



**TODD ROKITA**  
ATTORNEY GENERAL

July 5, 2023

Brian C. Cornell  
Chairman and CEO  
Target Corporation  
50 S. 10th Street  
Minneapolis, MN 55402

Dear Mr. Cornell:

As Attorneys General committed to enforcing our States' child-protection and parental-rights laws and our States' economic interests as Target shareholders, we are concerned by recent events involving the company's "Pride" campaign. Our concerns entail the company's promotion and sale of potentially harmful products to minors, related potential interference with parental authority in matters of sex and gender identity, and possible violation of fiduciary duties by the company's directors and officers.

As the chief legal officers of our States, we are charged with enforcing state laws protecting children and safeguarding parental rights. State child-protection laws penalize the "sale or distribution . . . of obscene matter."<sup>1</sup> A matter is considered "obscene" if "the dominant theme of the matter . . . appeals to the prurient interest in sex," including "material harmful to minors."<sup>2</sup> Indiana, as well as other states, have passed laws to protect children from harmful content meant to sexualize them and prohibit gender transitions of children.<sup>3</sup>

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<sup>1</sup> Ind. Code §35-49-3-1. *See* La. Rev. Stat. § 14:91.11.

<sup>2</sup> Ind. Code §35-49-2-1.

<sup>3</sup> The Indiana General Assembly passed numerous laws this past legislative session to protect children. Ind. Code § 20-26-5.5 (2023) and Ind. Code § 35-49-3-3 (2023)(HEA 1447 requires harmful material to minors be removed from school libraries); Ind. Code § 25-1-22 (2023)(SEA 480 prohibits gender transition procedures on minors and prohibits physicians from aiding and abetting such procedures); Ind. Code § 20-33-7.5 (2023)(HEA 1608 requires parental notification of name or

In light of these responsibilities, we wish to communicate our concern for Target’s recent “Pride” campaign. During this campaign, Target wittingly marketed and sold LGBTQIA+ promotional products to families and young children as part of a comprehensive effort to promote gender and sexual identity among children. This year, Target reportedly promoted and sold products in our states that included, among other products, LGBT-themed onesies, bibs, and overalls, t-shirts labeled “Girls Gays Theys;” “Pride Adult Drag Queen Katya”<sup>4</sup> (which depicts a male dressed in female “drag”); and girls’ swimsuits with “tuck-friendly construction” and “extra crotch coverage” for male genitalia.<sup>5</sup> Target also included merchandise by the self-declared “Satanist-Inspired” brand Abprallen,<sup>6</sup> which is known for designs that glorify violence. These designs include the phrases “We Bash Back” with a heart-shaped mace in the trans-flag colors, “Transphobe Collector” with a skull, and “Homophobe Headrest” with skulls beside a pastel guillotine.<sup>7</sup> Target also sold products with anti-Christian designs, such as pentagrams, horned skulls, and other Satanic products.<sup>8</sup> One such design included the phrase “Satan Respects Pronouns” with a horned ram representing Baphomet—a half-human, half-animal, hermaphrodite worshiped by the occult.<sup>9</sup>

In connection with its “Pride” campaign, Target provides financial support to an organization called GLSEN (pronounced “glisten”). GLSEN furnishes resources to

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pronoun changes of students). Other states have similar laws. S.B. 184, Ala. 2022 Reg. Sess. § 4 (child-protection law prohibits anyone from engaging in practices to “affirm [a] minor’s perception of his or her gender or sex[] if that appearance or perception is inconsistent with the minor’s sex”); Utah Code Ann. § 26B-1-214 (law that prohibits “hormonal transgender treatment to a minor” without “written consent from ... the minor’s parent or guardian.”); Tex. Penal Code § 7.02 (State law penalizes entities that “encourage[]” or “aid[]” others in the violations of these laws.) Although all of these laws may not be implicated by Target’s recent campaign, they nevertheless demonstrate that our States have a strong interest in protecting children and the interests of parental rights

<sup>4</sup> Target, *Pride Adult Drag Queen ‘Katya’ Short Sleeve T-Shirt – Pink*, <https://www.target.com/p/pride-adult-drag-queen-katya-short-sleeve-t-shirt-pink/-/A-87527750> (last visited June 22, 2023).

<sup>5</sup> Abigail Anthony, *Target Reportedly Moving ‘Pride’ Items to Back of Store to Avoid the Bud Light Treatment*, Nat’l Review (May 23, 2023), <https://www.nationalreview.com/corner/target-reportedly-moving-pride-items-to-back-of-store-to-avoid-the-bud-light-treatment/>.

<sup>6</sup> Abigail Anthony, *Target Knew of Satanist-Inspired Merchandise When It Partnered with LGBT Brand, Designer Claims*, Nat’l Review (May 24, 2023), <https://www.nationalreview.com/news/target-knew-of-satanist-inspired-merchandise-when-it-partnered-with-lgbt-brand-designer-claims/>.

<sup>7</sup> Abigail Anthony, *Target Partners with Satanist Brand to Create Items for ‘PRIDE’ Collection*, Nat’l Review (May 22, 2023), <https://www.nationalreview.com/news/target-partners-with-satanist-brand-to-create-items-for-pride-collection/>.

<sup>8</sup> Siddharth Cavale, *Target Removing Some LGBTQ Merchandise Following Customer Backlash*, Reuters (May 24, 2023), <https://www.reuters.com/business/retail-consumer/target-remove-some-lgbtq-merchandise-after-facing-customer-backlash-2023-05-23/>.

<sup>9</sup> Helen Reid, *Target Pride Backlash Exposes ‘Rainbow Capitalism’ Problem, Designer Says*, Reuters (May 31, 2023), <https://www.reuters.com/business/retail-consumer/target-pride-backlash-exposes-rainbow-capitalism-problem-designer-says-2023-05-31/>.

activists for the purpose of undermining parents’ constitutional and statutory rights<sup>10</sup> by supporting “secret gender transitions for kids”<sup>11</sup> and directing public schools to withhold “any information that may reveal a student’s gender identity to others, including [to] parents or guardians.”<sup>12</sup> A 2020 GLSEN guide states:

Students may not be ready for their parents or guardians to know about their gender identity or expression, or that they are expressing their affirmed gender at school. Before contacting the parent or guardian of a transgender or nonbinary student, school staff should clarify with the student whether to use their gender affirming name and the pronouns that correspond to their gender identity, or whether to use their legal name when corresponding with a parent/guardian.<sup>13</sup>

Target’s “Pride” campaign and financial support to organizations such as GLSEN not only raise concerns under our States’ child-protection and parental-rights laws but also against our States’ economic interests as Target shareholders. Target’s directors and officers have a fiduciary duty to our States as shareholders in the company. The evidence suggests that Target’s directors and officers may be negligent in undertaking the “Pride” campaign, which negatively affected Target’s stock price. Moreover, it may have improperly directed company resources for collateral political or social goals unrelated to the company’s and its shareholders’ best interests.

A corporation’s directors and officers owe duties of care and loyalty to the corporation and its shareholders. The duty of care requires that directors and officers act with reasonable prudence. That duty is violated when those directors and officers act with gross negligence.<sup>14</sup> The duty of loyalty “requires an undivided and unselfish loyalty to the corporation” and “demands that there shall be no conflict between duty and self-interest.”<sup>15</sup>

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<sup>10</sup> See *Troxel v. Granville*, 530 U.S. 57 (2000). See *supra* fn. 2.

<sup>11</sup> Laurel Duggan, *Major Children’s Clothing Retailers Poured Money Into LGBT Group That Promotes Secret Gender Transitions For Children*, Daily Caller (May 30, 2023), <https://dailycaller.com/2023/05/30/major-childrens-clothing-retailers-poured-money-into-lgbt-group-that-promotes-secret-gender-transitions-for-children/>.

<sup>12</sup> Hannah Grossman, *Target Partners with Org Pushing for Kids’ Genders to be Secretly Changed in Schools Without Parental Consent, ‘We . . . Continue to Support Their Mission,’ Target Corporation Said About GLSEN*, Fox News (May 26, 2023), <https://www.foxnews.com/media/target-partners-org-pushing-kids-genders-secretly-changed-schools-without-parental-consent>.

<sup>13</sup> *Model Local Education Agency Policy on Transgender and Nonbinary Students*, GLSEN & National Center for Transgender Equality 5 (Oct. 2020), <https://defendinged.org/wp-content/uploads/2022/04/Model-Local-Education-Agency-Policy-on-Transgender-Nonbinary-Students.pdf>.

<sup>14</sup> *Smith v. Van Gorkom*, 488 A.2d 858, 873 (Del. 1985).

<sup>15</sup> *Guth v. Loft, Inc.*, 5 A.2d 503, 510 (Del. 1939); see also *Miller v. Miller*, 301 Minn. 207, 219 (Minn. 1974); *G & N Aircraft, Inc. v. Boehm*, 743 N.E.2d 227, 240 (Ind. 2001).

Corporations are expected to pursue excellence in their chartered purposes, including, where applicable, by retailing goods and earning robust profits along the way.<sup>16</sup> Though a company’s board of directors and its management have the discretion to make business decisions for how to best achieve those purposes, it is emphatically beyond the power of a corporate fiduciary to effectuate “a change in the end itself, to the reduction of profits . . . in order to devote them to other purposes”—social, political, or otherwise.<sup>17</sup>

Target’s “Pride” campaign was decidedly not an example of excellence in retail. The campaign prompted a “massive backlash”—from families, its core customer base—that led to the company experiencing “an unprecedented losing streak.”<sup>18</sup> Target’s stock prices dropped by 16 percent<sup>19</sup> and the company lost \$12 billion in market value.<sup>20</sup> It is likely more profitable to sell the type of Pride that enshrines the love of the United States. Target’s Pride Campaign alienates whereas Pride in our country unites.

Losses of this magnitude—caused by isolating Target’s core customers—raise concerns that Target’s board and management may have acted negligently. Further evidence suggests Target’s leadership may have acted on collateral interests. Directors and officers must act solely in the best interest of the company. But you have reportedly defended the campaign as “the right thing for society.”<sup>21</sup> Target is also the subject of a campaign by left-wing activist “stakeholders” supporting an “LGBTQIA+” agenda. Those activists aim to advance social goals by exposing Target’s valuable customer base, which include families with young children across the country, to

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(“The fiduciary must deal fairly, honestly, and openly with his corporation and fellow stockholders. He must not be distracted from the performance of his official duties by personal interests.”)

<sup>16</sup> See *A.P. Smith Manufacturing Co. v. Barlow*, 13 N.J. 145 (N.J. 1953); *Dodge v. Ford Motor Co.*, 204 Mich. 459, 507 (Mich. 1919).

<sup>17</sup> *Dodge*, *supra*.

<sup>18</sup> Giulia Carbonaro, *Target Loses \$4B in Less Than a Week as Stock Price Continues to Slide* (June 2, 2023), <https://www.newsweek.com/target-loses-4b-less-week-stock-price-continues-slide-1804104>.

<sup>19</sup> *Id.*

<sup>20</sup> Nick Halter, *Target, in the Crosshairs, Is Taking a Beating on Wall Street*, Axios (June 2, 2023), <https://www.axios.com/local/twin-cities/2023/06/02/target-stock-prices-tumble-pride-boycotts>; David Rutz, *Target May Have “Lost Control of the Narrative” As Financial Losses, LGBT Anger Mount: Consumer Researchers*, Fox News (May 31, 2023), <https://www.foxnews.com/media/target-lost-control-narrative-financial-losses-lgbt-anger-mounts-consumer-researchers>; Ronny Reyes, *Target Loses \$10B in 10 Days as Stocks Fall Following Boycott over LGBTQ-Friendly Kids Clothing*, N.Y. Post (May 28, 2023), <https://nypost.com/2023/05/28/target-loses-10b-following-boycott-calls-over-lgbtq-friendly-clothing/>.

<sup>21</sup> Shannon Thaler, *Target’s Reputation Takes Hit over Children’s LGBTQ Clothing, Survey Shows*, N.Y. Post (May 24, 2023), <https://nypost.com/2023/05/24/targets-reputation-takes-a-hit-after-pride-2023-collection/>.

“LGBTQIA+” concepts and values. In its securities filings, Target has expressed its alignment with some of these “stakeholders” and others.<sup>22</sup>

But Target’s management has no duty to fill stores with objectionable goods, let alone endorse or feature them in attention-grabbing displays at the behest of radical activists. However, Target management *does* have fiduciary duties to its shareholders to prudently manage the company and act loyally in the company’s best interests. Target’s board and its management may not lawfully dilute their fiduciary duties to satisfy the Board’s (or left-wing activists’) desires to foist contentious social or political agendas upon families and children at the expense of the company’s hard-won good will and against its best interests.<sup>23</sup>

While Target has recently supported such “stakeholders,” today others accuse Target of “betraying [the] LGBTQ community” by insufficiently committing to its “Pride” campaign. Some activists have recently pressured Target to act on these collateral interests by making threats of violence, including bomb threats at Target locations.<sup>24</sup> We encourage Target to report this unlawful activity and not yield to these threats. Target’s board and management should not use such threats as a pretext for using Target’s valuable business to promote collateral political and social agendas— as these LGBTQIA+ activists apparently hope it will.

We live in a different day and age from our nation’s founding. But certain immutable precepts and principles must always endure so long as America is to remain free and prosperous. We trust that we can work together to advance and protect the rights of individuals, the rule of law, and the well-being of families and children.

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<sup>22</sup> Target Corp., *2023 Proxy Statement and Notice of Annual Shareholder Meeting* 15–16 (May 1, 2023), [https://corporate.target.com/\\_media/TargetCorp/Investors/Proxy%20Statements/2023-Proxy-Statement\\_Target-Corporation.pdf](https://corporate.target.com/_media/TargetCorp/Investors/Proxy%20Statements/2023-Proxy-Statement_Target-Corporation.pdf).

<sup>23</sup> My Office issued an opinion on August 29, 2022 explaining that Indiana law prohibits the INPRS Board from choosing investments or investment strategies based on ESG considerations. Fiduciaries owe duties to beneficiaries to “invest its assets with the care, skill, prudence, and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims,” Ind. Code § 5-10.3-5-3, and to invest and manage trust assets “solely in the interest of the beneficiaries.” Ind. Code § 30-4-3.5-5. *See* Ind. Att’y Gen. Op. 2022-03 (Sept. 2022), available at <https://www.in.gov/attorneygeneral/files/Official-Opinion-2022-3.pdf>.

<sup>24</sup> *See, e.g.*, Benjamin Schafer, *LPD Clears Both Target Stores in Lafayette*, KLFY (June 12, 2023), <https://www.klfy.com/local/lafayette-parish/lafayette-police-responding-to-a-bomb-threat-at-target-on-ambassador/>; Brian Flood, *Target Stores Received Bomb Threats Accusing Retailer of Betraying LGBTQ Community Amid Woke Backlash: Reports*, Fox News (June 2, 2023) <https://www.foxnews.com/media/target-stores-received-bomb-threats-accusing-retailer-of-betraying-lgbtq-community-amid-woke-backlash-reports>; Olafimihan Oshin, *Target Stores in at Least Five States Receive Bomb Threats Over Pride Items*, FOX59 (June 13, 2023) <https://fox59.com/news/national-world/target-stores-in-at-least-five-states-receive-bomb-threats-over-pride-items/>.

Respectfully,



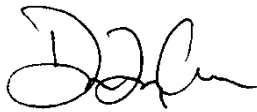
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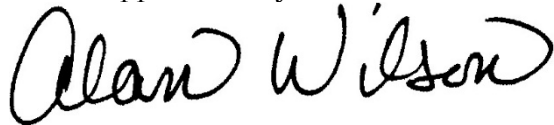
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