

TARGET CORP  
Form DFAN14A  
May 01, 2009

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 14A**

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES  
EXCHANGE ACT OF 1934 (Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

Target Corporation  
(Name of Registrant as Specified In Its Charter)

Pershing Square, L.P.  
Pershing Square II, L.P.  
Pershing Square IV Trade-Co, L.P.  
Pershing Square IV-I Trade-Co, L.P.  
Pershing Square International, Ltd.  
Pershing Square International IV Trade-Co, Ltd.  
Pershing Square International IV-I, Ltd.  
Pershing Square Capital Management, L.P.  
PS Management GP, LLC  
Pershing Square GP, LLC  
Pershing Square Holdings GP, LLC  
William A. Ackman  
Michael L. Ashner  
James L. Donald  
Ronald J. Gilson  
Richard W. Vague  
Ali Namvar  
Roy J. Katzovicz

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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On December 10, 2007, Pershing Square met with members of Target's management, including former CEO Robert Ulrich, current CEO Gregg Steinhafel and CFO Doug Scovanner to discuss concerns Pershing Square had regarding a potential downturn in the credit markets and the impact of such a downturn on Target's credit card business. While Target had publicly stated that it was exploring ownership alternatives for its credit card receivables, Pershing Square was concerned that Target would not materially reduce credit risk in a potential transaction with a financial partner. At the meeting, Pershing Square urged Target to reduce credit risk in any transaction structure which the company pursued.

In its discussion, Pershing Square noted the following:

- 1) Credit risk was increasing
- 2) Credit card issuers were facing rising cost of funding, liquidity risk and charge-off risk
- 3) The worse was likely yet to come, given that mortgage delinquencies would continue to escalate and housing prices would continue falling

Despite these warnings, Target's board did not pursue a credit card transaction that materially reduced credit risk. Pershing Square notes that in 2008, Target's net write-offs and bad debt expense in its credit card business increased significantly, causing credit card segment operating profits to decline approximately 65%.

The presentation entitled "Credit and Financial Market Concerns" which Pershing Square presented to Target at the December 10, 2007 meeting is provided below.

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**Additional Information**

In connection with Target's 2009 Annual Meeting of Shareholders, Pershing Square Capital Management, L.P. and certain of its affiliates (collectively, Pershing Square) filed a preliminary proxy statement on Schedule 14A with the Securities and Exchange Commission (the SEC) on April 6, 2009, which was subsequently amended on April 21, 2009 and April 29, 2009. Prior to the 2009 Annual Meeting of Shareholders, Pershing Square will furnish a definitive proxy statement to shareholders of Target, together with a GOLD proxy card. **SHAREHOLDERS OF TARGET ARE URGED TO READ THE PROXY STATEMENT CAREFULLY BECAUSE IT CONTAINS IMPORTANT INFORMATION.** Investors and shareholders will be able to obtain free copies of the preliminary proxy statement, any amendments or supplements to the proxy statement, and any other documents filed by Pershing Square with the SEC in connection with the 2009 Annual Meeting of Shareholders at no charge on the SEC's website at <http://www.sec.gov>. In addition, shareholders will also be able to obtain free copies of the definitive proxy statement and other relevant documents at [www.TGTtownhall.com](http://www.TGTtownhall.com) or by calling Pershing Square's proxy solicitor, D. F. King & Co., Inc., at 1 (800) 290-6427 when they become available.

Pershing Square and certain of its members and employees and Michael L. Ashner, James L. Donald, Ronald J. Gilson and Richard W. Vague (collectively, the Participants) are deemed to be participants in the solicitation of proxies with respect to Pershing Square's nominees. Detailed information regarding the names, affiliations and interests of the Participants, including by security ownership or otherwise, is available in Pershing Square's preliminary proxy statement for the 2009 Annual Meeting of Shareholders, as amended on April 21, 2009 and April 29, 2009.

**Cautionary Statement Regarding Forward-Looking Statements**

This presentation contains forward-looking statements. All statements contained in this presentation that are not clearly historical in nature or that necessarily depend on future events are forward-looking, and the words anticipate, believe, expect, estimate, plan, and similar expressions are generally intended to identify forward-looking statements. These statements are based on current expectations of Pershing Square and currently available information. They are not guarantees of future performance, involve certain risks and uncertainties that are difficult to predict and are based upon assumptions as to future events that may not prove to be accurate. Pershing Square does not assume any obligation to update any forward-looking statements contained in this presentation.