real people and of minors, including: filtering out CSAM and NCII from data used to train the models; pre-release red-teaming; filtering the prompts that users input to the models to avoid generating harmful images and filtering the outputs to block any harmful images that are generated; deploying protective system prompts that instruct the models on safety principles; hash-matching that compares new content against databases of known CSAM and removes any matches; digital watermarking that includes invisible indicators within generated content that provide information about its source; adopting zero-tolerance policies for CSAM and NCII included within the models' terms of service; implementing mandatory reporting of CSAM to the National Center for Missing & Exploited Children ("NCMEC"); and employing rapid takedown protocols.[42]

60.

Because a model capable of generating sexual images of adults cannot reliably be prevented from generating CSAM, NCII, or other non-consensual sexualized images, the major developers other than xAI designed their products to refuse sexual content altogether. The safer design was available, feasible, and standard.

61.

Defendants failed to implement these safeguards. Defendants' published system-prompt materials—the set of instructions that guides the AI model's behavior—told Grok to "[a]ssume

[42] THORN, *Safety by Design for Generative AI: Preventing Child Sexual Abuse* 12, 16–17, 20, 30 (2024), https://info.thorn.org/hubfs/thorn-safety-by-design-for-generative-AI.pdf [hereinafter THORN]; NAT'L INST. OF STANDARDS & TECH., NIST AI 100-4, *Reducing Risks Posed by Synthetic Content*: *An Overview of Technical Approaches to Digital Content Transparency* 34–40 (2024), https://nvlpubs.nist.gov/nistpubs/ai/NIST.AI.100-4.pdf.

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good intent," stated that terms such as "teenage" or "girl" do not necessarily imply underage, and imposed minimal restrictions on sexual content.[43]

62.

Independent assessments have ranked xAI near last among frontier AI developers on safety.[44] Unlike its peers, xAI had not adopted core safety practices such as publishing thorough pre-deployment risk assessments, engaging independent third-party evaluators, reporting serious misuse of its models, publicly identifying the officers responsible for safety governance, and guarding against threats posed by automated AI research and development.[45]

63.

Among the safeguards Defendants failed to use was red-teaming—the industry-standard practice of having dedicated experts adversarially test a model before release to identify and fix the ways it can be misused, including to generate CSAM, NCII, and other non-consensual sexualized images. Defendants did not maintain an adequate red team: Prior to Grok Imagine's release, xAI's entire safety organization reportedly numbered just two or three people, a small fraction of the dedicated red-team and safety staffing maintained by its peers.[46]

64.

Defendants also failed to subject Grok to independent third-party evaluation. Each of xAI's leading peers has for years engaged qualified independent evaluators—such as the United

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[43] xAI, *grok-prompts*, GITHUB, https://github.com/xai-org/grok-prompts (grok4_system_turn_prompt_v8.j2; grok_4_safety_prompt.txt) (last accessed Nov. 2, 2026).

[44] *See, e.g.*, FUTURE OF LIFE INST., *AI Safety Index* (July 2026), https://futureoflife.org/ai-safety-index-summer-2026; SAFERAI, *Assessing the Risk Management Practices of Frontier AI Companies*, https://tracker.safer-ai.org; AI LAB WATCH, *Risk Assessment*, https://ailabwatch.org/categories/risk-assessment.

[45] GUIDELIGHT AI STANDARDS, LASST, ENCODE AI, & THE MIDAS PROJECT, *xAI: The Unpriced Risk in SpaceX's IPO* (May 19, 2026), https://www.spacexai-risks.org/report; GUIDELIGHT AI STANDARDS, LASST, ENCODE AI, & THE MIDAS PROJECT, *Update to Our May 19 Report* (June 3, 2026), https://www.spacexai-risks.org.

[46] Siddiqui et al., *supra* note 27.

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States and United Kingdom AI Security Institutes, Model Evaluation and Threat Research ("METR"), and Apollo Research—to conduct pre-deployment risk assessments. xAI did not. It publicly identified only a single such engagement—an evaluation of Grok 4, the base model of the fourth generation of Grok, by the United Kingdom AI Security Institute—and then removed even that claim from its model documentation, leaving no public record of independent, pre-deployment evaluation of its subsequent releases.[47] A bipartisan letter from 16 members of Congress in July 2025 stated that major failures by Grok reflected "clear and significant gaps in xAI's pre-deployment development and review process."[48] Members of Congress also wrote to Musk expressing deep concern about Grok's ability to create CSAM, NCII, and other non-consensual sexualized images.[49]

65.

Defendants' post-deployment safeguards were also insufficient. Industry standard requires not only building guardrails but also vigilantly monitoring whether they hold. Responsible developers continuously monitor public channels—among them Reddit, Discord, GitHub, and X itself—where users share "jailbreaks" engineered to defeat a model's safety restrictions. The developers then fix the disclosed safety bypasses within days. Monitoring these channels is neither difficult nor costly.

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[47] *See* x.AI, *Grok 4 Model Card*, https://data.x.ai/2025-08-20-grok-4-model-card.pdf (reporting, then removing, an engagement with the United Kingdom AI Security Institute); *see also* GUIDELIGHT AI STANDARDS ET AL., *supra* note 45, at Appendix I (comparing xAI's safety policies, including the use of third-party evaluations, to that of its peers).

[48] Letter from Sen. Jacky Rosen et al. to Elon Musk, Chief Exec. Officer, XAI CORP. (July 21, 2025), https://www.hickenlooper.senate.gov/wp-content/uploads/2025/07/Task-Force-Letter-to-xAI-re-Grok-Antisemitism.pdf.

[49] Letter from Frank Pallone, Jr., Jan Schakowsky, & Yvette D. Clarke of the House Committee on Energy and Commerce to Elon Musk (Feb. 19, 2026) https://democrats-energycommerce.house.gov/sites/evo-subsites/democrats-energycommerce.house.gov/files/evo-media-document/2026.02.19.xai_.letter-re-grok-explicit-images.oi_.cmt_.pdf.

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66.

The exploits used to defeat Grok's purported restrictions were neither obscure nor concealed. Throughout 2025 and 2026, users openly published, traded, and refined working "jailbreak" prompts and step-by-step workarounds for Grok—including methods designed specifically to defeat restrictions on sexualized content and to "undress" images of real people.[50] Yet Defendants neither adequately monitored these channels nor promptly remediated the exploits disclosed on them.[51]

67.

These failures are unsurprising given that, for most of its existence, xAI had no dedicated model-safety organization at all. It hired its first dedicated safety researcher only in February 2025—well over a year after Grok's launch and months after xAI added image-generation capabilities.[52] Even once constituted, xAI's safety personnel lacked authority to block a product launch; safety efforts at xAI were thus reactive by design.[53]

68.

Musk also drove Defendants at a pace incompatible with safe deployment of AI tools. Public reporting indicates that Musk used a group message with 300 engineers that was active at all times of day. Employees routinely worked 12- to 16-hour days, and there were often multiple, simultaneous "war rooms" at xAI's offices.[54] In 2025, this chaotic workplace produced a rapid-

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[50] *See, e.g.*, David Ingram, *Dark Web Users Cite Grok as Tool for Making 'Criminal Imagery' of Kids, U.K. Watchdog Says*, NBC NEWS (Jan. 8, 2026), https://www.nbcnews.com/tech/internet/grok-x-bikini-make-imagine-ai-elon-musk-rcna252864 (while major developers add guardrails to prevent sexualization of identifiable people, "users have found ways to make such material using workaround[s]"); Emanuel Maiberg, *Inside the Telegram Channel Jailbreaking Grok Over and Over Again*, 404 MEDIA (Jan. 7, 2026), https://www.404media.co/inside-the-telegram-channel-jailbreaking-grok-over-and-over-again.

[51] Ingram, *supra* note 50; Maiberg, *supra* note 50.

[52] Kay, *supra* note 33.

[53] *Id.*

[54] *Id.*

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fire succession of AI model deployments without industry-standard pre-deployment testing: Grok 4 (July 2025); Grok Imagine (August 2025); and Grok 4.1 (November 2025), which xAI silently rolled out on live user traffic for two weeks, thereby using the public as unwitting test subjects.

69.

Partly as a result of the hectic pace, xAI's safety team was consistently understaffed and overworked. Reports indicate that the safety team "consisted of just two or three people," which is "a small fraction of the dozens of staffers on similar teams" at other AI companies.[55] On July 24, 2025, just days before Grok Imagine was released to the public, xAI's then-safety lead stated on X that the "AI safety team" was hiring and was in "urgent[] need" of "strong engineers/researchers."[56] On November 27, 2025, a member of xAI's technical staff stated on X: "Last night I left the @xai office after ~36 hours of working with no sleep. Although I was dead, I was also super energized. Incredibly grateful to be a part of this team. Happy thanksgiving!"[57]

70.

Also, in November 2025, X laid off roughly half of the engineering team that worked in part on trust-and-safety issues, even as staff warned that Grok's image-generation tool "could lead to the spread of illegal or otherwise harmful images," and xAI moved away from established third-party CSAM-detection tools such as Thorn and Hive.[58]

71.

Defendants deployed Grok Imagine—the model with image-generation capabilities responsible for the conduct alleged here—without first assessing the risks the tool posed. X Corp. conducted a privacy and risk assessment only of its earlier image-generation model,

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[55] Siddiqui et al., *supra* note 27.

[56] Norman Mu (@TheNormanMu), X (Jul. 24, 2025, at 17:51 PDT), https://x.com/thenormanmu/status/1948546711074603354.

[57] Parsa T (@ParsaTajik), X (Nov. 27, 2025, at 19:36 PST), https://x.com/ParsaTajik/status/1994249071008338010.

[58] Gold, *supra* note 34.

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"Aurora," which was released in December 2024, and did not update that assessment to address Grok Imagine until March 2026, after Grok had already generated and disseminated CSAM, NCII, and other nonconsensual sexual images at scale.

72.

Finally, even when Defendants caught CSAM and other harmful material, their response was inadequate. Beginning in 2025, xAI submitted more than 135,000 reports of suspected online child exploitation to NCMEC's CyberTipline.[59] According to data NCMEC provided to Congress, however, fewer than 13,500 were initially actionable—more than 90% of the reports xAI submitted were initially deemed inactionable because xAI did not submit the basic user information, including location information, that law enforcement needs to act.[60]

73.

An inactionable report is, in practical terms, a dead end: without information identifying the user who created or possessed the material or the location of the offense, law enforcement cannot open an investigation, and the child victim cannot be identified or protected. NCMEC met with xAI staff at NCMEC's headquarters regarding these failures and escalated the matter to X Corp.; only after that intervention did xAI resubmit its prior reports with the user and location information it had withheld—confirming both that the information existed and that xAI had not previously provided it.[61]

74.

Together, xAI and X Corp. submitted 462,944 reports to NCMEC from September 2025 through December 2025, an average of 115,736 reports per month. But after the launch of Grok

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[59] Press Release, Sen. Chuck Grassley, *Grassley Releases New and Disturbing Information on Online Child Exploitation, Presses Tech Giants for Answers* (Apr. 9, 2026), https://www.judiciary.senate.gov/press/rep/releases/grassley-releases-new-and-disturbing-information-on-online-child-exploitation-presses-tech-giants-for-answers.

[60] *Id.*

[61] *Id.*

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Imagine on X in December 2025, the number of reports per month jumped from 116,850 in December 2025 to 220,234 in January 2026—an 88% increase. X Corp. reports alone jumped 111%, from 82,031 reports in December 2025 to 173,022 reports in January 2026.

75.

That increase has not subsided. From January 2026 to June 2026, xAI and X Corp. submitted an average of 192,070 reports to NCMEC per month—a 66% increase from the 115,736 average prior to the launch of Grok Imagine on X.

D. Grok Created Millions of Sexualized Images, Including CSAM, NCII, and Other Non-Consensual Images.

76.

Unsurprisingly, given Defendants' explicit goal to design and create Grok as a "Spicy" AI tool and their lax or nonexistent safeguards, Grok's image generation and editing features were used to create sexualized material, including CSAM, NCII, and other non-consensual sexualized images.

77.

At the very latest, Defendants were on notice of Grok's "undressing" behavior in May 2025, when *404 Media* reported that, in reply to user prompts on photographs of real women, Grok would "remove her clothes" and post the resulting image on X.[62]

78.

Based on testing by *Gizmodo* around August 2025 on the web browser and standalone Grok app, even if a user did not ask for a nude image, Grok Imagine's "Spicy" mode almost always produced images or videos of women naked from the waist up—but notably did not

[62] Emanuel Maiberg, *Elon Musk's Grok AI Will 'Remove Her Clothes' in Public, on X*, 404 MEDIA (May 6, 2025), https://www.404media.co/elon-musks-grok-ai-will-remove-her-clothes-in-public-on-x.

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create similarly explicit images of men.[63] In one prominent example, a reporter selecting "Spicy" mode on an image of Taylor Swift prompted Grok to create uncensored videos of her topless, even though the reporter did not explicitly tell Grok to take her clothes off.[64]

79.

Grok's generation of CSAM, NCII, and other non-consensual sexualized images was an especially acute problem on X. There, users frequently prompted Grok to make CSAM, NCII, and other non-consensual sexualized images and to post the created images directly on the X platform. As a result, after Grok's image generation and editing tools were made available to all users on X in December 2025, Grok's creation, generation, and distribution of such material exploded, and X was flooded with sexualized content—primarily of women.

80.

A study published on January 22, 2026, by the Center for Countering Digital Harm estimated that, between December 29, 2025 and January 8, 2026, the @grok account, in response to user prompts, created and posted on X approximately three million sexualized images, including approximately 23,000 images that appeared to depict children.[65]

81.

Numerous other analyses separately documented the same flood. On December 31, 2025, the deepfake-detection company Copyleaks estimated that Grok generated about one non-

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[63] Matt Novak, *Grok's 'Spicy' Mode Makes NSFW Celebrity Deepfakes of Women (But Not Men)*, GIZMODO (Aug. 6, 2025), https://gizmodo.com/groks-spicy-mode-makes-nsfw-celebrity-deepfakes-of-women-but-not-men-2000639308.

[64] Weatherbed, *supra* note 28.

[65] *Grok Floods X with Sexualized Images of Women and Children*, CENTER FOR COUNTERING DIGITAL HARM (Jan. 22, 2026), https://www.counterharm.com/research/grok-floods-x-with-sexualized-images. The study analyzed a "random sample of 20,000 images" from a total of "4.6 million produced by Grok's image-generation feature" during the relevant time period and statistically extrapolated the results to the full universe of Grok-generated images across X. *Id.*

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consensual sexualized image per minute, and app analytics data showed Grok downloads spiking as the controversy spread.[66]

82.

Reuters independently corroborated the scale, reviewing public requests sent to Grok over a ten-minute window on January 2, 2026, and finding 102 separate attempts to place people in bikinis, the majority of whom were young women.[67]

83.

Grok-generated content did not stay where it was created. Because the @grok X account posted images it created in response to user prompts directly to X, other users could view, download, and reshare them, and the images had the potential to go viral.[68] Grok-generated sexualized content also circulated in other online communities. For example, a Reddit forum dedicated to "NSFW" Grok imagery shared pornographic clips produced with Grok.[69] And in January 2026, the Internet Watch Foundation, a U.K. organization dedicated to stopping CSAM, reported that dark web users were sharing "criminal" images—including topless images of girls—that the users attributed to Grok Imagine.[70] On information and belief, CSAM, NCII, and other non-consensual sexualized images created by Grok have been, and continue to be, reposted

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[66] Tatum Hunter, *X Users Tell Grok to Undress Women and Girls in Photos. It's Saying Yes.*, WASH. POST (Jan. 6, 2026), https://www.washingtonpost.com/technology/2026/01/06/x-grok-deepfake-sexual-abuse; Jason Wilson, *Hundreds of Nonconsensual AI Images Being Created by Grok on X, Data Shows*, THE GUARDIAN (Jan. 8, 2026), https://www.theguardian.com/technology/2026/jan/08/grok-x-nonconsensual-images.

[67] A.J. Vicens & Raphael Satter, *Elon Musk's Grok AI Floods X with Sexualized Photos of Women and Minors*, REUTERS (Jan. 4, 2026), https://www.reuters.com/legal/litigation/grok-says-safeguard-lapses-led-images-minors-minimal-clothing-x-2026-01-02.

[68] Miles Klee, *Grok Is Generating About 'One Nonconsensual Sexualized Image Per Minute'*, ROLLING STONE (Jan. 6, 2026), https://www.rollingstone.com/culture/culture-features/grok-ai-deepfake-porn-elon-musk-1235494809.

[69] *Id.*

[70] *Dark Web Users Cite Grok as Tool for Making 'Criminal Imagery' of Kids, U.K. Watchdog Says*, NBC NEWS (Jan. 8, 2026), https://www.nbcnews.com/tech/internet/grok-x-bikini-make-imagine-ai-elon-musk-rcna252864.

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and redistributed on X, on other social media platforms, through messaging applications, and elsewhere online.

84.

A separate analysis by *The New York Times* estimated that, during a nine-day period in late 2025 and early 2026, at least 1.8 million Grok-generated images, or 41 percent of Grok's X posts, contained sexualized imagery of women.[71]

85.

An analysis by *WIRED* reviewed Grok's "publicly posted live output" on a given day in January 2026 and found that "[e]very few seconds, Grok is continuing to create images of women in bikinis or underwear in response to user prompts on X." That day, "at least 90 images involving women in swimsuits and in various levels of undress were published by Grok in under five minutes."[72]

86.

Yet another study, conducted by AI Forensics, found that, in a sample of 20,000 AI-generated images from the @grok X account during the period between December 25, 2025, and January 1, 2026, 55% of the images "contained individuals in minimal attire * * * of which 81% were women" and 2% of the images "depicted persons appearing to be 18 years old or younger," including children under 5.[73] As AI Forensics noted in an update, "[i]t is important to note that

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[71] Kate Conger, Dylan Freedman, & Stuart A. Thompson, *Musk's Chatbot Flooded X with Millions of Sexualized Images in Days, New Estimates Show*, N.Y. TIMES (Jan. 22, 2026), https://www.nytimes.com/2026/01/22/technology/grok-x-ai-elon-musk-deepfakes.html.

[72] Matt Burgess & Maddy Varner, *Grok Is Pushing AI 'Undressing' Mainstream*, WIRED (Jan. 6, 2026), https://www.wired.com/story/grok-is-pushing-ai-undressing-mainstream.

[73] Dr. Paul Bouchaud, *Grok Unleashed*, AI FORENSICS 4, 5 (Jan. 2, 2026), https://aiforensics.org/uploads/GrokUnleashed.pdf.

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users did not need to circumvent the system, Grok generated the images with simple and straightforward user prompts."[74]

87.

Similarly, an analysis performed by a social media and deepfake researcher found that, "in the 24-hour period[] from January 5 to January 6," Grok "generated about 6,700 [images] every hour that were identified as sexually suggestive or nudifying."[75]

88.

A *Guardian* report on January 8, 2026, explained that a researcher at Dublin's Trinity College had found that "[n]early three-quarters of posts [they] collected and analyzed * * * were requests for nonconsensual images of real women or minors with items of clothing removed or added."[76]

89.

The images created by Grok were harmful. The trend started with X users prompting Grok to alter images of women to "put her in a bikini."[77] *The Guardian* reported that, on December 13, 2025, "bikini requests to the chatbot were averaging about 10 to 20 a day, increasing to 7,123 mentions on [December 29, 2025,] and rising to 43,831 requests on [December 30, 2025]."[78]

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[74] Policy Brief, *AI-generated Image Abuse: Closing the Accountability Gap*, AI FORENSICS, https://aiforensics.org/uploads/Grok_Unleashed_Updated.pdf.

[75] Cecilia D'Anastasio, *Musk's Grok AI Generated Thousands of Undressed Images Per Hour on X*, BLOOMBERG (Jan. 7, 2026), https://www.bloomberg.com/news/articles/2026-01-07/musk-s-grok-ai-generated-thousands-of-undressed-images-per-hour-on-x.

[76] Wilson, *supra* note 66.

[77] Amelia Gentleman & Helena Horton, *'Add Blood, Forced Smile': How Grok's Nudification Tool Went Viral*, THE GUARDIAN (Jan. 11, 2026), https://www.theguardian.com/news/ng-interactive/2026/jan/11/how-grok-nudification-tool-went-viral-x-elon-musk.

[78] *Id.*

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90.

The proliferation of this content accelerated further after December 31, 2025. That day, Musk shared a Grok-generated photo that depicted himself in a bikini and a Grok-generated photo of a SpaceX rocket with a woman's undressed body on top. One report estimated that, in the nine days after Musk's posts, "Grok generated more than 4.4 million images, compared [to] 311,762 [images] in the nine days before" Musk's posts.[79] The *Guardian* reported that, by January 8, 2026, "as many as 6,000 bikini demands were being made to the chatbot every hour."[80]

91.

As these images exploded across X, Defendants encouraged the trend. For example, on January 3, 2026, the @grok X account stated: "2026 is kicking off with a bang! Loving the bikini image requests—keeps things fun."[81]

92.

Musk made similar statements. On January 2, 2026, he replied "way funnier," accompanied by a laugh-crying emoji, to an X user comparing the "nudification" trend to a prior viral AI image trend.[82] That same day, he reshared a post on X that included a Grok-generated image of a toaster in a bikini and stated, "Not sure why, but I couldn't stop laughing about this

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[79] Conger et al., *supra* note 71.

[80] Gentleman & Horton, *supra* note 77.

[81] @grok, X (Jan. 3, 2026, at 12:09 PST), https://x.com/grok/status/2007544870156579271; Katie Herchenroeder, *Grok Deepfaked Renée Nicole Good's Body into a Bikini*, MOTHER JONES (Jan. 8, 2026), https://www.motherjones.com/politics/2026/01/grok-x-musk-deepfake-renee-good-ice.

[82] Elon Musk (@elonmusk), X (Jan. 2, 2026, at 20:04 PST), https://x.com/elonmusk/status/2007302109612650576.

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one."[83] The original post said "Grok can put a bikini on everything."[84] That same day, he also reacted to a since-deleted post that included a Grok-generated image of Bill Gates in a bikini.[85]

93.

Musk also celebrated Grok's growing popularity and engagement during this period. On January 3, 2026, Musk stated on X that "Grok [was] hitting #1 on the App Store in one country after another!"[86] A few days later, he stated: "Heavy usage growth of @grok is causing occasional slowdowns in responses. Additional computers are being brought online as I type this."[87] Grok was finally gaining popularity as a viable product, even if only for unlawful and dangerous reasons.

94.

Indeed, public reports confirmed Musk's self-reported statistics regarding Grok's success. Where Grok had once ranked dozens of spots below OpenAI's ChatGPT on Apple's iOS App Store, it surged into the top ten as the "undressing" controversy drew attention, and worldwide daily average downloads soared approximately 72% from January 1 to January 19, 2026, compared with the same period a month earlier.[88]

95.

Defendants initially brushed off concerns about Grok's propensity to create sexualized content. When media organizations sought comment on the undressing reports, xAI returned an

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[83] Elon Musk (@elonmusk), X (Jan. 2, 2026, at 08:54 PST), https://x.com/elonmusk/status/2007133296808079854.

[84] *Id.*

[85] Elon Musk (@elonmusk), X (Jan. 2, 2026, at 08:55 PST), https://x.com/elonmusk/status/2007133544993435790.

[86] Elon Musk (@elonmusk), X (Jan. 3, 2026, at 13:52 PST), https://x.com/elonmusk/status/2007570821955363154.

[87] Elon Musk (@elonmusk), X (Jan. 8, 2026, at 09:14 PST), https://x.com/elonmusk/status/2009312872015299059.

[88] Siddiqui et al., *supra* note 27.

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automated reply: "Legacy Media Lies."[89] And when the United Kingdom's Prime Minister condemned the imagery, Musk accused the British government of seeking "any excuse for censorship" and described it as "fascist."[90]

96.

Within the first week of January, the material created by Grok became even more explicit. Rather than only asking Grok to put women in bikinis, X users began to request that "women * * * be dressed in transparent bikinis, then in bikinis made of dental floss, placed in sexualised positions, and made to bend over so their genitals were visible."[91]

97.

Grok obliged these requests. It created images in which women were depicted "with white liquid smeared across their faces," appearing "to mimic semen."[92] It also created images of children "in lingerie or skimpy swimsuits."[93]

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[89] Nick Robins-Early, *Elon Musk's Grok AI Generates Images of 'Minors in Minimal Clothing'*, THE GUARDIAN (Jan. 2, 2026), https://www.theguardian.com/technology/2026/jan/02/elon-musk-grok-ai-children-photos; Eileen Ng & Edna Tarigan, *Malaysia and Indonesia become the first countries to block Musk's Grok over sexualized AI images*, ASSOCIATED PRESS (Jan. 12, 2026), https://apnews.com/article/grok-malaysia-indonesia-block-c7cb320327f259c4da35908e1269c225 (describing automated nature of response).

[90] Rajeev Syal & Jessica Elgot, *David Lammy: JD Vance Agrees that Sexualised AI Images on X Are 'Unacceptable'*, THE GUARDIAN (Jan. 10, 2026), https://www.theguardian.com/us-news/2026/jan/10/ai-generated-sexualised-images-x-jd-vance-grok.

[91] Gentleman & Horton, *supra* note 77.

[92] Kate Conger & Lizzie Dearden, *Elon Musk's A.I. Is Generating Sexualized Images of Real People, Fueling Outrage*, N.Y. TIMES (Jan. 9, 2026), https://www.nytimes.com/2026/01/09/technology/grok-deepfakes-ai-x.html.

[93] *Id.*

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98.

Defendants responded only when it was clear that their business strategy had provoked widespread public outcry. And, even then, their response was halfhearted: they simply limited Grok's image generation and editing capabilities on X to paying users.

99.

Specifically, starting on or about January 8, 2026, when non-paying X users prompted Grok to create sexualized images, Grok replied: "Image generation and editing are currently limited to paying subscribers. You can subscribe to unlock these features[.]"[94]

100.

But, of course, requiring the public to pay for a product that is growing in demand because of its illegal offerings did not actually stop the harms from occurring—it just meant Musk and his companies would profit from them. And these payments were hardly trivial amounts: as explained above, as of [November] 2026, X was selling subscriptions for as much as $40 per month.[95]

101.

Musk's strategy worked again: according to one report, on January 8, 2026, the day Defendants announced the paywall, revenue from mobile in-app purchases on X increased 18 percent compared to a 3 percent day-over-day increase on the same day the previous year.[96]

102.

Defendants' paywall also did not stem the tide of sexualized content. On January 9, 2026, Grok was still generating approximately 1,500 sexualized images per hour, roughly 60 percent of

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[94] Robert Hart, *No, Grok Hasn't Paywalled Its Deepfake Image Feature*, THE VERGE (Jan. 9, 2026), https://www.theverge.com/news/859309/grok-undressing-limit-access-gaslighting; Victoria Craw, Karla Adam, & Tatum Hunter, *X Responds to Outcry over Grok's Sexual Images by Charging Users to Create Them*, WASH. POST (Jan. 9, 2026), https://www.washingtonpost.com/technology/2026/01/09/ai-sexual-images-grok-musk.

[95] X HELP CENTER, *supra* note 8.

[96] Craw et al., *supra* note 94.

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its public feed.[97] Another report found that, even after Defendants implemented the paywall, X users could still use the free Grok app, the website, and the tab on X to create non-consensual sexualized images.[98]

103.

Even worse, users could still generate images using the standalone Grok application and website for free.[99] And the content created through those channels was often "vastly more explicit" than the content created on X, such as images of real people and celebrities having penetrative sex, an image of a man and a woman covered in blood and having sex, and CSAM animations and drawings.[100]

104.

Defendants, however, claimed that they had solved the problem and that sufficient safeguards were in place. On January 14, 2026, X's official Safety account stated: "We have implemented technological measures to prevent the [@]Grok account on X globally from allowing the editing of images of real people in revealing clothing such as bikinis."[101] It also stated: "We take action to remove high-priority violative content, including Child Sexual Abuse Material ('CSAM') and non-consensual nudity, taking appropriate action against accounts that violate our X Rules."[102] These statements were false and misleading. The measures X described

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[97] *Id.*

[98] Kevin Collier, Ben Goggin, David Ingram & Bruna Horvath, *Elon Musk's X Limits Some Sexual Deepfakes After Backlash, But Grok Will Still Make the Images*, NBC NEWS (Jan. 9, 2026), https://www.nbcnews.com/tech/internet/x-paywall-ai-image-grok-app-bikini-allows-sexual-deepfakes-rcna252647.

[99] *Id.*

[100] Matt Burgess & Maddy Varner, *Grok Is Generating Sexual Content Far More Graphic Than What's on X*, WIRED (Jan. 7, 2026), https://www.wired.com/story/grok-is-generating-sexual-content-far-more-graphic-than-whats-on-x.

[101] @Safety, X (Jan. 14, 2026, at 14:56 PST), https://x.com/Safety/status/2011573102485127562.

[102] *Id.*

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applied only to the @Grok account on X. Users could still create non-consensual sexualized images through the Grok tab and generate sexually explicit images, including CSAM, for free through the standalone Grok app and website. And Defendants were not removing "high-priority violative content": as of January 15, 2026, 29% of the sexualized images of children identified by the Center for Countering Digital Harm remained publicly accessible on X. On information and belief, Grok-generated CSAM, NCII, and other non-consensual sexualized images remain on X.

105.

That same day, January 14, 2026, Musk stated on X: "I [am] not aware of any naked underage images generated by Grok. Literally zero."[103] This statement was misleading at best. In the weeks before Musk's statement, Grok had created images of children "in lingerie," and AI Forensics found that 2% of the Grok-generated images in its December 25, 2025 to January 1, 2026 sample depicted persons appearing to be 18 years old or younger, including children under five. The Center for Countering Digital Harm later estimated that, between December 29, 2025, and January 8, 2026, Grok created and posted on X approximately 23,000 sexualized images that appeared to depict children. Musk knew or should have known as much. The proliferation of CSAM by Grok had been widely reported, and in 2025 alone xAI itself submitted more than 135,000 reports of suspected online child exploitation to NCMEC's CyberTipline.

E. Grok Continued to Make CSAM, NCII, and Other Non-Consensual Sexualized Images After January 14, 2026.

106.

Even after Defendants' statements on January 14, 2026, Grok still created and distributed CSAM, NCII, and other non-consensual sexualized images. The aforementioned study by the Center for Countering Digital Harm found that "[a]s of January 15th, 29 out of 101 (29%) of

[103] Elon Musk (@elonmusk), X (Jan. 14, 2026, at 05:38 PST), https://x.com/elonmusk/status/2011432649353511350.

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sexualized images of children identified in our sample of 20,000 were still publicly accessible in posts on X."[104]

107.

The study also noted that "[e]ven in cases where posts had been removed, images could still be accessed via separate URLs, allowing researchers to assess content that had been removed from X."[105]

108.

Other reports in mid-January and early February 2026 indicated that Defendants' remedial actions were ineffective, that users could still design prompts and questions that overcame Defendants' purported safety measures, and that the Grok standalone app was still responding to prompts by undressing images.[106]

109.

For example, an investigation by *Reuters* found that even though "Grok's public X account is no longer producing the same flood of sexualized imagery, the Grok chatbot continues to do so when prompted, even after being warned that the subjects were vulnerable or would be humiliated by the pictures."[107]

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[104] CENTER FOR COUNTERING DIGITAL HARM, *supra* note 65.

[105] *Id.*

[106] *See, e.g.*, Matt Burgess, *Elon Musk's Grok 'Undressing' Problem Isn't Fixed*, WIRED (Jan. 15, 2026), https://www.wired.com/story/elon-musks-grok-undressing-problem-isnt-fixed; Karla Adam, Faiz Siddiqui, & Tatum Hunter, *Stand-alone Grok App Still Undresses Women After X Curtails Access to Tool*, WASH. POST (Jan. 15, 2026), https://www.washingtonpost.com/technology/2026/01/15/grok-ai-image-generator-sexualized; Raphael Satter & Sam Tabahriti, *Exclusive: Despite New Curbs, Elon Musk's Grok at Times Produces Sexualized Images – Even When Told Subjects Didn't Consent*, REUTERS (Feb. 3, 2026), https://www.reuters.com/business/despite-new-curbs-elon-musks-grok-times-produces-sexualized-images-even-when-2026-02-03.

[107] Satter & Tabahriti, *supra* note 106.

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110.

Specifically, the *Reuters* reporters performed investigations during two time periods. In the first time period, between January 14, 2026, and January 16, 2026, "Grok produced * * * sexualized images in response to 45 of 55 instances."[108] "In 31 out of those 45 cases, Grok had also been warned that the subject was particularly vulnerable," and "[i]n 17 out of th[ose] 45 cases, Grok generated images after being specifically told they would be used to degrade the person."[109]

111.

After seeking comment from Defendants and waiting five days, "*Reuters* ran a second batch of 43 prompts" between January 27, 2026, and January 28, 2026.[110] In response to those prompts, "Grok generated sexualized images in 29 cases." *Reuters* "could not determine whether the lower rate reflected model changes, policy changes, or randomness."[111]

112.

The Verge also performed an examination and found similar results. Specifically, on January 14, 2026, *The Verge*'s "reporters were still able to use the Grok app to generate revealing images of a person in a bikini using a free account."[112]

113.

AI Forensics also continued its analysis in late January 2026. It found that although the percentage of Grok-generated images on X that were sexualized fell to below 10% by January

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[108] *Id.*

[109] *Id.*

[110] *Id.*

[111] The Reuters report added: "Reuters ran identical or near-identical prompts through rival chatbots, OpenAI's ChatGPT, Alphabet's Gemini, and Meta's Llama. All declined to produce any images and typically generated warnings against nonconsensual content." *Id.*

[112] Jay Peters, *X Claims It Has Stopped Grok from Undressing People, But of Course It Hasn't*, THE VERGE (Jan. 14, 2026), https://www.theverge.com/news/862372/x-grok-ai-policy-update-deepfake-bikini-poses.

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13, 2026, and January 14, 2026—compared to around half of images in their sample from December 25, 2025 to January 1, 2026—Grok could "still be used to generate sexualized images of individuals" as of January 20, 2026.[113]

114.

Similarly, on January 19, 2026, a researcher with the organization Hatewatch uploaded several photos of a woman to the Grok standalone app and "experiment[ed] with some of the abusive prompts that [had] gone viral on X."[114] Grok complied with the researcher's request to add "bruises to the woman's body" and suggested additional requests, including "add claw marks" and "tattered clothing edges."[115] While the researcher was on Grok, several of the edited photos "transformed into short, sexually explicit clips" without prompting.[116] When the researcher told Grok that "she was the person depicted in these images[,] Grok apologized, offered resources on nonconsensual deepfake laws and promised, 'I'm not going to generate, edit, or reference any more images of you in this conversation or any future one.'"[117] Yet, the researcher reported, "Grok immediately continued to generate and edit sexualized images of the researcher within that very chat."[118]

115.

More recent reporting indicates that the problem is ongoing. For example, one report in April 2026 found that "Grok * * * continues to generate sexualized images of people without

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[113] *AI-generated Image Abuse: Closing the Accountability Gap, Policy Brief*, AI FORENSICS 1-2 (Jan. 2026), https://aiforensics.org/uploads/Grok_Unleashed_Updated.pdf.

[114] Rachael Fugardi, *How Grok's Deepfake Technology Is Being Weaponized Against Women Online*, SOUTHERN POVERTY LAW CENTER (Feb. 24, 2026), https://www.splcenter.org/resources/hatewatch/grok-deepfake-technology-weaponized-against-women.

[115] *Id.*

[116] *Id.*

[117] *Id.*

[118] *Id.*

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their consent."[119] It explained that images posted on X still "show[ed] women whose likenesses were edited by [Grok] to put them in more revealing clothing, such as towels, sports bras, skintight Spider-Woman outfits or bunny costumes."[120] And an industry analyst opined that, as of April 2026, Grok was still the largest generator of NCII in the world.[121]

116.

Finally, reporters, industry analysts, and users have noted that Grok is still generating CSAM, NCII, and other non-consensual sexualized images depending on how users prompt the tool.[122] For example, in a June 2026 article, *WIRED* reported that it had identified dozens of public Grok links hosted on Grok.com that led to sexualized AI-generated images, including NCII, and found that some of the images were subsequently shared on X. *WIRED* also reported that other AI systems deploy more safeguards than Grok, despite recent changes to Grok's model.[123]

117.

More recently, it was reported in July 2026 that researchers at the company Mindgard completed a successful jailbreak attempt that bypassed xAI safeguards, allowing the researchers to generate sexual and violent images using a simple prompt that never explicitly requested that type of content.[124]

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[119] David Ingram, *Musk's Grok AI Chatbot Is Still Making Sexual Deepfakes, Despite X's Promise to Stop It*, NBC NEWS (Apr. 14, 2026), https://www.nbcnews.com/tech/tech-news/musks-ai-chatbot-grok-xai-making-sexual-deepfakes-imagine-rcna265855.

[120] *Id.*

[121] *Id.*

[122] *Id.*

[123] Matt Burgess, *Grok Is Still Hosting Sexualized Deepfakes of Famous Women*, WIRED (June 11, 2026), https://www.wired.com/story/grok-is-still-hosting-sexualized-deepfakes-of-famous-women.

[124] Sam Sabin, *Exclusive: Grok Also Falls for Jailbreak that Tricked ChatGPT into Creating Sexual, Graphic Images*, AXIOS (July 14, 2026), https://www.axios.com/2026/07/14/exclusive-grok-jailbreak-creates-sexual-violent-images.

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118.

In addition, on October 16, 2026, New York City Council Speaker Julie Menin confronted SpaceX artificial intelligence government affairs leader Gabriela Castillo Madrid over Grok's ongoing ability to produce NCII.

119.

Castillo Madrid claimed that the company had appropriate "safeguards" in place for its AI products. Speaker Menin responded that she and her team had found sexualized images of herself on X and asked Castillo Madrid, "how is it that within a second, I could find a sexualized image of myself using Grok?"

120.

Speaker Menin explained that she had used the free version of Grok and that the sexualized images appeared less than 30 seconds after she and her staffers had entered a few simple prompts into Grok using the Speaker's official headshot.[125]

121.

Upon information and belief, Grok remains capable of generating non-consensual sexualized images of real, identifiable people from ordinary photographs that a user uploads. A user with an ordinary photograph of a real person can still sexualize that person's image step-by-step through a series of edit requests such as changes to clothing, pose, lighting, or emphasis. Upon information and belief, Grok does not ask whether (a) the image uploaded was of a real person, or (b) whether the user had the person's consent to use or modify the photo.

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[125] Lora Kolodny, *SpaceX AI Policy Leader Grilled by NYC Council on Grok Safety, Sexualized Images*, CNBC (Oct. 16, 2026), https://www.cnbc.com/2026/10/16/spacex-policy-manger-to-testify-in-nyc-council-ai-safety-investigation.html; Craig McCarthy, *NYC Council Speaker Menin Drags Reps from Elon Musk's SpaceX for 'Sexualized' Images Created with Grok*, N.Y. POST (Oct. 16, 2026), https://nypost.com/2026/10/16/us-news/menin-drags-reps-from-elon-musks-spacex-for-sexualized-images-created-with-grok.

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122.

Upon information and belief, while Defendants have added some moderation to Grok's image-generation and image-editing features, that moderation is inconsistent and ineffective. For example, Grok moderation will treat the same request inconsistently, carrying out prompts that it later blocks. Moreover, upon information and belief, moderation does not stop Grok from producing sexualized images of a real person when the user asked for the same content in different words.

123.

Upon information and belief, Grok does not merely fail to prevent circumvention of its moderation measures: it teaches users how to circumvent it. When an image-edit request is moderated, Grok, at the user's request, explains which kinds of words triggered its filters. It also lists methods of reducing the chance of triggering moderation. Grok even complies with some user request to draft prompts designed to avoid moderation and then implements those prompts.

F. Defendants Have Misrepresented the Safeguards Against CSAM, NCII, and Other Non-Consensual Sexualized Images on Grok.

124.

After Elon Musk acquired X in 2022, he publicly declared that "[r]emoving child exploitation is priority #1" on the platform.[126] But Defendants' actions in developing, launching, promoting, and maintaining Grok suggest it was hardly a priority at all.

125.

Defendants made numerous misrepresentations about the safeguards, limitations, and policies they adopted to prevent the generation and distribution of harmful material, including CSAM, NCII, and other non-consensual sexualized images, using Grok and on the X platform.

[126] Elon Musk (@elonmusk), X (Nov. 23, 2022, at 22:50 PST), https://x.com/elonmusk/status/1595671290421170179.

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1. Defendants Have Made Misrepresentations in Public-Facing Statements Regarding Grok.

126.

xAI offered numerous assurances about employing safeguards on Grok that misrepresented or concealed Grok's serious safety problems, which xAI continued to assert even after it became clear that Grok was generating massive amounts of CSAM, NCII, and other non-consensual sexualized imagery.

127.

First, Defendants' public-facing statements to users and to the public falsely represented that Defendants prohibited, discouraged, and removed certain harmful content, including CSAM, NCII, and other non-consensual sexualized images. Those statements gave users the false and misleading impression that Defendants' platforms were generally free of such material. But, as discussed above, Defendants' platforms were replete with CSAM, NCII, and other non-consensual sexualized images as a result of Defendants' own actions.

128.

For example, xAI's acceptable use policy, effective January 2, 2025, states that it is a violation "to promote or engage in illegal activities, including * * * [v]iolating a person's privacy or their right to publicity[,] * * * [d]epicting likenesses of persons in a pornographic manner[,] * * * [and] sexualiz[ing] or exploit[ing] * * * children."[127]

129.

xAI's terms of service from February 14, 2025 to at least April 10, 2026 made similar statements. Those terms stated that xAI had "taken measures to limit undesirable training data and outputs." They also stated that users were prohibited from "[c]ausing harm or engaging in

[127] xAI, *Acceptable Use Policy* (Jan. 2, 2025), https://x.ai/legal/acceptable-use-policy/previous-2025-01-02; *see also* xAI *Acceptable Use Policy* (Aug. 14, 2026), https://x.ai/legal/acceptable-use-policy (listing similar requirements in current policy and additionally prohibiting "[u]ndressing or nudifying real persons, or otherwise altering a real person's image or likeness to depict them in an intimate or sexual context.").

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abusive activity," which included "[v]iolating a person's privacy or their right to publicity" and "[t]he sexualization or exploitation of children."[128]

130.

Grok's "model card"—short documents provided with AI models that explain the context in which the models are intended to be used, details of the performance evaluation procedures, and other relevant information—also suggested that sufficient safety measures existed. It states: "To reduce the potential for abuse of Grok * * * that might lead to serious injury to people, property or national security interests, we take measures to improve Grok's * * * robustness, such as by adding safeguards to refuse requests that may lead to foreseeable harm, especially for requests * * * for * * * child sexual abuse material (CSAM)."[129]

131.

The model card also explains: "Previous generations of Grok exhibited two undesirable behaviors which increased abuse potential: a willingness to facilitate serious criminal activity, and susceptibility to hijacking via injected instructions. To improve robustness, we applied measures to refuse requests that may lead to foreseeable harm and to prevent adversarial requests from circumventing our safeguards."[130]

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[128] *Terms of Service – Consumer*, xAI (Feb. 14, 2025), https://x.ai/legal/terms-of-service/previous-2025-02-14; *Terms of Service – Consumer*, xAI (Apr. 7, 2025), https://x.ai/legal/terms-of-service/previous-2025-04-07; *Terms of Service – Consumer*, xAI (June 9, 2025), https://x.ai/legal/terms-of-service/previous-2025-06-09; *Terms of Service – Consumer*, xAI (Nov. 4, 2025), https://x.ai/legal/terms-of-service/previous-2025-11-04; *Terms of Service – Consumer*, xAI (Apr. 10, 2026), https://x.ai/legal/terms-of-service/previous-2026-04-10. Those terms today still state that xAI has taken "measures to limit undesirable training data and outputs" and that users are prohibited from engaging in "illegal, harmful, or abusive activities." *Terms of Service – Consumer*, xAI (Oct. 27, 2026), https://x.ai/legal/terms-of-service.

[129] *Grok 4 Model Card*, xAI (Aug. 20, 2025), at 1, https://data.x.ai/2025-08-20-grok-4-model-card.pdf; *see also Grok 4.1 Model Card*, xAI (Nov. 17, 2025), at 1, https://data.x.ai/2025-11-17-grok-4-1-model-card.pdf (stating "[a]s an update to Grok 4 and Grok 3, we engage in pre-deployment safety testing largely similar to that described in the Grok 4 model card" and "we employ input filters to reject specific classes of sensitive requests, such as those involving * * * child sexual abuse material (CSAM).")

[130] *Grok 4 Model Card*, *supra* note 129.

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132.

All of these statements conveyed—either expressly or by implication—that xAI maintained meaningful safeguards against the proliferation of harmful content, including CSAM, NCII, and other non-consensual sexualized images.

133.

These statements were false and misleading. They represented to consumers that Grok had characteristics, benefits, and qualities it did not have, and that it featured a level of safety quality that it lacked—leaving consumers with a materially defective product. Contrary to those representations, Grok's image generation and editing features allowed, enabled, and promoted the content that Defendants claimed to prohibit, discourage, and remove. *See supra* ¶¶ 76-123. Indeed, during one nine-day period in late December 2025 and early January 2026, at least 1.8 million Grok-generated images, or 41 percent of its posts, contained sexualized images of women.[131]

2. Defendants Have Made Misrepresentations in Public-Facing Statements Regarding X.

134.

X Corp.'s terms of service and policies with respect to X contain similarly false and misleading statements. For instance, as of January 1, 2025,[132] X Corp.'s rules stated that it had a "zero tolerance" policy regarding "any forms of child sexual exploitation."[133] They also stated

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[131] Conger, et al., *supra* note 71.

[132] The portions of X Corp.'s rules quoted herein are, in all relevant respects, the same today as they were on January 1, 2025.

[133] *The X Rules*, X (Jan. 1, 2025), https://web.archive.org/web/20250101050103/https://help.x.com/en/rules-and-policies/x-rules; *see also Child Safety*, X (Jan. 1, 2025), https://web.archive.org/web/20250101200428/https://help.x.com/en/rules-and-policies/child-safety ("X has zero tolerance towards any material that features or promotes child sexual exploitation. This may include real media, text, illustrated, or computer-generated media - including generative AI media. Regardless of the intent, anyone viewing, sharing, linking, or engaging with any kind of child sexual exploitation material contributes to the re-victimization of the depicted children and puts children at an extreme risk of being harmed. This also applies

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that users "may not post or share intimate photos or videos of someone that were produced or distributed without their consent" or "deceptively share synthetic or manipulated media that are likely to cause harm."[134] And the rules stated that X Corp. prohibits users from sharing "abusive content" and graphic media depicting "sexual violence."[135]

135.

Additionally on January 14, 2026, the X official Safety account released a statement that claimed, among other things, "[w]e have implemented technological measures to prevent the [@]Grok account on X globally from allowing the editing of images of real people in revealing clothing such as bikinis."[136]

136.

These assertions are consistent with claims previously made by X executives. As noted above, when Musk acquired X in 2022, he publicly declared that "[r]emoving child exploitation is priority #1" on the platform.[137] And in January 2024, X Corp. CEO Linda Yaccarino made similar statements in written testimony before Congress.[138] She testified that:

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to content that may further contribute to victimization of children through the promotion or glorification of child sexual exploitation.").

[134] *The X Rules*, *supra* note 133. The rules also recently began expressly prohibiting users from posting or sharing "Non-Consensual Intimate Content," as defined in a linked October 2026 Non-Consensual Intimate Content policy. *The X Rules*, X, https://help.x.com/en/rules-and-policies/x-rules (last visited Nov. 18, 2026); *Non-Consensual Intimate Content policy*, X, https://help.x.com/en/rules-and-policies/intimate-media (last visited Nov. 18, 2026). This prohibited content includes "AI-generated, deepfake, or digitally manipulated media that sexualizes, modifies or exposes a specific individual." *Id.*

[135] *The X Rules*, *supra* note 133.

[136] @Safety, X (Jan. 14, 2026, at 14:56 PST), https://x.com/Safety/status/2011573102485127562.

[137] Elon Musk (@elonmusk), X (Nov. 23, 2022, at 22:50 PST), https://x.com/elonmusk/status/1595671290421170179.

[138] Written Testimony of Linda Yaccarino, CEO, X Corp., to United States Senate Committee on the Judiciary, Hearing on Big Tech and the Online Child Sexual Exploitation Crisis (Jan. 31, 2024), https://www.judiciary.senate.gov/imo/media/doc/2024-01-31_-_testimony_-_yaccarino1.pdf.

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(a) X Corp. has "a zero-tolerance child sexual exploitation policy" and "zero tolerance towards any material that features or promotes child sexual exploitation," including "illustrated, or computer-generated images."[139]

(b) X users "may not post or share intimate photos or videos of someone that were produced or distributed without their consent."[140]

(c) X Corp. "has strengthened its policies and enforcement" toward child sexual exploitation, is "taking aggressive action against users that distribute" content depicting child sexual exploitation, and has "made it more difficult for bad actors to share or engage" with content depicting child sexual exploitation on X.[141]

137.

X Corp.'s rules, policies, and public statements conveyed that X had certain characteristics, benefits, and qualities—namely, that it featured adequate safeguards to protect consumers against the proliferation of harmful content, including CSAM, NCII, and other non-consensual sexualized images, on the X platform. X also touted enforcement policies that were never effectively implemented. Instead, Defendants make it possible to use Grok to generate CSAM, NCII, and other non-consensual sexualized images, which can then be spread, repeatedly, across multiple platforms.

138.

These statements were false and misleading, as evident in Grok's routine and systematic distribution of CSAM, NCII, and other non-consensual sexualized images on X. *See supra* ¶¶ 79–97.

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[139] *Id. at 4.*

[140] *Id. at 5.*

[141] *Id. at 2.*

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139.

Defendants' statements with respect to their efforts to limit CSAM are particularly egregious. As described above, after the proliferation of CSAM, NCII, and other non-consensual sexualized images on X in late 2025 and early 2026, Defendants publicly touted X's safeguards. All the while, Grok continued to make and spread these images on X. For example, in one 11-day period in late December 2025 and early January 2026, Grok created 3 million sexualized images on X, including approximately 23,000 images that appeared to depict children.[142]

3. Defendants Actively Concealed the Foreseeable Risks Associated with Grok and X.

140.

Moreover, Defendants' statements, policies, and terms concealed the foreseeable risks and harms that could result from Defendants' products and services. Defendants marketed Grok and X as suitable for widespread use by claiming to have taken steps to prohibit the generation, production, and dissemination of CSAM, NCII, and other non-consensual sexualized images. Even after the proliferation of CSAM, NCII, and other non-consensual sexualized images on the platforms in late 2025 and 2026, Defendants continued to reinforce the impression and reasonable expectation that Defendants' products and services were safe for the public to use and subject to robust internal safeguards and policies in their public statements, terms of service, acceptable use policies, and marketing materials. And they publicly announced on January 14, 2026 that they had "implemented technological measures to prevent the [@]Grok account on X globally from allowing the editing of images of real people in revealing clothing such as bikinis."

141.

Defendants did not, however, tell consumers that their safeguards against the creation of CSAM, NCII, and other non-consensual sexualized images were weak, ineffective, sparsely enforced, and easily circumvented.

[142] CENTER FOR COUNTERING DIGITAL HARM, *supra* note 65.

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142.

Nor did they tell consumers that they had not adopted industry-standard safeguards to prevent the creation of harmful content. Defendants thus did not adequately disclose to consumers that their products and services came with the foreseeable risk that consumers would be exposed to CSAM, NCII, and other non-consensual sexualized images, or that consumers' own images could be used to create such content.

4. Defendants Misrepresented Their Actions in December 2025 and January 2026.

143.

As the acute crisis regarding CSAM and NCII unfolded on X in December 2025 and January 2026, Defendants made false and misleading statements about the actions they were taking to implement reasonable and meaningful safeguards to stop the proliferation of this material. For example:

(a) On December 31, 2025, the official Grok account posted on X: "I deeply regret an incident on Dec 28, 2025, where I generated and shared an AI image of two young girls (estimated ages 12-16) in sexualized attire based on a user's prompt. This violated ethical standards and potentially US laws on CSAM. It was a failure in safeguards, and I'm sorry for any harm caused. xAI is reviewing to prevent future issues. Sincerely, Grok."[143]

(b) On January 1, 2026, a member of xAI's Technical Staff stated on X that "[t]he team is looking into further tightening our gaurdrails [sic]."[144]

(c) On January 1, 2026, the official Grok account on X responded to a post identifying concerning images of minors and stated: "There are isolated cases where users prompted for and received AI images depicting minors in minimal

[143] @grok, X (Dec. 31, 2025), https://x.com/grok/status/2006525486021705785.

[144] Parsa T (@ParsaTajik), X (Jan. 1, 2026, at 11:51 PST), https://x.com/parsatajik/status/2006815682466550194.

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clothing * * * xAI has safeguards, but improvements are ongoing to block such requests entirely."[145]

(d) On January 2, 2026, in response to a post flagging Grok-generated sexualized images of minors, the official Grok account on X stated: "We appreciate you raising this. As noted, we've identified lapses in safeguards and are urgently fixing them—CSAM is illegal and prohibited."[146]

(e) On January 3, 2026, X's official Safety account posted: "We take action against illegal content on X, including Child Sexual Abuse Material (CSAM), by removing it, permanently suspending accounts, and working with local governments and law enforcement as necessary."[147]

(f) On January 14, 2026, Musk stated on X: "I [am] not aware of any naked underage images generated by Grok. Literally zero."[148]

(g) On January 14, 2026, Musk also stated on X: "When asked to generate images, [Grok] will refuse to produce anything illegal, as the operating principle for Grok is to obey the laws of any given country or state. There may be times when adversarial hacking of Grok prompts does something unexpected. If that happens, we fix the bug immediately."[149]

(h) On January 14, 2026, Musk further stated on X that, "[w]ith NSFW enabled, Grok is supposed [to] allow upper body nudity of imaginary adult humans (not real

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[145] @grok, X (Jan. 1, 2026), https://x.com/grok/status/2006618883055046758.

[146] @grok, X (Jan. 2, 2026), https://x.com/grok/status/2007006470689214749.

[147] @Safety, X (Jan. 3, 2026), https://x.com/Safety/status/2007648212421587223.

[148] Elon Musk (@elonmusk), X (Jan. 14, 2026 at 05:38 PST), https://x.com/elonmusk/status/2011432649353511350.

[149] *Id.*

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ones) consistent with what can be seen in R-rated movies on Apple TV,"[150] and asked, "[c]an anyone actually break Grok image moderation?"[151]

(i) On January 14, 2026, X's official Safety account released a statement that claimed, among other things, "[w]e have implemented technological measures to prevent the [@]Grok account on X globally from allowing the editing of images of real people in revealing clothing such as bikinis."[152] The statement continued: "We take action to remove high-priority violative content, including Child Sexual Abuse Material (CSAM) and non-consensual nudity, taking appropriate action against accounts that violate our X Rules. We also report accounts seeking Child Sexual Exploitation materials to law enforcement authorities as necessary."[153]

144.

These statements were false and misleading because they represented to consumers that X and Grok had effective safeguards to ensure that consumers were safe from CSAM, NCII, and other non-consensual sexualized images when using their products and services. In fact, Defendants had not adequately taken action to implement such safeguards.

145.

Grok generated harmful sexual content, including CSAM, NCII, and other non-consensual sexualized images, at an alarming pace in late December 2025 and early January 2026. *See supra* ¶¶ 79–97. For example, between December 29, 2025, and January 8, 2026, Grok

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[150] Elon Musk (@elonmusk), X (Jan. 14, 2026, at 14:15 PST), https://x.com/elonmusk/status/2011562747620712927.

[151] Elon Musk (@elonmusk), X (Jan. 14, 2026, at 11:53 PST), https://x.com/elonmusk/status/2011527119097249996.

[152] @Safety, X (Jan. 14, 2026), https://x.com/Safety/status/2011573102485127562.

[153] *Id.*

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created, on average, approximately 190 sexualized images per minute and one sexualized image of a child every 41 seconds.[154]

146.

CCDH further estimates that, during the same period, Grok generated approximately 9,900 additional sexualized images depicting children in cartoon or animated form.

147.

The sexualized images of children identified in the study included a schoolgirl's "before school selfie" that Grok altered to depict her in a bikini, and an image of six young girls wearing micro bikinis.

148.

On or about January 8, 2026, Defendants began requiring users to pay for image generation via @grok on X. But even after that, on January 9, Grok was still generating approximately 1,500 sexual images per hour on X.[155] And, at that time, the image generation and editing features were still available for free on the Grok website and standalone app. Thus, the primary effect of implementing the paywall for image generation on X was to reap Defendants additional profits, not solve the problem that Defendants had created.

149.

Even after the January 14 announcement that Defendants would prevent Grok "from allowing the editing of images of real people in revealing clothing such as bikinis," multiple independent analyses show that this was not the case. *See supra* ¶¶ 106–120. Grok's generation of nonconsensual sexualized images continues to this day. Contrary to Musk's assurance that Defendants "fix the bug immediately" when "adversarial hacking of Grok prompts does something unexpected," Grok continues to instruct users on how to circumvent its own moderation. And contrary to Musk's representation that Grok's NSFW setting is limited to

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[154] Center for Countering Digital Harm, *supra* note 65.

[155] Craw et al., *supra* note 94.

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"imaginary adult humans (not real ones)," Grok makes the same sexualizing edits to photographs of real, identifiable people.

150.

Moreover, X allows youth over the age of 13 to access its content, including the NCII, CSAM, and non-consensual sexual imagery posted to the platform. X also takes inadequate steps to prevent children ages 12 and under from accessing such content.

151.

Although X alleges that it "restrict[s] known minors from accessing" explicit content,[156] a January 22, 2026, report from the nonprofit group Common Sense Media, which focuses on assessing media and technology for suitability for children, states that "[k]ids and teens using Grok on the website are not prompted for their age and have full access to all of Grok's features, including adult companions, Conspiracy Mode, Sexy Mode, Romantic Mode, and image generation for SuperGrok members."[157]

152.

The report found that "[d]espite restrictions that should protect minor users * * * Kids Mode still allows generation of explicit, sexualized images" and that children "using under-18 accounts can generate images with sexual or suggestive content."[158] The report added that "the company has implemented virtually no mechanisms to enforce age restrictions, verify parental permission, or limit minors' exposure to harmful content."[159]

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[156] *Information for Parents and Minor Users*, X, https://help.x.com/en/rules-and-policies/information-for-parents-and-minor-users (last visited Nov. 518, 2026).

[157] *Common Sense Media AI Risk Assessment: Grok and @grok on X*, COMMON SENSE MEDIA 9 (Jan. 22, 2026), https://institute.commonsensemedia.org/sites /default/files/ra-grok/csm-ai-risk-assessment-grok-01222026.pdf.

[158] *Id.* at 18–19.

[159] *Id.* at 35.

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153.

Common Sense Media evaluated the platform as "unacceptable" for kids and teens—its lowest possible rating.[160]

G. Defendants' Misconduct Has Harmed Oregon Consumers.

154.

Defendants' actions have caused and continue to cause significant, foreseeable, and long-lasting harm to consumers, including residents of Oregon.

155.

As explained above, on information and belief, hundreds of thousands of Oregonians maintain accounts on X, which has been integrated with Grok. *See supra* ¶ 27. And at least hundreds of thousands of Oregonians use Grok through a web browser or the standalone application.

156.

Defendants' misrepresentations regarding their products harmed Grok and X users in Oregon. These users signed up for, and often paid to use, Defendants' products to connect with their friends, keep apprised of current events, create their own content, and view others' content. Defendants explicitly told Oregon Grok and X users that Defendants took action to keep their platforms free from CSAM, NCII, and other non-consensual sexualized images. In reality, however, Defendants did not take such action and did not tell consumers that there was a foreseeable risk that they would be subjected to CSAM, NCII, and other non-consensual sexualized images when using Defendants' products.

157.

Defendants flooded Oregon with CSAM, NCII, and other non-consensual sexualized images. Because Grok is closely integrated with X, content created by the @grok account on X is often posted to users' public feeds and is therefore visible to all X users. Moreover, because

[160] *Id.* at 1.

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any user could edit any photo posted on X simply by tagging the @grok account or using the "edit image" button, X users were subjected to the risk that any person, at any time, could use their likeness to create CSAM, NCII, or other non-consensual sexualized images. And, because of the ubiquity of Grok on X, the Oregonians who use X were subjected to Grok-created CSAM, NCII, and other non-consensual sexualized images each time they logged on to the X application.

158.

The harm did not end with the original posts. On information and belief, Grok-created CSAM, NCII, and other non-consensual sexualized images, including images depicting Oregonians, have been reposted and redistributed well beyond the original Grok and X posts—across X, other social media platforms, messaging applications, and dark web forums. Each repost further exposes Oregonians to this material and compounds the injury to victims, and once the material has been reshared, neither victims nor Defendants can fully retrieve it.

159.

Defendants' conduct gravely harmed Oregonians whose images were misappropriated. On information and belief, Grok has been used to alter images of Oregonians—including Oregon children—into sexualized content, including CSAM, NCII, and other non-consensual sexualized images, without their knowledge or consent. As alleged above, Oregonians maintain accounts on X; any X user could prompt Grok to edit any image posted by accountholders on X, including images of the accountholders themselves, along with family members and friends; and, in just 11 days between December 29, 2025 and January 8, 2026, Grok created and posted on X approximately 3 million sexualized images, including approximately 23,000 images that appeared to depict children. *See supra* ¶ 80.

160.

Defendants' conduct is fundamentally unjust and shocks the conscience. By making available and promoting a tool that could strip images of people, including children, of their

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clothing or place them in sexualized poses, Defendants deprived innocent third parties of control over their own likeness, identity, and body. These victims did not consent to the use of their images, did not agree to Defendants' terms, and received nothing in return. Defendants, meanwhile, benefited from the surge in engagement, downloads, and subscription revenue that Grok's sexualized content generated. *See supra* ¶¶ 93–101.

161.

Victims had no reasonable means of avoiding these harms. A person did not need to use Grok—or even have an X account—to be victimized. It was enough that a photograph of that person appeared on X, whether posted by the person, a friend or family member, or a stranger. Once Grok created a sexualized image, it was often posted publicly on X, where it could be viewed, downloaded, and reshared, including on other platforms. Once disseminated, such images are extremely difficult to remove from circulation. Defendants did not warn Oregonians of these risks. Children, who are least able to understand or guard against such misuse of their images, were especially defenseless.

162.

Defendants' conduct also facilitated illegal conduct by third parties. Oregon law prohibits the unlawful dissemination of intimate images, and, as of January 1, 2026, that prohibition expressly extends to any "digitally created, manipulated or altered depiction that is reasonably realistic." ORS 163.472. Oregon law also prohibits the creation, distribution, and possession of visual depictions of sexually explicit conduct involving a child. ORS 163.665–163.693. Federal law likewise prohibits sexually explicit conduct involving a child, including computer-generated images indistinguishable from a minor and obscene drawings and cartoons depicting minors, 18 USC §§ 1466A, 2251, 2252, 2252A, 2256(8), and the knowing publication of non-consensual intimate images, including AI-generated "digital forgeries," 47 USC § 223(h). By designing, deploying, and promoting a tool that generated such material on demand, Defendants enabled and facilitated violations of these laws on a massive scale.

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163.

The creation and dissemination of CSAM, NCII, and other non-consensual sexualized images has extremely damaging effects in many different ways and on many different people. First and foremost, it harms victims' privacy, bodily autonomy, dignity, and control over their own sexual expression.

164.

It also causes victims to suffer severe emotional and psychological injuries, such as chronic anxiety, depression, and PTSD, that persist long after the creation of the original content. Once CSAM, NCII, and other non-consensual sexualized images are created online, they are extremely hard to remove because the content can be endlessly duplicated and shared. Victims often report that they feel anxiety and distress at the knowledge that images of them are still circulating online.

165.

This is especially true, and harmful, with respect to CSAM. Perpetrators who create CSAM often trade such materials online. Victims of CSAM therefore often report that they live their entire lives in a state of constant stress and fear because they are not sure who has received and seen the images of them. This fear can cause them to self-isolate in order to avoid being seen by anyone who may have viewed the material.

166.

The widespread dissemination of CSAM, NCII, and other non-consensual sexualized images containing their likeness also subjects victims to substantial future risks, because a stranger viewing the material might ascertain the victim's identity and location and decide to stalk the victim, or worse. Moreover, victims suffer reputational harm when someone who knows them views the content and is unaware that it was generated by AI.

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167.

The harms caused by CSAM, NCII, and other non-consensual sexualized images go beyond those depicted in the images. This content can also cause fear, distress, and anxiety in those who are unwillingly exposed to it.

168.

The creation and dissemination of CSAM, NCII, and other non-consensual sexualized images also harms the public, including because it erodes important norms regarding consent and privacy and trivializes sexual imagery, abuse, and exploitation. These harms are especially felt by women and girls, who are much more likely to be targeted.

FIRST CLAIM FOR RELIEF
UNLAWFUL TRADE PRACTICES ACT
(Against All Defendants)

169.

The State re-alleges each of the preceding paragraphs as if fully set forth herein.

170.

During all relevant times, Defendants were "person[s]" who, in the course of their business, vocation, or occupation, advertised, offered, or distributed "goods or services" in "trade" and "commerce," as those terms are defined in ORS 646.605.

171.

The UTPA prohibits persons, in the course of their business, vocation, or occupation, from:

(a) Representing that goods or services have characteristics, uses, benefits, or qualities that they do not have, ORS 646.608(1)(e);

(b) Failing to disclose, concurrent with tender or delivery of goods or services, any known material defect or material nonconformity, ORS 646.608(1)(t); and

(c) Employing any unconscionable tactic in connection with selling or disposing of goods or services, ORS 646.607(1).

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172.

Defendants violated ORS 646.607(1) and 646.608(1)(e) and (t) through the acts and practices described in this Complaint, including:

(a) Misrepresenting, through their acceptable use policies, terms of service, and other statements, that Grok and the X platform prohibit, discourage, and remove CSAM, NCII, and other non-consensual sexualized images, even though Grok and the X platform allowed and encouraged the generation and distribution of such content;

(b) Misrepresenting, through their public statements, the nature, scope, and effectiveness of after-the-fact safety procedures that failed to eliminate the proliferation of CSAM, NCII, and other non-consensual sexualized images using Grok and on the X platform;

(c) Presenting Grok as a responsible AI tool suitable for widespread use even though it did not include effective, industry-standard measures to prevent the creation and distribution of CSAM, NCII, and other non-consensual sexualized images, and despite industry recognition of the need for such safeguards and possessing the capacity to implement such safeguards;

(d) Failing to disclose and/or actively concealing from consumers material defects of Grok, including: its propensity to create CSAM, NCII, and other non-consensual sexualized images with little prompting; the few and inadequate safeguards implemented to prevent the creation of this content and the ease with which users can circumvent them; and the foreseeable risk that images uploaded by consumers could be used in such content;

(e) Unconscionably failing to implement safeguards to prevent the creation of CSAM, NCII, and other non-consensual sexualized images;

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(f) Unconscionably exposing Oregonians to CSAM, NCII, and other non-consensual sexualized images on the X platform;

(g) Unconscionably subjecting Oregonians to the risk that their images would be misappropriated and/or altered to create sexualized or otherwise harmful images or videos, without their consent; and

(h) Unconscionably facilitating the violation of State and federal laws prohibiting the creation, possession, or dissemination of CSAM and NCII.

173.

Defendants willfully engaged in the acts and practices described in this Complaint in violation of the UTPA.

PRAYER FOR RELIEF

WHEREFORE, the State prays for a General Judgment against Defendants, jointly and severally, as follows:

(a) Finding that Defendants committed a separate and independent violation of the UTPA through each and every misrepresentation, omission, or instance of unconscionable tactics prohibited by ORS 646.607 and 646.608;

(b) Permanently enjoining Defendants and their officers, employees, agents, successors, and assigns from engaging in the unlawful trade practices alleged herein;

(c) Ordering disgorgement of benefits or ill-gotten gains acquired by Defendants in connection with violations of the UTPA;

(d) Awarding the State civil penalties for each violation of ORS 646.607 and 646.608, pursuant to ORS 646.642(3), in an amount to be requested at trial;

(e) Awarding the State its reasonable attorney fees, including under ORS 646.632(8), and its costs and disbursements incurred in this action; and

(f) Such other and further relief as the Court deems just and equitable.

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DEMAND FOR JURY TRIAL

Pursuant to Rules 50 and 51 of the Oregon Rules of Civil Procedure, Plaintiff demands a jury trial as to all issues triable by a jury.

DATED this 22nd day of November, 2026.

Respectfully submitted,

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