UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

DOROTHEA SIMMONS, ANN DORMANI, and DAVID RIGOL, on behalf of the Target Corporation 401(k) Plan, themselves, and a class consisting of similarly situated participants of the Plan, Plaintiffs, v. TARGET CORPORATION, PLAN INVESTMENT COMMITTEE, JOHN J. MULLIGAN, JOHN DOES, and RICHARD ROES, Defendants.	Case No. **CLASS ACTION COMPLAINT** **JURY TRIAL DEMANDED**

CLASS ACTION COMPLAINT

1. Plaintiffs Dorothea Simmons, Ann Dormani, and David Rigol ("Plaintiffs"), individually and as representatives of the class described herein, and on behalf of the Target Corporation 401(k) Plan (the "Plan"),[1] bring this action against the below-named defendants (collectively "Defendants") pursuant to §§ 404, 405, 409, and 502 of the Employee Retirement Income Security Act of 1974 ("ERISA"), 29 U.S.C. §§ 1104, 1105, 1109, and 1132.[2]

[1] The Plan is defined to include the Target Corporation Ventures 401(k) Plan, which was spun off from, and then reabsorbed into the Plan.

[2] All allegations contained herein are based upon personal information as to Plaintiffs and the investigation of Plaintiffs' counsel. In particular, Plaintiffs through their counsel, have reviewed, among other things, documents filed with the U.S. Department of Labor (the "DOL") and the United States Securities and Exchange Commission (the "SEC"); other lawsuits against Target Corporation ("Target"); and public statements and media reports; and had discussions with participants and beneficiaries (the "Participants") of the Plan.

NATURE OF THE ACTION

2. Plaintiffs bring this case against Defendants to remedy Defendants' breaches of fiduciary duties imposed by ERISA. Under ERISA, Defendants were obligated to protect the interests of the Plan's participants (the "Participants"). Specifically, Defendants breached their duties by, among other things, retaining common stock of Target Corporation ("Target" or the "Company" and "Target Stock" or "Company Stock", respectively) as an investment option in the Plan when a reasonable fiduciary using the "care, skill, prudence, and diligence … that a prudent man acting in a like capacity and familiar with such matters would use" would have done otherwise. *See* ERISA § 404(a)(1), 29 U.S.C. § 1104(a)(1).

3. Indeed, as discussed in greater detail below, Defendants, who had access to nonpublic information relating to Target's operations, permitted the Plan to continue to offer Target Stock as an investment option to Participants even after the Defendants knew or should have known that Target Stock was artificially inflated during the Class Period (February 27, 2013 to May 19, 2014, inclusive). Due to the artificial inflation of the Company Stock price—which would be corrected upon the revelation of negative information—Target Stock was an imprudent retirement investment for the Plan given its purpose of helping Plan Participants save for retirement. As fiduciaries of the Plan, Defendants were empowered to remove Target Stock from the Plan's investment options, or to take other measures to help Participants, but failed to do so or take any other action to protect the interests of the Plan or its Participants. As a result, Defendants breached their obligations under ERISA and are liable for the damages to Plaintiffs and the Participants.

4. The Supreme Court has explained that an ERISA fiduciary's perpetuation of an imprudent investment violates his obligations under ERISA. In *Fifth Third Bancorp v.*

Dudenhoeffer, 134 S. Ct. 2459 (2014), the Court considered a class action in which participants in and ERISA plan challenged the plan fiduciaries' failure to remove company stock as a plan investment option. The Supreme Court held that retirement plan fiduciaries are required by ERISA to determine independently whether company stock remains a prudent investment option. Moreover, the Supreme Court rejected the defendant-fiduciaries' argument that they were entitled to a fiduciary-friendly "presumption of prudence," holding that "no such presumption applies," *Fifth Third*, 134 S. Ct. at 2463, and further held "that the duty of prudence ***trumps*** the instructions of a plan document, such as an instruction to invest exclusively in employer stock even if financial goals demand the contrary." *Id.* at 2468 (citation omitted) (emphasis added). Likewise, the Plan's "fiduciaries are subject to the same duty of prudence that applies to ERISA fiduciaries in general." *Id*. at 2463 (emphasis added). Thus, even if the Plan purportedly required Target Stock be offered, the Plan's fiduciaries were obligated to disregard that directive once Company Stock was no longer a prudent investment for the Plan.

5. Although Defendants knew that Target Stock was artificially inflated during the Class Period, they nonetheless allowed and authorized the Plan to purchase hundreds of millions of dollars' worth of Target Stock. During the Class Period, the Company made a series of reassuring statements about Target's new Canadian stores and operations. These statements were materially false and misleading and/or omitted to disclose: (a) at the time of the opening of its first group of stores in Canada, Target had significant problems with its supply chain infrastructure, distribution centers, and technology systems, as well as inadequately trained employees; (b) these problems caused significant, pervasive issues, including excess inventory at distribution centers and inadequate inventory at retail locations; (c) this excess inventory at distribution centers and lack of inventory at retail locations forced Target to discount heavily

products and incur heavy losses; and (d) these supply-chain and personnel problems were not typical of newly launched locations in Target's traditional U.S.-based market.

6. Given the totality of circumstances prevailing during the Class Period, no prudent fiduciary could have made the same decision as Defendants to retain and/or continue purchasing the clearly imprudent Target Stock as a Plan investment. To remedy the breaches of fiduciary duties as described herein, Plaintiffs seek to recover the financial losses suffered by the Plan as a result of the diminution in value of Company Stock invested in the Plan during the Class Period, and to restore to the Plan funds that Participants would have received if the Plan's assets had been invested prudently.

7. As of the start of the Class Period on February 27, 2013, the Plan held over $2 billion in Company Stock, and it acquired hundreds of millions of dollars of Target Stock while Target Stock was artificially inflated. Had that money not been wasted on artificially inflated Target Stock, the Plan would have been significantly better off.

JURISDICTION AND VENUE

8. ***Subject Matter Jurisdiction.*** This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1331 and ERISA § 502(e)(1), 29 U.S.C. § 1132(e)(1).

9. ***Personal Jurisdiction.*** This Court has personal jurisdiction over all Defendants because they are all residents of the United States and ERISA provides for nation-wide service of process pursuant to ERISA § 502(e)(2), 29 U.S.C. § 1132(e)(2).

10. ***Venue.*** Venue is proper in this District pursuant to ERISA § 502(e)(2), 29 U.S.C. § 1132(e)(2) because the Plan is administered in this District, some or all of the fiduciary breaches for which relief is sought occurred in this District, and one or more Defendants reside or may be found in this District.

PARTIES

A. Plaintiffs

11. Plaintiff Dorothea Simmons is a former Target employee and a Participant in the Plan, within the meaning of ERISA § 3(7), 29 U.S.C. § 1102(7). Ms. Simmons suffered losses in her individual Plan account as a result of investing in Target Stock during the Class Period.

12. Plaintiff Ann Dormani is a former Target employee and a Participant in the Plan, within the meaning of ERISA § 3(7), 29 U.S.C. § 1102(7). Ms. Dormani suffered losses in her individual Plan account as a result of investing in Target Stock during the Class Period.

13. Plaintiff David Rigol is a Target employee and a Participant in the Plan, within the meaning of ERISA § 3(7), 29 U.S.C. § 1102(7). Mr. Rigol suffered losses in his individual Plan account as a result of investing in Target Stock during the Class Period.

B. Defendants

Company Defendant

14. Defendant Target is a Minnesota corporation headquartered at 1000 Nicollet Mall, Minneapolis, Minnesota. Target is a discount retailer, which, as of January 30, 2016, had 341,000 full-time, part-time, and seasonal employees.

15. At all times relevant to this Complaint, Target managed and administered the Plan and the assets of the Plan and acted as a fiduciary with respect to the Plan, or appointed a committee to do so. At all relevant times, Target was a fiduciary of the Plan within the meaning of ERISA § 3(21)(A), 29 U.S.C. § 1002(21)(A), in that it exercised discretionary authority or control over the administration and/or management of the Plan or disposition of the Plan's assets. In addition, Target is the Plan's administrator, as stated in the Forms 11-K filed on behalf of the Plan on June 13, 2014 (the "2014 11-K") and June 17, 2015 (the "2015 11-K").

The Committee Defendants

16. Defendant Plan Investment Committee (the "Committee") had a fiduciary duty to select all of the Plan's investment options. In August 2014, Participants were advised in fiduciary correspondence that "[t]he [Plan's] flexible, comprehensive investment lineup is monitored by the Plan Investment Committee[,]" that "[t]he financial aspects of the plan will be determined by the Plan Investment Committee[,]" and that "[t]he selection of appropriate investments for the plan requires skillful and careful decisions of investment professionals. The Plan Investment Committee has appointed professional investment managers who direct the buying and selling of plan assets held by the trustee. These appointments may be terminated by either party at any time. The trustee also manages the investment of certain assets."

17. Defendant John J. Mulligan ("Mulligan") executed the 2014 11-K and the 2015 11-K in his capacity as "Chief Financial Officer and Chief Accounting Officer on behalf of Target Corporation as the Plan's Administrator." Plaintiffs thus believe Defendant Mulligan was a member of the Committee.

18. John Does 1-10, without limitation, comprised an investment committee and any other committee(s) which administered the Plan and all members thereof. The identity of the committee(s) and the members of the committee(s) which were responsible for carrying out the provisions of the Plan is not currently known to Plaintiffs. John Does 1-10 are believed to be employees of the Company and fiduciaries of the Plan.

19. At all relevant times, the Committee and the John Doe defendants were fiduciaries of the Plan within the meaning of ERISA § 3(21)(A), 29 U.S.C. § 1002(21)(A), in that they exercised discretionary authority or control over the administration and/or management of the Plan or disposition of the Plan's assets.

The Monitoring Defendants

20. Defendants Richard Roes 1-20 (the "Monitoring Defendants") were persons who had the duty and responsibility to properly appoint, monitor, and inform the Committee and John Doe defendants (as defined herein) and/or other persons who exercised day-to-day responsibility for the management and administration of the Plan and its assets. The Monitoring Defendants failed to properly appoint, monitor, and inform such persons by failing to inform the Committee and John Doe defendants regarding the Company's true financial and operating condition or, alternatively, despite the Monitoring Defendants' adequate informing of such persons of the true financial and operating condition of the Company (including the financial and operating problems being experienced by Target in Canada during the Class Period identified herein), they nonetheless continued to allow such persons to offer Target Stock as an investment option under the Plan when the market price of Target Stock was artificially inflated and Target Stock was an imprudent investment for Participants' retirement accounts under the Plan. Liability is only asserted against each of the Monitoring Defendants for such periods of time as the Monitoring Defendants acted as fiduciaries of the Plan.

21. At all relevant times, the Richard Roe defendants were fiduciaries of the Plan within the meaning of ERISA § 3(21)(A), 29 U.S.C. § 1002(21)(A), in that they exercised discretionary authority or control over the administration and/or management of the Plan or disposition of the Plan's assets.

Additional "John Doe Defendants"

22. To the extent that there are additional officers and employees of Target who were fiduciaries of the Plan during the Class Period, or any other committees or members of such committees that were fiduciaries of the Plan in connection with the allegations herein, the identities of whom are currently unknown to Plaintiffs, Plaintiffs reserve the right, once their

identities are ascertained, to seek leave to join them to the instant action. Thus, without limitation, unknown "John Doe" Defendants 1-10 include, in addition to the above, other individuals, including, but not limited to, Target officers and employees, who were fiduciaries of the Plan within the meaning of ERISA Section 3(21)(A), 29 U.S.C. § 1002(21)(A) during the Class Period.

CLASS ACTION ALLEGATIONS

23. Plaintiffs bring this action derivatively on the Plan's behalf pursuant to ERISA §§ 409 and 502, 29 U.S.C. §§ 1109 and 1132, and as a class action pursuant to Rules 23(a), (b)(1), and/or (b)(2) of the Federal Rules of Civil Procedure on behalf of the Plan, Plaintiffs, and the following class of similarly situated persons (the "Class"):

> All persons, except Defendants and their immediate family members, who were participants in or beneficiaries of the Target Corporation 401(k) Plan and/or Target Corporation Ventures 401(k) Plan at any time between February 27, 2013 and May 19, 2014, inclusive,[3] and whose Plan accounts included investments in Target Stock.

24. Given ERISA's distinctive representative capacity and remedial provisions, courts have observed that ERISA litigation of this nature present a paradigmatic example of a FED. R. CIV. P. 23(b)(1) class action.

25. The members of the Class are so numerous that joinder of all members is impracticable. While the exact number of Class members is unknown to Plaintiffs at this time, and can only be ascertained through appropriate discovery, Plaintiffs believe there are at least tens of thousands of employees of Target who participated in, or were beneficiaries of, the Plan during the Class Period whose Plan accounts included Target Stock. For example, a 2012 Annual

[3] Plaintiffs reserve their right to modify the Class Period definition in the event that further investigation/discovery reveals a more appropriate and/or broader time period during which Target Stock constituted an imprudent investment option for the Plan.

Report Summary sent to Participants stated that "292,340 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all of these persons had yet earned the right to receive benefits."

26. Common questions of law and fact are applicable to Plaintiffs and the Class, including, but not limited to:

(a) whether Defendants each owed a fiduciary duty to the Plan, Plaintiffs, and members of the Class;

(b) whether Defendants breached their fiduciary duties to the Plan, Plaintiffs, and members of the Class by failing to act prudently and solely in the interests of the Plan and the Plan's participants and beneficiaries;

(c) whether Defendants violated ERISA; and

(d) whether the Plan, Plaintiffs, and members of the Class have sustained damages and, if so, what is the proper measure of damages.

27. Plaintiffs' claims are typical of the claims of the members of the Class because the Plan, Plaintiffs, and the other members of the Class each sustained damages arising out of Defendants' wrongful conduct in violation of ERISA as complained of herein.

28. Plaintiffs will fairly and adequately protect the interests of the Plan and members of the Class because they have no interests antagonistic to or in conflict with those of the Plan or the Class. In addition, Plaintiffs have retained counsel competent and experienced in class action litigation, complex litigation, and ERISA litigation.

29. Class action status in this ERISA action is warranted under Rule 23(b)(1)(B) because prosecution of separate actions by the members of the Class would create a risk of adjudications with respect to individual members of the Class which would, as a practical matter,

be dispositive of the interests of the other members not parties to the actions, or substantially impair or impede their ability to protect their interests.

30. Class action status is also warranted under the other subsections of Rule 23(b)(1)(A) and (b)(2) because: (i) prosecution of separate actions by the members of the Class would create a risk of establishing incompatible standards of conduct for Defendants; and (ii) Defendants have acted or refused to act on grounds generally applicable to the Class, thereby making appropriate final injunctive, declaratory, or other appropriate equitable relief with respect to the Class as a whole.

FURTHER SUBSTANTIVE ALLEGATIONS

A. Description of the Plan

31. The Plan is held out as a means for Participants to save for retirement. To that end, Defendant Target told Target employees, among other things, "The TGT 401(k) ("the Plan") is a great way to save for your future" and "the TGT 401(k) is intended to help you save for your future[.]"

32. According to the 2014 11-K, the Plan purchased more than six million shares of Target Stock in 2013 for a cost of more than $400 million. During that year, the Plan sold almost 7.4 million shares of Target Stock for approximately $489.6 million.

33. According to the 2015 11-K, the Plan purchased more than 3.8 million shares of Target Stock for more than $228 million in 2014. During that year, however, the Plan sold less than 200,000 shares for approximately $12.4 million.

34. At the start of the Class Period, or at least as of November 20, 2013, matching contributions earned by Participants were put into the Target Corporation Common Stock Fund (the "Fund") unless that Participant affirmatively elected to have the matching contributions invested in the same way as the personal contributions. That default option was changed on

October 9, 2014, at which time Target's matching contributions automatically mirrored Participants' contributions.

35. While Defendants served as Plan fiduciaries during the Class Period, after the Class Period in or around April 2015, Participants were advised that State Street had been appointed to serve as an independent fiduciary for the Fund. In announcing the appointment of State Street, Participants were informed that:

> participants still have the right to purchase and sell Target stock within their plan accounts, subject to plan rules and limits, and Target's Securities Trading Policy. However in the unlikely event State Street determines that continued investment in Target stock is not in participants' best interests, State Street could suspend trading in Target stock in the plan or sell Target stock held in the plan. This independent fiduciary arrangement helps avoid conflicts of interest and ensure Target is satisfying its legal obligations.

36. Before State Street was entrusted with certain responsibilities as an independent fiduciary, Defendants retained all of those responsibilities. Moreover, even in appointing State Street as an independent fiduciary, Defendants could not completely absolve themselves of all of their fiduciary duties.

37. At the start of the Class Period, and throughout the Class Period, the amount Participants could invest in Target Stock was uncapped. After State Street's appointment as independent fiduciary, however, a purchase cap on the Target Stock Fund ("the Fund") within the Plan was implemented. The purchase cap limited Participants such that they could only allocate 20% of their contributions or re-balancing of their Plan account balance to the Fund, and could only do so if the overall portion of their Plan account invested in the Fund would not exceed 20% of their account balance. If Participants had previously allocated more than 20% of their contributions to the Fund, such contributions were redirected to a target LifePath Fund based on that Participant's age.

B. Target Stock Was Artificially Inflated During the Class Period

38. On January 13, 2011, Target issued a press release announcing the launch of the Company's first international expansion. The press release announced that Target agreed to purchase 220 leasehold interests operated by Zellers Inc. for C$1.825 billion. According to the press release, "Target expect[ed] to open 100 to 150 Target stores throughout Canada in 2013 and 2014."

39. Prior to the Class Period, Target disclosed limited financial information relating to the Company's Canadian expansion. Such information generally concerned the quarterly start-up expenses, depreciation, and amortization associated with the expansion and the concomitant effect on Target's earnings.

40. Throughout the Class Period, however, the value of Target Stock was artificially inflated as a result of misrepresentations about the progress of the Canadian expansion and the success of Target's new Canadian stores.

41. On February 27, 2013, Target issued a press release announcing its fourth quarter and full-year 2012 earnings. The press release "reported fourth quarter net earnings of $961 million, or $1.47 per share, and full-year net earnings of $2,999 million, or $4.52 per share[,]" and stated that "[f]or fiscal 2013, the Company expects adjusted EPS of $4.85 to $5.05 and GAAP EPS of $4.70 to $4.90." Regarding the Canadian expansion, the press release quoted Target CEO Gregg Steinhafel, who stated, "We believe these results position us well to deliver on significant plans in 2013, including completion of the largest store opening program in our company's history with 124 stores in Canada[.]" The press release also disclosed that the Company's Canadian segment's "[f]ourth quarter and full-year 2012 EBIT was $(148) million and $(369) million, respectively, due to start-up expenses, depreciation and amortization related

to the Company's expected market entry in 2013." As a result, "[t]otal expenses related to investments in Target's Canadian market entry reduced Target's earnings per share by approximately 18 cents in fourth quarter 2012 and 48 cents in fiscal 2012[.]"

42. On the same date, the Company held a conference call to discuss Target's fourth quarter and full year 2012 financial results. In his prepared remarks, Steinhafel praised the Company's achievements during the year, including "an unprecedented effort required in Canada to finish three distribution centers, begin renovating stores, build an IT solution, and hire thousands of Canadian team members[.]" Indeed, Steinhafel represented that "Canada is on track[.]"

43. On March 28, 2013, Target continued to hype the success of the Company's Canadian expansion at the CIBC Retail & Consumer Conference. During the conference, the Company's then-chief financial officer John Mulligan stated that all four of the necessary components in Target's Canadian expansion – "build out of the supply chain; build the technology; build the team; and then begin to remodel stores" – had been achieved, and "with a great deal of financial discipline. . . . [Doing] so with $0.48 of dilution versus [the Company's] goal of $0.50"

44. Then, on May 22, 2013 before the market opened, Target issued a press release announcing its first quarter 2013 earnings. In the press release, Target reduced its financial guidance, stating that "[f]or full-year 2013, [it] now expects adjusted EPS of $4.70 to $4.90, compared with prior guidance of $4.85 to $5.05. GAAP EPS [wa]s expected to be $4.12 to $4.32, approximately 58 cents lower than adjusted EPS due to" reasons other than the performance of Target's Canadian operations. Regarding the Company's Canadian expansion, the press release announced that:

> Target opened its first 24 Canadian stores in March 2013, which generated sales of $86 million in the first quarter with a gross margin rate of 38.4 percent. EBIT for the first quarter was $(205) million, as gross margin of $33 million was offset by $238 million in start-up expenses, operating expenses, depreciation and amortization related to the Company's market entry. Canadian operations reduced Target's GAAP earnings per share by 24 cents in first quarter 2013[.]

45. On May 22, 2013, Target also held a conference call to discuss the Company's first quarter 2013 earnings. In their prepared remarks, Steinhafel and Mulligan discussed the Company's Canadian expansion, emphasizing the Company's success and future plans:

> [Steinhafel:] After two years of preparation, in March we opened our first 24 Canadian stores in the greater Toronto area and ***we're very pleased with the reception we received from our new Canadian guests***. . . .
>
> ***Two weeks ago we opened our second wave of 24 Canadian stores in British Columbia, Alberta and Manitoba and we're very pleased with the initial guest response*** in these markets and the ability of our teams and systems to accommodate the increasing volume of traffic and sales.
>
> * * *
>
> [Mulligan:] In Canada, ***second-quarter sales will ramp up meaningfully from the first-quarter pace***, yet startup expenses will continue to dominate the P&L. As a result, for the quarter we anticipate expenses from our Canadian operations, including interest expense measured outside the segment, will create $0.16 of dilution to our earnings per share. We continue to expect Canadian dilution will come down further in the third quarter and by the fourth quarter we expect our Canadian operations will be slightly accretive to our consolidated earnings.

(Emphasis added.)

46. Then, on August 21, 2013 before the market opened, Target issued a press release announcing its second quarter 2013 earnings. Target reported second quarter net earnings of $611 million, or $0.95 per share, and noted that for full-year 2013 it "expects adjusted EPS will be near the low end of its previous guidance of $4.70 to $4.90." The press release also

touted the Company's performance in Canada: Steinhafel stated, "In Canada, where we are only five months into our market launch, we continue to learn, adjust and refine operations in our existing stores as we prepare to open another 56 stores by year-end." Financially, the Company's Canadian operation "generated sales of $275 million at a gross margin rate of 31.6 percent in second quarter 2013."

47. On the same day, Target also held a conference call to discuss the Company's second quarter 2013 earnings. Steinhafel highlighted the Canadian expansion without disclosing any setbacks:

> In our Canadian segment, we've reached the halfway point in our 2013 market launch. We opened another 44 Canadian Target stores in the second quarter, putting our total at 68 today, on the way to our goal of operating 124 Canadian stores by year end. Launching our Canadian segment has required a massive effort from teams throughout the Company, including building a completely new supply chain infrastructure and integrated technology solution, completely reconstructing former Zellers locations transforming them into brand new Target stores, hiring and training more than 15,000 Canadian team members, and creating unique merchandise strategies and assortments to fit the preferences of our Canadian guests, including a very strong presence in our home and apparel categories.
>
> The team's execution on these efforts has been excellent. As a result, our Canadian stores have seen strong initial traffic and the mix of our sales in home and apparel has been even higher than expected. . . .

Likewise, Mulligan expressed optimism on the call about Target's prospects in Canada, stating that although the Company had experienced "a slower than expected ramp up in sales following the grand opening rush, . . . the team continues to refine operations in the stores already opened, ensuring that inventory and expenses match the current pace of sales in each individual store." In response to a question from an analyst, Steinhafel stated that inventory overhang experienced in Canadian stores was "a function of the shortfall primarily in some of the seasonal categories" no

different than those experienced by the Company's stores in the United States, which would be fine-tuned as in U.S. stores.

48. In response to the Company's second quarter results and low-range guidance, Target's stock price declined by $2.45 per share, or over 3.6%, to close at $65.50 on August 21, 2013.

49. On November 21, 2013 before the market opened, Target issued a press release announcing its third quarter 2013 earnings. Target disclosed third quarter net earnings of $341 million, or $0.54 per share and noted that for full-year 2013 it "expect[ed] adjusted EPS of $4.59 to $4.69." During the quarter, the Company's "Canadian Segment generated sales of $333 million at a gross margin rate of 14.8 percent, driven by efforts to clear excess inventory." The Canadian segment's "gross margin of $49 million was offset by $221 million of start-up and operating expenses and $66 million of depreciation and amortization." Overall, Target's "Canadian operations reduced Target's GAAP earnings per share by (29) cents in third quarter 2013[.]"

50. On the same day, Target also conducted a conference call to discuss the Company's third quarter earnings. During the call, Steinhafel continued to tout the Company's Canadian prospects:

> The Target Canada team is energized and prepared for the holiday season, and preparing to enter 2014 with improved in-stocks and a much better inventory position. We continue to see a very strong mix of our higher margin home and apparel categories in Canada. However, third quarter gross margin rate in Canada was unusually low as the team worked diligently to eliminate excess inventory and enhance flow throughout the supply chain. This activity led to heavier third quarter mark-downs and higher than expected dilution of $0.29 in our Canadian segment. Process improvement efforts and inventory clean-up will continue in the fourth quarter as well.

Likewise, Mulligan reported that Target "opened another 23 stores in the third quarter even as [the Company] continue[s] to work to refine operations and improve performance. In the quarter, the team made a lot of progress in their efforts to begin to rationalize our inventory position, update item counts in stores and distribution centers, and improve network flow." Referring to the effects of the Canadian segment's inventory issues on financial results, Mulligan explained that "[Target] do[es] expect pressure on Canadian segment gross margin to persist in the fourth quarter as we continue to do whatever it takes to enter 2014 with improved operations and a notably better inventory position."

51. In response to the Company's results and guidance, Target's stock price declined by $2.30 per share, or over 3.45%, to close at $64.19 on November 21, 2013.

52. On February 26, 2014 before the market opened, Target issued a press release announcing its fourth quarter and full-year 2013 earnings. Target reported fourth quarter net earnings of $520 million, or $0.81 per share, and full-year net earnings of $1.971 billion, or $3.07 per share. Regarding Target's Canadian Segment Results, the release stated:

> In fourth quarter 2013, the Canadian Segment generated sales of $623 million and EBIT of $(329) million. The fourth quarter gross margin rate of 4.4 percent reflects continued efforts to clear excess inventory. Canadian operations reduced fourth quarter GAAP EPS by (40) cents[.]
>
> During fiscal 2013, Target's Canadian Segment generated sales of $1.3 billion at a gross margin rate of 14.9 percent and EBIT of $(941) million. Canadian operations reduced Target's full-year 2013 GAAP EPS by $(1.13)[.]

53. On the same day, Target also held a conference call to discuss the Company's earnings. During the call, Steinhafel played down reduced margins in the Company's Canadian segment as the result of markdowns meant to reduce inventory. Looking to the future, Mulligan touted the Canadian segment's prospects, stating:

> And having dramatically reduced the congestion in our Canadian supply chain, we will increase the intensity of our marketing message in 2014 regarding value and assortment in our frequency categories. Over time, we expect this will lead our Canadian guests to choose Target more often in these categories, driving meaningful increases in traffic and sales.

54. But after less than one and a half years of store operations in Canada, the Company was forced to change direction. On May 5, 2014, Target filed a Current Report on Form 8-K with the SEC, disclosing that Steinhafel had resigned from his positions with the Company, including as a director, and that Mulligan would be appointed interim president and CEO.

55. In response this news, Target's stock price dropped by $2.14 per share, or more than 3.45%, to close at $59.87 on May 5, 2014.

56. In the wake of Steinhafel's departure, commentators concluded that Target's Canadian segment's difficulties were likely a key factor therefor. For example, retail analyst Wayne Hood of BMO Capital Markets Corp. stated, "Mr. Steinhafel's departure comes on the heels of several challenges the company had recently faced, namely 1) stumbling out of the blocks in Canada . . . ." Steinhafel's departure letter also cited "a slow start in Canada" as one of the low-points in his career with the Company, according to news reports. *The Wall Street Journal* published an article reporting that "Target's foray into Canada has stumbled badly and been dogged by losses and cost overruns."

57. Soon after Mr. Steinhafel's departure, on May 20, 2014, Target announced the termination of Tom Fisher as president of Target Canada. Recognizing the Company's failures in Canada, in connection with the change, interim CEO Mulligan stated "[o]ne of our key priorities is improving performance in Canada more rapidly and we believe it is important to be aggressive."

58. Contrary to Target's earlier assertions that the Company's weak performance in Canada was the result of expansion and growth difficulties that were within the normal range of experience with the Company's U.S. stores, analysts noted that many of Target's problems were avoidable. Indeed, retail-sector analyst Doug Stephen opined that "***These aren't problems you run into two days before your launch***." In a separate report published by *The New York Times*, Luke Sklar, the founder of Sklar Wilton and Associates, a marketing and retail consulting firm in Toronto, called the result "a shocking, shocking level of misstep."

59. The *Winnipeg Free Press* pointed to multiple failings on the part of the Company in connection with its Canadian expansion, including pricing discrepancies relative to U.S. stores, attempting to open too many stores over a short period of time, and poor store locations. In addition, the two years between Target's expansion launch and its actual opening gave the Company's competitors ample time to prepare

60. In reaction to these announcements, Target's stock price fell $1.68 per share, or 2.88 percent, to close at $56.61 per share on May 20, 2014.

61. The poor performance of Target's Canadian segment and its impact on the Company as a whole were caused by internal problems at Target, including with its management, and were related to persistent problems with the Company's Canadian supply chain, information technology, and related systems which presented undisclosed risks and operational hurdles. By omitting to disclose these problems, the expectations of the Company's Canadian expansion were improperly increased.

62. As a result of Target's false and misleading statements and omissions during the Class Period, Target's common stock traded at artificially inflated prices. However, as the nature of Target's business, including its Canadian operations described above, were revealed to the

market, the market price for Target common stock fell from its Class Period-high closing price of $73.32 per share on July 24, 2013, causing significant loss of Plan assets, including the wasting of assets by purchasing Target Stock during the Class Period.

C. Post–Class Period Developments

63. On July 31, 2014, Target announced that its Board of Directors had appointed seasoned retail and consumer products veteran Brian Cornell as the Company's next chairman of the Board and CEO, effective August 12, 2014.

64. Less than six months later, on January 15, 2015, the Company issued a press release announcing the discontinuance of Target's Canadian operations and the filing of corporate reorganization in the Ontario Superior Court of Justice. Specifically, the press release quoted Cornell, who stated, "After a thorough review of [Target's] Canadian performance and careful consideration of the implications of all options, we were unable to find a realistic scenario that would get Target Canada to profitability until at least 2021." As a result of the discontinuance, the Company announced that it "expect[ed] to report approximately $5.4 billion of pre-tax losses on discontinued operations in the fourth quarter of 2014, driven primarily by the write-down of the Corporation's investment in Target Canada, along with costs associated with exit or disposal activities and quarter-to-date Canadian Segment operating losses[.]" Moreover, the Company "expect[ed] to report approximately $275 million of pre-tax losses on discontinued operations in fiscal 2015."

D. Defendants Breached Their Fiduciary Duties

65. By the beginning of the Class Period, Defendants, as insiders of the Company, knew or should have known that Target's expansion into Canada was doomed. Again, analysts recognized that "[t]hese aren't problems you run into two days before your launch."

66. Target was woefully unprepared for the expansion and faced tremendous expectations—expectations that were supported by the Company's public statements. Nonetheless, Defendants continued to allow the Plan to hold and invest tens of millions of dollars in Target's artificially inflated securities through the Plan.

67. Recognizing that the price of Target Stock had become artificially inflated by the misleading information relating to Target's expansion into Canada, Defendants should not have merely stayed the course, continuing to purchase Target Stock on behalf of the Plan and the Class for more than its true value. Indeed, Defendants plausibly could have taken any of several alternative actions to comply with their duties as fiduciaries of the Plan. As set forth more fully below, none of these steps would have (a) violated securities laws or any other laws, or (b) been more likely to harm the Plan's Target Stock holdings than to help.

68. Defendants could have (and should have) directed that all Company and Plan Participant contributions to the Company Stock fund be held in cash or some other short-term investment rather than be used to purchase Target Stock. A refusal to purchase Company Stock is not a "transaction" within the meaning of insider trading prohibitions and would not have required any independent disclosures that could have had a materially adverse effect on the price of Target Stock. A prudent fiduciary in similar circumstances would not have viewed this decision as more likely to harm Participants than help them.

69. Defendants also should have provided that Participant contributions meant to purchase Company Stock be diverted into prudent investment options based upon the Participants' instructions or, if there were no such instructions, the Plan's default investment option.

70. Neither of these actions would have implicated, let alone been in violation of, federal securities laws or any other laws. Nor would the Plan's ceasing to purchase additional Company Stock likely have sent a negative signal to the market that would be more likely to harm the Participants than help them.

71. Alternatively, Defendants could have disclosed (or caused others to disclose) the issues plaguing Target's Canada segment so that Target Stock would trade at a fair value. This would have allowed the continued expansion of employee ownership of Company Stock—but at fair value—while also allowing Defendants to comply with their fiduciary duties.

72. Given the relatively small number of shares of Target Stock purchased by the Plan when compared to the market float of Target Stock, it is extremely unlikely that this decrease in the number of shares that would have been purchased, considered alone, would have had an appreciable impact on the price of Target Stock.

73. Further, Defendants also could have:

- sought guidance from the DOL or SEC as to what they should have done;
- resigned as Plan fiduciaries to the extent they could not act loyally and prudently; and/or
- retained outside experts to serve either as advisors or as independent fiduciaries specifically for the Fund.

74. Indeed, as discussed above, soon after the Class Period, Defendants both retained an independent fiduciary to monitor the Fund and changed the Plan's default option so that Participants' earned matching contributions were not invested in the Fund by default.

CLAIMS FOR RELIEF UNDER ERISA

75. ERISA requires that every plan name one or more fiduciaries who have "authority to control and manage the operation and administration of the plan." ERISA § 1102(a)(1). Additionally, under ERISA, any person or entity, other than the named fiduciary that in fact

performs fiduciary functions for the Plan is also considered a fiduciary of the Plan. A person or entity is considered a plan fiduciary to the extent:

> (i) he exercises any discretionary authority or discretionary control respecting management of such plan or exercises any authority or control respecting management or disposition of its assets, (ii) he renders investment advice for a fee or other compensation, direct or indirect, with respect to any moneys or other property of such plan, or has any authority or responsibility to do so, or (iii) he has any discretionary authority or discretionary responsibility in the administration of such plan.

ERISA § 3(21)(A)(i), 29 U.S.C. § 1002(21)(A)(i).

76. At all relevant times, Defendants are/were and acted as fiduciaries within the meaning of ERISA § 3(21)(A)(i), 29 U.S.C. § 1002(21)(A)(i).

77. ERISA § 502(a)(2), 29 U.S.C. § 1132(a)(2), provides, in pertinent part, that a civil action may be brought by a participant for relief under ERISA § 409, 29 U.S.C. § 1109.

78. ERISA § 409(a), 29 U.S.C. § 1109(a), "Liability for Breach of Fiduciary Duty," provides, in pertinent part, that:

> any person who is a fiduciary with respect to a plan who breaches any of the responsibilities, obligations, or duties imposed upon fiduciaries by this title shall be personally liable to make good to such plan any losses to the plan resulting from each such breach, and to restore to such plan any profits of such fiduciary which have been made through use of assets of the plan by the fiduciary, and shall be subject to such other equitable or remedial relief as the court may deem appropriate, including removal of such fiduciary.

79. ERISA §§ 404(a)(1)(A) and (B), 29 U.S.C. §§ 1104(a)(1)(A) and (B), provide, in pertinent part, that a fiduciary shall discharge his duties with respect to a plan solely in the interest of the participants and beneficiaries, for the exclusive purpose of providing benefits to participants and their beneficiaries, and with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

80. These fiduciary duties under ERISA § 404(a)(1)(A) and (B) are referred to as the duties of loyalty, exclusive purpose, and prudence and are the highest known to the law and entail, among other things:

(a) the duty to conduct an independent and thorough investigation into, and continually to monitor, the merits of all the investment alternatives of a plan;

(b) the duty to avoid conflicts of interest and to resolve them promptly when they occur. A fiduciary must always administer a plan with an "eye single" to the interests of the participants and beneficiaries, regardless of the interests of the fiduciaries themselves or the plan sponsor; and

(c) the duty to disclose and inform, which encompasses: (1) a negative duty not to misinform; (2) an affirmative duty to inform when the fiduciary knows or should know that silence might be harmful; and (3) a duty to convey complete and accurate information material to the circumstances of participants and beneficiaries.

81. Accordingly, if the fiduciaries of a plan know, or if an adequate investigation would reveal, that an investment option is no longer a prudent investment for that plan, then the fiduciaries must disregard any plan direction to maintain investments in such stock and protect the plan by investing the plan assets in other, suitable, prudent investments.

82. ERISA § 405(a), 29 U.S.C. § 1105 (a), "Liability for breach by co-fiduciary," provides, in pertinent part, that:

> [I]n addition to any liability which he may have under any other provision of this part, a fiduciary with respect to a plan shall be liable for a breach of fiduciary responsibility of another fiduciary with respect to the same plan in the following circumstances: (A) if he participates knowingly in, or knowingly undertakes to conceal, an act or omission of such other fiduciary, knowing such act or

> omission is a breach; (B) if, by his failure to comply with section 404(a)(1), 29 U.S.C. § 1104(a)(1), in the administration of his specific responsibilities which give rise to his status as a fiduciary, he has enabled such other fiduciary to commit a breach; or (C) if he has knowledge of a breach by such other fiduciary, unless he makes reasonable efforts under the circumstances to remedy the breach.

83. Plaintiffs therefore bring this action under the authority of ERISA § 502(a) for Plan-wide relief under ERISA § 409(a) to recover losses sustained by the Plan arising out of the breaches of fiduciary duties by Defendants for violations under ERISA § 404(a)(1) and ERISA § 405(a).

COUNT I

Failure To Prudently Manage The Plan's Assets in Violation Of ERISA §§ 404(A)(1)(B) And 405

84. Plaintiffs repeat and reallege each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

85. This Count alleges fiduciary breaches against the Company Defendant and Committee Defendants (collectively, the "Prudence Defendants") for continuing to allow the investment of the Plan's assets in Target Stock throughout the Class Period despite the fact that they knew or should have known that such investment was imprudent as a retirement vehicle because Target Stock was artificially inflated during the Class Period.

86. At all relevant times, as alleged above, the Prudence Defendants were fiduciaries of the Plan within the meaning of ERISA § 3(21)(A), 29 U.S.C. § 1002(21)(A), in that they exercised discretionary authority or control over the administration and/or management of the Plan and/or disposition of the Plan's assets.

87. Under ERISA, fiduciaries who exercise discretionary authority or control over management of a plan or disposition of a plan's assets are responsible for ensuring that all

investment options made available to participants under a plan are prudent. Furthermore, such fiduciaries are responsible for ensuring that assets within the plan are prudently invested. The Prudence Defendants were responsible for ensuring that all investments in Company Stock in the Plan were prudent. The Prudence Defendants are liable for losses incurred as a result of such investments being imprudent.

88. Upon information and belief, Defendants failed to engage in a reasoned decision-making process regarding the prudence of Target Stock. An adequate investigation by Defendants would have revealed to a reasonable fiduciary that investment by the Plan in Target Stock was clearly imprudent while Target Stock was artificially inflated. A prudent fiduciary acting under similar circumstances would have acted to protect Participants against unnecessary losses, and would have made different investment decisions.

89. The Prudence Defendants breached their duties to prudently manage the Plan's assets. During the Class Period, the Prudence Defendants knew or should have known that, as described herein, Company Stock was not a suitable and appropriate investment for the Plan. Yet, during the Class Period, despite their knowledge of the imprudence of the investment, the Prudence Defendants failed to take any meaningful steps to protect Plan's Participants.

90. The Prudence Defendants also breached their duty of prudence by failing to provide complete and accurate information regarding Target's true financial condition and, generally, by conveying inaccurate information regarding the Company's Canadian segment. During the Class Period, upon information and belief, Defendants fostered a positive attitude toward Company Stock, and/or allowed Participants to follow their natural bias towards investment in the equities of their employer by not disclosing negative material information concerning the imprudence of investment in Company Stock. As such, Participants could not

appreciate the true risks presented by investments in Company Stock and therefore could not make informed decisions regarding their investments in the Fund.

91. As a result of Defendants' knowledge of and, at times, implication in, creating and maintaining public misconceptions concerning Target's Canadian segment, any generalized warnings of market and diversification risks that Defendants made to Participants regarding the Plan's investment in the Fund did not effectively inform the Participants of the past, immediate, and future dangers of investing in Company Stock.

92. The Prudence Defendants also breached their co-fiduciary obligations by, among their other failures, knowingly participating in each other's failure to protect the Plan from inevitable losses. The Prudence Defendants had or should have had knowledge of such breaches by other fiduciaries of the Plan, yet made no effort to remedy them.

93. As a direct and proximate result of the breaches of fiduciary duties during the Class Period alleged herein, the Plan and, indirectly, the Plan's Participants lost a significant portion of their retirement investments. Had the Prudence Defendants taken appropriate steps to comply with their fiduciary obligations during the Class Period, Participants could have liquidated some or all of their holdings in Company Stock, and refrained from spending hundreds of millions of dollars on artificially inflated Target Stock, and thereby eliminated, or at least reduced, losses to the Plan and themselves.

94. Pursuant to ERISA § 502(a), 29 U.S.C. § 1132(a) and ERISA § 409, 29 U.S.C. § 1109(a), Defendants in this Count are liable to restore the losses to the Plan caused by their breaches of fiduciary duties alleged in this Count.

COUNT II

Breach Of Duty of Loyalty in Violation Of ERISA §§ 404(A)(1)(A) And 405

95. Plaintiffs repeat and reallege each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

96. This Count alleges fiduciary breaches against the Company, Monitoring Defendants and Committee Defendants (collectively, the "Loyalty Defendants") for continuing to allow the investment of the Plan's assets in Target Stock throughout the Class Period despite the fact that they knew or should have known that such investment was imprudent as a retirement vehicle because Target Stock was artificially inflated during the Class Period.

97. At all relevant times, as alleged above, the Loyalty Defendants were fiduciaries of the Plan within meaning of ERISA § 3(21)(A), 29 U.S.C. § 1002(21)(A). Consequently, they were bound by the duties of loyalty, exclusive purpose, and prudence.

98. ERISA § 404(a)(1)(A), 29 U.S.C. § 1104(a)(1)(A), imposes on plan fiduciaries a duty of loyalty; that is, a duty to discharge their duties with respect to a plan solely in the interest of the participants and beneficiaries and for the exclusive purpose of providing benefits to participants and beneficiaries.

99. The duty of loyalty includes the duty to speak truthfully to the Plan and its participants when communicating with them. A fiduciary's duty of loyalty to plan participants under ERISA includes an obligation not to materially mislead, or knowingly allow others to materially mislead, plan participants and beneficiaries. As the Supreme Court "succinctly explained" in *Varity Corp. v. Howe*, 516 U.S. 489, 506 (1996), "[l]ying is inconsistent with the duty of loyalty owed by all fiduciaries." *Maez v. Mountain States Tel. and Tel. Inc.*, 54 F.3d 1488, 1499 (10th Cir. 1995) (citing *Varity Corp.*, 516 U.S. at 506).

100. During the Class Period, the Loyalty Defendants breached their duty to avoid conflicts of interest and to promptly resolve them by, *inter alia*: failing timely to engage independent fiduciaries who could make independent judgments concerning the Plan's investments in Company Stock during the Class Period; and by otherwise placing their own and/or the Company's interests above the interests of the participants with respect to the Plan's investment in the Company's securities.

101. During the Class Period, upon information and belief, certain Defendants, including the Loyalty Defendants, made direct and indirect communications with the Plan's participants in which they omitted or misrepresented information regarding or materially related to investments in Company Stock. These communications included, but were not limited to, conference calls with analysts, SEC filings, annual reports, press releases, and Plan documents (including Summary Plan Descriptions). Defendants, including the Loyalty Defendants, also acted as fiduciaries to the extent of this communication activity.

102. Further, Defendants, as the Plan's fiduciaries, knew or should have known certain basic facts about the characteristics and behavior of the Plan's participants, well-recognized in the 401(k) literature and the trade press concerning employees' natural bias toward investing in company stock, including that:

(a) Out of loyalty, employees tend to invest in company stock;

(b) Employees tend to over-extrapolate from recent returns, expecting high returns to continue or increase going forward;

(c) Employees tend not to change their investment option allocations in the plan once made; and

(d) Lower income employees tend to invest more heavily in company stock than more affluent workers, though they are at greater risk.

103. Knowing of these natural biases toward investment of Company Stock, Defendants should have been on high alert to protect the interests of the Plan participants. Defendants, however, disregarded their duties of loyalty to the benefit of the Company as demonstrated by the Plan's massive holding and purchase of Company Stock with of Plan assets.

104. Further, to the extent that Target satisfied its Plan matching obligations using artificially inflated employer securities which it already held, Defendants, who knew or should have known Target Stock was artificially inflated, participated knowingly and significantly in deceiving a Participants in order to save the employer money at the Participants' expense, which violates ERISA's duty of loyalty.

105. The Loyalty Defendants also breached their co-fiduciary obligations by, among their other failures, knowingly participating in each other's failure to protect the Plan from inevitable losses. The Loyalty Defendants had or should have had knowledge of such breaches by other fiduciaries of the Plan, yet made no effort to remedy them.

106. As a consequence of the Loyalty Defendants' breaches of fiduciary duty during the Class Period by putting the interests of themselves and the Company ahead of the Plan and its participants, the Plan suffered tens of millions of dollars in losses, as its holdings of Company Stock were devastated. If the Loyalty Defendants had discharged their fiduciary duties to loyally manage and invest the Plan's assets, the losses suffered by the Plan would have been minimized or avoided. Therefore, as a direct and proximate result of the breaches of fiduciary duties alleged herein, the Plan and, indirectly, Plaintiffs and the other Participants, lost a significant portion of their retirement investments.

107. Pursuant to ERISA § 502(a), 29 U.S.C. § 1132(a), and ERISA § 409, 29 U.S.C. § 1109(a), Defendants in this Count are liable to restore the losses to the Plan caused by their breaches of fiduciary duties alleged in this Count.

COUNT III

Failure To Adequately Monitor Other Fiduciaries And Provide Them With Accurate Information In Violation Of ERISA § 404

108. Plaintiffs repeat and reallege each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

109. This Count alleges fiduciary breaches against the Company and Monitoring Defendants (collectively, the "Monitoring Defendants").

110. At all relevant times, as alleged above, the Monitoring Defendants were fiduciaries of the Plan, within the meaning of ERISA § 3(21)(A), 29 U.S.C. § 1002(21)(A). Thus, they were bound by the duties of loyalty, exclusive purpose, and prudence.

111. As alleged above, the scope of the fiduciary responsibilities of the Monitoring Defendants included the responsibility to appoint, remove, and, thus, monitor the performance of other Plan fiduciaries, namely the Prudence Defendants.

112. Under ERISA, a monitoring fiduciary must ensure that monitored fiduciaries are performing their fiduciary obligations, including those with respect to the investment and holding of a plan's assets, and must take prompt and effective action to protect the plan and participants when they are not.

113. The monitoring duty further requires that appointing fiduciaries have procedures in place so that on an ongoing basis they may review and evaluate whether the "hands-on" fiduciaries are doing an adequate job (for example, by requiring periodic reports on their work

and the plan's performance, and by ensuring that they have a prudent process for obtaining the information and resources they need). In the absence of a sensible process for monitoring their appointees, the appointing fiduciaries would have no basis for prudently concluding that their appointees were faithfully and effectively performing their obligations to the plan's participants or for deciding whether to retain or remove them.

114. Furthermore, a monitoring fiduciary must provide the monitored fiduciaries with complete and accurate information in their possession that they know or reasonably should know that the monitored fiduciaries must have in order to prudently manage the plan and the plan's assets, or that may have an extreme impact on the plan and the fiduciaries' investment decisions regarding the plan.

115. During the Class Period, the Monitoring Defendants breached their fiduciary monitoring duties by, among other things:

(a) failing, at least with respect to the Plan's investment in Company Stock, to properly monitor their appointee(s), to properly evaluate their performance, or to have any proper system in place for doing so, and standing idly by as the Plan suffered enormous losses as a result of the appointees' imprudent actions and inaction with respect to Company Stock;

(b) failing to ensure that the monitored fiduciaries appreciated the true extent of the Company's precarious financial situation and the likely impact that financial failure would have on the value of the Plan's investment in Company Stock;

(c) to the extent any appointee lacked such information, failing to provide complete and accurate information to all of their appointees such that they could make

sufficiently informed fiduciary decisions with respect to the Plan's assets and, in particular, the Plan's investment in Company Stock; and

(d) failing to remove appointees whose performance was inadequate in that they continued to permit the Plan to make and maintain investments in the Company Stock despite the practices that rendered it an imprudent investment during the Class Period.

116. As a consequence of the Monitoring Defendants' breaches of fiduciary duty, the Plan suffered tremendous losses. If the Monitoring Defendants had discharged their fiduciary monitoring duties as described above, the losses suffered by the Plan would have been minimized or avoided.

117. The Monitoring Defendants are liable as co-fiduciaries because they knowingly participated in each other's fiduciary breaches as well as those by the monitored fiduciaries, they enabled the breaches by those Defendants, and they failed to make any effort to remedy these breaches despite having knowledge of them.

118. Therefore, as a direct and proximate result of the breaches of fiduciary duty by the Monitoring Defendants during the Class Period alleged herein, the Plan and, indirectly, the Plan's Participants and beneficiaries, lost tens of millions of dollars of retirement savings.

119. Pursuant to ERISA §§ 409, 502(a)(2) and (a)(3), 29 U.S.C. §§ 1109, 1132(a)(2) and (a)(3), the Monitoring Defendants are liable to restore the losses to the Plan caused by their breaches of fiduciary duties alleged in this Count and to provide other equitable relief as appropriate.

CAUSATION

120. The devastation of the Plan's assets invested in artificially inflated Target Stock during the Class Period could have and would have been avoided, in whole or in part, by Defendants complying with their ERISA-mandated fiduciary duties.

121. Defendants – who knew or should have known that Target Stock was an imprudent retirement investment – chose, as fiduciaries, to continue allowing the Plan to acquire further Target Stock, while taking no action to protect their wards as Target's condition worsened and the Participants' retirement savings were lost tens of millions of dollars. Prudent fiduciaries would have acted otherwise and taken appropriate actions to protect the Plan and the Participants.

122. To the extent Defendants were required to take action based on non-publicly disclosed information that they were privy to, at least the following alternative options – which are pled as alternative statements under FED. R. CIV. P. 8(d)(2) to the extent they are inconsistent – were available to Defendants and (a) could have been done without violating securities laws or any other laws, (b) should have been done to fulfill Defendants' fiduciary obligations under ERISA, and (c) would not have been more likely to harm the Plan than to help it.

123. As discussed above, Defendants had numerous options to protect the Plan and its Participants but failed repeatedly to do so.

124. As a result of Defendants' breaches of duty, the Plan suffered heavy losses during the Class Period because substantial assets of the Plan were imprudently invested, or allowed to be invested, by Defendants in Company Stock, as reflected in the diminished account balances of the Plan Participants.

REMEDIES FOR BREACHES OF FIDUCIARY DUTY

125. As noted above, as a consequence of Defendants' breaches, the Plan suffered significant losses.

126. ERISA § 502(a), 29 U.S.C. § 1132(a) authorizes a plan participant to bring a civil action for appropriate relief under ERISA § 409, 29 U.S.C. § 1109. Section 409 requires "any person who is a fiduciary . . . who breaches any of the . . . duties imposed upon fiduciaries . . . to make good to such plan any losses to the plan…." Section 409 also authorizes "such other equitable or remedial relief as the court may deem appropriate…."

127. Plaintiffs, the Plan, and the Class are therefore entitled to relief from Defendants in the form of: (1) a monetary payment to the Plan to make good to the Plan the losses to the Plan resulting from the breaches of fiduciary duties alleged above in an amount to be proven at trial based on the principles described above, as provided by ERISA § 409(a), 29 U.S.C. § 1109(a); (2) injunctive and other appropriate equitable relief to remedy the breaches alleged above, as provided by ERISA §§ 409(a) and 502(a), 29 U.S.C. §§ 1109(a) and 1132(a); (3) reasonable attorney fees and expenses, as provided by ERISA § 502(g), 29 U.S.C. § 1132(g), the common fund doctrine, and other applicable law; (4) taxable costs; (5) interest on these amounts, as provided by law; and (6) such other legal or equitable relief as may be just and proper.

128. Each Defendant is jointly and severally liable for the acts of the other Defendants as a co-fiduciary.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs request the following relief:

A. Determining that the instant action may be maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiffs as Class representatives;

B. Determining that Defendants breached ERISA fiduciary duties to Plan Participants during the Class Period;

C. Requiring Defendants to pay damages sustained by Plaintiffs and the Class by reason of the acts and transactions alleged herein;

D. Imposing a Constructive Trust on any amount by which any Defendant was unjustly enriched at the expense of the Plan as a result of breaches of fiduciary duties;

E. Awarding actual damages in the amount of losses the Plan suffered, to be allocated to the Plan Participants' individual accounts in proportion to the accounts' losses;

F. Awarding Plaintiffs and the other members of the Class pre-judgment and post-judgment interest, as well as reasonable attorneys' fees, expert fees and other costs pursuant to 29 U.S.C. § 1132(g) and the common fund doctrine;

G. Awarding equitable restitution and other appropriate equitable monetary relief against Defendants; and

H. Awarding such other and further relief as this Court may deem just and proper.

DEMAND FOR JURY DEMAND

Plaintiffs hereby respectfully demand a trial by jury for all claims so triable.

Dated: July 15, 2016

Respectfully submitted,

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