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**UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WASHINGTON
AT SEATTLE**

NELSON SALISBURY, PHILLIP ASPHY,
KARL STEINBERG, TESHA GAMINO,
LEROY DAVIS, STUART BERGMAN,
JORDAN LEVENTHAL, KATHRYN
TRAINOR, CYNTHIA REESE, CHAD
FORESTER, MICHAEL MATHENGE,
PATRICIA BAILEY, DALIT COHEN, and
ARIEL GLAZER, on behalf of themselves and
all others similarly situated,

Plaintiffs,

vs.

COSTCO WHOLESALE CORPORATION,
a Washington corporation,

Defendant.

Case No.: 2:25-cv-02277-KKE

**AMENDED CLASS ACTION
COMPLAINT**

JURY TRIAL DEMANDED

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I. INTRODUCTION

1
2 1. This case exposes a high-stakes deception at the heart of the growing and increasingly
3 popular premium tequila market. Despite labeling and advertising Kirkland Signature brand tequila
4 as “100% de Agave,” Defendant Costco Wholesale Corporation (“Costco” or “Defendant”) sells
5 tequila that contains cheaper, non-agave alcohol, misleading consumers across the country.

6 2. In the world of tequila, the *tequilana weber* blue variety of agave (“Blue Weber
7 agave”) is regarded as the gold standard. Indeed, the Blue Weber agave variety is the sole variety
8 used in the production of true tequila. Blue Weber agave is native to Jalisco, Mexico, and certain
9 surrounding areas.

10 3. Blue Weber agave production is highly regulated, and consumers pay a premium for
11 agave spirits made from 100% Blue Weber agave as a result.

12 4. Blue Weber agave takes longer to harvest because it must be grown and harvested
13 once the plants reach full maturity (which can take 5 to 10 years). The plants must also be grown
14 and harvested within certain areas, and specific traditional harvesting practices must be employed.
15 These restrictions are enforced by Mexico’s Tequila Regulatory Council, Consejo Regulator del
16 Tequila, A.C. (“CRT”), and are meant to protect the authenticity and quality of tequila and ensure
17 that tequila produced outside the designated geographic regions cannot be labeled as such.

18 5. Tequila is made from the heart of the Blue Weber agave plant, commonly referred
19 to as the piña. The piña is heated to break down its complex sugars and crushed to extract its
20 sugary juice, which is then fermented with yeast, transforming those sugars into agave-derived
21 ethanol (alcohol), which is distilled into tequila. A product labeled “100% de Agave” is one whose
22 fermentation may not be enhanced with sugars other than those obtained from Blue Weber agave.

23 6. Seeking to capitalize on consumer demand for authentic, high-quality tequila, Costco
24 labels every bottle of Kirkland Signature brand Blanco, Reposado, Añejo, Añejo Cristalino, and
25 Extra Añejo tequila (collectively the “Kirkland Tequila Products” or “Products”) as “100% de
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1 Agave.”¹ All the Products begin with the initial distillation of Kirkland Signature Tequila Blanco,
2 which serves as the foundation for the entire line of Kirkland Signature Tequilas.



22 ¹ See, e.g., Costco Wholesale Same-Day, Kirkland Signature Tequila Blanco,
23 <https://sameday.costco.com/store/costco/products/30489048-kirkland-signature-tequila-blanco-1-75-1>
24 (last visited Oct. 31, 2025); Costco Wholesale Same-Day, Kirkland Signature Tequila Reposado,
25 [https://sameday.costco.com/store/costco/products/30352534-kirkland-signaturemexico-reposado-](https://sameday.costco.com/store/costco/products/30352534-kirkland-signaturemexico-reposado-tequila-1-1)
26 [tequila-1-1](https://sameday.costco.com/store/costco/products/30352534-kirkland-signaturemexico-reposado-tequila-1-1) (last visited Oct. 31, 2025); Costco Wholesale Same-Day, Kirkland Signature Tequila
27 Añejo, [https://sameday.costco.com/store/costco/products/20720515-kirklandsignature-anejo-mexico-](https://sameday.costco.com/store/costco/products/20720515-kirklandsignature-anejo-mexico-tequila-1-1)
28 [tequila-1-1](https://sameday.costco.com/store/costco/products/20720515-kirklandsignature-anejo-mexico-tequila-1-1) (last visited Oct. 31, 2025); Costco Wholesale Same-Day, Kirkland Signature Tequila Añejo
Cristalino, and [https://sameday.costco.com/store/costcospirits/products/48933775-kirkland-signature-](https://sameday.costco.com/store/costcospirits/products/48933775-kirkland-signature-cristalino-mexico-tequila-1-1)
cristalino-mexico-tequila-1-1 (last visited Oct. 31, 2025); Costco Instacart, Kirkland Signature Tequila
Extra Añejo [https://www.instacart.com/products/82410769-kirkland-signature-tequila-extra-](https://www.instacart.com/products/82410769-kirkland-signature-tequila-extra-aejomexico-1-1?retailerSlug=costco&sisid=29603)
aejomexico-1-1?retailerSlug=costco&sisid=29603 (last visited Oct. 31, 2025).

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7. In addition to selling the Products in its vast chain of retail brick and mortar stores, Defendant also sells the Products online, directing customers who wish to purchase bottles of Kirkland Tequila to the Costco Wholesale Same-Day website powered by Instacart, which allows customers to purchase Kirkland Tequilas for prices between \$18.69 and \$48.99 per bottle.²

8. Defendant represents on the face of its bottles that the Products are “Hecho en Jalisco, Mexico,” which in English means “made in Jalisco, Mexico.”³

² See *id.*
³ See *id.*

1 9. These designations tell consumers that Kirkland Tequila Products are made solely
2 from the Blue Weber agave plant, with no other sugars or non-agave sources used in the
3 fermentation process.

4 10. Defendant further represents on the face of its bottles that the Products are made
5 “using 100% Blue Agave.” By way of example, the label for Kirkland Reposado states: “This very
6 special Reposado tequila is a blend of tequila rested in American & French oak using 100% Blue
7 Agave. Salud!”

8 11. Upon information and belief, even if Defendant were able to sell these Products as a
9 “mixto” tequila, *i.e.*, tequila that is *not* 100% agave, they would do so at a materially lower price,
10 because other forms of alcohol are materially less expensive than that derived from Blue Weber
11 agave. In fact, at least some of the Products would not even qualify as a mixto under Mexico’s tequila
12 specifications.

13 12. Plaintiffs and the proposed Class Members (“Class Members”) paid premium prices
14 for the Products in reliance on Defendant’s representations that the Products were created from 100%
15 Blue Weber agave.

16 13. Specialized testing of the Products, utilizing a peer-reviewed and scientifically
17 validated methodology, has uncovered that they contain material amounts of ethanol *not derived*
18 *from agave plants*, and, as such, they were adulterated with ethanol other than that obtained from
19 Blue Weber agave.

20 14. These findings contradict Defendant’s “100% de Agave” or “100% Blue Agave,”
21 representations and confirm its Products are adulterated. Further, testing of Products procured at
22 multiple Costco stores throughout the U.S. confirms that Kirkland Tequila Products sold nationwide
23 are adulterated.

24 15. By falsely branding the Products as “100% de Agave,” or “100% Blue Agave,”
25 Costco misled consumers, distorted the premium tequila market, and profited from a deception that
26 violates the core principles of consumer protection law.

27 16. If Plaintiffs and Class Members had known the truth of the ingredients in the Products,
28 they would not have purchased the Products or would have paid less for them. Plaintiffs still hope to

1 purchase these Products in the future when they are truly 100% agave. For these reasons, and as
2 further detailed below, Plaintiffs bring claims on their own behalf and on behalf of other consumers
3 of Defendant's Products.

4 17. This lawsuit seeks to hold Costco accountable and recover financial losses sustained
5 by consumers who were misled by its false and misleading advertising.

6 18. Plaintiffs, on behalf of a proposed class, assert claims under the Racketeering
7 Influenced and Corrupt Organization Act ("RICO"), a nationwide class under the Washington
8 Consumer Protection Act, and various state law classes based upon the residence of the named
9 plaintiffs.

10 II. JURISDICTION AND VENUE

11 19. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §
12 1331 because it arises from violations of the Racketeer Influenced and Corrupt Organizations Act,
13 18 U.S.C. § 1961, *et seq.* (RICO). This Court also has subject matter jurisdiction over this action
14 pursuant to the Class Action Fairness Act ("CAFA"), 28 U.S.C. § 1332(d), because at least one class
15 member is of diverse citizenship from one Defendant, there are more than 100 class members, and
16 the aggregate amount in controversy exceeds \$5,000,000, exclusive of interest and costs.

17 20. This Court may also exercise supplemental jurisdiction over Plaintiffs' state law
18 claims under 28 U.S.C. § 1367 because they are so related to the RICO claim (within the Court's
19 original jurisdiction) that they form part of the same case or controversy under Article III of the
20 United States Constitution. This case does not present novel or complex issues of state law that
21 predominate over claims for which this Court has original jurisdiction, and there are no compelling
22 reasons for declining supplemental jurisdiction over those of Plaintiffs' claims that do not arise under
23 RICO.

24 21. This Court has personal jurisdiction over Costco because Costco has: (1) transacted
25 substantial business in the United States, including in this District; (2) transacted business with
26 members of the Class throughout the United States, including in this District; (3) had substantial
27 contacts with the United States, including in this District; and (4) committed substantial acts in
28 furtherance of their unlawful scheme in the United States, including in this District.

1 22. Plaintiffs’ injuries arise out of Costco operating, conducting, engaging in, or carrying
2 on business in the fifty states, including Washington.

3 23. Costco purposefully directed their activity to the fifty states, including Washington;
4 and controlled the marketing, distribution, and sale of the Kirkland Tequila Products itself.

5 24. Pursuant to 28 U.S.C. § 1391 and 18 U.S.C. § 1965, venue is appropriate in this
6 District because Costco is headquartered in this District, a substantial part of the events or omissions
7 which gave rise to the claims occurred in this District, Costco sold the Products within this District,
8 and Plaintiffs and Class Members purchased the Products in this District.

9 **III. PARTIES**

10 **A. Plaintiffs**

11 **1. Washington Plaintiffs**

12 **a. Nelson Salisbury**

13 25. Plaintiff Nelson Salisbury is a resident of Burien, Washington. In April 2025, Plaintiff
14 Salisbury purchased a Kirkland Signature brand bottle of Kirkland Blanco tequila at Costco in
15 Tukwila, Washington. When purchasing the Kirkland Tequila Products, Plaintiff Salisbury saw and
16 relied on Costco’s “100% de Agave” label claims. Had Plaintiff Salisbury understood the truth about
17 the nature of Kirkland’s Tequila Products he would not have bought the product or would have paid
18 less for it.

19 **b. Phillip Asphy**

20 26. Plaintiff Phillip Asphy is a resident of Seattle, Washington. Between 2023 and 2025,
21 Plaintiff Asphy purchased approximately eight bottles of Kirkland Blanco and Añejo tequila at
22 Costco in Seattle, Tukwila, and Federal Way, Washington. When purchasing the Kirkland Tequila
23 Products, Plaintiff Asphy saw and relied on Costco’s “100% de Agave” label claims. Had Plaintiff
24 Asphy understood the truth about the nature of Kirkland’s Tequila Products he would not have
25 bought the product or would have paid less for it.

1 **2. California Plaintiffs**

2 **a. Karl Steinberg**

3 27. Plaintiff Karl Steinberg is a resident of Laguna Niguel, California. Between 2023 and
4 2025, Plaintiff Steinberg regularly purchased Kirkland Signature bottles of Kirkland Reposado
5 tequila and Kirkland Blanco tequila at Costco in Laguna Niguel, California and Temecula,
6 California. When purchasing the Kirkland Tequila Products, Plaintiff Steinberg saw and relied on
7 Costco's "100% de Agave" label claims. Had Plaintiff Steinberg understood the truth about the
8 nature of Kirkland's Tequila Products he would not have bought the product or would have paid less
9 for it.

10 **b. Tesha Gamino**

11 28. Plaintiff Tesha Gamino is a resident of Riverside, California. Between December
12 2022 and December 2024, Plaintiff Gamino purchased approximately four Kirkland Signature
13 bottles of Kirkland Añejo tequila at Costco in Corona, California. When purchasing the Kirkland
14 Tequila Products, Plaintiff Gamino saw and relied on Costco's "100% de Agave" label claims. Had
15 Plaintiff Gamino understood the truth about the nature of Kirkland's Tequila Products she would not
16 have bought the product or would have paid less for it.

17 **c. LeRoy Davis**

18 29. Plaintiff LeRoy Davis is a resident of Chula Vista, California. Between December
19 2019 to April 2022, Plaintiff Davis purchased approximately nine bottles of Kirkland Blanco,
20 Reposado, and Añejo tequila at Costco on Broadway and H Street in Chula Vista, California. When
21 purchasing the Kirkland Tequila Products, Plaintiff Davis saw and relied on Costco's "100% de
22 Agave" label claims. Had Plaintiff Davis understood the truth about the nature of Kirkland's Tequila
23 Products he would not have bought the product or would have paid less for it.

24 **3. Connecticut Plaintiff**

25 **a. Stuart Bergman**

26 30. Plaintiff Stuart Bergman is a resident of Farmington, Connecticut. Between 2020 and
27 2025, Plaintiff Bergman purchased approximately eight bottles of Kirkland Reposado and Añejo
28 tequila at Costco in New Britain, Connecticut. When purchasing the Kirkland Tequila Products,

1 Plaintiff Bergman saw and relied on Costco’s “100% de Agave” label claims. Had Plaintiff Bergman
2 understood the truth about the nature of Kirkland’s Tequila Products he would not have bought the
3 product or would have paid less for it.

4 **4. Florida Plaintiffs**

5 **a. Jordan Leventhal**

6 31. Plaintiff Jordan Leventhal is a resident of Winter Park, Florida. On June 7, 2025,
7 Plaintiff Leventhal purchased a Kirkland Signature brand bottle of Kirkland Reposado tequila at
8 Costco in Altamonte Springs, Florida. When purchasing the Kirkland Tequila Products, Plaintiff
9 Leventhal saw and relied on Costco’s “100% de Agave” label claims. Had Plaintiff Leventhal
10 understood the truth about the nature of Kirkland’s Tequila Products he would not have bought the
11 product or would have paid less for it.

12 **b. Ariel Glazer**

13 32. Plaintiff Ariel Glazer is a resident of Wellington, Florida. On October 28, 2025,
14 Plaintiff Glazer purchased a Kirkland Signature brand bottle of Kirkland Reposado tequila at Costco
15 in Royal Palm Beach, Florida. When purchasing the Kirkland Tequila Products, Plaintiff Glazer saw
16 and relied on Costco’s “100% de Agave” label claims. Had Plaintiff Glazer understood the truth
17 about the nature of Kirkland’s Tequila Products she would not have bought the product or would
18 have paid less for it.

19 33. Plaintiff Glazer purchased these Products after reviewing the Products’ labels in store
20 and at private events that offered the Products. Plaintiff Glazer purchased these Products, in material
21 part, because they purportedly were “100% Blue Agave.” Prior to purchase, Plaintiff Glazer read and
22 relied on Defendant’s representation that the Products were “100% Blue Agave.” When Plaintiff
23 Glazer purchased the Products, she was unaware that Defendant had misrepresented the composition
24 and ingredients of the Products, such that she would not have purchased the Products or would not
25 have paid as much for them as she did. Plaintiff Glazer, at all times, believed, as a result of
26 Defendant’s representations both online and on the packaging of the Products she purchased, that the
27 tequila she purchased was premium and pure tequila made of 100% Blue Weber agave. Had Plaintiff
28

1 Glazer known the Products were not 100% Blue Weber agave, she would not have purchased the
2 Products or would have paid less than she did.

3 **5. Massachusetts Plaintiffs**

4 **a. Kathryn Trainor**

5 34. Plaintiff Kathryn Trainor is a resident of Taunton, Massachusetts. On August 2, 2025,
6 Plaintiff Trainor purchased a Kirkland Signature brand bottle of Kirkland Blanco tequila at Costco
7 in Sharon, Massachusetts. When purchasing the Kirkland Tequila Products, Plaintiff Trainor saw
8 and relied on Costco’s “100% de Agave” label claims. Had Plaintiff Trainor understood the truth
9 about the nature of Kirkland’s Tequila Products she would not have bought the product or would
10 have paid less for it.

11 **b. Cynthia Reese**

12 35. Plaintiff Cynthia Reese is a resident of South Boston, Massachusetts. Between 2022
13 and 2025, Plaintiff Reese purchased more than ten bottles of Kirkland Blanco tequila at Costco in
14 Dedham and Danvers, Massachusetts and in Nashua, New Hampshire. When purchasing the
15 Kirkland Tequila Products, Plaintiff Reese saw and relied on Costco’s “100% de Agave” label
16 claims. Had Plaintiff Reese understood the truth about the nature of Kirkland’s Tequila Products she
17 would not have bought the product or would have paid less for it.

18 **6. Michigan Plaintiff**

19 **a. Chad Forester**

20 36. Plaintiff Chad Forester is a resident of Wolverine Lake, Michigan. Between May 19,
21 2025 to November 2, 2025, Plaintiff Forester purchased approximately four bottles of Kirkland
22 Blanco tequila at Costco in Commerce Township, Michigan and Bloomfield, Michigan. When
23 purchasing the Kirkland Tequila Products, Plaintiff Forester saw and relied on Costco’s “100% de
24 Agave” label claims. Had Plaintiff Forester understood the truth about the nature of Kirkland’s
25 Tequila Products he would not have bought the product or would have paid less for it.

1 **7. New Jersey Plaintiff**

2 **a. Michael Mathenge**

3 37. Plaintiff Michael Mathenge is a resident of Woodbridge, New Jersey. Between
4 January 2023 through November 2025, Plaintiff Mathenge purchased over 75 bottles of Kirkland
5 Blanco tequila at Costco in Edison, New Jersey. When purchasing the Kirkland Tequila Products,
6 Plaintiff Mathenge saw and relied on Costco’s “100% de Agave” label claims. Had Plaintiff
7 Mathenge understood the truth about the nature of Kirkland’s Tequila Products he would not have
8 bought the product or would have paid less for it.

9 **8. New Mexico Plaintiff**

10 **a. Patricia Bailey**

11 38. Plaintiff Patricia Bailey is a resident of Jemez Springs, New Mexico. Between
12 September 2020 and October 2024, Plaintiff Bailey purchased approximately five bottles of Kirkland
13 Añejo tequila at Costco in Albuquerque, New Mexico. When purchasing the Kirkland Tequila
14 Products, Plaintiff Bailey saw and relied on Costco’s “100% de Agave” label claims. Had Plaintiff
15 Bailey understood the truth about the nature of Kirkland’s Tequila Products she would not have
16 bought the product or would have paid less for it.

17 **9. New York Plaintiff**

18 **a. Dalit Cohen**

19 39. Plaintiff Dalit Cohen is a resident of Roslyn, New York. Between January 2023-
20 December 2024, Plaintiff Cohen purchased approximately six Kirkland Signature brand bottles of
21 Kirkland Blanco tequila, Reposado tequila and Añejo tequila at Costco in Westbury, New York.
22 When purchasing the Kirkland Tequila Products, Plaintiff Cohen saw and relied on Costco’s “100%
23 de Agave” label claims. Had Plaintiff Cohen understood the truth about the nature of Kirkland’s
24 Tequila Products she would not have bought the product or would have paid less for it.

25 **B. Defendant**

26 **a. Costco Wholesale Corporation**

27 40. Costco is a Washington corporation. Costco maintains its principal place of business
28 and headquarters in Issaquah, Washington.

IV. COMMON FACTUAL ALLEGATIONS

A. The Regulation of Tequila Manufacturing and Labeling.

41. Like champagne and cognac, tequila is a product of origin. Tequila can only legally be made in Mexico: specifically, in the states of Jalisco, Tamaulipas, Nayarit, Michoacán and Guanajuato. The CRT, the Conformity Assessment Body for NOM-006-SCFI-2012-Alcoholic Beverages-Tequila-Specifications (“Tequila NOM”) regulates the manufacturing of tequila.⁴ The CRT is a non-governmental, non-profit civil organization.⁵ One of the CRT’s primary objectives is to “[g]uarantee the authenticity of Tequila to the consumer.”⁶ Notably, the CRT’s Board of Directors and committees are dominated by representatives of well-known tequila producers.⁷ In effect, the very companies that CRT purports to regulate are the ones running it.

42. The Tequila NOM in section 6.1.1.1 states that the addition of sugar-based syrups “must not be more than 1% in relation to the total Tequila weight before it is bottled.”

43. Under section 5.1.1 of the Tequila NOM, a product labeled “100% agave [azul]” or “100% de agave” is “a product whose fermentation may not be enhanced with sugars other than those obtained from the tequilana weber blue variety Agave grown in the territory specified in the Declaration” (i.e., in the states of Jalisco, Tamaulipas, Nayarit, Michoacán and Guanajuato).

44. “100% agave” tequila, as expressly defined in NOM § 5.1.1 is different from “Tequila” as defined in NOM § 5.1.2. A key distinguishing difference between 100% agave tequila and “tequila” is that “tequila” may have “other sugars in a proportion not to exceed 49% of total reducing sugars expressed in units of mass. This maximum enhancement of up to 49% of total reducing sugars expressed in units of mass may not be done with sugars from any species of Agave.” However, “[t]he 51% of total reducing sugars expressed in units of mass may only be enhanced with

⁴ *Official Mexican Standard NOM-006-SCFI-2012 Alcoholic Beverages -Tequila – Specifications Courtesy Translation*, <https://www.crt.org.mx/wp-content/uploads/2024/01/NOM-006-SCFI-2012%20-%20INGLES.pdf> (last visited Oct. 31, 2025).

⁵ Consejo Regulador Del Tequila A.C., *About Us*, CRT.ORG, <https://www.crt.org.mx/en/about-us/> (last visited Mar. 3, 2026).

⁶ *Id.*

⁷ *Id.*

1 tequilana weber blue variety agave” See also NOM § 6.3 (only authorizing mixto tequila that is
2 not 100% agave azul from being “enhanced with other sugars in the fermentation process”).

3 45. As such, to be labeled as “100% agave,” “100% de agave,” “100% puro de agave,”
4 “100% agave,” or “100% puro agave” (inclusive of any combination of these labels with the word
5 “azul” [“blue”]) the product may not be enhanced with sugars other than those obtained from Blue
6 Weber agave grown in a specific, defined territory.

7 46. In short, no sugars other than those obtained from Blue Weber agave should be found
8 in a tequila labeled as 100% agave.

9 47. Lastly, section 6.5.2.1 requires strict documentation to ensure that tequila “has not
10 been adulterated in the manufacturing stages of its production.” To prevent adulteration, the Tequila
11 NOM imposes strict documentation requirements. For example, under Section 6, Authorized
12 Producers of tequila are required to “maintain updated records of at least the following documents:
13 a) Invoices or documents confirming the purchase of the raw materials (Agave and other sugars). b)
14 Documents confirming raw material input and output. c) Documents confirming the movement of
15 the finished product. d) Inventories of raw materials and finished product, including, specifically, the
16 finished product allocated to aging or bottling.” NOM-006-SCFI-2012 § 6.5.2.1.

17 48. A tequila labeled as 100% agave will be deemed to have been adulterated in the
18 manufacturing stages of its production if it was not made exclusively from Blue Weber agave sugars.
19 The presence of other sugars impacts the tequila’s quality and taste given that the use of other sugars
20 can alter the natural flavor profile of tequila.

21 49. Bottles of agave spirits that fail to provide accurate information in interstate
22 commerce violate the Federal Alcohol Administration Act (“FAAA”), 27 U.S.C. § 205(e), which
23 requires bottles to provide the “identity and quality of the products” and “the alcoholic content
24 thereof,” and 27 U.S.C. § 205(f), which requires advertisements of distilled spirits to “provide the
25 consumer with adequate information as to the identity and quality of the products advertised.”

26 50. In the United States, the Alcohol and Tobacco Tax and Trade Bureau (“TTB”)
27 regulates the labeling, packaging, and advertising of distilled spirits under 27 C.F.R. § 5.
28

1 51. An agave spirit can only be categorized as tequila where it is “made in Mexico, in
2 compliance with the laws and regulations of Mexico governing the manufacture of Tequila for
3 consumption in that country.” 27 C.F.R. § 5.148.

4 52. A distilled spirit made from agave plants may only contain added flavoring or
5 coloring materials if they “do not total more than 2.5 percent by volume of the finished product.” 27
6 C.F.R. § 5.155.

7 53. The Tequila NOM classifies tequila based on its characteristics after distillation. For
8 example, tequila may be classified as *Blanco or Plata* (“Silver”), *Joven or Oro* (“Gold”), *Reposado*
9 (“Aged”), *Añejo* (“Extra-aged”), or *Extra Añejo* (“Ultra-aged”). NOM-006-SCFI-2012 § 5.2.1.

10 54. In a lawsuit filed in the Middle District of Florida earlier this year, CRT described
11 itself as “the *only* body accredited and approved under Mexican law to inspect, analyze, and certify
12 compliance with the [Tequila NOM].” *Consejo Regulador Del Tequila A.C. v. Additive Free*
13 *Alliance, Inc.*, Case No. 3:25-cv-00236-WWB-MCR, Dkt. 1, at 1 (M.D. Fla. Mar. 4, 2025) (emphasis
14 in original). “In addition to certifying compliance with the Tequila NOM,” the lawsuit explains, the
15 “CRT is also responsible for substantiating fact-based claims on labels of Tequila, such as whether
16 a product is made from 100% Agave or whether the Tequila meets the criteria for being classified as
17 Blanco, Reposado, or Añejo.” *Id.* at 1-2.

18 55. Among its core responsibilities, the CRT is required to conduct extensive inspections
19 throughout the tequila production chain, beginning with the verification that only Blue Weber agave
20 cultivated within the designated geographic region is used.

21 56. Under the “Continuous Verification” provisions of the Tequila NOM—which are
22 intended to assess compliance with tequila authenticity requirements—the CRT is further charged
23 with monitoring production practices on-site, including cooking, fermentation, distillation, and
24 aging. *See* NOM-006-SCFI-2012 § 8.5.

25 57. Aside from the inspection and continuous verification procedures, the CRT is also
26 required to perform laboratory testing of tequila samples to verify key physicochemical parameters
27 such as alcohol content, sugar concentration, and the presence of non-permitted additives. According
28 to the CRT website, its “laboratory plays a crucial role in the tequila certification process by

1 providing accurate and reliable results.” These tests are supposed to help ensure that only authentic,
2 unadulterated tequila is certified for domestic and international sale.

3 58. Notably, the CRT also “owns an incontestable federal registration for the certification
4 mark TEQUILA (Registration No. 5225126).” *Consejo Regulador Del Tequila A.C.*, Case No. 3:25-
5 cv-00236-WWB-MCR, Dkt. 1, at 6. Because the CRT holds the U.S. certification mark, only
6 producers certified by the CRT can legally use the term “Tequila” on products sold in the United
7 States. *Id.* at 7. In other words, CRT’s control over the U.S. certification mark, combined with its
8 role under Tequila NOM, makes it the sole gatekeeper for what qualifies as “100% Agave” tequila
9 under both Mexican and U.S. law. *See* NOM-006-SCFI-2012 §§ 10, 11. This monopoly gives CRT
10 significant influence over producers, including foreign companies like Costco, by conditioning
11 market access on CRT certification.

12 **B. Tequila’s popularity soars as consumers embrace premium, “100% de Agave” labels.**

13 59. Because tequila labeling is strictly regulated, the “100% de Agave” designation
14 signals authenticity, purity, and compliance with both U.S. and Mexican standards. It is more than a
15 technical term—it is a powerful marketing tool that shapes consumer expectations and drives growth
16 in the premium tequila market.

17 60. A recent *Forbes* article reports that premium tequila sales have grown 1,270% since
18 2003, with super-premium brands up 1,500% over the same period.⁸ This surge reflects a shift:
19 consumers are no longer chasing volume but instead seeking high-quality, craft spirits rooted in
20 traditional production methods and ingredient purity.⁹

21 61. This “premiumization” trend hinges on consumer trust in origin and production
22 claims.¹⁰ Premium tequilas are marketed on their use of 100% Blue Weber agave, traditional
23

24 ⁸ Rachel King, *The Tequila Boom: How Premium And Craft Spirits Are Changing The Industry*,
25 FORBES.COM (Jan. 5, 2025), <https://www.forbes.com/sites/rachelking/2025/01/05/the-tequila-boom-how-premium-and-craft-spirits-are-changing-the-industry/>.

26 ⁹ *Id.*

27 ¹⁰ King, *supra* note 9; Grand View Research, *Tequila Market Size, Share & Trends Analysis Report*
28 *by Product (Blanco, Reposado, Anejo, Super Premium), By Grade (Value, Premium, High-End Premium, Super Premium), By Distribution Channel, By Region, And Segment Forecasts, 2024-2030*,

1 harvesting and distillation, and deliberate aging.¹¹ Consumers see these traits as markers of a superior
2 product and are willing to pay more for bottles bearing those designations.¹² In this context, the
3 “100% de Agave” label functions as shorthand for authenticity and value.¹³

4 62. The premiumization trend is especially strong among younger consumers. According
5 to Grand View Research, 54% of consumers aged 34 and under prefer premium tequilas, citing taste,
6 production integrity, and brand authenticity as major factors.¹⁴ This demographic—accustomed to
7 researching products before buying them—relies heavily on labels like “100% de Agave” to assess
8 quality.¹⁵

9 63. Tequilas labeled “100% de Agave” often command significantly higher prices than
10 mixto alternatives.¹⁶ This price premium reflects both the increased cost of using only Blue Weber
11 agave and the value consumers place on purity and traditional production methods. Research shows
12 that consumers are not just buying tequila, they are buying what the label represents: authenticity,
13 craftsmanship, and adherence to cultural and regulatory standards.¹⁷

14 64. The “100% de Agave” label has become a cornerstone of brand positioning in the
15 premium and super-premium tequila markets.¹⁸ In an increasingly crowded spirits landscape,
16 producers use this designation to stand apart from mass-produced alternatives and to appeal to
17 consumers seeking high-quality, artisanal products.¹⁹ The label helps justify higher prices, secure
18

19
20 GRANDVIEWRESEARCH.COM, <https://www.grandviewresearch.com/industry-analysis/tequila-market-report> (last visited Nov. 13, 2025).

21 ¹¹ Grand View Research, *supra* note 10; Heather Clark, *From Agave To Your Glass: Everything*
22 *You Need To Know About Making, Drinking, And Actually Enjoying Tequila*, TASTINGTABLE.COM
(Feb. 25, 2025), <https://www.tastingtable.com/1792801/how-tequila-is-made-explained/>.

23 ¹² Grand View Research, *supra* note 10; Clark, *supra* note 11.

24 ¹³ Grand View Research, *supra* note 10.

25 ¹⁴ *Id.*

26 ¹⁵ *Id.*

27 ¹⁶ *Id.*

28 ¹⁷ King, *supra* note 19; Grand View Research, *supra* note 10.

¹⁸ Grand View Research, *supra* note 10.

¹⁹ *Id.*

1 shelf space in upscale retailers, and earn consumer trust. Without the credibility of this claim, brands
2 risk losing both prestige and profit.²⁰

3 **C. Costco misrepresents its Kirkland Signature tequilas as “100% de Agave” to**
4 **command premium prices.**

5 65. Costco has aggressively leveraged the “100% de Agave” claim to justify premium
6 pricing and secure market dominance for Kirkland Tequila Products. The reputation of those
7 products and sales depends on promises of agave purity. But those representations are false.

8 66. Every bottle of Kirkland Signature tequila is stamped with “100% de Agave.”

9 67. Costco knew (or was willfully blind) that the Kirkland Tequila Products were not
10 made from “100% de Agave,” and that its labeling and marketing was false, and misleading.

11 68. In a market increasingly defined by premiumization, label integrity is not optional—
12 it is essential. The “100% de Agave” designation is a material representation that consumers rely on
13 to select a product that match their values and expectations.²¹

14 69. Misusing the “100% de Agave” label is not just a technical violation—it distorts
15 consumer choice and marketplace competition. It allows Costco to unjustly profit from the pricing
16 power, trust, and loyalty typically reserved for authentic products. In a segment where small-batch
17 producers and traditional distillers uphold rigorous standards, misuse of the “100% de Agave” label
18 by mass-market brands dilutes the label’s value and harms both consumers and honest competitors.

19 70. For dominant retailers like Costco, misuse of the “100% de Agave” designation
20 allows the company to capture the price premium associated with authentic tequila.

21 **D. Scientific testing exposes the misleading nature of Costco’s “100% de Agave” claims.**

22 71. The seriousness of Costco’s misconduct cannot be overstated. By falsely labeling
23 mass-produced Kirkland Tequila Products as “100% de Agave,” Costco not only deceives
24 consumers—it undermines legitimate producers and distorts the market for authentic tequila.

25 72. To verify the falsity of Costco’s representations, Plaintiffs commissioned Site-
26 Specific Natural Isotope Fractionation-Nuclear Magnetic Resonance (“SNIF-NMR” or “NMR”)

27 ²⁰ *Id.*

28 ²¹ King, *supra* note 11; Grand View Research, *supra* note 10.

1 laboratory testing to confirm, by way of carbon isotope ratio analysis, whether the Products
2 purchased by Plaintiff have been adulterated with cane alcohol.

3 73. This sophisticated, scientific technique is widely accepted in food chemistry and has
4 been recognized for its reliability in discerning the authenticity of 100% agave tequila in multiple
5 peer-reviewed publications (including publications supported by the CRT) and by Mexico's *Centro*
6 *Nacional de Metrología* ("CENAM," Mexico's national reference laboratory for measurements).²²
7 More specifically, from May 2022 to August 2022, CENAM performed a "proficiency test" of "13C-
8 SNIF-NMR to identify the origin of distilled alcoholic beverages, that is, whether they are 100%
9 blue Weber agave with the 'Tequila' Designation of Origin, an agave distillate at a concentration
10 made from less than 100% or a non-agave distillate."²³ CENAM explained the results of the
11 proficiency test as follows:

12 The results of the laboratory, with code 63221401, show that the
13 measurement process with the SNIFNMR Nuclear Magnetic
14 Resonance technique, using 13C-SNIF-NMR, can identify a 100%
15 agave distillate, as demonstrated with the satisfactory result of
16 sample 1D-tequila 100% blue Weber agave with "Tequila"
17 Designation of Origin. At the same time, it is able to identify
18 alcoholic beverages derived from sources other than agave, as
19 observed with the satisfactory results of samples 1C-Vodka and
20 1FGin. Lastly, the unsatisfactory result of sample 1B-Distillate
21 made from less than 100% agave, shows that it has the ability to
22 clearly distinguish a 100% agave distillate from a mixture with a
23 lesser agave content (enriched musts).²⁴

22 ²² See, e.g. Warren-Vega, W. M., Fonseca-Aguinaga, R., Gonzalez-Gutiérrez, L. V., & Romero-
23 Cano, L. A., *A critical review on the assessment of the quality and authenticity of Tequila by different*
24 *analytical techniques: Recent advances and perspectives. Food Chemistry*, Vol. 408 (2023), 135223;
25 Portaluri, V., Thomas, F., Jamin, E., Akoka, S., & Remaud, G. S. (2021). *Authentication of agave*
26 *products through isotopic intramolecular 13C content of ethanol: Optimization and validation of 13C*
27 *quantitative NMR methodology. ACS Food Science & Technology*, 1(8), 1316–1322; and Centro
28 Nacional de Metrología (CENAM). (2022). CNM-EA-630-0014/2022: Proficiency test for the
identification of origin of agave beverages. El Marqués, Querétaro, México: CENAM (hereinafter
"CENAM Report").

²³ CENAM Report at 3 (certified translation).

²⁴ *Id.* at 7.

1 Summarizing those findings, CENAM stated that NMR’s proficiency to “qualitatively identify
2 whether a distilled alcoholic beverage is a 100% blue Weber agave with the ‘Tequila’ Designation
3 of Origin, is satisfactory.”²⁵

4 74. NMR testing identifies the plant origin of ethanol in a spirit by measuring the natural
5 carbon fingerprint of the ethanol in the spirit. This fingerprint—known as a stable carbon isotope
6 ratio ($\delta^{13}\text{C}$)—can be used to identify the plant source of the sugars used in fermentation.

7 75. The particular NMR fingerprint of a spirit allows researchers to scientifically
8 determine whether a tequila labeled as “100% de Agave” derives its alcohol solely from agave sugars
9 or from some other source.

10 76. Specifically, researchers analyze the carbon composition at two parts of the ethanol
11 molecule: the methylene group (CH_2) and the methyl group (CH_3). Ethanol made from Blue Weber
12 agave, a CAM plant,²⁶ shows a distinct isotope signature compared to cheaper feedstocks like corn
13 or sugarcane, which are C_4 plants.

14 77. A foundational 2010 study confirmed this distinction and the ability to differentiate
15 authentic 100% agave tequila when applying the analysis to tequila products.²⁷ When applied to
16 tequila, this technique detects the adulteration of tequila labeled as 100% agave by identifying the
17 presence of ethanol made from a source other than Blue Weber agave. By way of example, ethanol
18 made from C_4 plants such as corn and sugarcane consistently shows $\delta^{13}\text{C}(\text{CH}_2)$ values near -13.5% .²⁸
19 In contrast, agave-derived ethanol falls within a range of -7.0% to -9.0% .²⁹

20 78. Building on that foundation, a 2021 peer-reviewed study refined and validated a
21 nuclear magnetic resonance (NMR) technique that measures $\delta^{13}\text{C}$ content at both the CH_2 and CH_3

22
23 ²⁵ *Id.* at 3.

24 ²⁶ CAM species (like Blue Weber agave) are plants that use a water-efficient form of
25 photosynthesis. Unlike most plants, they open their stomata (the pores on their leaves) at night instead
26 of during the day. This allows them to absorb carbon dioxide in cooler, more humid conditions,
27 reducing water loss in the hot sun.

28 ²⁷ See Freddy Thomas, et al., *Improved Characterization of the Botanical Origin of Sugar by
Carbon-13 SNIF-NMR Applied to Ethanol*, 58 J. AGRIC. FOOD CHEM. 11580, 11580-81 (2010).

²⁸ *Id.* at 11583.

²⁹ *Id.*

1 positions.³⁰ These results confirmed the same diagnostic patterns: ethanol from pure agave sources
2 consistently fell within the expected $\delta^{13}\text{C}$ ranges, while ethanol from C_4 plants, like cane and corn,
3 displayed more negative values.³¹ The study established precise benchmarks— CH_2 values below –
4 10.0‰ are likely indicative of non-agave origin.³²

5 79. Together, these studies provide a scientifically validated, peer-reviewed framework
6 for determining whether ethanol in a tequila sample truly comes from agave.

7 80. NMR testing confirms that Defendant is selling tequila that does not meet the United
8 States' or Mexico's regulatory requirements for tequila to be labeled as 100% agave. Specifically,
9 NMR testing of Kirkland Signature Añejo Cristalino revealed a $\delta^{13}\text{C}(\text{CH}_2)$ value of $-13.3 (\pm 0.5)\%$.
10 As such, the isotopic parameters measured were not in agreement with the tested samples'
11 description of 100% agave, and even worse, fell outside the required parameters for "mixto" tequilas
12 as well.

13 81. Products purchased from Costco in Florida in November 2025 were tested and yielded
14 the following results, all reflecting adulteration:

15 **Kirkland Blanco:** $\delta^{13}\text{C}_{\text{CH}_2} = -11.8\%$

16 **Kirkland Reposado:** $\delta^{13}\text{C}_{\text{CH}_2} = -12.4\%$

17 **Kirkland Extra Añejo:** $\delta^{13}\text{C}_{\text{CH}_2} = -13.6\%$

18 82. Additional Products purchased from Costco in California in August 2025 were tested
19 and yielded the following results:

20 **Kirkland Blanco:** $\delta^{13}\text{C}_{\text{CH}_2} = -11.8\%$

21 **Kirkland Reposado:** $\delta^{13}\text{C}_{\text{CH}_2} = -12.8\%$

22 83. Further, Plaintiff Jordan Leventhal purchased a bottle of reposado tequila at a Costco
23 in Altamonte Springs, Florida, and a lab sample report from this bottle stated the sample's isotopic
24

25 ³⁰ Vincent Portaluri, et al., *Authentication of Agave Products through Isotopic Intramolecular ^{13}C*
26 *Content of Ethanol: Optimization and Validation of ^{13}C Quantitative NMR Methodology*, 1 ACS FOOD
27 SCI. TECH. 1316, 1316-17 (2021).

27 ³¹ *Id.* at 1320.

28 ³² *Id.*

1 parameters did not match the data for authentic 100% or 51% agave tequila because it contained
2 $\delta^{13}\text{C_CH}_2 = -12.2\%$. *See* Lab Results attached as Exhibit 1.

3 84. Plaintiff Ariel Glazer purchased a bottle of Kirkland Reposado tequila from a Costco
4 in Royal Palm Beach, Florida, and a lab sample report from that bottle stated the sample's isotopic
5 parameters did not match the data for authentic 100% or 51% agave tequila because it similarly
6 contained $\delta^{13}\text{C_CH}_2 = -12.2\%$. *See* Lab Results attached as Exhibit 2.

7 85. None of the tested samples from any of the Plaintiffs met the threshold for ethanol
8 derived entirely from agave sugars.

9 86. These testing results implicate the entire range of Products as they are created from
10 the same base spirit and Defendant's conduct, the adulteration of the Products, is so widespread that
11 it affects all Products.

12 87. Plaintiffs purchased the Products in reliance on Defendant's representations and
13 would not have paid premium prices but for Defendant's false and misleading statements and
14 omissions.

15 88. Plaintiffs intend to purchase Defendant's Products again under the current labeling
16 once they understand the Products to truly contain 100% agave and seek the Court's assistance by
17 way of injunctive relief to ensure that Defendant's representations regarding its Products are
18 accurate.

19 **E. Numerous news reports and independent investigations detail widespread tequila**
20 **adulteration allegations.**

21 89. Plaintiffs' isotope testing reflects a broader concern within the tequila industry: that
22 adulteration with non-agave alcohol is not only happening, but far more widespread than consumers
23 realize.

24 90. As reported by mezcailistas.com, a respected industry news source, "[a] traditional
25 blanco tequila doesn't rely on aging or infusions for its alluring and distinctive flavors, which are
26 derived solely from agave, the water source, and the craft of fermentation and distillation. But blue
27
28

1 weber agave takes a long time to mature — five to 10 years — and that creates ongoing tension in
2 the industry, as well as the temptation to cut corners.”³³

3 91. Remberto Galván Cabrera, the official spokesperson for the Mexican Agave Council
4 (Consejo Mexicano del Agave or CMXDA), an organization that advocates for the rights of agaveros
5 and transparency in the tequila industry, has explained that “when agave prices were high, large
6 tequila companies began mixing cane alcohol into tequila that they sold as 100% agave.”³⁴ This
7 practice remains ongoing.³⁵

8 92. In fact, as reported by [mezcalistas.com](https://www.mezcalistas.com), Remberto Galván Cabrera purchased
9 Kirkland Signature Tequila in Mexico and laboratory test results showed the tequila was adulterated
10 and that its isotopic parameters were “not in agreement with those seen for Tequila 100%.”³⁶ This
11 laboratory testing was conducted according to standards that the Mexican expressly concluded were
12 sufficient to test for the authenticity of tequila.³⁷

13 93. Similarly, independent tequila testing was conducted by the Additive Free Alliance
14 (“AFA”), a 501(c)(3) non-profit corporation that is dedicated to promoting additive-free agave
15 products. The AFA’s testing showed that Kirkland tequila that was purchased in the United States
16 contained isotopic parameters that were “not in agreement with those seen for Tequila 100%.”

17 94. Consumers have also raised their suspicions that there is significant adulteration of
18 tequila that is exported from Mexico through social media, community-driven forum-style websites,
19 and blind tasting tests.

20 ³³ Felisa Rogers, *What are you drinking? Agave farmers allege tequila industry corruption*,
21 MEZCALISTAS (Jan. 13, 2025), <https://www.mezcalistas.com/tequila-industry-corruption/>.

22 ³⁴ Felisa Rogers, *Agave farmers say they will no longer play nice*, MEZCALISTAS (Jan. 15, 2025),
<https://www.mezcalistas.com/breaking-tequila-news/>.

23 ³⁵ *See id.*

24 ³⁶ Felisa Rogers, *Tequila test results revealed, death threats, and other breaking news*,
MEZCALISTAS (Nov. 18, 2025), [https://www.mezcalistas.com/tequila-test-results-revealed-death-](https://www.mezcalistas.com/tequila-test-results-revealed-death-threats-and-other-tequila-news/)
25 [threats-and-other-tequila-news/](https://www.mezcalistas.com/tequila-test-results-revealed-death-threats-and-other-tequila-news/); Felisa Rogers, *Four new brands implicated in growing tequila*
26 [adulteration scandal](https://www.mezcalistas.com/four-new-brands-implicated-in-growing-tequila-adulteration-scandal/), MEZCALISTAS (Oct. 17, 2025), [https://www.mezcalistas.com/four-new-brands-](https://www.mezcalistas.com/four-new-brands-implicated-in-growing-tequila-adulteration-scandal/)

27 ³⁷ Centro Nacional de Metrología (CENAM). (2022). Informe final de ensayo de aptitude CNM-
EA-630-0014/2022: Identificación de origen de bebidas de agave. El Marqués, Querétaro, México:
28 CENAM.

1 95. In January 2025, the Mexican business publication *Líder Empresarial* reported large-
2 scale protests by thousands of agave growers, who accused major tequila producers of diluting their
3 products with non-agave inputs such as cane alcohol.³⁸ These allegations were substantiated by the
4 Consejo Mexicano del Agave (CMXDA), a national organization representing agave farmers, which
5 confirmed that adulteration with cane-based spirits is both ongoing and widespread.³⁹

6 96. On January 13, 2025, *Mezcalistas* published an article accusing the CRT—the very
7 organization charged with preserving tequila’s integrity—of being “corrupt, in league with ‘big
8 tequila,’ and tacitly supporting monopolistic practices that squeeze out small farmers.”⁴⁰

9 97. The article claims the CRT has “been turning a profit by allowing some tequila
10 corporations to mix cane or corn alcohol into tequila that’s then labeled as 100 percent agave.”⁴¹
11 These “alarming charges” are reportedly backed by eyewitness accounts from agave farmers who
12 “have seen trucks delivering cane alcohol to distilleries, and have gathered enough proof to merit a
13 government investigation.”⁴²

14 98. In a second *Mezcalistas* article, published January 15, 2025, Salvador Ibarra
15 Landeros, the president of the Union Campesino Agavera (which translates roughly as “the rural
16 agave union”), stated: “The tequila industry is regulated by the very same people who own the
17 distilleries. The government has put the power in the hands of the CRT, which is an organization
18 created for the businessmen. The people that work at the CRT respond to the orders of their bosses,
19 the businessmen who appointed them. That’s how these crimes happen.”⁴³

22 ³⁸ Maria Hernandez Figueroa, *Agaveros exigen «eliminar monopolios» en la Industria Tequilera*,
23 *Lider Empresarial*, *LiderEmpresarial.com* (Jan. 10, 2025),
<https://www.liderempresarial.com/agaveros-exigen-eliminar-monopolios-en-la-industria-tequilera/> .

24 ³⁹ *Id.*

25 ⁴⁰ Felisa Rogers, *What are you drinking? Agave farmers allege tequila industry corruption*,
MEZCALISTAS (Jan. 13, 2025), <https://www.mezcalistas.com/tequila-industry-corruption/>.

26 ⁴¹ *Id.*

27 ⁴² *Id.*

28 ⁴³ Felisa Rogers, *Agave farmers say they will no longer play nice*, *MEZCALISTAS* (Jan. 15, 2025),
<https://www.mezcalistas.com/breaking-tequila-news/>.

1 99. That same article reported that agave farmers had planned to block tanker trucks from
 2 entering the Tequila region to prove that cane alcohol was being delivered to distilleries.⁴⁴ The
 3 tankers “*could be viewed as evidence of foul play,*” the article explained, because ““*cold mixing, ’ or*
 4 *adding cane or corn alcohol to tequila, is illegal under any circumstances.*”⁴⁵

5 100. Protest organizers ultimately “dialed back this action when recently elected Governor
 6 Pablo Lemus Navarro (of the Movimiento Ciudadano party) agreed to convene with the [agave
 7 farmers], the tequila executives, and the CRT to work on a solution.”⁴⁶

8 101. The governor, however, failed to attend the promised meeting.⁴⁷ When asked for his
 9 response, CMXDA spokesperson Remberto Galván Cabrera stated: “The truth is that the tequila
 10 industry, the governor of the state, and the CRT are colluding. Yesterday I saw clearly that there isn’t
 11 a human power on this earth that can get rid of the corruption of this nest of vipers.”⁴⁸

12 102. The *Mezcalistas* subsequently reported that Galván “and his associates have received
 13 threatening anonymous phone calls. . . . [and] told that if [he] doesn’t back down, his body parts will
 14 be strewn around his home.”⁴⁹

15 V. TOLLING

16 103. Plaintiffs incorporate and reallege the foregoing allegations by reference.

17 104. The statutes of limitation applicable to Plaintiffs’ claims were tolled by Costco’s
 18 conduct and by Plaintiffs’ and Class Members’ delayed discovery of their claims.

19 105. As alleged in detail above, throughout the relevant time period, Costco actively
 20 concealed and failed to disclose that Kirkland Tequila Products, all of which are marketed as “100%
 21
 22

23 ⁴⁴ *Id.*

24 ⁴⁵ *Id.*

25 ⁴⁶ *Id.*

26 ⁴⁷ *Id.*

27 ⁴⁸ *Id.*

28 ⁴⁹ Felisa Rogers, *Tequila test results revealed, death threats, and other breaking news*,
 MEZCALISTAS (Nov. 18, 2025), <https://www.mezcalistas.com/tequila-test-results-revealed-death-threats-and-other-tequila-news/>.

1 de Agave,” are adulterated with non-agave alcohol. This concealment prevented Plaintiffs and Class
2 Members from learning the true composition of the Kirkland Tequila Products.

3 106. Costco knew that its misbranded “100% de Agave” Kirkland Tequila Products were
4 adulterated with non-agave alcohol. Nevertheless, it knowingly engaged in, or conspired to engage
5 in, misleading marketing portraying these products as being derived solely from the Blue Weber
6 agave plant and compliant with Mexican legal standards for “100% de Agave” tequila.

7 107. Because Costco had superior knowledge about the production and adulteration of
8 Kirkland Tequila Products, it had a duty to disclose the true nature and quality of those products to
9 Plaintiffs and Class Members.

10 108. Costco also knew that disclosing that the Kirkland Tequila Products are adulterated
11 with non-agave alcohol would reduce or eliminate sales of Kirkland Tequila Products.

12 109. Had Costco disclosed the truth, Plaintiffs and Class Members would have reviewed
13 those disclosures and would not have purchased the Kirkland Tequila Products, or would have paid
14 less for them and not paid a premium.

15 110. Costco intended for Plaintiffs and Class Members to rely on its misrepresentations,
16 omissions, and concealment regarding the Kirkland Tequila Products by actively concealing that the
17 Kirkland Tequila Products are adulterated with non-agave alcohol. Plaintiffs and Class Members
18 justifiably relied on the misrepresentations, omissions, and concealment to their detriment.

19 111. Given the highly technical nature of carbon isotope testing and the specialized
20 knowledge required to detect adulteration, Plaintiffs did not discover Costco’s unlawful conduct until
21 at least November 2025.

22 112. At the time of purchase, Plaintiffs and Class Members could not have discovered,
23 through reasonable diligence, that the Kirkland Tequila Products were adulterated and Costco had
24 concealed that fact.

25 113. Accordingly, all applicable statutes of limitation are tolled under the discovery rule
26 as to claims that the Kirkland Tequila Products are adulterated with non-agave alcohol.

VI. CLASS ACTION ALLEGATIONS

114. Plaintiffs bring this lawsuit as a class action pursuant to Federal Rules of Civil Procedure 23(a), (b)(1), (b)(2), (b)(3), and/or (c)(4), on behalf of themselves and all others similarly situated as members of the following Classes (collectively “the Classes”):

- a. **A Nationwide Class**: All persons who, during the applicable statutes of limitation to the present, purchased the Products in the United States.
- b. **California Class**: All persons who, during the applicable statutes of limitation to the present, purchased the Products in California.
- c. **Connecticut Class**: All persons who, during the applicable statutes of limitation to the present, purchased the Products in Connecticut.
- d. **Florida Class**: All persons who, during the applicable statutes of limitation to the present, purchased the Products in Florida.
- e. **Massachusetts Class**: All persons who, during the applicable statutes of limitation to the present, purchased the Products in Massachusetts.
- f. **Michigan Class**: All persons who, during the applicable statutes of limitation to the present, purchased the Products in Michigan.
- g. **New Jersey Class**: All persons who, during the applicable statutes of limitation to the present, purchased the Products in New Jersey.
- h. **New Mexico Class**: All persons who, during the applicable statutes of limitation to the present, purchased the Products in New Mexico.
- i. **New York Class**: All persons who, during the applicable statutes of limitation, to the present, purchased the Products in New York.
- j. **Washington Class**: All persons who, during the applicable statutes of limitation to the present, purchased the Products in Washington.

115. Excluded from the Classes are: (1) any Judge or Magistrate presiding over this action and any members of their immediate families; (2) Costco, its subsidiaries, affiliates, parents, successors, predecessors, and any entity in which Costco has a controlling interest and their current or former employees, officers, and directors; and (3) Plaintiffs’ counsel and Costco’s counsel.

1 116. **Numerosity:** The Class is so numerous that joinder of all Class Members is
2 impracticable. Based on Plaintiffs’ investigation, Plaintiffs believe that the Class includes millions
3 of Class Members.

4 117. **Predominant Common Questions:** Common questions of law and fact exist as to all
5 Class Members and predominate over any questions solely affecting individual Class Members,
6 including but not limited to:

- 7 a. Whether Costco made specific claims to consumers that the Products are
8 “100% de Agave”;
- 9 b. Whether Costco knew the Products labeled “100% de Agave” were
10 adulterated with non-agave alcohol;
- 11 c. Whether Costco’s conduct violates RICO and consumer protection statutes,
12 and constitutes fraudulent concealment as alleged herein;
- 13 d. Whether Costco engaged in a pattern or practice of racketeering, as alleged
14 herein;
- 15 e. Whether Costco’s marketing of its Products was likely to deceive or mislead
16 reasonable consumers;
- 17 f. Whether Costco was negligent in marketing the Products as 100% de agave;
- 18 g. Whether Plaintiffs and Class Members overpaid for the Products;
- 19 h. Whether Costco was unjustly enriched;
- 20 i. Whether Plaintiffs and Class Members are entitled to equitable relief; and
21 j. Whether Plaintiffs and Class Members are entitled to damages and other
22 monetary relief and, if so, in what amount.

23 118. **Typicality:** Plaintiffs’ claims are typical of the claims of the Class. The claims of
24 Plaintiffs and Class Members arise from the same conduct by Costco and are based on the same legal
25 theories.

26 119. **Adequate Representation:** Plaintiffs will fairly and adequately represent and protect
27 the interests of the Class. Plaintiffs have retained counsel competent and experienced in complex
28 litigation and class actions. Plaintiffs and Plaintiffs’ counsel have no interest that is antagonistic to

1 the interests of the Class, and Costco has no defense unique to any Plaintiff or Class Member.
2 Plaintiffs and Plaintiffs' counsel are committed to vigorously prosecuting this action on behalf of the
3 Class, and they have the resources to do so. Neither Plaintiffs, nor Plaintiffs' counsel, have any
4 interest adverse to the interests of any other Class Member.

5 120. **Superiority:** This class action is appropriate for certification because class
6 proceedings are superior to other available methods for the fair and efficient adjudication of this
7 controversy and joinder of all members of the class is impracticable. This proposed class action
8 presents fewer management difficulties than individual litigation, and provides the benefits of single
9 adjudication, economies of scale, and comprehensive supervision by a single court. Class treatment
10 will create economies of time, effort, and expense, and promote uniform decision-making. Class-
11 wide damages are essential to compel Costco to comply with state and federal law. Moreover,
12 because the amount of each individual Class Member's claim is small relative to the complexity of
13 the litigation, and because of Costco's financial resources, Class Members are unlikely to pursue
14 legal redress individually for the violations detailed in this complaint. A class action will allow these
15 claims to be heard where they would otherwise go unheard because of the expense of bringing
16 individual lawsuits, and provides the benefits of adjudication, economies of scale, and
17 comprehensive supervision by a single court.

18 121. **Injunctive Relief:** Plaintiffs also satisfy the requirements for maintaining a class
19 under Rule 23(b)(2). Costco acted on grounds that apply generally to the proposed Class, making
20 final declaratory or injunctive relief appropriate with respect to the proposed Class as a whole.

21 122. **Particular Issues:** Plaintiffs also satisfy the requirements for maintaining a class
22 action under Rule 23(c)(4). Plaintiffs' claims are common to all Class Members and are capable of
23 class-wide resolution that will significantly advance the litigation.

1 **VII. CAUSES OF ACTION**

2 **A. RICO Claims.**

3 **FIRST CAUSE OF ACTION**
4 **VIOLATIONS OF THE RACKETEER INFLUENCED AND CORRUPT**
5 **ORGANIZATIONS ACT**
6 **18 U.S.C. § 1962(c)-(d)**
7 **(On behalf of the Nationwide Class)**

8 123. Plaintiffs incorporate and reallege the foregoing factual allegations by reference.

9 124. Plaintiffs bring this claim for themselves and on behalf of the Nationwide Class
10 against Costco.

11 125. Pursuant to 18 U.S.C. § 1962(c): “It shall be unlawful for any person employed by or
12 associated with any enterprise engaged in, or the activities of which affect, interstate or foreign
13 commerce, to conduct or participate, directly or indirectly, in the conduct of such enterprise’s affairs
14 through a pattern of racketeering activity or collection of unlawful debt.”

15 126. Plaintiffs are entitled to a civil remedy for any violation of 18 U.S.C. § 1962 for “[a]ny
16 person injured in his business or property by reason of a violation of section 1962 of this chapter.”
17 18 U.S.C. § 1964(c).

18 127. Costco is liable under 18 U.S.C. § 1962(c) because it conducted or participated in the
19 conduct of the affairs of an “association-in-fact enterprise” through a pattern of racketeering activity.
20 Costco is also liable under 18 U.S.C. § 1962(d) because it conspired to violation 18 U.S.C. § 1962(c).

21 128. As a direct and proximate result of its fraudulent scheme and common course of
22 conduct described throughout this Complaint, Costco was able to extract hundreds of millions if not
23 billions of dollars from Plaintiffs and Class Members.

24 **1. The Adulterated Tequila Enterprise**

25 129. At all relevant times, Costco has been a “person” under 18 U.S.C. § 1961(3) because
26 it is capable of holding, and does hold, a “legal or beneficial interest in property.”

27 130. Costco conducted and participated in the conduct of an association-in-fact enterprise
28 as defined in 18 U.S.C. § 1961(4) (hereinafter the “Adulterated Tequila Enterprise”). Members of
the Adulterated Tequila Enterprise include Costco, Santa Lucia Corporate Distillery a.k.a. Santa
Lucia, S.A. de C.V. (“Santa Lucia”), and other individuals and entities, including unknown third

1 parties, involved in producing, verifying, bottling, labeling, certifying, marketing, advertising, and
2 selling Kirkland Tequila Products.

3 131. The Adulterated Tequila Enterprise was and continues to be characterized by a
4 common purpose, relationships among the members of the Adulterated Tequila Enterprise, and
5 sufficient longevity to accomplish the common purpose thereof. Costco and each member of the
6 Adulterated Tequila Enterprise conducted and participated in the conduct of the Adulterated Tequila
7 Enterprise through a pattern of racketeering activity.

8 132. The Adulterated Tequila Enterprise was formed for the common purpose of illegally
9 profiting from the sale of Kirkland Tequila Products that were falsely labeled as “100% de Agave”
10 tequila. The Adulterated Tequila Enterprise fulfilled the common purpose by ensuring that Costco
11 obtained a false certification of Kirkland Tequila Products as “100% de Agave” tequila in order to
12 sell them in the United States at a premium price.

13 133. At all relevant times, the Adulterated Tequila Enterprise: (a) had an existence separate
14 and distinct from Costco; (b) was separate and distinct from the pattern of racketeering in which
15 Costco engaged; and (c) was an ongoing organization consisting of legal entities.

16 134. While Costco participated in and is a member of the Adulterated Tequila Enterprise,
17 it has a separate existence that is distinct from the Adulterated Tequila Enterprise, including distinct
18 legal status, different offices and role, bank accounts, officers, directors, employees, individual
19 personhood, reporting requirements, and financial statements.

20 135. The Adulterated Tequila Enterprise is characterized by ongoing relationships among
21 its members. Most notably, Costco outsources the production of Kirkland Tequila Products to Santa
22 Lucia, which is located in Tesistán, Jalisco, Mexico. Costco also outsources importation to MPL
23 Brands NV Inc., which must comply with U.S. law when importing the Kirkland Tequila Products.

24 136. Within the Adulterated Tequila Enterprise, there was a common communication
25 network through which Costco and members of the Adulterated Tequila Enterprise shared
26 information on a regular basis. The Adulterated Tequila Enterprise used this communication network
27 for the purpose of furthering its common purpose and conducting its pattern of racketeering activities.

28

1 137. Costco and each member of the Adulterated Tequila Enterprise conducted and
2 participated in the conduct of the Adulterated Tequila Enterprise by engaging in a pattern of
3 racketeering activity to further the common purpose of the Adulterated Tequila Enterprise. Costco
4 exercised control over, directed, and participated in the operation and management of the Adulterated
5 Tequila Enterprise by directing its affairs and using members of the Adulterated Tequila Enterprise
6 as instrumentalities to carry out the fraudulent scheme of the Adulterated Tequila Enterprise and
7 further its common goals.

8 138. In particular, members of the Adulterated Tequila Enterprise produced, bottled, and
9 labeled the Kirkland Tequila Products as “100% de Agave,” knowing that the Kirkland Tequila
10 Products were, in fact, adulterated with non-agave alcohols in violation of U.S. and Mexican law.
11 Costco either had access to test results, turned a willful blind eye to the results, or worked with Santa
12 Lucia to ensure that testing results did not reveal that Costco’s Kirkland Tequila Products contained
13 non-agave sugars, and to ensure that CRT granted a false certification of the Kirkland Tequila
14 Products as “100% de Agave” tequila. Thus, Costco also marketed and sold the Kirkland Tequila
15 Products with actual or constructive knowledge that the “100% de Agave” claims on every bottle of
16 its tequila were false and misleading because the Kirkland Tequila Products were adulterated with
17 non-agave alcohols.

18 139. To secure the “100% de Agave” certification, Costco and/or Santa Lucia are required
19 to pay CRT for laboratory analyses, certifications, and compliance audits under the Tequila NOM.
20 CRT authorizes tequila labels—e.g., “100% de Agave”—and issues Tequila NOM and U.S.
21 Department of Transportation registration numbers.

22 140. Costco and Santa Lucia knew of, supported, and participated in the Adulterated
23 Tequila Enterprise by coordinating their own conduct to further the common purpose of the
24 Adulterated Tequila Enterprise. Moreover, both Costco and Santa Lucia knew that Costco’s “100%
25 de Agave” claims were false and misleading representations, yet they stayed silent to further the
26 common purpose of the Adulterated Tequila Enterprise.

1 141. Each member of the Adulterated Tequila Enterprise shared in the bounty generated
2 by the enterprise—*i.e.*, by sharing the benefit derived from increased sales revenue generated by the
3 scheme to defraud consumers nationwide.

4 142. The Adulterated Tequila Enterprise engaged in, and its activities affected, interstate
5 and foreign commerce, because it involved commercial activities across state boundaries, such as the
6 marketing, advertisement, and sale or lease of the Kirkland Tequila Products throughout the country,
7 and the receipt of monies from the sale of the same.

8 2. The Predicate Acts

9 143. The Adulterated Tequila Enterprise’s common purpose of illegally profiting from the
10 sale of Kirkland Tequila Products that were falsely labeled as “100% de Agave” tequila was
11 facilitated by a pattern of mail and wire fraud. The Adulterated Tequila Enterprise’s scheme
12 constitutes racketeering activity within the meaning of 18 U.S.C. §§ 1961(1), 1961(5) & 1962(c), by
13 using mail and wire facilities, in violation of 18 U.S.C. §§ 1341 (mail fraud) & 1343 (wire fraud).

14 144. Specifically, Costco has committed, conspired to commit, and/or aided and abetted in
15 the commission of, at least two predicate acts of racketeering activity (*i.e.*, violations of 18 U.S.C.
16 §§ 1341 & 1343). The multiple acts of racketeering activity were related to each other, posed a threat
17 of continued racketeering activity, and therefore constitute a “pattern of racketeering activity.” The
18 racketeering activity was made possible by Costco’s regular and knowing use of the facilities,
19 services, distribution channels, and employees of the Adulterated Tequila Enterprise. Costco
20 knowingly and intentionally participated in the scheme to defraud by using mail, telephone, and the
21 internet to transmit mailings and wires in interstate or foreign commerce.

22 145. Costco devised and knowingly carried out a material scheme and/or artifice to defraud
23 Plaintiffs and the Nationwide Class or to obtain money from Plaintiffs and the Nationwide Class
24 using materially false or fraudulent pretenses, representations, promises, or omissions of material
25 facts.

26 146. Costco’s predicate acts of racketeering, 18 U.S.C. § 1961(1), include but are not
27 limited to:

28 a. **Mail Fraud:** Costco violated 18 U.S.C. § 1341 by sending and receiving,

1 and by causing to be sent and/or received, materials via U.S. Mail or
2 commercial interstate carriers for the purpose of executing the unlawful
3 scheme to defraud by producing, verifying, bottling, labeling, certifying,
4 marketing, and selling Kirkland Tequila Products by means of false
5 pretenses, misrepresentations, promises, and omissions.

- 6 b. **Wire Fraud:** Costco violated 18 U.S.C. § 1343 by transmitting and/or
7 receiving, and by causing to be transmitted and/or received, materials by
8 wire to execute the unlawful scheme to defraud by producing, verifying,
9 bottling, labeling, certifying, marketing, and selling Kirkland Tequila
10 Products by means of false pretenses, misrepresentations, promises, and
11 omissions.

12 147. Costco's use of the mails and wires includes, but is not limited to, the transmission,
13 delivery, and shipment of the following by Costco and members of the Adulterated Tequila
14 Enterprise in furtherance of their scheme to defraud:

- 15 a. the Kirkland Tequila Products;
16 b. documents and information related to testing of the Kirkland Tequila
17 Products;
18 c. false and misleading certifications that the Kirkland Tequila Products are
19 "100% de Agave" tequila;
20 d. false and misleading communications to the public;
21 e. sales and marketing materials, including advertising, websites, and product
22 labeling, which misrepresented, omitted, and concealed the true nature of the
23 Kirkland Tequila Products;
24 f. emails, communications and correspondence to coordinate the affairs of the
25 Adulterated Tequila Enterprise including, but not limited to,
26 communications with CRT and its members; and
27 g. emails, communications and correspondence related to all of the foregoing.
28

1 148. The mail and wire transmissions described herein were made in furtherance of
2 Costco's scheme and common course of conduct to deceive consumers and lure them into purchasing
3 the Kirkland Tequila Products, which Costco knew were adulterated with non-agave alcohols and,
4 therefore, did not contain "100% de Agave" alcohol.

5 149. Many of the precise dates of the fraudulent uses of the U.S. Mail and interstate wire
6 facilities are hidden from Plaintiffs and Class Members, and cannot be alleged without access to
7 Costco's books and records, and the books and records of members in the Adulterated Tequila
8 Enterprise. However, Plaintiffs have described the types of predicate acts of mail and/or wire fraud
9 that occurred.

10 150. Costco has not undertaken the practices described herein in isolation, but as part of a
11 common scheme and conspiracy. In violation of 18 U.S.C. § 1962(d), Costco conspired to violate 18
12 U.S.C. § 1962(c), as described herein. Various other persons, firms, and corporations, including
13 third-party entities and individuals not named as defendants in this complaint, have participated as
14 co-conspirators with Costco in these offenses and have performed acts in furtherance of the
15 conspiracy to increase or maintain revenues, increase market share, and/or minimize losses for
16 Costco and its unnamed co-conspirators throughout the illegal scheme and common course of
17 conduct.

18 151. Costco aided and abetted others in violating the above laws, thereby rendering it
19 indictable as a principal in the 18 U.S.C. §§ 1341 & 1343 offenses.

20 152. To achieve its common goals, Costco actively and intentionally concealed from the
21 general public the unlawfulness of the Kirkland Tequila Products.

22 153. Costco, Santa Lucia, and each member of the conspiracy, with knowledge and intent,
23 have agreed to the overall objectives of the conspiracy and participated in the common course of
24 conduct to commit acts of fraud and indecency in producing, verifying, bottling, labeling, certifying,
25 marketing, advertising, and selling the Kirkland Tequila Products.

26 154. Indeed, for the conspiracy to succeed Costco, Santa Lucia, and their co-conspirators
27 had to agree to implement and use similar devices and fraudulent tactics including, but not limited
28 to, complete secrecy about the adulterated Kirkland Tequila Products.

1 155. Costco knew and intended that Plaintiffs and Class Members would rely on the
2 material misrepresentations and omissions made by it about the Kirkland Tequila Products. Costco
3 knew and intended that consumers would incur damages as a result.

4 156. Plaintiffs and millions of other consumers relied upon Costco's misrepresentations,
5 omissions, and concealment. Plaintiffs' reliance is made evident by the fact that they purchased the
6 Kirkland Tequila Products that did not comply with the Tequila NOM and which never should have
7 been introduced into the U.S. stream of commerce.

8 157. As described herein, Costco engaged in a pattern of related and continuous predicate
9 acts. These predicate acts constituted various unlawful activities, each conducted with the common
10 purpose of obtaining significant monies and revenues from Plaintiffs and Class Members based on
11 their misrepresentations, omissions, and concealment, while providing Kirkland Tequila Products
12 worth significantly less than the purchase price paid. The predicate acts also had the same or similar
13 results, participants, victims, and methods of commission. The predicate acts were related and not
14 isolated events.

15 158. All of the predicate acts of racketeering activity described herein are part of the nexus
16 of the affairs and functions of the Adulterated Tequila Enterprise. The racketeering acts committed
17 by the Adulterated Tequila Enterprise employed a similar method, were related, with a similar
18 purpose, and they involved similar participants, with a similar impact on Plaintiffs and Class
19 Members.

20 159. The pattern of racketeering activity is currently ongoing and open-ended, and
21 threatens to continue indefinitely unless this Court enjoins the racketeering activity.

22 160. The predicate acts all generated significant revenue and profits for Costco at the
23 expense of Plaintiffs and Class Members. The predicate acts were committed or caused to be
24 committed by Costco through its participation in the Adulterated Tequila Enterprise and furtherance
25 of its fraudulent schemes.

26 161. By reason of and as a result of the conduct of Costco, and in particular its pattern of
27 racketeering activity, Plaintiffs and Class Members have been injured in multiple ways, including
28 but not limited to:

1 a. Plaintiffs overpaid for the Kirkland Tequila Products at the time of purchase.
2 Plaintiffs would not have purchased Kirkland Tequila Products if Costco
3 truthfully disclosed the products were adulterated with non-agave alcohols
4 and, therefore, not “100% de Agave.” Alternatively, Plaintiffs would not
5 have paid a premium for the Kirkland Tequila Products if proper disclosures
6 had been made.

7 b. Plaintiffs have been wrongfully deprived of their property in that deliberate
8 misrepresentations, omissions, and concealment artificially inflated the price
9 for the Kirkland Tequila Products.

10 162. Costco’s violations of 18 U.S.C. § 1962(c) & (d) have directly and proximately
11 caused injuries and damages to Plaintiffs and Class Members, and Plaintiffs and Class Members are
12 entitled to bring this action for three times their actual damages, as well as injunctive/equitable relief,
13 costs, and reasonable attorneys’ fees pursuant to 18 U.S.C. § 1964(c).

14 **B. Nationwide Class and Washington Subclass Claims.**

15 **SECOND CAUSE OF ACTION**
16 **VIOLATIONS OF THE WASHINGTON CONSUMER PROTECTION ACT**
17 **Wash. Rev. Code Ann. § 19.86.010, et seq.**
18 **(On Behalf of the Nationwide Class and Washington Subclass)**

19 163. Plaintiffs Salisbury and Asphy incorporate and reallege the foregoing factual
20 allegations by reference.

21 164. Plaintiffs Salisbury and Asphy bring this claim on behalf of the Nationwide Class and
22 a Washington Subclass against Costco under Washington’s Consumer Protection Act (the
23 “Washington CPA”), Wash. Rev. Code Ann. § 19.86.010, et seq.

24 165. Costco, Plaintiffs, and each member of the Washington Nationwide Class and
25 Subclass are “person[s]” under Wash. Rev. Code Ann. § 19.86.010(1).

26 166. At all relevant times, Costco was and is engaged in “trade” or “commerce” under
27 Wash. Rev. Code Ann. § 19.86.010(2).

28 167. The Washington CPA broadly prohibits “[u]nfair methods of competition and unfair
or deceptive acts or practices in the conduct of any trade or commerce.” Wash. Rev. Code Ann. §

1 19.96.010. Costco’s conduct was unfair because it (1) offends public policy as it has been established
2 by statutes, the common law, or otherwise; (2) was immoral, unethical, oppressive, or unscrupulous;
3 or (3) caused substantial injury to consumers. In short, Costco’s conduct has been deceptive because
4 it has the capacity or tendency to deceive.

5 168. Costco knew that the Kirkland Tequila Products were adulterated with non-agave
6 alcohol and should not have been certified, labeled, and/or marketed as “100% de Agave.”

7 169. Costco owed a duty to Plaintiffs and Class Members to disclose that the Kirkland
8 Tequila Products are not “100% de Agave” because it possessed exclusive knowledge that the
9 Kirkland Tequila Products were adulterated with non-agave alcohol, intentionally concealed the
10 foregoing from Plaintiffs and Class Members, and made misleading and incomplete representations
11 regarding the agave sugar content of the Kirkland Tequila Products.

12 170. Costco’s conduct proximately caused injuries to Plaintiffs and Class Members.

13 171. Costco’s knowing and intentional misrepresentations and omissions were material in
14 that a reasonable consumer would have considered them important in deciding whether to purchase
15 the Kirkland Tequila Products.

16 172. Plaintiffs purchased the Kirkland Tequila Products in reliance on Costco’s knowing
17 and intentional misrepresentations and omissions. That reliance was reasonable, as they had no way
18 of discerning that Costco’s representations were false and misleading, or otherwise learning the true
19 nature of the Kirkland Tequila Products.

20 173. Absent Costco’s misrepresentations and omissions, Plaintiffs and Class Members
21 would not have purchased the Kirkland Tequila Products or would have paid significantly less than
22 they did for them.

23 174. Had Costco adequately disclosed the truth about the Kirkland Tequila Products
24 through the same advertising mediums it advertised them as “100% de Agave,” Plaintiffs would have
25 seen those disclosures.

26 175. As a result of Costco’s unfair and deceptive acts or practices, Plaintiffs and Class
27 Members were injured and suffered ascertainable loss, injury in fact, and/or actual damages in that
28 the adulterated Kirkland Tequila Products are not “100% de Agave,” and, therefore, are not worth

1 the premium price Plaintiffs and Class Members paid. These injuries are the direct and natural
2 consequence of Costco's misrepresentations, fraud, deceptive practices, and omissions.

3 176. Costco's violations present a continuing risk to Plaintiffs as well as to the general
4 public. Costco's unlawful acts and practices complained of herein impact the public interest, in that
5 consumers are paying inflated prices for the Kirkland Tequila Products as a result of Costco's
6 conduct.

7 177. Costco is liable to Plaintiffs and Class Members for damages in amounts to be proven
8 at trial, including reasonable attorneys' fees, costs, and treble damages up to \$25,000, as well as any
9 other remedies the Court may deem appropriate under Wash. Rev. Code Ann. § 19.86.090.

10 **THIRD CAUSE OF ACTION**
11 **COMMON LAW NEGLIGENCE**
(On Behalf of the Nationwide Class)

12 178. Plaintiffs incorporate and reallege the foregoing factual allegations by reference.

13 179. Costco had a duty to accurately label, advertise and market the Products. Specifically,
14 Defendant had a duty to ensure that the Products' labeling and packaging matched their contents.

15 180. Costco owed Plaintiffs and the Nationwide Class the duty of reasonable care, which
16 it breached.

17 181. Specifically, Costco owed a duty to Plaintiffs and the Nationwide Class members to
18 disclose that the Products are not 100% agave and further owed a duty to ensure that the Products
19 were not adulterated.

20 182. Defendant breached the duty owed to Plaintiff and the Nationwide Class in
21 intentionally concealing material facts regarding the true nature of the Products, making misleading
22 representations regarding the nature of the Products, and otherwise failing to disclose the same.

23 183. Costco's knowing, intentional, or otherwise reckless misrepresentations and
24 omissions were material in that a reasonable consumer would have considered them important in
25 deciding whether to purchase the Products. Indeed, Plaintiffs reviewed, considered, and relied on
26 Costco's representations that the Products were 100% agave in deciding whether to purchase them.
27 Plaintiffs and the Nationwide Class members' reliance was reasonable.
28

1 184. Absent Costco’s misrepresentations and omissions, Plaintiffs and the Nationwide
2 Class members suffered actual damages, that arose from the natural and foreseeable consequences
3 of Defendant’s conduct, in that the adulterated Products were not 100% agave, and, therefore, were
4 not worth the premium price Plaintiffs and the Nationwide Class members paid.

5 **FOURTH CAUSE OF ACTION**
6 **UNJUST ENRICHMENT**
7 **(On Behalf of the Nationwide Class)**

8 185. Plaintiffs incorporate and reallege the foregoing factual allegations by reference.

9 186. Plaintiffs and the Nationwide Class members conferred benefits upon Costco. By way
10 of example, and not limitation, Defendant earned a profit based on Plaintiffs’ and the Nationwide
11 Class’s purchase of adulterated Products sold at a premium.

12 187. Plaintiffs and the Nationwide Class members paid money for the Products, which they
13 would not have purchased or would not have purchased at the same price, had they known that they
14 were enhanced with sugars other than those obtained from Blue Weber agave.

15 188. Costco has unjustly retained the benefits conferred upon it by Plaintiffs and the
16 Nationwide Class members, who received less than what they paid for in that the Products are not
17 “100% de Agave.”

18 189. Costco retained those benefits under circumstances that make it inequitable for Costco
19 to retain such benefits.

20 190. Costco retained these benefits even though it knew the Products were enhanced with
21 sugars other than those obtained from Blue Weber agave.

22 191. If Plaintiffs and Nationwide Class members had known the true nature of the
23 Products, they would not have purchased the Products.

24 192. Plaintiffs and the Nationwide Class do not have an adequate remedy at law.

25 193. Plaintiffs plead this claim separately as well as in the alternative to their claims for
26 damages under Fed. R. Civ. P. 8(a)(3).
27
28

1 **C. Claims brought on behalf of the California Class.**

2 **FIFTH CAUSE OF ACTION**
3 **VIOLATIONS OF CALIFORNIA’S CONSUMERS LEGAL REMEDIES ACT**
4 **Cal. Civ. Code § 1750, et seq.**
5 **(On Behalf of the California Class)**

6 194. Plaintiffs incorporate and reallege the foregoing factual allegations by reference.

7 195. Plaintiffs Steinberg, Gamino, and Davis bring this claim on behalf of the California
8 Class against Costco under California’s Consumers Legal Remedies Act (“CLRA”), Cal. Civ. Code
9 § 1750, et seq.

10 196. The Kirkland Tequila Products are “goods” as defined in Cal. Civ. Code § 1761(a).

11 197. Plaintiffs and the other California Class Members are “consumers” as defined in Cal.
12 Civ. Code § 1761(d), and Plaintiffs, California Class Members, and Costco are “persons” as defined
13 in Cal. Civ. Code § 1761(c).

14 198. The purchase of the Kirkland Tequila Products by Plaintiffs and the California Class
15 Members constitutes “transactions” as defined in Cal. Civ. Code § 1761(e).

16 199. The CLRA prohibits “unfair methods of competition and unfair or deceptive acts or
17 practices . . . undertaken by any person in a transaction intended to result or that results in the sale or
18 lease of goods or services to any consumer[.]” Cal. Civ. Code § 1770(a).

19 200. Costco violated Cal. Civ. Code § 1770(a) by, among other things: misrepresenting the
20 source, approval, or certification of the Kirkland Tequila Products; misrepresenting the affiliation,
21 connection, or association with, or certification by, another; representing that the Kirkland Tequila
22 Products have characteristics, ingredients, or quantities which they do not have; representing that the
23 Kirkland Tequila Products are of a particular standard, quality, or grade, when they are of another;
24 advertising the Kirkland Tequila Products with intent not to sell them as advertised; and representing
25 that the Kirkland Tequila Products have been supplied in accordance with a previous representation
26 when they have not. *See* Cal. Civ. Code §§ 1770(a)(2), (a)(3), (a)(5), (a)(7), (a)(9), and (a)(16).

27 201. Costco’s unfair and deceptive acts or practices occurred repeatedly in Costco’s course
28 of trade or business, were material, and were capable of deceiving a significant portion of the general
consuming public.

1 202. Costco knew that the Kirkland Tequila Products were adulterated with non-agave
2 alcohol and should not have been certified, labeled, and/or marketed as “100% de Agave.”

3 203. Costco owed a duty to Plaintiffs and California Class Members to disclose that the
4 Kirkland Tequila Products are not “100% de Agave” because it possessed exclusive knowledge that
5 the Kirkland Tequila Products were adulterated with non-agave alcohol, intentionally concealed the
6 foregoing from Plaintiffs and California Class Members, and made misleading and incomplete
7 representations regarding the agave sugar content of the Kirkland Tequila Products.

8 204. In failing to disclose the true nature of the Kirkland Tequila Products, Costco
9 knowingly and intentionally concealed material facts and breached its duty to Plaintiffs and
10 California Class Members. Costco knew or should have known that its conduct would mislead
11 consumers about the true nature of the Kirkland Tequila Products,

12 205. Costco’s knowing and intentional misrepresentations and omissions were material in
13 that a reasonable consumer would have considered them important in deciding whether to purchase
14 the Kirkland Tequila Products.

15 206. Plaintiffs purchased the Kirkland Tequila Products in reliance on Costco’s knowing
16 and intentional misrepresentations and omissions. That reliance was reasonable, as they had no way
17 of discerning that Costco’s representations were false and misleading, or otherwise learning the true
18 nature of the Kirkland Tequila Products.

19 207. Absent Costco’s misrepresentations and omissions, Plaintiffs and California Class
20 Members would not have purchased the Kirkland Tequila Products or would have paid significantly
21 less than they did for them.

22 208. Had Costco adequately disclosed the truth about the Kirkland Tequila Products
23 through the same advertising mediums it advertised them as “100% de Agave,” Plaintiffs would have
24 seen those disclosures.

25 209. As a result of Costco’s unfair and deceptive acts or practices, Plaintiffs and California
26 Class Members suffered actual damages in that the adulterated Kirkland Tequila Products are not
27 “100% de Agave,” and, therefore, are not worth the premium price Plaintiffs and California Class
28 Members paid.

1 216. Costco caused to be made or disseminated throughout California, through marketing,
2 and other publications, untrue and misleading statements that the Kirkland Tequila Products are
3 “100% de Agave.” Costco’s untrue and misleading statements were likely to deceive a significant
4 portion of the general consuming public.

5 217. Costco knew that the Kirkland Tequila Products were adulterated with non-agave
6 alcohol and should not have been certified, labeled, and/or marketed as “100% de Agave.”

7 218. Costco was under a duty to Plaintiffs and California Class Members to disclose that
8 the Kirkland Tequila Products are not “100% de Agave” because it possessed exclusive knowledge
9 that the Kirkland Tequila Products were adulterated with non-agave alcohol, intentionally concealed
10 the foregoing from Plaintiffs and California Class Members, and made misleading and incomplete
11 representations regarding the agave sugar content of the Kirkland Tequila Products.

12 219. In failing to disclose the true nature of the Kirkland Tequila Products, Costco
13 knowingly and intentionally concealed material facts and breached its duty to Plaintiffs and
14 California Class Members. Costco knew or should have known that its conduct would mislead
15 consumers about the true nature of the Kirkland Tequila Products.

16 220. Costco’s knowing and intentional misrepresentations and omissions are material in
17 that a reasonable consumer would have considered them important in deciding whether to purchase
18 the Kirkland Tequila Products at the price offered.

19 221. Plaintiffs purchased the Kirkland Tequila Products in reliance on Costco’s knowing
20 and intentional misrepresentations and omissions. That reliance was reasonable, as they had no way
21 of discerning that Costco’s representations were false and misleading, or otherwise learning the true
22 nature of the Kirkland Tequila Products.

23 222. Absent Costco’s misrepresentations and omissions, Plaintiffs and California Class
24 Members would not have purchased the Kirkland Tequila Products or would have paid significantly
25 less than they did for them.

26 223. Had Costco adequately disclosed the truth about the Kirkland Tequila Products
27 through the same advertising mediums it advertised them as “100% de Agave,” Plaintiffs would have
28 seen those disclosures.

1 224. As a direct and proximate result of Costco’s misrepresentations and omissions,
2 consumers have been and are being harmed. Plaintiffs and California Class Members have suffered
3 injury and actual out-of-pocket losses as a result of Costco’s FAL violations.

4 225. Plaintiffs bring this action pursuant to Cal. Bus. & Prof. Code § 17535 for injunctive
5 relief to enjoin the practices described herein. Plaintiffs and California Class Members are entitled
6 to: (a) an order requiring Costco to cease the acts of unfair competition alleged herein; (b) full
7 restitution of all monies paid to Costco as a result of its deceptive practices; (c) interest at the highest
8 rate allowable by law; and (d) the payment of Plaintiffs’ attorneys’ fees and costs pursuant to, inter
9 alia, California Code of Civil Procedure § 1021.5.

10 226. Plaintiffs plead this claim separately as well as in the alternative to their claims for
11 damages under Fed. R. Civ. P. 8(a)(3). Additionally, Plaintiffs have no adequate remedy at law for
12 the future unlawful acts, methods, or practices as set forth above, absent an injunction. Moreover,
13 Costco’s alleged misconduct is ongoing and therefore damages are not certain or prompt and thus
14 are an inadequate remedy to address the conduct that injunctions are designed to prevent.

15 **SEVENTH CAUSE OF ACTION**
16 **VIOLATIONS OF CALIFORNIA’S UNFAIR COMPETITION LAW**
17 **Cal. Bus. & Prof. Code § 17200, et seq.**
18 **(On Behalf of the California Class)**

19 227. Plaintiffs incorporate and reallege the foregoing factual allegations by reference.

20 228. Plaintiffs Steinberg, Gamino, and Davis bring this claim on behalf of the California
21 Class against Costco.

22 229. California’s Unfair Competition Law (“UCL”), Cal. Bus. & Prof. Code § 17200, *et*
23 *seq.*, proscribes acts of unfair competition, including “any unlawful, unfair or fraudulent business act
24 or practice and unfair, deceptive, untrue or misleading advertising.”

25 230. Costco’s conduct, as described herein, was and is unfair, deceptive, and unlawful, in
26 violation of the UCL.

27 231. Costco knew that the Kirkland Tequila Products were adulterated with non-agave
28 alcohol and, therefore, under applicable Tequila NOM standards, should not have been certified,
labeled, and/or marketed as “100% de Agave.”

1 232. Costco was under a duty to Plaintiffs and California Class Members to disclose that
2 the Kirkland Tequila Products are not “100% de Agave” because it possessed exclusive knowledge
3 that the Kirkland Tequila Products were adulterated with non-agave alcohol, intentionally concealed
4 the foregoing from Plaintiffs and California Class Members, and made misleading and incomplete
5 representations regarding the agave sugar content of the Kirkland Tequila Products.

6 233. Costco’s conduct was fraudulent in at least the following ways:

- 7 a. By knowingly and intentionally failing to disclose that the Kirkland Tequila
8 Products were adulterated with non-agave alcohol;
- 9 b. By knowingly and intentionally misrepresenting that the Kirkland Tequila
10 Products comply with all applicable standards under the Tequila NOM for
11 “100% de Agave” tequila products; and
- 12 c. By knowingly and intentionally selling Kirkland Tequila Products that are
13 misbranded as “100% de Agave.”

14 234. Costco’s knowing and intentional misrepresentations and omissions alleged herein
15 were intended to cause, and did cause, Plaintiffs and the California Class Members to make their
16 purchases of the Kirkland Tequila Products. Costco knew or should have known that its conduct
17 would mislead consumers about the true nature of the Kirkland Tequila Products.

18 235. Plaintiffs purchased the Kirkland Tequila Products in reliance on Costco’s knowing
19 and intentional misrepresentations and omissions. That reliance was reasonable, as they had no way
20 of discerning that Costco’s representations were false and misleading, or otherwise learning the true
21 nature of the Kirkland Tequila Products.

22 236. Absent Costco’s misrepresentations and omissions, Plaintiffs and California Class
23 Members would not have purchased the Kirkland Tequila Products or would have paid significantly
24 less than they did for them.

25 237. Had Costco adequately disclosed the truth about the Kirkland Tequila Products
26 through the same marketing mediums it marketed them as “100% de Agave,” Plaintiffs would have
27 seen those disclosures.

1 238. Accordingly, Plaintiffs and California Class Members have suffered ascertainable
2 loss and actual damages as a direct and proximate result of Costco's misrepresentations, its
3 concealment of and failure to disclose material information, and its unlawful and unfair conduct.

4 239. Additionally, Costco's acts and practices described above are unfair under the UCL
5 because they offend established public policy regarding misleading marketing and the harm caused
6 to consumers greatly outweighs any benefits associated with those practices. Costco's conduct has
7 also impaired competition within the premium tequila market and has prevented Plaintiffs and
8 California Class Members from making fully informed decisions about whether to purchase the
9 Kirkland Tequila Products and/or the price to purchase them.

10 240. Costco's conduct, as described herein, was and is unlawful in violation of the UCL in
11 that Costco violated the laws alleged above, including California consumer protection laws. Further,
12 Costco's conduct is unlawful under the UCL in that Costco violated California's Sherman Food,
13 Drug, and Cosmetic Law (Cal. Health & Safety Code § 109875, *et seq.*), which prohibits misbranding
14 "food," including alcoholic beverages. *See* Cal. Health & Safety Code § 109935; *id.* § 110660.

15 241. Plaintiffs request that this Court enter such orders or judgments as may be necessary
16 to restore to Plaintiffs and members of the California Class any money it acquired by unfair
17 competition, including restitution and/or restitutionary disgorgement, as provided in Cal. Bus. &
18 Prof. Code § 17203 and Cal. Civ. Code § 3345, and for such other relief as may be appropriate.

19 242. Plaintiffs also seek an injunction enjoining Costco's misconduct alleged herein.
20 Plaintiffs and members of the public will suffer irreparable injury without an injunction, as they have
21 an interest in buying Kirkland Tequila Products in the future but have no way of determining whether
22 they are made with "100% de Agave."

23 243. Plaintiffs plead this claim separately as well as in the alternative to their claims for
24 damages under Fed. R. Civ. P. 8(a)(3). Additionally, Plaintiffs have no adequate remedy at law for
25 the future unlawful acts, methods, or practices as set forth above, absent an injunction. Moreover,
26 Costco's alleged misconduct is ongoing and therefore damages are not certain or prompt and thus
27 are an inadequate remedy to address the conduct that injunctions are designed to prevent.

28

1 **D. Claims brought on behalf of the Connecticut Class.**

2 **EIGHTH CAUSE OF ACTION**
3 **VIOLATION OF THE CONNECTICUT UNFAIR**
4 **TRADE PRACTICES ACT**
5 **(Conn. Gen. Stat. § 42-110A, et seq.)**

6 244. Plaintiff Bergman incorporates and realleges the foregoing factual allegations by
7 reference.

8 245. Plaintiff Bergman brings this Count on behalf of the Connecticut Class Members.

9 246. The Connecticut Unfair Trade Practices Act (Connecticut UTPA) provides: “No
10 person shall engage in unfair methods of competition and unfair or deceptive acts or practices in the
11 conduct of any trade or commerce.” Conn. Gen. Stat. § 42-110b(a).

12 247. Defendant is a “person” within the meaning of Conn. Gen. Stat. § 42-110a(3).

13 248. Defendant’s challenged conduct occurred in “trade” or “commerce” within the
14 meaning of Conn. Gen. Stat. § 42-110a(4).

15 249. Defendant’s unfair or deceptive acts or practices were likely to and did in fact deceive
16 reasonable consumers, including Plaintiff and the other Connecticut Class Members, about the true
17 nature of Kirkland Tequila Products.

18 250. Defendant intentionally and knowingly misrepresented material facts about Kirkland
19 Tequila Products with intent to mislead Plaintiff and the Connecticut Class.

20 251. Plaintiff and Connecticut Class Members suffered ascertainable loss caused by
21 Defendant’s misrepresentations and its failure to disclose material information.

22 252. Defendant’s violations present a continuing risk to Plaintiff as well as to the general
23 public. Defendant’s unlawful acts and practices complained of herein affect the public interest.

24 253. As a direct and proximate result of Defendant’s violations of the Connecticut UTPA,
25 Plaintiff and the Connecticut Class Members have suffered injury-in-fact and/or actual damage.

26 254. Plaintiff and Connecticut Class Members are entitled to recover their actual damages,
27 punitive damages, and attorneys’ fees pursuant to Conn. Gen. Stat. § 42-110g.
28

1 255. Plaintiff also seeks an order enjoining Defendant’s unfair and/or deceptive acts or
2 practices, punitive damages, and attorneys’ fees, and any other just and proper relief available under
3 the Connecticut UTPA.

4 **E. Claims brought on behalf of the Florida Class.**

5 **NINTH CAUSE OF ACTION**
6 **VIOLATION OF THE FLORIDA’S UNFAIR &**
7 **DECEPTIVE TRADE PRACTICES ACT**
8 **(Fla. Stat. § 501.201, et seq.)**

9 256. Plaintiffs Leventhal and Glazer incorporate and reallege the foregoing factual
10 allegations by reference.

11 257. Plaintiffs Leventhal and Glazer bring this Count on behalf of the Florida Class.

12 258. The Florida Unfair and Deceptive Trade Practices Act (“FUDTPA”) prohibits
13 “[u]nfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or
14 practices in the conduct of any trade or commerce.” Fla. Stat. § 501.204(1).

15 259. Plaintiffs Leventhal and Glazer and the Florida Class Members are “consumers”
16 within the meaning of the FUDTPA, Fla. Stat. § 501.203(7).

17 260. Defendant engaged in “trade or commerce” within the meaning of Fla. Stat. §
18 501.203(8).

19 261. Defendant intentionally and knowingly misrepresented material facts about the
20 Products with intent to mislead Plaintiff and the Florida Class.

21 262. Plaintiffs Leventhal and Glazer and the Florida Class Members reasonably relied on
22 Costco’s material omissions and false misrepresentations. They had no way of knowing that Costco’s
23 representations were false and misleading. Plaintiffs Leventhal and Glazer and the Florida Class
24 Members did not, and could not, unravel Costco’s deception on their own.

25 263. Costco’s unfair or deceptive acts or practices were likely to and did in fact deceive
26 reasonable consumers, such as Plaintiffs Leventhal and Glazer and the Florida Class Members.

27 264. Costco knew or should have known that its conduct violated the FUDTPA.

28 265. Costco’s unfair and deceptive acts or practices occurred repeatedly in its trade or
business, were capable of misleading a substantial portion of the purchasing public.

1 266. As a direct and proximate result of Defendant’s violations of the FUDTPA, Plaintiffs
2 Leventhal and Glazer and the Florida Class Members have suffered injury-in-fact and/or actual
3 damage.

4 267. Defendant intentionally and knowingly misrepresented material facts about the
5 Products with intent to mislead Plaintiffs Leventhal and Glazer and the Florida Class.

6 268. Plaintiffs Leventhal and Glazer and Florida Class Members suffered ascertainable
7 loss caused by Defendant’s misrepresentations and its concealment of a failure to disclose material
8 information.

9 269. Defendant’s violations present a continuing risk to Plaintiffs Leventhal and Glazer as
10 well as to the general public. Defendant’s unlawful acts and practices complained of herein affect
11 the public interest.

12 270. As a direct and proximate result of Defendant’s violations of the FUDTPA, Plaintiffs
13 Leventhal and Glazer and the Florida Class have suffered injury-in-fact and/or actual damage.

14 271. Plaintiff and Florida Class Members are entitled to recover their actual damages under
15 Fla. Stat. § 501.211(2) and attorneys’ fees under Fla. Stat. § 501.2105(1).

16 272. Plaintiff also seek an order enjoining Defendant’s unfair and/or deceptive acts or
17 practices, punitive damages, and attorneys’ fees, and any other just and proper relief available under
18 the FUDTPA.

19 **F. Claims brought on behalf of the Massachusetts Class.**

20 **TENTH CAUSE OF ACTION**
21 **VIOLATION OF MASS. G.L. 93A**

22 273. Plaintiffs Trainor and Reese incorporate and reallege the foregoing factual allegations
23 by reference.

24 274. Plaintiffs Trainor and Reese bring this Count on behalf of themselves and the
25 Massachusetts Class.

26 275. Plaintiffs Trainor and Reese and Defendant are each “persons” as defined by Mass.
27 G.L. 93A, § 1(a).

1 276. Plaintiffs Trainor and Reese and the Massachusetts Class members are all purchasers
2 of Kirkland Tequila Products.

3 277. Defendant engages in “trade” and “commerce” in Massachusetts through the
4 marketing, advertising, distribution, and sale of the Kirkland Tequila Products at issue, as defined
5 by Mass. G.L. 93A, § 1(a).

6 278. Mass. G.L. 93A § 2 prohibits and declares unlawful “[u]nfair methods of competition
7 and unfair or deceptive acts or practices in the conduct of any trade or commerce” in the
8 Commonwealth of Massachusetts.

9 279. This Count is brought pursuant to Mass. G.L. 93A, § 9, as Plaintiffs Trainor and Reese
10 and the proposed Massachusetts Class members are not involved in trade or commerce such that
11 Mass. G.L. 93A, § 11 applies, and have been injured by Defendant’s violation of Mass. G.L. 93A §
12 2.

13 280. Defendant’s foregoing unfair methods of competition and unfair or deceptive acts or
14 practices, including its omissions, were and are committed in its course of trade or commerce,
15 directed at consumers, affect the public interest, and injured Plaintiffs Trainor and Reese and the
16 Massachusetts Class members.

17 281. In violation of Mass. G.L. 93A § 2, Defendant engaged in unfair methods of
18 competition and unfair or deceptive acts or practices by expressly representing on its website, product
19 packaging, and in marketing materials, that the Kirkland Tequila Products are made with “100% de
20 Agave.”

21 282. Defendant knew (or was willfully blind) that its representations are false but failed to
22 correct its misrepresentations to consumers.

23 283. Defendant also engaged in unfair and deceptive trade practices that violated Mass.
24 G.L. 93A § 2, by concealing and omitting material facts about its Kirkland Tequila Products.

25 284. Defendant knew (or was willfully blind) that such information was material to
26 consumer transactions and consumers’ decisions to purchase Kirkland Tequila Products.

27 285. Defendant’s unfair or deceptive acts or practices, including concealing, omitting, or
28 suppressing material facts about the Kirkland Tequila Products had a tendency or capacity to mislead;

1 tended to create a false impression in consumers; and were likely to, and did in fact, deceive
2 reasonable consumers, including Plaintiffs Trainor and Reese and the Massachusetts Class members,
3 about Kirkland Tequila Products as to quality and the true value of the Kirkland Tequila Products.

4 286. Defendant intended for Plaintiffs Trainor and Reese and the Massachusetts Class
5 members to rely on Defendant's misrepresentations and omissions so that Plaintiffs Trainor and
6 Reese and the Massachusetts Class members would purchase Defendant's products.

7 287. Defendant knew (or was willfully blind) about the true state of its Kirkland Tequila
8 Products and Defendant also knew that reasonable consumers like Plaintiffs Trainor and Reese and
9 the Massachusetts Class members would not have purchased Kirkland Tequila Products or paid as
10 much for them if they had known of Defendant's misrepresentations and omissions.

11 288. Defendant's misrepresentations, failure to disclose, and active concealment of, these
12 features were material to Plaintiffs Trainor and Reese and the Massachusetts Class members.
13 Plaintiffs Trainor and Reese and the Massachusetts Class members believed Defendant would
14 truthfully advertise that its Kirkland Tequila Products were "100% de Agave," and this representation
15 was valuable to them and formed the basis of their bargain.

16 289. Defendant's general course of conduct is injurious to the public interest, and such acts
17 are ongoing and/or have a substantial likelihood of being repeated because Defendant has not
18 corrected or rectified all its misrepresentations or omissions.

19 290. Plaintiffs Trainor and Reese and the Massachusetts Class members have suffered and
20 will continue to suffer irreparable harm if the Defendant continues to engage in such deceptive,
21 unfair, and unreasonable practices.

22 291. Plaintiffs Trainor and Reese provided notice of their claims to Defendant through
23 certified mail in November 2025.

24 292. As a result of Defendant's deceptive and unfair acts or practices, including
25 Defendant's misrepresentations and omissions, Plaintiffs Trainor and Reese and the Massachusetts
26 Class members have suffered ascertainable losses and actual damages, which include but are not
27 limited to, the costs they incurred paying for products that were not the ones represented to them.
28 Plaintiffs Trainor and Reese and the Massachusetts Class members paid a premium price for the

1 products because they would have paid substantially less had they known that their Kirkland Tequila
2 Products were not as advertised.

3 293. As a result of Defendant’s willful and knowing conduct, Defendant is liable for up to
4 three times the damages that Plaintiffs Trainor and Reese and Massachusetts Class members
5 incurred. See Mass. G.L. 93A.

6 294. In addition, under Mass. G.L. 93A, Plaintiffs Trainor and Reese and the
7 Massachusetts Class members seek to recover attorneys’ fees, and equitable and injunctive relief
8 enjoining further violations of the Mass. G.L. 93A.

9 **ELEVENTH CAUSE OF ACTION**
10 **FRAUD BY CONCEALMENT**
11 **(Based on Massachusetts Law)**

12 295. Plaintiffs Trainor and Reese incorporate and reallege the foregoing factual allegations
13 by reference.

14 296. Plaintiffs Trainor and Reese bring this Count on behalf of themselves and the
15 Massachusetts Class.

16 297. Costco intentionally concealed and suppressed material facts regarding its Kirkland
17 Tequila Products.

18 298. Plaintiffs and the Massachusetts Class Members reasonably relied on Costco’s
19 material omissions and false misrepresentations. They had no way of knowing that Costco’s
20 representations were false and misleading. Plaintiffs and the Massachusetts Class Members did not,
21 and could not, unravel Costco’s deception on their own.

22 299. Costco’s unfair or deceptive acts or practices were likely to and did in fact deceive
23 reasonable consumers, such as Plaintiffs and the Massachusetts Class Members.

24 300. Costco’s unfair and deceptive acts or practices occurred repeatedly in its trade or
25 business, were capable of misleading a substantial portion of the purchasing public.

26 301. As a direct and proximate result of Defendant’s conduct, Plaintiffs and the
27 Massachusetts Class Members have suffered injury-in-fact and/or actual damage.
28

1 **G. Claims brought on behalf of the Michigan Class.**

2 **TWELFTH CAUSE OF ACTION**
3 **VIOLATION OF THE MICHIGAN CONSUMER PROTECTION ACT**
4 **(Mich. Comp. Laws § 445.903, et seq.)**

5 302. Plaintiff Forester incorporates and realleges the foregoing factual allegations by
6 reference.

7 303. This Count is brought by Plaintiff Forester on behalf of himself and the Michigan
8 Class.

9 304. The Michigan Consumer Protection Act (“Michigan CPA”) prohibits “[u]nfair,
10 unconscionable, or deceptive methods, acts, or practices in the conduct of trade or commerce,”
11 including “[m]aking false or misleading statements of fact concerning the reasons for, existence of,
12 or amounts of price reductions;” “[failing to reveal a material fact, the omission of which tends to
13 mislead or deceive the consumer, and which fact could not reasonably be known by the consumer;”
14 “charging the consumer a price that is grossly in excess of the price at which similar property or
15 services are sold;” “[m]aking a representation of fact or statement of fact material to the transaction
16 such that a person reasonably believes the represented or suggested state of affairs to be other than
17 it actually is;” or “[failing to reveal facts that are material to the transaction in light of representations
18 of fact made in a positive manner.” Mich. Comp. Laws § 445.903(1).

19 305. Plaintiff and Michigan Class Members are “person[s]” within the meaning of the
20 Mich. Comp. Laws § 445.902(1)(d).

21 306. Defendant is a “person” engaged in “trade or commerce” within the meaning of the
22 Mich. Comp. Laws § 445.902(1)(d) and (g).

23 307. Defendant intentionally and knowingly misrepresented material facts about Kirkland
24 Tequila Products with intent to mislead Plaintiff and the Michigan Class.

25 308. Plaintiff and the Michigan Class Members reasonably relied on Costco’s material
26 omissions and false misrepresentations. They had no way of knowing that Costco’s representations
27 were false and misleading. Plaintiff and the Michigan Class Members did not, and could not, unravel
28 Costco’s deception on their own.

1 309. Costco's unfair or deceptive acts or practices were likely to and did in fact deceive
2 reasonable consumers, such as Plaintiff and the Michigan Class Members.

3 310. Costco knew or should have known that its conduct violated the Michigan CPA.

4 311. Costco's unfair and deceptive acts or practices occurred repeatedly in its trade or
5 business, were capable of misleading a substantial portion of the purchasing public.

6 312. As a direct and proximate result of Defendant's violations of the Michigan CPA,
7 Plaintiff and the Michigan Class Members have suffered injury-in-fact and/or actual damage.

8 313. Defendant intentionally and knowingly misrepresented material facts about Kirkland
9 Tequila Products with intent to mislead Plaintiff and the Michigan Class.

10 314. Plaintiff and Michigan Class Members suffered ascertainable loss caused by
11 Defendant's misrepresentations and its concealment of a failure to disclose material information.

12 315. Plaintiff seeks injunctive relief to enjoin Defendant from continuing its unfair and
13 deceptive acts; monetary relief against Defendant measured as the greater of (a) actual damages in
14 an amount to be determined at trial and (b) statutory damages in the amount of \$250 for each plaintiff;
15 reasonable attorneys' fees; and any other just and proper relief available under Mich. Comp. Laws §
16 445.911.

17 **THIRTEENTH CAUSE OF ACTION**
18 **FRAUDULENT CONCEALMENT**
19 **(Based On Michigan Law)**

20 316. Plaintiff Forester incorporates and realleges the foregoing factual allegations by
21 reference.

22 317. Plaintiff brings this Count on behalf of himself and the Michigan Class.

23 318. Costco intentionally concealed and suppressed material facts regarding its Kirkland
24 Tequila Products.

25 319. Costco's omissions, concealment, and/or misrepresentations alleged herein did cause
26 Plaintiff and the other Michigan Class Members to make their Kirkland Tequila Product purchases.
27 Plaintiffs were unaware of these material facts, and had Costco communicated these material facts
28 to consumers, Plaintiff and the other Michigan Class Members would not have purchased Kirkland
Tequila Products or would not have purchased Kirkland Tequila Products at the prices they paid.

1 Accordingly, Plaintiffs and the other Michigan Class Members have suffered injury in fact, including
2 lost money or property, as a result of Costco’s misrepresentations and omissions.

3 **H. Claims brought on behalf of the New Jersey Class.**

4 **FOURTEENTH CAUSE OF ACTION**
5 **VIOLATION OF NEW JERSEY CONSUMER FRAUD ACT**
6 **(N.J. Stat. Ann. § 56:8-1, *et seq.*)**

7 320. Plaintiff Mathenge incorporates and realleges the foregoing factual allegations by
8 reference.

9 321. Plaintiff Mathenge brings this Count on behalf of himself and the New Jersey Class.

10 322. Plaintiff and New Jersey Class Members are “persons” within the meaning of N.J.
11 Stat. Ann. § 56:8-19.

12 323. Defendant made untrue, false, deceptive and/or misleading statements in connection
13 with the advertising and marketing of its Kirkland Tequila Products in violation of N.J. Stat. Ann. §
14 56:8-2.

15 324. Defendant’s deceptive acts and practices, which were intended to mislead consumers
16 who purchased Kirkland Tequila Products, was conduct directed at consumers.

17 325. Costco’s omissions, concealment, and/or misrepresentations alleged herein did cause
18 Plaintiff and the other New Jersey Class Members to make their Kirkland Tequila Product purchases.
19 Plaintiff and the other New Jersey Class Members were unaware of these material facts, and had
20 Costco communicated these material facts to consumers, Plaintiff and the other New Jersey Class
21 Members would not have purchased Kirkland Tequila Products or would not have purchased
22 Kirkland Tequila Products at the prices they paid. Accordingly, Plaintiff and the other New Jersey
23 Class Members have suffered injury in fact, including lost money or property, as a result of Costco’s
24 misrepresentations and omissions.

1 **I. Claims brought on behalf of the New Mexico Class.**

2 **FIFTEENTH CAUSE OF ACTION**
3 **VIOLATION OF THE NEW MEXICO UNFAIR**
4 **TRADE PRACTICES ACT**
5 **(N.M. Stat. Ann. §§ 57-12-1, et seq.)**

6 326. Plaintiff Bailey incorporates and realleges the foregoing factual allegations by
7 reference.

8 327. Plaintiff Bailey brings this Count on behalf of the New Mexico Class.

9 328. The New Mexico UTPA makes unlawful “a false or misleading oral or written
10 statement, visual description or other representation of any kind knowingly made in connection with
11 the sale, lease, rental or loan of goods or services ... by a person in the regular course of the person’s
12 trade or commerce, that may, tends to or does deceive or mislead any person,” including but not
13 limited to “failing to state a material fact if doing so deceives or tends to deceive.” N.M. Stat. Ann.
14 § 57-12-2(D). Defendant’s acts and omissions described herein constitute unfair or deceptive acts or
15 practices under N.M. Stat. Ann. § 57-12-2(D).

16 329. Defendant, Plaintiff, and the New Mexico Class Members are “persons” under the
17 New Mexico Unfair Trade Practices Act (“New Mexico UTPA”), N.M. Stat. Ann. § 57-12-2.

18 330. Defendant’s actions, as set forth above, occurred in the conduct of trade or commerce
19 as defined under N.M. Stat. Ann. § 57-12-2.

20 331. Defendant’s unfair or deceptive acts or practices were likely to and did in fact deceive
21 reasonable consumers, including Plaintiff and the other New Mexico Class Members, about the true
22 nature of Kirkland Tequila Products.

23 332. Defendant intentionally and knowingly misrepresented material facts about Kirkland
24 Tequila Products with intent to mislead Plaintiff and the New Mexico Class.

25 333. Plaintiff and the New Mexico Class Members reasonably relied on Costco’s material
26 omissions and false misrepresentations. They had no way of knowing that Costco’s representations
27 were false and misleading. Plaintiff and the New Mexico Class Members did not, and could not,
28 unravel Costco’s deception on their own.

1 334. Costco’s unfair or deceptive acts or practices were likely to and did in fact deceive
2 reasonable consumers, such as Plaintiff and the New Mexico Class Members.

3 335. Costco knew or should have known that its conduct violated the New Mexico UTPA.

4 336. Costco’s unfair and deceptive acts or practices occurred repeatedly in its trade or
5 business and were capable of misleading a substantial portion of the purchasing public.

6 337. As a direct and proximate result of Defendant’s violations of the New Mexico UTPA,
7 Plaintiff and the New Mexico Class Members have suffered injury-in-fact and/or actual damage.

8 338. Plaintiff seeks recovery of actual damages or \$100, whichever is greater, discretionary
9 treble damages, punitive damages, and reasonable attorneys’ fees and costs, as well as all other
10 proper and just relief available under N.M. Stat. Ann. § 57-12-10.

11 339. Plaintiff also seeks an order enjoining Defendant’s unfair and/or deceptive acts or
12 practices, and any other just and proper relief available under the New Mexico UTPA.

13 **J. Claims brought on behalf of the New York Class.**

14 **SIXTEENTH CAUSE OF ACTION**
15 **VIOLATION OF NEW YORK GENERAL BUSINESS LAW § 349**
16 **(N.Y. Gen. Bus. Law § 349)**

17 340. Plaintiff Cohen incorporates and realleges the foregoing factual allegations by
18 reference.

19 341. Plaintiff Cohen brings this Count on behalf of herself and the New York Class.

20 342. New York General Business Law (“New York GBL”) makes unlawful “deceptive
21 acts or practices in the conduct of any business, trade or commerce.” N.Y. Gen. Bus. Law § 349.

22 343. Plaintiff and New York Class Members are “persons” within the meaning of N.Y.
23 Gen. Bus. Law § 349(h).

24 344. Defendant is a “person,” “firm,” “corporation,” or “association” within the meaning
25 of N.Y. Gen. Bus. Law § 349.

26 345. Defendant’s deceptive acts and practices, which were intended to mislead consumers
27 who purchased Kirkland Tequila Products, was conduct directed at consumers.

28 346. Because Defendant’s willful and knowing conduct caused injury to Plaintiff, Plaintiff
seeks recovery of actual damages or \$50, whichever is greater; discretionary treble damages up to

1 \$1,000; punitive damages; reasonable attorneys’ fees and costs; an order enjoining Defendant’s
2 deceptive conduct; and any other just and proper relief available under N.Y. Gen. Bus. Law § 349.

3
4 **SEVENTEENTH CAUSE OF ACTION**
5 **VIOLATION OF NEW YORK GENERAL BUSINESS LAW § 350**
6 **(N.Y. Gen. Bus. Law § 350)**

7 347. Plaintiff Cohen incorporates and realleges the foregoing factual allegations by
8 reference.

9 348. Plaintiff Cohen brings this Count on behalf of herself and the New York Class.

10 349. The New York General Business Law (“GBL”) § 350 prohibits “[f]alse advertising
11 in the conduct of any business, trade or commerce or in the furnishing of any service in this state.”

12 350. False advertising means “advertising, including labeling, of a commodity . . . if such
13 advertising is misleading in a material respect.” GBL § 350-A.

14 351. Plaintiff Cohen and the New York Class members are “persons” within the meaning
15 of GBL § 350-E.

16 352. Defendant’s false advertising consisted of selling and marketing spirits that were
17 falsely labeled or marketed as “100% de Agave” tequila.

18 353. Defendant’s false advertising was directed at consumers and intended to or did
19 mislead consumers that purchased Defendant’s adulterated tequila.

20 354. Defendant’s sale of adulterated tequila was consumer-oriented because it had a broad
21 impact on consumers at large, instead of only affecting a single transaction or the Plaintiffs.

22 355. The Defendant’s sale of adulterated tequila was deceptive in a material way—that is,
23 that a reasonable consumer acting reasonably in the Plaintiffs’ circumstances would have been
24 misled by the Defendant’s statements and those of its agents that it sold “100% de Agave” tequila.

25 356. Plaintiff saw or heard these false tequila descriptions before she came into possession
26 of the products she purchased from Defendant.

1 357. Defendant’s statements and those of its agents permitted it to charge a premium price
2 for its tequila, even though these spirits were not “100% de Agave.”

3 358. Defendant’s false statements actually caused Plaintiff Cohen and other members of
4 the New York class to pay more than if Defendant’s product were truthfully labeled and advertised.

5 359. Plaintiff’s and New York Class Members’ injuries were a direct, actual injury beyond
6 the deception itself.

7 360. Plaintiff and New York Class Members were also injured by reason of Defendant’s
8 false advertising and seek to enjoin Defendant’s unlawful acts and practices and to recover their
9 actual damages or \$500 dollars, whichever is greater, and their attorney’s fees. GBL § 350-E.
10

11 361. If this Court finds that Defendant willfully or knowingly engaged in false advertising,
12 Plaintiff and New York Class Members seek three times their actual damages or \$10,000. GBL
13 § 350-E.
14

15 **PRAYER FOR RELIEF**

16 **WHEREFORE**, Plaintiffs, individually and on behalf of the Classes, respectfully requests
17 that the Court:

18 A. Certify the proposed Classes, appoint Plaintiffs as the class representatives, appoint
19 Plaintiffs’ Counsel as Class Counsel, and make such further orders for the protection of Class
20 Members as the Court deems appropriate;

21 B. Enjoin Costco from engaging in the unlawful conduct alleged herein, and order such
22 other injunctive relief that the Court deems just and proper;

23 C. Award damages to Plaintiffs and the Classes, including punitive damages, statutory
24 damages, costs, and disgorgement in an amount to be determined at trial, except that monetary relief
25 under the CLRA, as stated above, shall be limited prior to completion of the applicable notice
26 requirements;

27 D. Award Plaintiffs and Class Members pre- and post-judgment interest as permitted by
28

1 law;

2 E. Award Plaintiffs and Class Members reasonable litigation expenses and attorneys'
3 fees as permitted by law;

4 F. Enter an order holding Costco financially responsible for all Class notice and the
5 administration of Class relief;

6 G. Enter judgment in favor of Plaintiffs and Class Members; and

7 H. Order such other or further relief as the Court may deem appropriate, just, and
8 equitable under the circumstances.

9 **DEMAND FOR JURY TRIAL**

10 Plaintiffs demand a trial by jury of all issues triable as of right.

11
12 DATED this 9th day of March 2026.

Respectfully submitted,

13 **HAGENS BERMAN SOBOL SHAPIRO LLP**

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