



**THE PUBLIC ADVOCATE FOR THE CITY OF NEW YORK**

**Bill de Blasio – PUBLIC ADVOCATE**

June 7, 2011

New York City Comptroller John C. Liu  
Office of the Comptroller for the City of New York  
1 Centre Street  
New York, NY 10007

Dear Comptroller Liu,

I write to express deep concern regarding the City's investment in Target Corp. (NYSE:TGT). The company's experience in political spending, and the lack of effective reforms taken by the company after the controversy surrounding the company's 2010 corporate political spending make the company a leading candidate to receive a shareholder resolution regard political spending from the funds. Furthermore, as investment advisor to the funds, I ask that you consider withholding votes from relevant Target Corp. directors, in the absence of a change in policy on political spending.

In 2010, Target Corporation was one of the first companies to take advantage of the Supreme Court's Citizens United decision, donating \$100,000 in company money to a Minnesota-based 527 organization in July. The organization then used the money to run TV ads supporting the gubernatorial campaign of controversial Republican State Rep. Tom Emmer. Target's actions earned the company significant blowback. In addition to rallies and protests, over a quarter million consumers pledged to avoid Target until the company adopted better policies on political spending. In the period following coverage of Target's political spending, the company's stock dropped 3.5%, with investors collectively losing 1.3 billion dollars.

In response, the company adopted policies outlining its process for making political contributions, and adopted a policy for disclosing corporate contributions to political action committees. However, the company did not commit to full disclosure of its political activities, and noted that it would refrain from disclosing contributions made to trade associations. Target has clearly not taken the steps necessary to mitigate the risk involved from its political spending and until it does NYCERS is will be at risk of suffering additional losses from Target's political activities. The company's lack of full transparency about its spending, and particularly around contributions to trade associations, call for decisive action. Where a company behaves as Target Corp. behaves, directors who are charged with overseeing risk are not doing their jobs, and should be opposed.

Sincerely,

Bill de Blasio  
Public Advocate for the City of New York

Cc:  
Mike Garland, Executive Director for Corporate Governance, Office of Comptroller John C. Liu  
NYCERS Proxy Committee Members