

1 George A. Zelcs (IL Bar No. 3123738)  
2 Ryan Z. Cortazar (IL Bar No. 6323766)  
3 Korein Tillery LLC  
4 205 N Michigan Ave., Suite 1950  
5 Chicago, IL 60601  
6 312-641-9750  
7 [gzelcs@koreintillery.com](mailto:gzelcs@koreintillery.com)  
8 [rcortazar@koreintillery.com](mailto:rcortazar@koreintillery.com)

9 **UNITED STATES DISTRICT COURT**  
10 **NORTHERN DISTRICT OF ILLINOIS**  
11 **EASTERN DIVISION**

12  
13 MATTHEW STOCKOV, individually and on  
14 behalf of all others similarly situated,

15 Plaintiff,

16 v.

17 COSTCO WHOLESALE CORPORATION,

18 Defendant.

CASE NO.

**COMPLAINT**

JURY TRIAL DEMANDED

1 **INTRODUCTION**

2 1. This class action arises from Costco's retention of windfall profits generated by the  
3 unlawful tariffs imposed by the Trump Administration under the International Emergency Economic  
4 Powers Act ("IEEPA"), 50 U.S.C. § 1701 *et seq.* This windfall is a direct result of Costco  
5 systematically passing on the costs of IEEPA tariffs to its own customers.

6 2. This particular dispute stems from Costco's statements and actions around a structural  
7 inequity in the tariff refund process. While the importer of record is the only party that may recover  
8 a refund from the government for an improperly assessed tariff, the importer is often nothing more  
9 than a pass-through vehicle. Frequently, the importer simply fronts the cost of the tariff, and is made  
10 whole by imposing higher prices on consumers. The consumer, for all intents and purposes, pays the  
11 tariff.

12 3. And yet, even when the Supreme Court strikes down an unlawful tariff, the truly  
13 injured parties possess no direct avenue for redress. American consumers who bore the economic  
14 burden of these tariffs possess no statutory cause of action in the Court of International Trade ("CIT")  
15 — only the importer of record has standing to seek a refund, regardless of who ultimately paid. Large  
16 corporations, even those who passed 100 percent (or more) of the tariff burden onto customers, remain  
17 fully empowered to recover a complete refund for any unlawful tariffs they paid.

18 4. This is no hypothetical. Thousands of companies—including Costco—have filed  
19 lawsuits in the CIT, actively seeking refunds for every cent of their IEEPA tariff bill. If they succeed,  
20 they will not be obligated to return money to their customers under federal trade law. This despite  
21 estimates from Goldman Sachs that U.S. consumers are “shouldering two-thirds of President Trump’s  
22 new tariff costs.”<sup>1</sup>

23 5. This lawsuit seeks to prevent Costco, the third-largest retailer in the world, from  
24 double recovery. Costco has made no commitment to return any portion of anticipated tariff refunds  
25 to the consumers who bore those costs. On March 5, 2026—just days before this complaint was  
26 filed—Costco's CEO Ron Vachris, while acknowledging the company might receive IEEPA tariff

27 <sup>1</sup> Nick Lichtenberg, *Goldman Sachs doubles down on tariff research that infuriated Trump, saying*  
28 *average Americans will bear two-thirds of the costs*, FORTUNE (Aug. 13, 2025),  
<https://fortune.com/2025/08/13/goldman-sachs-tariffs-donald-trump-david-solomon-dj/>.





1 President Trump claimed that these tariffs were justified under IEEPA because of a purported national  
2 emergency.

3 19. Under the authority of IEEPA, President Trump imposed tariffs of 25 percent on most  
4 imports from Canada and Mexico, tariffs as high as 145 percent from China, and a baseline 10 percent  
5 tariff on nearly all imports to the United States.

6 20. On February 20, 2026, the Supreme Court invalidated all IEEPA-based tariffs.  
7 *Learning Resources, Inc. v. Trump*, 607 U.S. \_\_\_\_ (2026) (slip op. at 20).

8 21. President Trump subsequently issued an Executive Order terminating the IEEPA  
9 Tariffs.

10 22. On February 22, 2026, U.S. Customs and Border Protection (“CBP”) issued CSMS  
11 #67834313, announcing that it will halt collection of all tariffs imposed pursuant to IEEPA. The  
12 termination of IEEPA tariffs took effect at 12:00 a.m. ET on February 24, 2026.

### 13 **III. Costco’s Response to the IEEPA Tariffs**

14 23. Costco is a major importer of consumer goods into the United States. Of the top one-  
15 hundred U.S. importers in 2024, Costco was in the top thirty-five.<sup>3</sup>

16 24. Roughly a third of Costco’s U.S. sales are imports, and two-thirds of those are in non-  
17 food categories. Goods from China account for about eight percent of Costco’s U.S. sales, which is  
18 significant given the inordinately high tariff rates imposed on Chinese imports under IEEPA. Costco  
19 also imports heavily from Canada and Mexico.

20 25. Throughout the Class Period, Costco paid IEEPA tariffs to CBP. Costco, like most  
21 U.S. firms, passed the bulk of the tariff burden onto consumers. This is supported by Costco’s own  
22 data: in the quarterly period ended November 23, 2025, Costco’s gross margin as a percentage of  
23 sales increased by four basis points year-over-year, with ‘core on core’ margins rising thirty basis  
24 points.<sup>4</sup> In the quarterly period ended February 15, 2026, Costco’s gross margin increased seventeen  
25

26 <sup>3</sup> 2025 Journal of Commerce Top 100 US Importers. Ranked by annual containerized US imports in  
27 2024, in laden TEUs ((Twenty-foot Equivalent Units). [Top 100 Importer/Exporter Rankings:  
Largest US shippers outpace hot market-Industry News-Concord Freight System.](#)

28 <sup>4</sup> Costco Wholesale Corp., Q1 2026 Investor Presentation,  
[https://s201.q4cdn.com/287523651/files/doc\\_presentations/2025/Dec/11/Q1-FY-26-Earnings-  
Supplement.pdf](https://s201.q4cdn.com/287523651/files/doc_presentations/2025/Dec/11/Q1-FY-26-Earnings-Supplement.pdf).

1 basis points, with ‘core on core’ margins rising twenty-two basis points.<sup>5</sup> The core-on-core figure—  
2 which isolates the underlying merchandising margins—reflects Costco’s sustained ability to expand  
3 margins throughout the tariff period.

4 26. Costco was able to expand margins during the peak of the IEEPA tariff regime by  
5 selectively raising prices on tariffed goods. The higher prices consumers paid were a consequence of  
6 Costco's increased cost of importation. Absent the imposition of the unlawful IEEPA tariffs, Costco  
7 would not have needed to raise prices on consumers in this way.

8 27. Even while Costco was raising prices on consumers, it was making public statements  
9 that obscured its actual conduct. This manifested in Costco’s messaging about “never succumb[ing]  
10 to not being the best price” during the Class Period.<sup>6</sup>

11 28. Moreover, on an earnings conference call in May 2025, Costco CFO Gary Millerchip  
12 stated that “[a]s we navigate an evolving environment with tariffs . . . raising prices is always seen as  
13 a last resort.”<sup>7</sup> Millerchip made this statement in the context of other retailers—including its rival  
14 Wal-Mart—candidly acknowledging that they would have to raise prices in response to the tariffs.

15 29. This statement is belied not only by the margin data, but also by Millerchip’s answer  
16 to a question later on that *very same call*. Responding to an inquiry about Costco’s response to the  
17 Trump tariffs, Millerchip acknowledged that Costco *had already* raised prices on some products.  
18 Millerchip acknowledged that, for certain products Costco sources from Central and South America,  
19 “we saw inflation as a result from tariffs,” and conceded that “we did increase some price there  
20 because *we felt that was something that the member would be able to absorb.*”

21 30. Costco’s price increases have been corroborated by first-hand accounts from Costco  
22 members. A Reddit user in September 2025, after having just spent \$225 at Costco on items including  
23 milk, eggs, diapers, school snacks, coffee, and toilet paper, noted “significant price increases on [a]

24 \_\_\_\_\_  
25 <sup>5</sup> Costco Wholesale Corp., Q2 2026 Investor Presentation,  
[https://s201.q4cdn.com/287523651/files/doc\\_presentations/2026/Mar/05/Q2-FY-26-Earnings-Supplement.pdf](https://s201.q4cdn.com/287523651/files/doc_presentations/2026/Mar/05/Q2-FY-26-Earnings-Supplement.pdf).

26 <sup>6</sup> Maurie Backman, *Costco vows to keep prices low even as inflation pressures shoppers*, THE  
27 STREET (Dec. 18, 2025), <https://finance.yahoo.com/news/costco-makes-bold-promise-prices-020300326.html>.

28 <sup>7</sup> Costco Wholesale Corp., Q3 2025 Earnings Call,  
[https://finance.yahoo.com/quote/COST/earnings/COST-Q3-2025-earnings\\_call-325305.html](https://finance.yahoo.com/quote/COST/earnings/COST-Q3-2025-earnings_call-325305.html).

1 majority of the items.”<sup>8</sup> In October 2025, a Facebook user posted that he “was at Costco last week  
2 and prices have jumped almost 30% from last month,” and that despite seeing “price hikes at all the  
3 grocery stores,” “Costco has hiked higher than most.”<sup>9</sup>

4 31. As a direct result of Costco’s tariff pass-through pricing, Class Members paid more  
5 for tariffed goods than they would have paid absent the unlawful IEEPA tariffs.

6 **IV. Costco’s CIT Lawsuit and Anticipated Tariff Refunds**

7 32. On November 28, 2025, Costco filed a complaint in the United States Court of  
8 International Trade. *Costco Wholesale Corp. v. U.S. Customs & Border Prot.*, No. 1:25-cv-00316  
9 (Ct. Int’l Trade Nov. 28, 2025). In this complaint, Costco sought a declaratory judgment that the  
10 IEEPA tariff orders are unlawful and that Costco is not obligated to pay them, and an order mandating  
11 a refund of the IEEPA tariff duties Costco already paid. On December 3, 2025, Costco’s lawsuit was  
12 consolidated with other importers seeking refunds in *AGS Company Automotive Solutions v. United*  
13 *States Customs and Border Protection*, 1:25-cv-00255, (Ct. Intl. Trade).

14 33. On December 23, 2025, the Court of International Trade issued an order staying the  
15 consolidated case pending the Supreme Court’s resolution of the IEEPA tariffs.

16 34. In the wake of the Supreme Court’s decision in *Learning Resources*, Costco and nearly  
17 2,000 other importers are attempting to recover tariff refunds from the government. They appear  
18 likely to succeed. On March 4, 2026, the Court of International Trade ordered refunds of IEEPA  
19 tariffs, holding that “[a]ll importers of record” are “entitled to the benefit” of the Supreme Court  
20 ruling that struck down the IEEPA tariffs. *Atmus Filtration, Inc. v. United States*, No. 26-01259,  
21 Order at 1 (Ct. Int’l Trade Mar. 4, 2026), ECF No. 21. The Court ordered CBP to liquidate any and  
22 all unliquidated entries subject to IEEPA tariffs “without regard to IEEPA duties,” and ordered that  
23 “[a]ny liquidated entries for which liquidation is not final shall be reliquidated without regard to  
24 IEEPA duties.” *Id.* at 2–3.

25 35. According to Brandon Lord, the Executive Director of CBP’s Trade Programs  
26 Directorate, as of March 4, 2026, the total amount of IEEPA duties and estimated duty deposits

27 <sup>8</sup> [Angry walking out of Costco : r/MiddleClassFinance](#).

28 <sup>9</sup> [Maui Stores Updates | I was at Costco last week and prices have jumped almost 30% from last month | Facebook](#).

1 collected pursuant to IEEPA is approximately \$166 billion. *Atmus*, ECF No. 31 at 6. Costco, as one  
2 of the country’s largest importers, is entitled to at least hundreds of millions — and potentially more  
3 than one billion dollars — in refunds.

4 36. This presents an obvious problem. Although Costco will recover tariff refunds on the  
5 tariffed goods it sold, Costco’s customers bore the economic brunt of these tariffs by paying higher  
6 prices set by Costco. The risk of Costco obtaining double recovery is therefore imminent.

7 37. Costco is poised to be paid twice for the same unlawful tariff burden: once by its  
8 customers (through elevated prices) and once by the U.S. government (through tariff refunds).

9 38. On March 5, 2026, the day after the CIT’s refund order in *Atmus Filtration*, Costco  
10 CEO Ron Vachris stated that if Costco receives IEEPA tariff refunds, the company intends only to  
11 use this money to provide “lower prices and better values” in the future. That hypothetical action  
12 would not make the Class whole. Returning value “through lower prices” to an indeterminate group  
13 of future shoppers is not restitution to the identified individuals who paid inflated prices during the  
14 Class Period. It is a commitment to benefit future purchasers at the expense of past ones, and it is not  
15 a legally cognizable substitute for the relief sought herein.

16 **CLASS ACTION ALLEGATIONS**

17 39. Plaintiff brings this action on behalf of himself and as a class action pursuant to Federal  
18 Rules of Civil Procedure 23(b)(2), (b)(3), and (c)(4) on behalf of the following proposed Class:

19  
20 **Proposed Class:** All persons in the United States that purchased, from any Costco retail  
21 channel, any good subject to the tariffs imposed under IEEPA, during the period February 1,  
2025 through February 24, 2026.

22 40. Additionally, pursuant to Federal Rules of Civil Procedure 23(b)(2), (b)(3), and (c)(4),  
23 Plaintiff brings this action on behalf of the following proposed Consumer-Statute Subclass:

24  
25 **Proposed Subclass:** All persons in the states of Illinois, California, Florida, Michigan,  
26 Missouri, New Jersey, New York, Ohio, Washington, and Wisconsin that purchased, from  
any Costco retail channel, any good subject to the tariffs imposed under IEEPA, during the  
27 period February 1, 2025 through February 24, 2026.  
28

1           41.     Collectively, the Class and Subclass are referred to as the “Classes” or “Class  
2 Members.”

3           42.     Excluded from the Classes are: (a) Defendant; (b) subsidiaries and affiliates of  
4 Defendant; (c) any person or entity who is an officer, director, employee, or controlling person of  
5 Defendant; (d) any entity in which Defendant has a controlling interest; (e) the legal representatives,  
6 heirs, successors, and assigns of any excluded party; and (f) any judicial officer presiding over this  
7 action, the members of his or her immediate family and staff, and any juror assigned to this action.

8           43.     **Numerosity**. The Members of the Classes are so numerous that joinder of all Members  
9 is impracticable. Costco operates six hundred and thirty-four locations in the United States and Puerto  
10 Rico, which serve tens of millions of customers. Costco sells millions of products each month, and  
11 upon information and belief, there are tens of millions of people in the proposed Classes.

12           44.     **Typicality**. Plaintiff’s claims are typical of the claims of the Members of the Classes.  
13 Throughout the Class Period, Mr. Stockov purchased from Costco electronics, food products,  
14 household items, small appliances, and health and hygiene products imported from countries subject  
15 to IEEPA tariffs, at prices inflated by Costco's pass-through of IEEPA tariff costs. Plaintiff’s claims  
16 are also typical of the other Class Members in that Plaintiff has been damaged as a result of paying  
17 an unfairly elevated price to Costco.

18           45.     **Adequacy**. Plaintiff will fairly and adequately protect the interests of the putative  
19 Classes and has retained counsel competent and experienced in class action litigation. Plaintiff is  
20 committed to the vigorous prosecution of this action and has no interests that are adverse or  
21 antagonistic to the Classes.

22           46.     **Superiority**. A class action is superior to any other available means for the fair and  
23 efficient adjudication of the Classes’ claims. The damages suffered by certain individual Members of  
24 the Classes are relatively small compared to the burden of individual prosecution of the complex  
25 litigation required to recover from Costco. It would be impractical for most, if not all, Class Members  
26 to seek relief on an individual basis. Furthermore, individual litigation could result in thousands of  
27 individual lawsuits, introducing the risk of inconsistent judgments and increasing the delay and  
28 expense to all parties. In contrast, a class action would present far fewer administrative difficulties.

1 The Members of the Classes are ascertainable through methods typical of class action practice and  
2 procedure, including through Costco's own records. Indeed, Costco links every purchase to a  
3 membership account and maintains a complete transactional record.<sup>10</sup>

4 47. **Predominance of Common Questions of Law and Fact.** Numerous questions of law  
5 and fact are common to Plaintiff and all Members of the Classes. These common questions will result  
6 in common answers for all Class Members that will impact the resolution of the claims on grounds  
7 equally applicable to all Class Members. These common questions, which predominate over any  
8 questions affecting only individual Class Members, include, but are not limited to:

- 9 A. Whether the higher prices that consumers paid for Costco's products are attributable to  
10 the cost of IEEPA tariffs;
- 11 B. Whether Costco is obligated to return IEEPA duties to the consumers who paid them in  
12 the form of higher prices;
- 13 C. Whether Costco's retention of elevated consumer payments constitutes unjust enrichment;
- 14 D. Whether Costco acted unfairly or deceptively by upcharging consumers in response to  
15 tariff-related costs while making statements to the contrary and then retaining any  
16 reimbursements of those tariff charges;
- 17 E. Whether Costco's conduct constitutes an unfair practice under the consumer statutes by  
18 simultaneously collecting consumer tariff pass-throughs while misrepresenting that pass-  
19 through practice and pursuing government refunds without disclosing that arrangement or  
20 establishing a consumer refund mechanism;
- 21 F. Whether Costco's failure to disclose its pending CIT lawsuit to members at the point of  
22 sale or otherwise constitutes a material omission or misrepresentation under the consumer  
23 statutes;
- 24 G. Whether Costco's conduct has harmed Plaintiff and the Classes uniformly;
- 25 H. The measure of damages available to Plaintiff and the Classes due to increased prices  
26 caused by Costco's tariff pass-through; and
- 27 I. Whether restitution is the appropriate measure of relief, and if so, the appropriate amount.

28 <sup>10</sup> Costco, [How do I view my receipts for in-warehouse purchases?](#)



1 tariff-inflated prices knowing Costco intended to seek a government refund for  
2 those same costs without compensating the consumers who paid them; and

- 3 c. engaging in conduct that is independently unfair under the consumer statutes'  
4 unfairness provisions because Costco's misrepresentations about its pricing policy  
5 and retention of tariff refunds (1) offend public policy, (2) are immoral, oppressive,  
6 or unscrupulous, and (3) cause substantial injury to consumers.

7 51. Plaintiff and the Consumer-Statute Subclass were damaged as a proximate result of  
8 Costco's unfair and deceptive practices, in an amount equal to the tariff cost component embedded in  
9 the prices they paid.

10 52. By engaging in the foregoing conduct, Costco has engaged in unfair competition or  
11 unfair or deceptive acts in violation of the following state unfair and deceptive trade practices and  
12 consumer protection statutes:

- 13 a. 815 Ill. Comp. Stat. §§ 505/1 *et seq.* with respect to Class Members' Costco  
14 purchases made in Illinois and/or Costco purchases by Illinois residents;
- 15 b. Cal. Bus. & Prof. Code §§ 17200 *et seq.*, with respect to Class Members' Costco  
16 purchases made in California and/or Costco purchases by California residents;
- 17 c. Fla. Stat. §§ 501.201 *et seq.*, with respect to Class Members' Costco purchases  
18 made in Florida and/or Costco purchases by Florida residents;
- 19 d. Mich. Comp. Laws §§ 445.901 *et seq.*, with respect to Class Members' Costco  
20 purchases made in Michigan and/or Costco purchases by Michigan residents;
- 21 e. Mo. Rev. Stat. §§ 407.010 *et seq.* with respect to Class Members' Costco purchases  
22 made in Missouri and/or Costco purchases by Missouri residents;
- 23 f. N.J. Stat. Ann. §§ 56:8-1 *et seq.*, with respect to Class Members' Costco purchases  
24 made in New Jersey and/or Costco purchases by New Jersey residents;
- 25 g. N.Y. Gen. Bus. Law §§ 349 *et seq.*, with respect to Class Members' Costco  
26 purchases made in New York and/or Costco purchases by New York residents;
- 27 h. Ohio Rev. Code Ann. §§ 1345.01 *et seq.*, with respect to Class Members' Costco  
28 purchases made in Ohio and/or Costco purchases by Ohio residents;

- 1 i. Wash. Rev. Code §§ 19.86 *et seq.*, with respect to Class Members' Costco  
2 purchases made in Washington and/or Costco purchases by Washington residents;  
3 j. Wis. Stat. §§ 100.18 *et seq.*, with respect to Class Members' Costco purchases  
4 made in Wisconsin and/or Costco purchases by Wisconsin residents.

5 53. Plaintiff and the Consumer-Statute Subclass are entitled to actual damages, injunctive  
6 relief, attorneys' fees, and such other relief as the Court deems appropriate.

7  
8 **COUNT II**  
9 **QUASI CONTRACT / UNJUST ENRICHMENT**  
10 **(On Behalf of Plaintiff and the Classes)**

11 54. Plaintiff incorporates the foregoing allegations in this complaint as if fully set forth  
12 herein.

13 55. Plaintiff and the Classes conferred a benefit upon Costco in the form of the inflated  
14 prices they paid on a wide array of goods subject to the IEEPA tariffs. These inflated prices were  
15 caused by Costco's attempt to pass on the costs of the IEEPA tariffs.

16 56. Costco is now in the process of recovering from the government the same tariff costs  
17 it collected from its customers. Costco has already been enriched by the inflated prices paid by  
18 Plaintiff and the Classes, and its recovery of the same tariff costs from the government compounds  
19 that enrichment.

20 57. Under the circumstances detailed in this Complaint, equity requires that Costco pay  
21 Plaintiff and the Classes any IEEPA tariff costs passed through to customers, the amount of which  
22 will be proven at trial.

23 **COUNT III**  
24 **Money Had and Received**  
25 **(On Behalf of Plaintiff and the Classes)**

26 58. Plaintiff incorporates the foregoing allegations in this complaint as if fully set forth  
27 herein.

28 59. Costco received money from Plaintiff and from each Member of the proposed Class  
in the form of higher prices proximately caused by the pass-through of IEEPA tariff costs.



