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THE PEOPLE OF THE STATE OF CALIFORNIA

[EXEMPT FROM FILING FEES
UNDER GOVT. CODE, § 6103]

**ENDORSED
FILED**
Superior Court of California
County of San Francisco

MAY 23 2017

CLERK OF THE COURT
BY: ANNA L. TORRES
Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN FRANCISCO

PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

v.

TARGET CORPORATION, a corporation,

Defendant.

Case No. **CGC-17-559105**

**COMPLAINT FOR INJUNCTIVE AND
OTHER RELIEF**

(BUS. & PROF. CODE, § 17200 et seq.)

1. Plaintiff, the PEOPLE OF THE STATE OF CALIFORNIA, by Xavier Becerra, Attorney General of the State of California, (“Plaintiff” or “the People”) brings this action against Defendant Target Corporation (“Target” or “Defendant”) for violating the California Unfair Competition Law (Bus. & Prof. Code, § 17200 et seq.), and alleges the following on information and belief:

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1 **DEFENDANT AND VENUE**

2 2. Defendant Target Corporation is a Minnesota corporation with its principal place of
3 business at 1000 Nicollet Mall, Minneapolis, Minnesota 55403.

4 3. Target is a discount retailer. In 2013, Target operated 1,793 stores in forty-nine states
5 and the District of Columbia, including 262 stores in California.

6 4. Defendant has transacted business within the State of California, including in the
7 County of San Francisco, at all times relevant to this Complaint. The violations of law described
8 herein occurred in the County of San Francisco and elsewhere in the State of California.

9 **DEFENDANT’S BUSINESS ACTS AND PRACTICES**

10 5. On December 19, 2013, Target publicly announced, and reported to the Office of the
11 Attorney General for the State of California, that it had discovered unauthorized access to
12 payment card information at Target’s stores in the United States, including stores in California.
13 Target reported that the payment card information of over forty (40) million consumers was
14 affected, approximately 7.75 million of whom were California residents.

15 6. The theft of the payment card data affected consumers who shopped at Target stores
16 in the United States from November 27, 2013, through December 18, 2013. This included
17 consumers who initiated a purchase of goods, purchased goods or who returned goods.

18 7. Upon further investigation, Target learned that on or about November 12, 2013, an
19 intruder (or intruders) gained access to Target’s remote-access system and deployed memory-
20 scraping (or RAM-scraping) malware to Target’s point-of-sale systems. The malware was
21 designed to capture, in real time, payment card data from the magnetic strip of credit and debit
22 cards, which the attacker eventually exfiltrated out of Target’s internal network.

23 8. Some consumers who shopped at Target stores in the United States from November
24 27, 2013, through December 18, 2013, reported fraudulent charges to their payment cards.

25 9. In addition, on January 10, 2014, Target publicly announced that consumer contact
26 information had been stolen. The customer contact information included customer name, mailing
27 address, phone number, and/or email address. Target reported that the customer contact
28

1 information for up to seventy (70) million individuals was affected, approximately 8.33 million of
2 whom were California residents.

3 10. Under California Civil Code section 1798.81.5, subdivision (b), “[a] business that
4 owns or licenses personal information about a California resident shall implement and maintain
5 reasonable security procedures and practices appropriate to the nature of the information, to
6 protect the personal information from unauthorized access, destruction, use, modification, or
7 disclosure.” California Civil Code section 1798.81.5, subdivision (d)(1) defines “personal
8 information” to mean “an individual’s first name or first initial and his or her last name in
9 combination with any one or more of the following data elements, when either the name or the
10 data elements are not encrypted or redacted: ... Account number, credit or debit card number, in
11 combination with any required security code, access code, or password that would permit access
12 to an individual’s financial account.”

13 11. Target failed to implement and maintain reasonable security procedures and practices
14 appropriate to protect the personal information of California residents from unauthorized access,
15 destruction, use, modification, or disclosure.

16 **FIRST CAUSE OF ACTION**

17 **VIOLATION OF BUSINESS AND PROFESSIONS CODE SECTION 17200**

18 **(UNFAIR COMPETITION)**

19 12. The People reallege and incorporate each and every allegation contained in the
20 preceding paragraphs 1 through 11.

21 13. Target, in the course of conducting retail transactions, engaged in business acts or
22 practices that were unlawful, unfair, or deceptive, or misleading, and therefore violated section
23 17200 of the California Unfair Competition Law (Bus. & Prof. Code, § 17200). In particular,
24 Target unlawfully violated California Civil Code section 1798.81.5, subdivision (b), by failing to
25 implement and maintain reasonable security procedures and practices appropriate to protect the
26 personal information of California residents that Target owned and thus did not protect that
27 personal information from unauthorized access, destruction, use, modification, or disclosure.
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1 **PRAYER FOR RELIEF**

2 WHEREFORE, the People of the State of California prays for judgment as follows:

3 1. Pursuant to Business and Professions Code section 17203, that Target, its affiliates,
4 subsidiaries, successors and assigns, its officers and employees, and all persons who act in
5 concert with Target, be permanently enjoined from committing any unlawful, unfair, or
6 fraudulent acts of unfair competition in violation of Business and Professions Code section 17200
7 as alleged in this Complaint.

8 2. Pursuant to Business and Professions Code section 17206, that the Court assess a civil
9 penalty of \$2,500 for each violation of Business and Professions Code section 17200, as proved at
10 trial.

11 3. That the People of the State of California recover its costs of suit, including costs of
12 its investigation.

13 4. For such other and further relief that the Court deems just and proper.
14
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16 Dated: May 23, 2017

Respectfully Submitted,

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