Apple Lawsuits Highlight Risk of Making Bold Privacy Claims

Plaintiffs in a new lawsuit allege that, despite Apple's claims that Safari is private and does not track users, the company's browser still leaves users vulnerable to a type of tracking known as canvas fingerprinting.

New lawsuits accusing Apple of falsely promising users that they would not be tracked while using its Safari browser show the risks for technology companies in making strong privacy claims.

Law.com Radar flagged two class action lawsuits filed in California last month: one in federal court in San Jose and the other in state court in Santa Clara County. These lawsuits bring claims under state consumer protection, unfair competition, and false advertising laws. Both were filed by Lynch Carpenter.

WHAT HAPPENED?

Plaintiffs in both lawsuits say that Apple advertisements led them to believe that their browsing activity would not be tracked if they used Safari.

A recent Safari commercial shows internet users being followed by chrome-clad figures (a reference to rival Google’s Chrome browser) watching their every move. It ends with the tag line, “Safari. A browser that’s actually private.”

The plaintiffs in the new lawsuit allege that, despite that and other privacy claims, Safari still leaves users vulnerable to a type of tracking known as canvas fingerprinting, in which websites assign users a unique “fingerprint” that can be followed across sites and browser sessions. The vulnerability remains even in private browsing mode, according to the complaints.

The plaintiffs are seeking money damages and a court order requiring Apple to mount a corrective advertising campaign. Apple did not immediately respond to a request for comment.

HOW DID WE GET HERE?

Claims like those against Apple are not new and “don’t occur in a vacuum,” according to F. Paul Greene, chair of Harter Secrest & Emery’s privacy and data security practice. In 2023, Google agreed to pay $5 billion to settle claims that it tracked Chrome users in incognito mode.

“If you make a promise or a claim about how you handle data, there will be scrutiny of that promise or claim,” Greene said. “Certainly in most circumstances you’ll be held to what that promise or claim is.”

Apple’s “shiny new ads” touting Safari’s privacy protections likely drew attention, Green said: “If I’m an enterprising plaintiffs’ attorney, I’m just going to open up my Safari browser and see if they engage in any tracking whatsoever.”

WHAT’S NEXT?

The cases against Apple are still at the pleading stage, but if the central allegation that Safari allows canvas fingerprinting is true, it would be “an issue of fact that will make this lawsuit more likely to continue than not,” Greene said. That would put pressure on Apple to settle.

He said that the claims underscore the importance for tech companies of aligning their public statements about privacy with their practices. Companies are legally required to disclose what they do to protect privacy, he said, but they do not have to make “outlandish” claims.

“You would hope that the person who was in charge of that ad campaign was closely connected to the person who was in charge of the privacy protections that the browser allows,” Greene said.

Class action vs Apple over Face ID scans seeks to unlock big payout

ROCKFORD — Apple has been hit with another class action lawsuit under Illinois' stringent biometrics privacy law, this time accusing the tech giant of allegedly improperly scanning iPhone users' eyes without their consent when verifying their identity.

The lawsuit was filed in the Western Division of the Northern District of Illinois on July 4 by attorney Blake Hunter Yagman, of Yagman PLLC, of Uniondale New York, on behalf of named plaintiff Samantha Mettler, of DeKalb County.

Should the court ultimately allow the lawsuit to advance, millions of people could be added as plaintiffs in the lawsuit, potentially putting billions of dollars at stake.

The lawsuit takes aim at Apple's face-scanning tech installed on its ubiquitous iPhone and other devices. Apple device users can deploy the tech, known as Face ID, to limit access to their devices.

Face ID has been offered on Apple devices since 2017, beginning with the iPhone X model.

Apple devices use Face ID to "unlock" the phone, offering access to its array of apps and other features, by scanning users' faces, rather than requiring users to input a passcode or satisy another gatekeeping security feature.

In the lawsuit, the plaintiffs note that Apple already requires users to consent to face scans before they can utilize Face ID.

However, the lawsuit asserts Apple's consent agreement falls short of what is required under the Illinois law known as the Biometric Information Privacy Act (BIPA), because the agreement doesn't also ask users to specifically consent to scans of their retinas or irises in their eyes.

"... One such collection of one form of biometric information does not garner consent for the collection of another - as is the case here," the lawsuit said.

"While Apple does inform Plaintiff and Class members of the collection of facial template data for facial recognition purposes through the Face ID feature, it never discloses to users that it is collecting iris and retinal scans while doing so - which is an entirely different and additional form of biometric information collection which was not consented to."

The plaintiffs assert Face ID or some other form of biometric information software is almost certainly scanning users' eyes, because Face ID requires users to open their eyes in order to unlock their iPhones.

"As Apple states, 'Face ID recognizes if your eyes are open and your attention is directed toward the device. This makes it more difficult for someone to unlock your device without your knowledge (such as when you are sleeping),'" the lawsuit says, quoting technical support materials posted by Apple in 2024.

"... This is not possible without monitoring the location of ones iris or retinal scans, it too is never disclosed to users - and it simply is not lawful under BIPA," the lawsuit said.

The plaintiffs assert this demonstrates that Apple is allegedly misleading its customers about its commitment to their privacy, calling Apple's marketing about the company's "respect for privacy ... demonstrably false."

The lawsuit asserts Apple has violated the BIPA law by allegedly not notifying users about the alleged eye scans, as well as not obtaining proper consent, as required under Illinois law.

The plaintiffs say this means Apple should owe damages of up to $5,000 per user, as permitted under the BIPA law.

Since their lawsuit likely includes millions of Illinois Apple customers using devices featuring Face ID, the total payout demands could easily reach into the many billions of dollars.

The lawsuit, however, is just the latest lodged against Apple under the Illinois BIPA law.

The company already faces dozens of such lawsuits, including claims accusing Apple of improperly scanning the faces of people imaged in photos uploaded to the Apple Photos app, and another class action accusing Apple of illegally collecting and storing the so-called "voiceprints" of Apple customers interacting with Apple's Siri digital assistant program.

Those claims cover up to 6 million Apple users each, according to court records.

Courts have greenlighted those other class actions, and the cases remain pending in federal court in southern Illinois and in Cook County Circuit Court.

And those lawsuits against Apple are just some of the thousands of class action lawsuits brought under the BIPA law that have piled into state and federal courts in Illinois and other jurisdictions in the past decade.

Those lawsuits all generally accuse companies of alleged unauthorized scans of people's so-called unique "biometric identifiers," including fingerprints, "voice prints" and facial geometry, among others.

The overwhelming bulk of BIPA litigation has landed on employers in Illinois, who have been routinely accused of wrongly scanning workers' fingerprints, faces, voices and other biometric characteristics, without first obtaining written consent or providing notices about how that information might be stored, used, shared and destroyed, among other technical provisions in the law.

The BIPA law, however, has gained notoriety, thanks to headline-grabbing settlements worth hundreds of millions of dollars apiece in lawsuits targeting tech giants, including Apple's rivals, Meta and Google, among others.

The law, to this point, however, has largely allowed trial lawyers to rake in hundreds of millions of dollars in fees paid by businesses targeted by the lawsuits, without ever having to prove any of their clients were actually harmed.

Costco accused of selling protein powder contaminated with lead, arsenic

SEATTLE (CN) — Consumers hit Costco with a class action claiming violations of consumer protection laws through the sale of a protein powder they claim has undisclosed, dangerous levels of toxic heavy metals.

Seven named plaintiffs say Costco neglected to disclose that Orgain Organic Protein Powder contains lead, cadmium and arsenic.

“Reasonable consumers, like plaintiffs, could not learn of the inclusion of heavy metals in the contaminated products unless Costco included a proper disclosure, because identifying the presence of heavy metals requires expensive and sophisticated laboratory testing,” the consumers write in an 87-page complaint. “But Costco failed to perform or require any heavy metal testing, or to disclose the presence of heavy metals.”

An October 2025 Consumer Reports test of Orgain’s vanilla bean protein powder found it exceeded its “level of concern” for lead, identifying it as a product “okay to eat occasionally” and with lead levels at 143% of its level for concern.

“Defendant’s business practices — including the misrepresentations and omissions — were deceptive, misleading, unfair, and/or false because, among other things, the contaminated products contained undisclosed toxic heavy metals,” the consumers write in the Tuesday complaint.

The consumers say the packaging doesn’t include any mention of heavy metals, but does prominently feature the “USDA Organic” certification mark, which they say a reasonable consumer would associate with purity and the absence of harmful contaminants.

The product website listing also uses language the consumer’s say is misleading, such as touting the protein powder’s “power of clean” and that it is “relentless about quality.” The page also identifies the manufacturer’s mission as “to help more people live vibrant lives through the power of good, clean nutrition.”

All of these statements are misleading, according to the consumers, as “foods that contain high levels of heavy metals are neither nutritious nor healthy.”

“Many consumers who buy and use protein powder do so routinely as part of a continuing focus on their fitness and health,” Steve Berman, managing partner and co-founder of Hagens Berman, who is representing the plaintiffs, said in a statement. “These same health-conscious consumers have unknowingly ingested alarming levels of toxic heavy metals — lead, cadmium and arsenic — again and again, trusting that Costco's quality assurance would not allow something like this to happen."

The Food and Drug Administration doesn't review, approve or test protein powder supplements before they are sold to consumers, creating a regulatory gap the consumers say forces them to rely on retailers' voluntary representations of product safety.

"The omissions were intended to and did, in fact, cause consumers like plaintiffs and the other class members, to purchase products they would not have purchased if defendant had disclosed that the contaminated products contained heavy metals, or for which they would not have paid a premium price, or any price at all," the consumers wrote.

The consumers accuse Costco of actively concealing the truth about the presence of heavy metals in the protein powder, claiming the wholesaler had "exclusive possession" of information regarding the product.

"Consumers nationwide trust Costco," Berman said. "Based on our investigation and product testing, we believe Costco knew or should have known that its Orgain protein powder failed to live up to its promises of safety and quality."

The consumers accuse Costco of violating consumer protection and false advertising laws in six states: Washington, California, Illinois, Minnesota, Ohio and Texas. They are asking a federal judge in Washington to force the company to disclose the presence and levels of heavy metals in Orgain and stop selling the products until it discloses that information.

Costco did not respond to a request for comment before press time.

Judge tosses all but one claim in case over shrinking Crocs

SAN FRANCISCO (CN) — A federal judge on Thursday threw out the majority of claims in a class action brought by Crocs customers over certain models of its shoes shrinking considerably when exposed to heat or sunny weather.

U.S. District Judge Trina Thompson rejected the plaintiffs' fraud-based claims, ruling they failed to explain how Crocs' size representation is misleading at the time of purchase. However, the Joe Biden appointee advanced plaintiffs' implied warranty claim regarding design defect.

"This court intends to move forward with what plaintiffs' claims are really about, which is an assertion that Crocs shoes fall below the level of quality for ordinary use that consumers should reasonably expect. This is not a case about fraud," she said Thursday in her order.

Thompson found the plaintiffs failed to make a claim of affirmative fraud and refused to equate Crocs' representation of shoe size with a promise that the shoe would maintain its size if exposed to extreme heat or sunlight.

"Defendant's representation about the size of Crocs at the time of purchase says nothing about the products' ability to maintain that size under different conditions. Again, the court finds that plaintiffs have not demonstrated how the shoe size representation is misleading," she said.

The judge also discarded the plaintiffs' fraud by omission claim as the plaintiffs did not provide evidence that the size itself is a misrepresentation or omission, nor had they offered what information the company would have to disclose to consumers about the shoe size to provide all material facts.

"The court is not clear how those details, which are in dispute, would be presented to consumers, nor have plaintiffs adequately plead reliance on the lack of information regarding heat-caused-shrinkage in making their purchases," she said.

All claims, save for the plaintiffs' implied warranty claim, are dismissed with prejudice.

In June 2025, Thompson granted Crocs' motion to dismiss plaintiffs' express warranty and fraud-based claims in part. In January, the judge threw out plaintiffs' express warranty claims with prejudice, in addition to tossing plaintiffs' fraud-based claims without prejudice.

Meta likely to dodge suits over WhatsApp investment scams

SAN FRANCISCO (CN) — A federal judge said Wednesday that jurisdiction issues will likely doom two lawsuits accusing Meta of facilitating investment scams through fraudulent ads.

U.S. District Judge William H. Orrick III said he was inclined to dismiss the lawsuits following the dismissal of a similar ca*se, Bouck v. Meta Platforms, Inc.***,** in which Chief U.S. District Judge Richard Seeborg, a Barack Obama appointee, found the Securities Litigation Uniform Standards Act preempts the plaintiffs' claims. Meta argued the case amounted to a securities class action brought under state law.

Under the 1998 law, federal courts must dismiss certain securities class actions claiming a "misrepresentation or omission of a material fact in connection with the purchase or sale of a covered security."

"I'm inclined to follow his reasoning that SLUSA applies," Orrick, also an Obama appointee, said. "The 'in connection with' element is met — injuries occurred from the devalued stock purchased in the pump-and-dump scheme. From that, I would conclude that I don't have jurisdiction and I'd dismiss it without prejudice."

The plaintiffs in all three cases include users who were involved in an investment scheme they say was perpetrated by organized criminal networks, the majority of which operate out of China. The plaintiffs describe identical schemes, where scammers used Meta to target victims with hundreds of ads for investment clubs that were supposedly associated with celebrities and well-known investors.

They say users who clicked on the false ads were added to groups on Meta-owned WhatsApp, where the scammers, posing as financial advisors, encouraged them to purchase shares of specific securities they predicted would have a positive return. However, the plaintiffs say the scammers secretly held large amounts of the stocks and were "pumping," or artificially inflating the stock price, before "dumping" their shares at the inflated prices, causing the stock to lose almost all its value.

Wednesday's hearing focused on two schemes involving Jayud Global Logistics Ltd. (JSL) and Ostin Technology Group Co., Ltd. (OST), both of which are listed on NASDAQ. The plaintiffs say the scammers held 50 million shares of JGL and more than 80 million shares of OST, resulting in an estimated loss of $500 million and $110 million, respectively, for the proposed classes once the scammers "dumped" their shares in a short time period.

Their attorney Andrew Robertson of Morris Kandinov argued the two surviving complaints should not be dismissed under SLUSA because Meta was only involved in the beginning, when the victims were lured into the scheme with the fraudulent ads, and in later stages, when the scammers made the misrepresentations that led to the purchasing of securities.

“What we’re talking about here is Meta’s role as a quasi-advertising agency. It has never been governed by federal securities law. In terms of the purpose of SLUSA … this case would have no impact on that,” he said, adding the fact that there was a scam that ultimately involved securities does not “turn Meta into an entity that is regulated by securities laws.”

Robertson also argued Meta violated its terms of service by not upholding the “guidelines and guardrails” the company has for targeted ads. However, he tried to distance the breach of contract claims from the actual investment scam itself.

“The breach of contract exposed victims to the scam, but it was the scammers who turned that into a scam involving securities,” he said.

Meta attorney Sonal Mehta of WilmerHale pushed back on the claim that Meta was only involved in the beginning of the scheme, stating the plaintiffs have repeatedly claimed a “fully integrated scheme.”

Mehta said both sets of plaintiffs say Meta was responsible for an essential element of the schemes and “Meta’s advertising tools were the primary means through which the scheme was implemented.”

“You can’t have it both ways. Either the ads Meta contributed caused the material decision to purchase the covered security, in which SLUSA applies, or they weren’t, and that is exactly what Judge Seeborg found,” she said.

As for the plaintiffs’ breach of contract claims, Mehta echoed a previous ruling from Seeborg finding Meta’s terms of service do not have any binding language requiring the company to take any action regarding fraud.

Orrick said he would issue a ruling soon.

Representatives for the parties did not immediately respond to a request for comment.

Meta's Zuckerberg Ordered Back For 2nd LA Social Media Trial

(July 8, 2026, 8:53 PM EDT)-- A Los Angeles judge Wednesday ruled that Mark Zuckerberg must testify at an upcoming bellwether trial over claims his social media company harms young users' mental health after she previously compelled the Meta CEO to testify in February at the first bellwether trial.

Zuckerberg's appearance **in February** was the first time the CEO, who is one of the 10 richest people in the world, had to answer before a jury to claims his company is harmful to its users. The trial resulted in a first-of-its-kind **$6 million verdict** against Meta Platforms Inc. and its co-defendants Google LLC and YouTube.

His live testimony in February came over Meta's objections, and the company again tried to argue that his appearance at the second trial is unnecessary and overly burdensome because his videotaped deposition could be shown to the jury. But Los Angeles Superior Court Judge Carolyn B. Kuhl rejected those arguments Wednesday.

Like she did before the first bellwether trial, the judge said she would withhold ruling on compelling Zuckerberg's live testimony at further bellwether trials until a later date.

"And your honor has recognized, there certainly comes a time when this is burdensome and unreasonable, and Meta believes that we are there already," Orlando Richmond of Butler Snow LLP, who represents Meta, told the judge before she made the ruling.

"You think you're there right now, I understand that," Judge Kuhl replied.

She also held that **Adam Mosseri**, the head of Meta's Instagram platform, must also testify again in person at the upcoming trial, as does Snap Inc. CEO Evan Spiegel, who did not appear at the first trial because the company settled with the plaintiff ahead of the proceedings.

The second bellwether trial is scheduled to begin July 27. The plaintiff in the case is a teen boy known in court documents as R.K.C. who says he became harmfully addicted to Snap's Snapchat, Meta's Instagram, Google's YouTube and ByteDance's TikTok. R.K.C. has **settled his claims** with TikTok and YouTube. His case is among thousands that are pending before Judge Kuhl in coordinated proceedings and represents billions in dollars of potential liability for the defendants.

At his February appearance, Zuckerberg faced a day of questioning from plaintiff Kaley G.M.'s lead trial attorney, **Mark Lanier** of The Lanier Law Firm, who appeared to catch Zuckerberg in a number of contradictions on the stand.

Zuckerberg also admitted to receiving extensive media and public speaking training to appear more "human" and less "robotic" in an effort to shake the public's perception of him as awkward, yet he still displayed little emotion on the stand. After the trial, a juror told reporters the jury didn't find him fully credible and that he "changed" his testimony.

Lanier, who is one of the country's most successful litigation attorneys, is not expected to participate in the second trial.

Zuckerberg's day of testimony in February also created a somewhat zoo-like atmosphere at the Spring Street Courthouse in downtown Los Angeles, which houses some courtrooms for the Los Angeles County Superior Court but is owned by the federal government, as it used to be a federal courthouse. As a result, the feds are in charge of security at the building, and Zuckerberg was guarded by armed agents from the U.S. Department of Homeland Security as he entered and exited the courthouse. He faced large crowds of people who attempted to swarm him.

One person even threw some papers at Zuckerberg outside the courthouse in an apparent attempt to serve him with court documents. Inside the courtroom, some of Zuckerberg's entourage ran afoul of Judge Kuhl for possibly wearing Meta's artificial intelligence-equipped glasses with video recording technology, and she warned if anyone was wearing them to remove them and delete any possible recordings of the proceedings.

On Wednesday, Judge Kuhl ruled the testimony of Zuckerberg, Mosseri and Spiegel can be recorded for the upcoming trial, so it could be played at future trials in lieu of live testimony and asked the parties to meet and confer about the possibility.

Richmond argued that Zuckerberg and Mosseri's depositions should "double as both a discovery device and the sole opportunity to elicit trial testimony.

"The reality is that they now had an opportunity at trial to question these particular witnesses, and as we took some time to detail in our papers, there's nothing new or unique about the trial testimony," Richmond argued. "All of it, or virtually all of it, had been covered" in their depositions.

Davis Vaughn of Beasley Allen Crow Methvin Portis & Miles PC, who represents R.K.C., said Richmond's argument that there must be "nothing new or unique" in Mosseri and Zuckerberg's testimony is not supported by California law.

Snap is represented by Jack Nolan and Allison M. Brown of Kirkland & Ellis LLP, and Jonathan H. Blavin of Munger Tolles & Olson LLP.

Meta is represented by Orlando Richmond of Butler Snow LLP and Ashley M. Simonsen, Andrew Stanner and Gregory Halperin of Covington & Burling LLP.

R.K.C. is represented by Davis Vaughn and Joseph VanZandt of Beasley Allen Crow Methvin Portis & Miles PC, Rachel Lanier of The Lanier Law Firm, and Mariana McConnell of Kiesel Law LLP.

The case R.K.C. v. Meta Platforms Inc. et al., case number 23STCV31485, and the JCCP case is Social Media Cases, case number JCCP5255, both in the Superior Court of the State of California, County of Los Angeles.

Securities

SEC Woes, DExit, and Lawsuits: Takeaways From 2026 Proxy Season

July 9, 2026, 2:00 AM PDT

Companies are wrapping up a proxy season that was unusual and volatile in more ways than one.

Wall Street's chief regulator left companies and their shareholders to work out proposal disputes themselves ahead of annual meetings, reversing decades of procedure. Investors, in turn, pulled new levers to hold corporations accountable, resulting in a flurry of litigation. Proxy advisory firms went head-to-head with companies on contentious issues like reincorporation.

In addition, a drop in corporate focus on environmental and social issues, initially spurred by President Donald Trump's return to office, was compounded this proxy season by fundamental shifts in corporate governance norms.

"It was the most unstable year in a long time," said Ronald Mueller, a partner at Gibson Dunn who advises companies.

Here are four takeaways from the 2026 proxy season:

Big Reincorporations Approved

Shareholders overwhelmingly approved ExxonMobil Holdings Corp.'s and Dell Technologies Inc.'s reincorporations to Texas, even as the world's largest proxy advisory firm, Institutional Shareholder Services Inc., recommended against both.

ExxonMobil's and Dell's proposals gained 71% and 97% support, respectively — but numbers alone don't tell the whole story. ExxonMobil gives the same voting weight to every share. But Dell has a dual-class stock structure that gives more weight to insiders' votes.

Without a controlling shareholder, companies usually have a tough road going up against proxy firm recommendations, said Francesca Odell, partner at Cleary Gottlieb Steen & Hamilton LLP.

"On a move to another jurisdiction, the governance issues that are involved are pretty significant because there's a view that the type of rights shareholders have are fewer," she said.

The lack of support from proxy advisory firms stemmed from a suite of laws Texas enacted in 2025, which allows companies to set limits on who can bring shareholder proposals and certain kinds of lawsuits.

ExxonMobil pledged not to adopt those Texas provisions. Dell, however, said it would opt into both upon its domicile change. Both companies executed their reincorporations July 1.

ISS supported Tesla Inc.'s move from Delaware to Texas in 2024. But since then, the only company to gain the proxy firm's support to reincorporate in another state was a small natural gas infrastructure company seeking to leave Colorado.

Shareholder Proposals Excluded

The Securities and Exchange Commission's refusal to weigh in on which proxy proposals needed to go to investor votes at annual meetings spurred an ultra-cautious approach from companies — but only at first.

Companies were putting 70% of the shareholder proposals they received on their corporate ballots as of February. But ISS-Corporate data released July 6 showed a drop to 64%, a figure more in line with previous years.

"I was surprised at the beginning," said Douglas Chia, president of Soundboard Governance LLC. "I thought there would be more companies taking an aggressive exclusion approach."

As the first few companies took measured proposal exclusion risks, more companies likely followed, Odell said.

"I think a good part of it is comfort in numbers," she said. "In proxy season you never want to be an outlier because it draws a lot of attention."

Proposal Omissions Remain Stable Year-Over-Year

Companies kept roughly the same percentage of resolutions off ballots this proxy season as the last one.

—	Voted/Vote Pending	Omitted/Not in Proxy	Withdrawn/Not Presented
2021	51%	19%	31%
2022	59%	12%	28%
2023	65%	18%	17%
2024	63%	22%	15%
2025	58%	28%	15%
2026	64%	27%	8%

Note: Data as of June 15, 2026
Source: ISS-Corporate

Bloomberg Law

Companies were careful to explain their reasoning to shareholders. Goldman Sachs Group Inc., for instance, told investors in its proxy statement that it decided to include all shareholder proposals submitted in a timely manner "as a matter of good governance and transparency."

Walt Disney Co., Amazon.com Inc., and General Motors Co. also spelled out in proxy statements their thought process for they were handling proposals without the regular SEC process.

Shareholder Lawsuits Challenge Companies

Shareholders filed at least six lawsuits this year accusing companies including UnitedHealth Group Inc., PepsiCo Inc., and AT&T Inc. of keeping resolutions off corporate ballots with little to no legal basis.

Shareholders and corporate governance professionals warned lawsuits could tick up after the SEC stepped back. This kind of litigation had previously been rare, since companies and shareholders both depended on the agency to gauge which proposals needed a vote.

Four of those proxy lawsuits ended with the company either pledging to implement the proponent's idea or putting it to a vote. Axon Enterprise Inc., for instance, ended a shareholder group's lawsuit by agreeing to publicly disclose political spending annually for the next five years. The plaintiff agreed in return not to submit political spending proposals over the same period.

At least one more case is ongoing, and another ended with a federal judge siding with the company.

As the proxy season continued, companies realized only a handful of proponents had the resources to sue, Odell said. Litigation went from a major concern to a manageable risk, she said.

Governance proposals were king

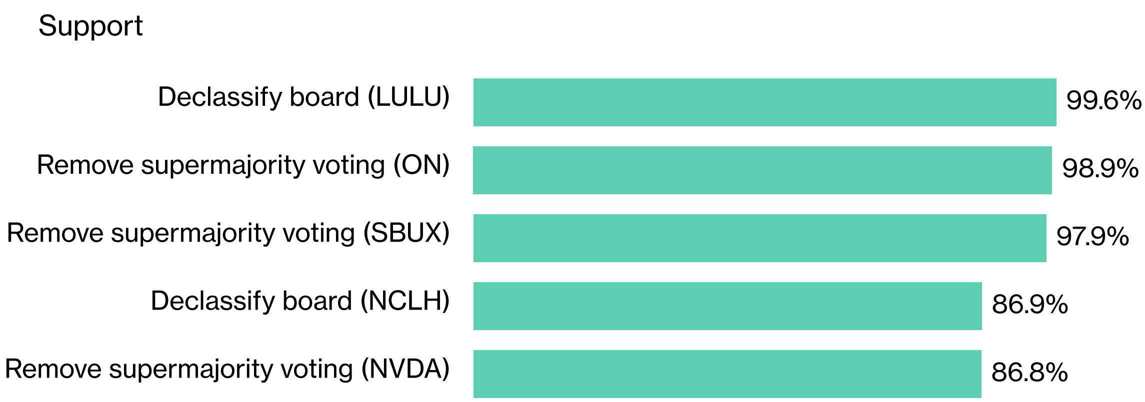
Overall, shareholder proposal submissions hit a five-year low in 2026, according to ISS-Corporate data. At the same time, governance proposals, which target issues like board independence and shareholder rights, hit a five-year high.

These proposals, which garnered about 33% support on average this year, were the only type of resolutions to reach majority shareholder support as of June 15, ISS-Corporate reported.

The season's most-supported proposal among the S&P 500 index was Lululemon Athletica Inc. Founder Chip Wilson's bid to declassify the athleisure brand's board, according to Bloomberg Terminal data. The governance resolution received 99.6% shareholder approval.

Governance Proposals Gain Most Support in 2026

Proposals to declassify boards and remove majority voting requirements composed the Top 5 most widely approved shareholder resolution among the S&P 500.



Note: Data runs from Jan. 1 to July 6, 2026
Source: Bloomberg Terminal

Bloomberg Law

Governance resolutions are more likely to be "exclusion-proof," Chia said. They deal directly with how companies are managed, so insiders have a harder time making the case that they shouldn't go to an investor vote, he said. They're also less politically fraught.

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Securities

SEC’s Semiannual Reporting Plan Prompts Accounting Board Review

July 8, 2026, 12:25 PM PDT

The US accounting board is examining if any changes to its rulebook are necessary should the Securities and Exchange Commission scale back how often publicly traded companies need to report their earnings to investors.

The Financial Accounting Standards Board is taking a “comprehensive look” at its guidance as the SEC weighs scrapping mandatory quarterly reports, board Chair Richard Jones said Wednesday. Public input was due earlier this week on the SEC’s proposal, which would give companies the option to file one semiannual financial report in lieu of three quarterly reports each fiscal year, in addition to their one annual report.

FASB establishes rules that public companies follow when preparing their financial statements, which are included alongside risk disclosures and management analysis in quarterly and annual reports.

“We’re fortunate in the sense that most of our guidance talks about ‘interim’ reporting,” Jones said during Wednesday’s board meeting.

Companies also already report semiannually, as their second-quarter SEC filings feature six months worth of financial reporting, Jones said.

Jones stressed those points in May, when the proposal was unveiled, after SEC Chairman Paul Atkins called on FASB to evaluate possible amendments to its rules to “avoid compelling the disclosure of immaterial information.”

The plan is part of Atkins’ agenda to incentivize more companies to go and remain public by giving businesses more flexibility to determine their financial reporting schedule. President Donald Trump has endorsed less frequent reporting, saying reporting on a six-month basis would “allow managers to focus on properly running their companies.”

The SEC said it is working on posting to its website the large number of comments it has received on the proposal.

The letters currently total more than 8,000, according to a live tracker made by Ohio State University accounting professor Tzachi Zach.

Feedback So Far

Public input so far shows concerns about the potential consequences for investors if companies have the option to forgo quarterly reporting.

Nearly 85% of respondents to a January survey conducted by the CFA Institute are concerned with the impacts to comparability between companies because of the proposal’s flexibility, the investment professionals association told the SEC in a comment letter.

“While quarterly reporting imposes regulatory costs on firms, reducing reporting frequency could place investors at a disadvantage by providing fewer timely updates on firm performance, increasing information asymmetry and uncertainty,” an American Accounting Association committee wrote in a letter.

Other feedback supported the proposal. ExxonMobil‘s chief financial officer told the SEC if the company opts for semiannual reporting, it expects to continue providing quarterly financial disclosures through avenues like earnings releases and investor presentations. Combined with annual and semiannual reports, this information “should largely preserve comparability at both the company-specific and peer levels,” the oil and gas giant said.

FASB’s research is part of its ongoing emerging issues project that has focused on other hot topics like private credit.

If the semiannual reporting proposal is finalized by the SEC, companies will still have the option to report their financial results quarterly, Jones said Wednesday. So accounting guidance would need to work for both options, he said.

“That being said, we are looking to see if there’s anything we need to do and, to the extent that we do identify anything there or any stakeholders raise it, we’ll certainly bring it to the board as part of that process,” Jones said.

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Tariff refunds are flowing. The real fight is over who gets them.

U.S. Customs and Border Protection is making steady progress in refunding tariff money that was struck down in February by the U.S. Supreme Court, but one remaining dispute is on appeal and consumer class actions seeking that cash are pending all over the country.

Brandon Lord, executive director of trade programs with the government agency, reported in a court filing last week that $104.29 billion in both potential and certified refunds have been accepted for processing under its Consolidated Administration and Processing of Entries system.

He added that $71 billion in refunds of International Emergency Economic Powers Act tariffs invalidated by the court have been sent to the Treasury Department to be disbursed, including interest.

The CBP collected about $166 billion in IEEPA tariffs after they were imposed by President Donald Trump last year without congressional approval.

Ashley Akers, a partner with Holland & Knight LLP who represents companies seeking tariff refunds from the government while defending them against consumer class actions, said there are still many issues to be resolved but that the process is moving at a decent clip.

"It's been going more smoothly than anticipated for a lot of importers," she said.

Senior Judge Richard K. Eaton of the U.S. Court of International Trade ordered the agency to refund all the duties paid, but the administration balked, arguing that CBP cannot refund tariff revenue that has been "liquidated" because too much time has passed unless an administrative protest is filed with the CBP or a lawsuit is filed with the trade court by a specific company.

That dispute is pending before the U.S. Court of Appeals for the Federal Circuit.

"This appeal is most likely to have the greatest impact on small importers and shipments to individual consumers purchasing goods directly from abroad using e-commerce," said Robert A. Shapiro, chair of Thompson Coburn LLP's international trade and transportation regulatory practice group.

Class actions move slowly

While the refund process continues, consumer class actions against companies that collected tariff revenue are proceeding slowly.

They fall under three categories: the first are cases against shippers like FedEx Corp. which identified the tariffs charged on deliveries and charged them invoices for goods from outside the United States. *Anastopoulo v. FedEx Corp.*, 26-cv-02334 (W.D. Tenn., filed March 27, 2026).

The second are class actions against companies like Amazon.com Inc., which has not sought reimbursement from the federal government even though it is entitled to do so under the Supreme Court decision. *Learning Resources v. Trump*, 2026 DJDAR 1259 (S. Ct., filed June 17, 2025).

Trump, in an April 21 appearance on CNBC, described such decisions as "brilliant ... "If they don't do that, I'll remember them," he said.

Steve W. Berman, a partner with Hagens Berman Sobol & Shapiro LLP who represents the class, wrote in his complaint against Amazon in the Western District of Washington that such a move to please the president may be "shrewd" but added that the company still must reimburse consumers for the invalid tariffs.

"The problem is that the funds Amazon is using to stay in the President's good graces do not belong to Amazon," he wrote. "Those funds belong to the consumers who paid them."

"Amazon's use of these funds to curry political favor does not make consumers whole and is not a legally cognizable substitute for the relief sought in this lawsuit," Berman added. In re: Amazon Tariff Litigation, 26-cv-01670 (W.D. Wash., filed May 15, 2026).

The third category is lawsuits against other companies that have sought tariff refunds but have not promised to return specific amounts that were added due to the tariffs.

The battle has been joined in the Northern District of Illinois in a class action against Costco Wholesale Corp., where Munger, Tolles & Olson LLP partner Brad D. Brian of Los Angeles - who represents the company - filed a motion to dismiss.

Ryan Z. Cortazar, an attorney with Korein Tillery LLC, countered by arguing that Costco is taking advantage of its reputation for offering low prices to get consumers to pay extra.

"Because they trust Costco's stated commitments to its core pricing philosophy and corollary representations about not passing on certain costs -- like tariffs -- to consumers, Costco members make ex ante decisions about what to pick up there before leaving their doors for out-of-the-way 'Costco trips,' he wrote.

Brian, in a reply brief filed last week, pounced, accusing Cortazar of inventing a new theory of injury based on the "sunk costs" of a trip to Costco.

"Rather than take issue with the products he purchased or the accuracy of their listed prices, plaintiff argues that Costco's general commitment to low prices influenced him to go to Costco to shop," he wrote.

"But where, as here, the prices are accurately posted and the goods purchased are not defective, 'dissatisfaction' with a supposed mismatch between a retailer's corporate philosophy and the shopping experience cannot give rise to an Article III injury any more than dissatisfaction with a particular posted price can," Brian added.

He also said the case wasn't ripe because Costco has not gotten the tariff money back. *Stockov v. Costco Wholesale Corp.*, 26-cv-02734 (N.D. Ill., filed March 11, 2026).

How strong are the cases?

Legal observers said the plaintiffs' cases against Costco and Amazon are weaker.

Meredith Kolsky Lewis, a professor at the University of Buffalo School of Law, said the case against Costco arguably isn't ripe and that plaintiffs would have trouble proving they were harmed.

"Even if they can tie prices on their particular purchases to Costco passing on the tariffs, the plaintiffs made those purchases anyway, without any clear statement from Costco that it would refund portions of sales if it were to receive refunds," she wrote.

Lewis said Amazon may have a strong defense because it never got the refunds in the first place so plaintiffs cannot assert the company was unjustly enriched.

Shapiro said the lawsuits against shippers like FedEx are arguably the strongest because it is a customs broker and did not purchase the goods itself.

He added that determining the duties to be refunded in the Costco and Amazon cases is more difficult, because some of the tariffs may have been absorbed by the manufacturer while the rest was absorbed by the named companies or an importer.

Only a handful of cases have reached the motion to dismiss stage. U.S. District Judge Steven C. Seeger's decision in Costco's motion to dismiss may be a harbinger of rulings to come in the consumer class actions.