# Presto Voice SEC order

IMPLEMENTED 2021–2023 · RETAIL AND HOSPITALITY · US · BAND F · PROVED
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The SEC found that a listed restaurant technology company misdescribed its drive-thru voice AI: it did not disclose a supplier's technology and overstated how little human help orders needed.

**ABOUT THIS SYNOPSIS**

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NOTICE WORDING LAST UPDATED 16 NOVEMBER 2026

AT A GLANCE

What went wrong: Misleading AI claims.

AI and automation used: AI-assisted speech recognition for drive-thru order taking, with human order takers completing most orders.

Implemented: 2021–2023.  Grade: band F, Failure, Proved.

Headline result, as reported: SEC order of 14 January 2025 found Presto's statements on Presto Voice misleading; no civil penalty, cease-and-desist order

## 1 · The case

The facts, as reported by the 3 sources listed at the end. Where a source is silent, the field says "Not reported".

### Organisation

Presto Automation. Restaurant technology company headquartered in San Carlos, California. Its stock traded on Nasdaq from September 2022 until trading was suspended on 8 August 2024, per the SEC order. The product was Presto Voice, AI-assisted speech recognition for drive-thru order taking at quick-service restaurants. Canvas block: 8. Governance and risk. Also 3. Customers and proposition, 6. Data and technology.

### Business challenge

The challenge. Presto wanted to position itself as a technology company with growth potential in AI-assisted drive-thru ordering. By the SEC's account, it had not developed its own commercially deployable voice AI in 2021 and relied on a licence from a supplier.

### Who implemented it

Hi Auto (Software vendor): Supplied the voice AI technology in Presto Voice units at Presto's largest customer, per the SEC order.
In-house (In-house): Presto Automation: Developed its own speech recognition from early 2022 and ran the off-site human order takers.
The SEC order calls the supplier "Supplier A" and names Hi Auto in a footnote and a press release quotation.

### Technology (SEAM pillar E)

SEAM types: T3 API integrations. Deployment: Mixture. Vendors and products: Hi Auto (named in the SEC order as the supplier), Presto Voice.

Where it was built in: Speech recognition at the drive-thru converted orders to text; human agents at off-site locations entered them into the restaurant's ordering system, and units could integrate with the restaurant's point-of-sale system.

### What changed

Before: investor materials described a largely automated product. After: from October 2023, following the SEC investigation, Presto disclosed the supplier, its use of off-site human agents, and that over 70% of orders at pilot locations needed human agent intervention (100% at most locations on the original version). In January 2025 the SEC ordered Presto to cease and desist from further violations. [1] [2] [3]

### Cost of failure

No civil penalty. The SEC order says it considered Presto's current financial condition, remedial acts and cooperation. Legal and remediation costs: Not reported.

### What it saved

Not reported [1] [2] [3]

### Governance and control

The SEC found Presto had no established process for drafting, reviewing or approving periodic or current reports between September 2022 and December 2024, so that no one was formally responsible for the accuracy of its filings. It adopted a review policy for press releases in December 2023.

**S2 · Accountable owner · Missing (independent source shows it was absent)**
The SEC found no one at Presto was formally responsible for ensuring that information in its filings was accurate. [1]

**A1 · Safe use · Not reported**
Not reported.

**A2 · Human in the loop · Evidenced**
Presto hired, trained and supervised human order takers who processed most orders; the SEC found this reliance was not adequately disclosed. [1]

**A3 · Monitoring and assurance · Missing (independent source shows it was absent)**
The SEC found Presto failed to design, implement or maintain disclosure controls and procedures from September 2022 through December 2024. [1]

**A4 · Vendor AI · Missing (independent source shows it was absent)**
The SEC order says Presto lacked a detailed understanding of the supplier's technology and of how much human involvement it needed. [1]

**A5 · Agent controls · Not reported**
No agents described.

**A6 · Standards and regulation · Outside scrutiny (a regulator, court, auditor or similar body acted)**
The SEC found violations of Section 17(a)(2) of the Securities Act and Section 13(a) of the Exchange Act and ordered Presto to cease and desist. [1] [2]

## What worked, what did not, what is unproven

WORKED

– A Presto executive wrote in January 2022 that with humans in the loop accuracy could "even get to 95% or more".

– After the SEC investigation began, Presto corrected its disclosures between October and December 2023, and the SEC took its cooperation into account.

DID NOT

– The SEC found that Presto's statements that Presto Voice eliminated human order taking were materially false.

– Presto described a supplier's technology as "our technology" without adequately disclosing the supplier's role at its largest customer.

– Its reported "non-intervention" rates of 95% or more measured restaurant staff intervention only; by December 2023 Presto reported an average non-intervention rate of 85% across restaurants on its own technology.

UNPROVEN

– How the product performed once human help is counted, beyond the rates Presto reported in 2023.

– Presto's position after delisting and its Form 15: Not reported in the sources opened.

## Timeline

Nov 2021 Presto Voice units powered by a supplier's voice AI technology are deployed; by the SEC's account Presto did not begin developing its own until early 2022 [1]

Sept 2022 Presto completes its SPAC merger and begins deploying units on its own speech recognition technology, with human order takers working off-site [1]

Jun 2023 Presto starts piloting a more advanced version of Presto Voice [1]

Oct 2023 After learning of the SEC investigation, Presto names the supplier and discloses its use of

Nov 2023 Presto discloses that over 70% of orders taken by Presto Voice require human agent intervention [1]

Sept 2024 Nasdaq delists Presto's stock and warrants after suspending trading in August [1]

Jan 2025 SEC issues a cease-and-desist order against Presto Automation [2]

## 2 · Grade and SEAM assessment

MarLuc's opinion, made on the evidence above. How cases are graded: marluc.co.uk/case-studies/how-we-rate

### Level of change and impact

Claimed: Not applicable. Grade: F, Failure. Proof: Proved. Level of change: Not graded.

No level assessed: band F, a regulator finding that claims about an AI product were misleading. The case shows how much human work can sit behind a system described as automated.

Graded F. The SEC found that Presto's statements to investors about Presto Voice were materially false or misleading and it was ordered to stop. The order is a finding about disclosure, made on consent. The AI itself was not assessed for performance. Presto did not claim a level of change that this synopsis can test, so no claimed band is shown.

### The SEAM view and lessons learnt

The gap sat between what the product team knew and what the filings said: executives wrote internally that humans did the work while investor materials used terms that suggested automation. For any larger organisation, an AI claim made externally needs an owner who checks it against how the system actually runs, including any supplier's part and the share of work done by people.

1. Say plainly how much of an AI service is done by people.
2. Name third-party AI suppliers and test supplier performance claims before repeating them.
3. Give one named owner the job of checking external AI claims against operating data.

### Evidence

Score 3 of 4. Independent: an SEC order with written findings, agreed by Presto without admitting or denying them.

Evaluation method. Regulator finding: SEC cease-and-desist order, Release No. 11352, 14 January 2025, on Presto's offer of settlement.

Sources disagree. Lowenstein Sandler summarises the 70% figure as applying to Presto's in-house version of Presto Voice; the SEC order says it applied to pilot locations of the newer version, with 100% at most locations on the original version.

Status. Closed: SEC order of 14 January 2025. Presto's registration under the Exchange Act was terminated in December 2024 and its stock was delisted from Nasdaq in September 2024.

## 3 · Original sources

Read these in full. To challenge a fact or a grade, use the contact form at marluc.co.uk or the link on https://marluc.co.uk/case-studies/presto-voice-sec-ai-washing-order


[1] SEC: Order Instituting Cease-and-Desist Proceedings, Presto Automation Inc. (Release No. 11352)
https://www.sec.gov/files/litigation/admin/2025/33-11352.pdf

[2] SEC: Presto Automation Inc., administrative proceeding File No. 3-22413
https://www.sec.gov/enforcement-litigation/administrative-proceedings/33-11352-s

[3] Lowenstein Sandler: SEC Charges Public Company with AI Washing
https://www.lowenstein.com/news-insights/publications/client-alerts/sec-charges-public-company-with-ai-washing-cms



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VERSION HISTORY

v1.1 15 November 2026 Method update: standards and regulation (A6) relabelled "outside scrutiny" because the evidence is a regulator, court, auditor or similar body acting, not the organisation's own compliance.
v1.0 15 November 2026 First published