

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MINNESOTA**

ROBERT REESE, CAROL YANNONE,
FRANCINE KONOWALOW, and
DYANNE WALLIS, on Behalf of
Themselves and All Others Similarly
Situated,

Plaintiffs,

v.

TARGET CORPORATION,

Defendant.

Case No.

CLASS ACTION COMPLAINT

DEMAND FOR JURY TRIAL

Plaintiffs ROBERT REESE (“Reese”), CAROL YANNONE (“Yannone”), FRANCINE KONOWALOW (“Konowalow”), and DYANNE WALLIS (“Wallis”) on behalf of themselves and all others similarly situated, bring this Class Action Complaint (“Complaint”) against Defendant TARGET CORPORATION (“Defendant” or “Target”). The following allegations are based upon personal knowledge as to Plaintiffs’ own facts, upon investigation by Plaintiffs’ counsel, and upon information and belief where facts are solely in the possession of Defendant.

NATURE OF THE CASE

1. This action seeks to challenge Target’s uniform practice of failing or refusing to refund or compensate victims of gift card scams involving Target gift cards.
2. Specifically, as set forth below, Plaintiffs and the Class are consumers who were tricked into purchasing Target gift cards and providing the access codes to scammers.

The circumstances by which these crimes occur are not unique and are well-known to Target. They follow a pattern whereby a scammer will claim to be someone they are not, such as a representative of a company or a governmental entity, and inform the victim that they are required to make a payment or reimburse an overpayment using Target gift cards. The victim is led to believe that time is of the essence and that the Target gift cards must be purchased, and the codes to redeem the amounts on the gift cards be shared, expeditiously.

3. As far back as 2021, the Federal Trade Commission (“FTC”) reported that gift cards have become a prevalent means to defraud consumers “because they are easy for people to find and buy, and they have fewer protections for buyers compared to some other payment options.”¹ With gift cards: “[s]cammers can get quick cash, the transaction is largely irreversible, and they can remain anonymous.”²

4. The FTC further identified that Target gift cards were the most popular choice for scammers in the reports received by the FTC. In 2021, Target gift cards accounted for about \$35 million in payments to scammers, more than twice as much as any other brand of gift cards.³

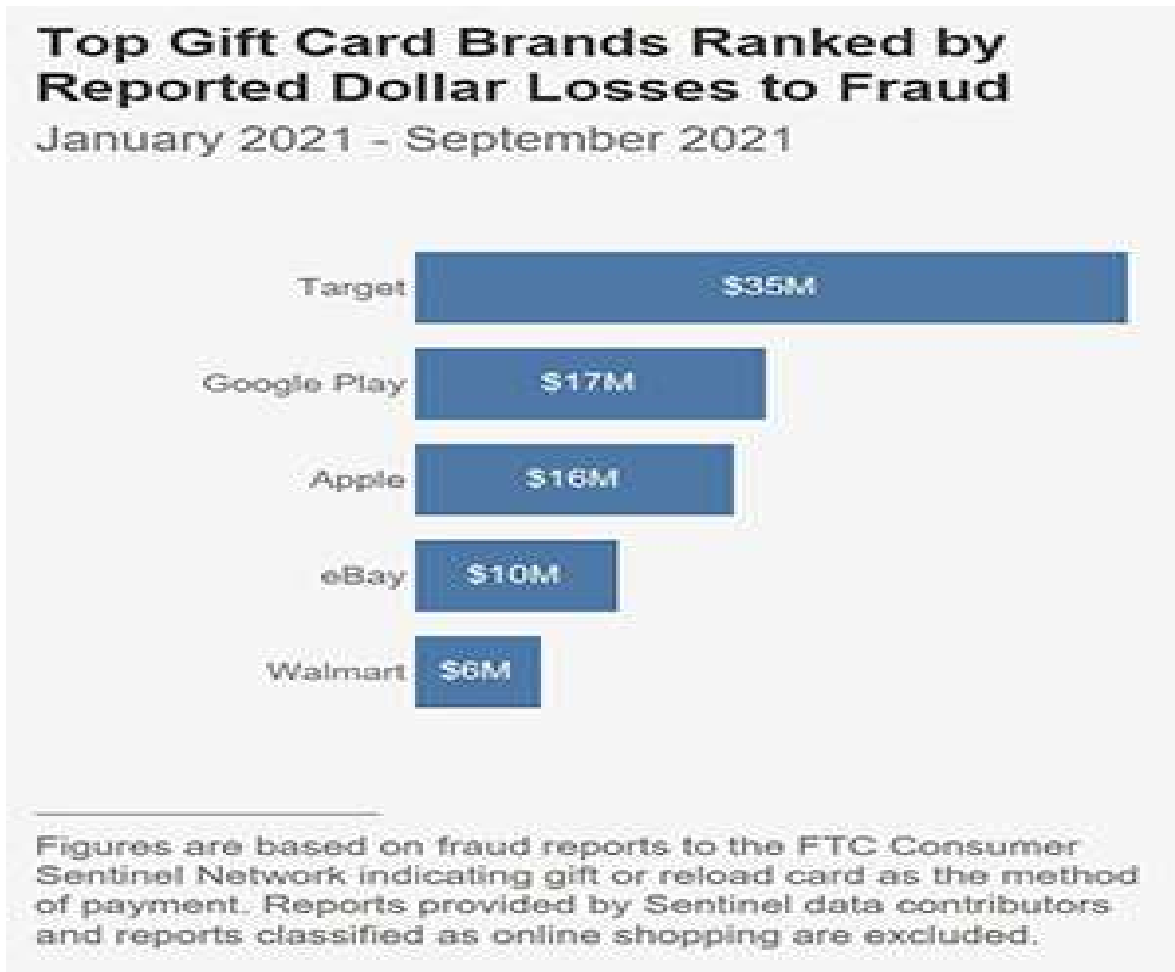
¹ Emma Fletcher, *Scammers prefer gift cards, but not just any card will do*, FEDERAL TRADE COMMISSION: NEWS AND EVENTS: DATA AND VISUALIZATIONS: DATA SPOTLIGHT (Dec. 8, 2021), <https://www.ftc.gov/news-events/data-visualizations/data-spotlight/2021/12/scammers-prefer-gift-cards-not-just-any-card-will-do>.

² *Id.*

³ *Id.*

5. The FTC found that the “median amount lost when consumers paid [a scammer] with Target gift cards, \$2,500, was higher than any other brand of card, with nearly a third reporting losses of \$5,000 or more.”⁴

6. Notably, the FTC reported that in the first nine months of 2021, “over twice as much money was reported lost on Target gift cards than any other brand.”⁵



⁴ See Jay Mayfield, *FTC Data Show Major Increase in Gift Cards As Scam Payment Method*, FEDERAL TRADE COMMISSION: NEWS AND EVENTS: NEWS: PRESS RELEASES (Dec. 8, 2021), <https://www.ftc.gov/news-events/news/press-releases/2021/12/ftc-data-show-major-increase-gift-cards-scam-payment-method#:~:text=Scammers%20also%20instructed%20consumers%20to,latest%20FTC%20news%20and%20alerts.>

⁵ Fletcher, *supra* n.1.

7. Despite these facts, as well as the number of consumers who have contacted Target notifying it that they had been victims of gift card scams involving Target gift cards, Target has done little to warn consumers of these scams or to prevent the scammers from misappropriating victims' funds.

8. Target uniformly fails or refuses to refund victims of these gift card scams. Despite the capacity to do so, Target also does not prevent scammers from using stolen gift cards to purchase merchandise from Target, and fails to inform victims when funds remain on the gift cards or accounts involved in the gift card scam after the merchandise has been purchased.

9. Target has sophisticated computer systems that can identify, detect, and track gift card scams as they are occurring and could stop transactions, freeze accounts, and prevent stolen gift card funds from being used to purchase merchandise, even when victims do not report the scam to Target. Target does not attempt to locate victims or make known that funds stolen through gift card scams are being held by Target.

10. Moreover, Target employs a number of practices which facilitate rather than thwart these gift card scams. Target's practices allow the Company to sell more gift cards than they would in the absence of the scams, and to profit from sales involving gift cards purchased as a result of scams. Of course, these practices benefit Target, which profits from the gift card purchases and the immediate, high-dollar merchandise sales too. However, these practices are at the expense of consumers who were scammed, rendering them unfair and unlawful.

11. Specifically, Target plays a direct and vital role in transactions involving gift card scams because it can detect when gift cards are used in gift card scams. Target has the ability to freeze or reverse transactions involving gift cards identified as having been involved in gift card scams—even when no one contacts Target to report the scam—and thus can prevent the purchase of merchandise with these gift cards. However, Target fails and refuses to do so and thereby encouraging scammers to instruct victims to purchase Target’s gift cards.

12. Plaintiff Reese, Plaintiff Yannone, Plaintiff Konowalow, and the “Contact Subclass” contacted Target directly to report their scams and identify themselves as the victims of the scams. Yet, even where Plaintiffs and other victims contacted Target, sometimes within minutes or hours of being scammed, Target refused to issue refunds and instead informed victims that there was nothing Target could do.

13. Plaintiffs bring this action against Target for its unfair and unlawful practices which deny any remedy to victims and perpetuate rather than prevent gift card scams perpetrated with Target gift cards. Plaintiffs and the Classes seek refunds of the amounts they paid for Target gift cards involved in gift card scams.

PARTIES

14. Plaintiff Robert Reese, an elderly veteran, is a citizen and resident of Pittsburgh, Pennsylvania. On July 15, 2021, Reese was scammed into purchasing \$6,000 in Target gift cards. On July 16, 2021, Reese reported the scam to various law enforcement agencies. On July 20, 2021, Reese reported the scam to Target. Target informed Reese that it would not refund the money he spent on the gift cards and that there was nothing it

could do. Reese followed up with Target on July 23, 2021, and Target again claimed there was nothing it could do.

15. Plaintiff Carol Yannone, an elderly woman, is a citizen and resident of Hartford, Pennsylvania. On November 7, 2024, and November 8, 2024, Yannone was scammed into purchasing Target gift cards in the total amount of \$5900. On November 9, 2024, Yannone reported the scam to Target. Target informed Yannone that it would not refund the money she spent on the gift cards and that there was nothing it could do.

16. Plaintiff Francine Konowalow, an elderly woman, is a citizen and resident of Mars, Pennsylvania. On April 25, 2023, Konowalow was scammed into purchasing Target gift cards in the total amount of \$1980. On April 26, 2023, Konowalow reported the scam to Target. Target informed Konowalow that it would not refund the money she spent on the gifts cards and there was nothing it could do.

17. Plaintiff Dyanne Wallis, an elderly woman, is a citizen and resident of New Brighton, Pennsylvania. On October 11, 2023, Wallis was scammed into purchasing Target gift cards in the total amount of \$1,000. Although Wallis did not contact Target regarding the scam, Wallis believes that Target was aware of the scam at the time it was occurring. Wallis has not received any refund from Target.

18. Defendant Target Corporation is incorporated under the laws of the State of Minnesota with its principal place of business located at 1000 Nicollet Mall, Minneapolis, Minnesota 55403. Target is a citizen of the state of Minnesota. Target sells its gift cards nationwide.

Plaintiff Robert Reese's Experience

19. On July 15, 2021, Reese received an email confirming an order from Amazon for a \$1,199.99 laptop purchase. The email listed an unknown shipping recipient and provided a phone number for “Amazon Customer Service.”

20. Reese called the phone number provided in the email and was connected to a person who identified himself as “Mark Williams,” posing as an Amazon representative (the “scammer”). Reese informed the scammer he had received confirmation of an unauthorized charge. The scammer told Reese he had processed a refund to Plaintiff for the unauthorized \$1,199.99 Amazon purchase. Immediately thereafter, “Mark Williams” contacted Reese by phone to inform Reese that he incorrectly refunded \$12,000 to Plaintiff Reese. Reese then immediately received a series of emails, including an email purporting to be from Amazon confirming the \$12,000 refund, and emails from Amazon and Wells Fargo appearing to confirm a successful \$12,000 transfer into Reese’s bank account at PNC Bank. The scammer told Reese that he would need to reimburse Amazon for the \$10,800 difference or his credit score would be negatively impacted.

21. The scammer instructed Reese to purchase Target gift cards and provide the access codes for each card to the scammer to cover the reimbursement. Reese had no independent intent to purchase gift cards, nor did he have any intent to use the Target gift cards to purchase merchandise at Target.

22. Immediately after speaking to the scammer, on July 15, 2021, Reese purchased 12 \$500 Target gift cards (\$6,000 in total) from Giant Eagle, Sams Club, CVS Pharmacy, and Rite Aid stores located in Pittsburgh, Pennsylvania. The scammer remained

on the phone with Reese during the entire process and advised Reese not to disclose the reason why he was purchasing the gift cards, and, if questioned, to advise the store clerk that they were for his niece's wedding gift to avoid additional fees.

23. Prior to purchase, Reese read the language on the back of the Target gift cards he had been instructed to purchase, but it did not include any information or warning relating to gift card scams. The back of one of the Target gift cards purchased by Reese stated:



Reese also did not know that payment services were not among the services available at Target, and was unaware of the nature—much less the prevalence—of Target gift card scams, and did not know he was in the process of being scammed.

24. Immediately after purchasing the Target gift cards at each retail location, Plaintiff Reese provided the Target gift card access codes to the scammer via telephone.

25. On information and belief, shortly after Reese provided the Target gift cards' access codes to the scammer, the scammer (or a "runner" working with the scammer) used the gift card codes stolen from Plaintiff Reese to purchase merchandise from Target, either (1) online at Target.com, by the scammer logging into a Target Account⁶ and entering the codes before or during the online checkout process; or (2) in a Target store, by the scammer using the codes to add the gift cards to the scammer's Target account and making purchases at the cash register or self-checkout kiosk using Target's mobile app, which allows physical gift cards to be saved and used in a Target store without the presence of the physical card.

26. At the moment the scammer attempted to use the gift card codes to purchase merchandise, Target had actual knowledge of the data points concerning the purchase of the Target gift cards, the scammer's Target account, and the scammer's attempt to purchase merchandise with the cards.

27. At the point in time that the scammer attempted to spend Reese's Target gift cards, Target had sufficient information to identify and suspend or terminate any Target Account used by the scammer, reject any attempts by the scammer to purchase merchandise, and conserve the funds for the scam victim.

⁶ A Target Account is a personal user profile on Target.com or the Target app that allows customers to manage their shopping experience. It enables users to place and track orders, update personal information, manage payment methods, use and store gift cards, and access Target Circle rewards. (*Manage account*, TARGET: HELP: TARGET ACCOUNT: MANAGE ACCOUNT, <https://help.target.com/help/subcategoryarticle?childcat=Manage+account&parentcat=Target+Account&searchQuery=search+help> (last visited July 10, 2025)).

28. Later that day, on July 15, 2021, contrary to the scammer's instruction, Reese discussed the incident with friends. Only at that point did Reese realize that he was the victim of a Target gift card scam.

29. The next day, on July 16, 2021, Reese reported the Target gift card scam to the FTC. Reese also reported the scam to the Pennsylvania Attorney General, Whitehall Police Department, Miramar Police Department, Social Security Administration, and Federal Bureau of Investigation, but was told by each of those entities that there was not anything they could do.

30. On July 20, 2021, Reese contacted Target by email, identified himself as the victim of a Target gift card scam, and provided Target with images of the Target gift cards that he had purchased as the victim of the gift card scam. On July 21 and July 23, 2021, Reese also visited a Target store located in West Mifflin, PA and spoke with a manager who said Target would investigate the incident. Reese provided Target with the information necessary to identify himself as the victim of the gift card scam involving the specific cards he purchased.

31. Reese asked Target whether any funds remained on the Target gift cards he purchased pursuant to the gift card scam. Target told Reese there were no remaining funds on the Target gift cards—meaning that Target had allowed the cards to be spent—and that there was nothing they could do.

32. Target has not refunded Reese any portion of the \$6,000 he spent on the purchase of Target gift cards as a result of the Target gift card scam.

33. Target concealed from Reese that (1) at the moment when the gift cards Reese purchased were tendered to purchase merchandise, Target had actual knowledge of the data points it needed to determine that those gift cards were stolen, and (2) Reese's call only provided Target with the identity of the victim of the fraud already known to Target. On information and belief, Target had detected the Target gift card scam using its algorithm and internal fraud detection tools described in paragraphs 102-112 below before Reese called Target, but Target concealed this fact from Reese.

34. Target concealed from Reese any efforts it took to suspend and/or terminate the scammer's Target account so that it could not be used for additional fraud, and so that any additional funds on the account would be conserved.

35. Target concealed from Reese that it was still holding, or soon would be holding, the funds that Reese used to purchase the Target gift cards.

36. Instead, Target acted as if the funds were gone, concealing the fact that it still had, or soon would have, possession and control over those funds because it, like the scammer, had profited from the scam at Plaintiff's expense.

Plaintiff Carol Yannone's Experience

37. On November 7, 2024, Yannone returned a rental vehicle and was told by the representative that she had a remaining balance that would need to be resolved with her insurer. The rental representative provided a customer service phone number for Allstate Insurance.

38. After returning home that day, Yannone called the customer service number she was given for Allstate Insurance. Yannone was connected to a person who identified

himself as “Steve,” posing as an Allstate representative (the “scammer”). Yannone informed the scammer that she had been charged \$87.39, which she understood Allstate was required to refund her. The scammer told Yannone he had attempted to process a refund of \$88 to cover the \$87.39 charge, but that Yannone had been incorrectly refunded \$8,800 instead of \$88. The scammer advised Yannone that she would need to return the difference to Allstate Insurance or else he would lose his job at Allstate.

39. The scammer instructed Yannone to purchase Target gift cards and provide the access codes for each card to the scammer to cover the reimbursement. Yannone had no independent intent to purchase gift cards, nor did she have any intent to use the Target gift cards to purchase merchandise from Target.

40. Immediately after speaking to the scammer, on November 7 and November 8, 2024, Yannone purchased 14 \$350 Target gift cards and two \$500 Target gift cards (\$5,900 in total) from Giant Eagle, CVS Pharmacy, Target, and Acme stores located near her home.

41. At the time of purchase, Yannone did not know that payment services were not among the products and services available at Target, and was unaware of the nature, much less the prevalence, of Target gift card scams. Prior to purchase, Yannone read the language on the back of the Target gift cards she had been instructed to purchase, but it did not include sufficient information or warning to alert her to the fact that she was in the process of being scammed.

42. Immediately after purchasing the Target gift cards at each retail location, Yannone provided the Target gift card access codes to the scammer via email.

43. On information and belief, shortly after Yannone provided the Target gift cards' access codes to the scammer, the scammer (or a "runner" working with the scammer) used the gift card codes stolen from Plaintiff Yannone to purchase merchandise from Target, either (1) online at Target.com, by logging into a Target Account and entering the codes before or during the online checkout process; or (2) in a Target store, by using the codes to add the gift cards to the scammer's Target account and making purchases at the cash register or self-checkout kiosk using Target's mobile app, which allows physical gift cards to be saved and used in a Target store without the presence of the physical card.

44. At the moment the scammer attempted to use the gift card codes to purchase merchandise, Target had actual knowledge of the data points concerning the purchase of the Target gift cards, the scammer's Target Account, and the scammer's attempted use of the cards.

45. At the point in time that the scammer attempted to spend Yannone's Target gift cards, Target had sufficient information to identify and suspend or terminate any Target Account used by the scammer, reject any attempts by the scammer to purchase merchandise, and conserve the funds for the scam victim.

46. Later, on November 9, 2024, Yannone learned from her bank that the \$8,800 that she believed to be an oversized refund from Allstate had actually been transferred by the scammer from her savings account. Only at that point did Yannone realize that she was the victim of a Target gift card scam.

47. The same day, on November 9, 2024, Yannone reported the Target gift card scam to Target, identified herself as the victim of a Target gift card scam, and provided

Target with the identification numbers of the Target gift cards that she had purchased as the victim of the gift card scam. Target told Yannone that the funds had been depleted and there was nothing it could do.

48. Yannone provided Target with the information necessary to identify herself as the victim of the Target gift card scam involving the specific cards she purchased.

49. On November 12, 2024, Yannone also reported the scam to the Hartford Police Department, but was told that there was nothing they could do.

50. Target has not refunded Yannone any portion of the \$5,900 she spent on the purchase of Target gift cards as a result of the Target gift card scam.

51. Target concealed from Yannone that it had actual knowledge of the data points that it needed to determine the Target gift cards Yannone purchased were subject to a scam before Yannone contacted Target, and that Yannone's call only provided Target with the identity of the victim of the fraud already known to Target. On information and belief, Target had detected the Target gift card scam using its algorithm and internal fraud detection tools described in paragraphs 102-112 below before Yannone called Target, but Target concealed this fact from Yannone.

52. Target concealed from Yannone any efforts it took to suspend and/or terminate the scammer's Target Account so that it could not be used for additional fraud, and so that any additional funds on the account would be conserved.

53. Target concealed from Yannone that it was still holding, or soon would be holding, the funds that Yannone used to purchase the Target gift cards.

54. Instead, Target acted as if the funds were gone, concealing the fact that it still had, or soon would have, possession and control over those funds because it, like the scammer, profited from the scam at Plaintiff's expense.

Plaintiff Francine Konowalow's Experience

55. On April 25, 2023, Konowalow received a text message indicating she had been charged for a Match.com subscription and providing a customer service number for her to contact if she did not recognize the charge. Konowalow called the customer service number she was given for Match.com. Konowalow was eventually connected to a person who identified herself as "Lisa Buttler," posing as a Wells Fargo bank representative (the "scammer"). Konowalow informed the scammer that she had been charged for a subscription she did not approve. The scammer told Konowalow that her account had been used to purchase fraudulent cryptocurrency. The scammer informed Konowalow that she would need to reimburse the bank for the fraudulent purchases or she would be arrested for fraud.

56. The scammer instructed Konowalow to purchase Target gift cards and provide the access codes for each card to the scammer to cover the reimbursement. Konowalow had no independent intent to purchase gift cards, nor did she have any intent to use the Target gift cards to purchase merchandise from Target.

57. Immediately after speaking to the scammer, on April 25, 2023, Konowalow purchased 4 \$495 Target gift cards (\$1,980 in total) from the Giant Eagle store located near her home.

58. At the time of purchase, Konowalow did not know that payment services were not among the products and services available at Target, and was unaware of the nature, much less the prevalence, of Target gift card scams. Prior to purchase, Konowalow read the language on the back of the Target gift cards she had been instructed to purchase, but it did not include sufficient information or warning to alert her to the fact that she was in the process of being scammed.

59. Immediately after purchasing the Target gift cards, Konowalow provided the Target gift card access codes to the scammer via telephone.

60. On information and belief, shortly after Konowalow provided the Target gift cards' access codes to the scammer, the scammer (or a "runner" working with the scammer) used the gift card codes stolen from Plaintiff Konowalow to purchase merchandise from Target, either (1) online at Target.com, by logging into a Target Account and entering the codes before or during the online checkout process; or (2) in a Target store, by using the codes to add the gift cards to the scammer's Target account and making purchases at the cash register or self-checkout kiosk using Target's mobile app, which allows physical gift cards to be saved and used in a Target store without the presence of the physical card.

61. At the moment the scammer attempted to use the gift card codes to purchase merchandise, Target had actual knowledge of the data points concerning the purchase of the Target gift cards, the scammer's Target Account, and the scammer's attempted use of the cards.

62. At the point in time that the scammer attempted to spend Konowalow's Target gift cards, Target had sufficient information to identify and suspend or terminate

any Target Account used by the scammer, reject any attempts by the scammer to purchase merchandise, and conserve the funds for the scam victim.

63. On April 26, 2023, Konowalow learned from her bank that her account had not been used in connection with fraudulent purchases. Only at that point did Konowalow realize that she was the victim of a Target gift card scam.

64. The same day, on April 26, 2023, Konowalow reported the Target gift card scam to Target, identified herself as the victim of a Target gift card scam, and provided Target with the identification numbers of the Target gift cards that she had purchased as the victim of the gift card scam. Target told Konowalow that the funds had been depleted and there was nothing it could do.

65. Konowalow provided Target with the information necessary to identify herself as the victim of the Target gift card scam involving the specific cards she purchased.

66. On April 26, 2023, Konowalow also reported the scam to the Adams Township Police Department, but was told that there was nothing they could do.

67. Target has not refunded Konowalow any portion of the \$1,980 she spent on the purchase of Target gift cards as a result of the Target gift card scam.

68. Target concealed from Konowalow that it had actual knowledge of the data points that it needed to determine the Target gift cards Konowalow purchased were subject to a scam before Konowalow contacted Target, and that Konowalow's call only provided Target with the identity of the victim of the fraud already known to Target. On information and belief, Target had detected the Target gift card scam using its algorithm and internal

fraud detection tools described in paragraphs 102-112 below before Konowalow called Target, but Target concealed this fact from Konowalow.

69. Target concealed from Konowalow any efforts it took to suspend and/or terminate the scammer's Target Account so that it could not be used for additional fraud, and so that any additional funds on the account would be conserved.

70. Target concealed from Konowalow that it was still holding, or soon would be holding, the funds that Konowalow used to purchase the Target gift cards. Instead, Target acted as if the funds were gone, concealing the fact that it still had, or soon would have, possession and control over those funds because it, like the scammer, profited from the scam at Plaintiff's expense.

Plaintiff Dyanne Wallis's Experience

71. On October 10, 2023, at approximately 6:00 p.m., Wallis was using her personal computer to balance her bills when an alert, purporting to be from Microsoft, appeared on her screen, locking her computer. The alert claimed Wallis's computer had been hacked, and it instructed her to immediately contact a provided phone number.

72. Upon calling, Wallis spoke with a scammer who falsely identified himself as Microsoft support and deceptively gained remote access to her computer. The scammer then claimed obscene materials had been downloaded onto Wallis's computer and threatened her with imprisonment if she did not immediately have them removed.

73. Under significant duress and believing the scammer's assertions, Wallis complied with instructions to purchase gift cards to rectify the alleged illegal activity. On October 11, 2023, Wallis withdrew cash from her bank account and credit union savings

account to purchase two Target gift cards valued at \$350 each and one Target gift card valued at \$300 (\$1,000 in total) from Giant Eagle in Rochester, Pennsylvania.

74. Immediately after purchasing the gift cards, Wallis provided the scammers with the gift card numbers and access codes via telephone. Wallis retained the physical gift cards.

75. On information and belief, shortly after Wallis provided the Target gift cards' access codes to the scammer, the scammer (or a "runner" working with the scammer) used the gift card codes stolen from Plaintiff Wallis to purchase merchandise from Target, either (1) online at Target.com, by logging into a Target Account and entering the codes before or during the online checkout process; or (2) in a Target store, by using the codes to add the gift cards to the scammer's Target account and making purchases at the cash register or self-checkout kiosk using Target's mobile app, which allows physical gift cards to be saved and used in a Target store without the presence of the physical card.

76. At the moment the scammer attempted to use the gift card codes to purchase merchandise, Target had actual knowledge of the data points concerning the purchase of the Target gift cards, the scammer's Target account, and the scammer's attempt to purchase merchandise with the cards.

77. At the point in time that the scammer attempted to spend Wallis's Target gift cards, Target had sufficient information to identify and suspend or terminate any Target Account used by the scammer, reject any attempts by the scammer to purchase merchandise, and conserve the funds for the scam victim.

78. At no point during this transaction did Wallis have any independent intent or desire to purchase Target gift cards or merchandise from Target.

79. On October 11, 2023, Wallis reported the scam to the New Sewickley Township Police Department, but was told that there was nothing they could do.

80. Wallis did not contact Target to report the scam or to request a refund believing, based on her conversation with law enforcement, that there was nothing Target could do to assist her.

81. Target failed to prevent the fraudulent use of Wallis's gift cards despite possessing sufficient technological resources and knowledge to do so. Wallis has not received any refund from Target for the \$1,000 she spent on Target gift cards as a result of this scam.

JURISDICTION AND VENUE

82. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §1332 because: (1) there is an aggregate amount in controversy exceeding \$5,000,000, exclusive of interest or costs; and (2) there is minimal diversity because at least one Plaintiff and Defendant are citizens of different states. This Court has supplemental jurisdiction over the state law claims pursuant to 28 U.S.C. §1367(a).

83. This Court may exercise jurisdiction over Defendant because Target is a citizen of this District, maintains its principal place of business in this District, has continuous and systematic contacts with this District, does substantial business in and within this District, receives substantial revenues from marketing, distribution, and sales of Target gift cards in this District, and engages in unlawful practices in this District as

described in this Complaint, so as to subject itself to the personal jurisdiction of this District, and thus rendering the exercise of jurisdiction by this Court proper and necessary.

84. Venue is proper in this judicial District pursuant to 28 U.S.C. §1391(b) because Target is headquartered in this District, advertises in this District, and receives substantial revenues and profits from the sale of Target gift cards which it directs into the stream of commerce in this District. As such, a substantial part of the events or omissions giving rise to the claims alleged herein occurred in this District.

FACTUAL ALLEGATIONS COMMON TO THE CLASS

I. TARGET GIFT CARDS

85. Retail gift cards like Target gift cards allow consumers to purchase goods and services.

86. Target Corporation issues Target gift cards⁷ and sells Target gift cards to consumers in its own stores and through retailers like grocery stores and convenience stores.

87. Target sells gift cards for the amount shown on the face of the gift card (or an amount selected by the consumer within the range reflected on the face of the card), up to \$500, and the amount of stored value activated on the card is equal to the amount in dollars paid by the consumer.

⁷ *Get to know Target Circle*, TARGET, <https://help.target.com/help/subcategoryarticle?childcat=Target+GiftCards&parentcat=Gift+Cards&searchQuery=search+help> (last visited July 8, 2025).

88. Prior to purchase and activation, the gift cards have no value. That is, the value stored on gift cards sitting on a display rack is zero or dormant until a consumer takes the gift cards to the retailer's register and purchases the cards.

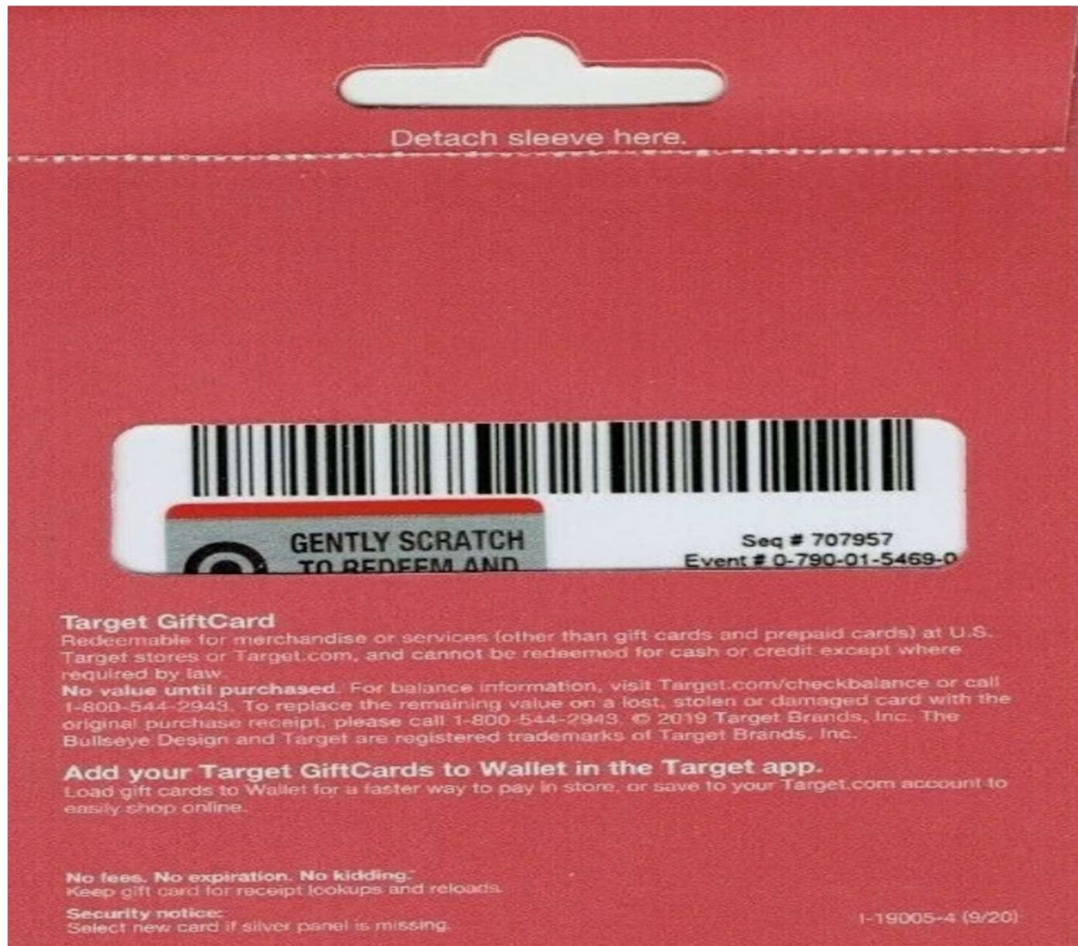
89. Target gift cards are activated at the time of purchase for the amount paid for the card. After activation, Target gift cards can be added to a Target Account and spent online at Target.com, or in Target stores using the Target mobile app, using the unique access codes on the back of the card. Alternatively, the physical card may be used to make purchases in-store. Unless properly activated through a retailer, a Target gift card has no value and cannot be added to a Target Account or spent. Through point-of-sale activation data, Target knows the moment a particular Target gift card is purchased and the stored value of the particular card. It also knows the retail location where the card was purchased and whether other Target gift cards were purchased and activated at that location at the same time as the card at issue.

II. TARGET GIFT CARD PACKAGING

90. The minimal terms and conditions applicable to mere purchasers of Target gift cards are provided on the gift card packaging.⁸ When Plaintiff Reese purchased the Target gift cards in 2021, the packaging for Target gift card made no reference to scams. Target did not warn customers that scammers could attempt to trick customers into providing the gift card access codes. Nor did Target provide customers with instructions

⁸ Additional terms and conditions may be applicable to those who add a Target gift card to a Target Account and/or spend a Target gift card online, but Plaintiffs did not do those things.

on how to report fraud or request a refund for gift cards stolen through fraud.⁹ For example, the packaging visible to Plaintiff Reese and the other consumers prior to purchase stated:¹⁰



⁹ Target occasionally changes the language on its gift cards and the cards' packaging, but the lack of adequate warning and instruction on how to report or halt fraud involving Target gift cards has been consistent, even when Target began making reference to scams. *See, e.g., Target Introduces New Gifts Cards to Thwart Thieves*, COUPONS IN THE NEWS (Nov. 25, 2024), <https://couponsinthenews.com/2024/11/25/target-introduces-new-gift-cards-to-thwart-thieves/> (Target redesigned its gift card sleeve language to include: "Avoid Scams. Target Giftcards are only accepted at Target stores and Target.com. For more information visit securitytarget.com").

¹⁰ *See, e.g., Target Gift Card Mother's Day - Flowers - Purple - 2021 - Collectible - No Value*, EBAY, <https://www.ebay.com/itm/325176866308> (last visited July 9, 2025).

Target GiftCard

Redeemable for merchandise or services (other than gift cards or prepaid cards) at U.S. Target stores or Target.com, and cannot be redeemed for cash or credit except where required by law.

No value until purchased. For balance information, visit Target.com/checkbalance or call 1-800-544-2943. To replace the remaining value on a lost, stolen or damaged card with the original purchase receipt, please call 1-800-544-2943. © 2019 Target Brands, Inc. The Bullseye Design and Target are registered trademarks of Target Brand, Inc.

Add your Target GiftCards to Wallet in the Target app.

Load gift cards to Wallet for a faster way to pay in store, or save to your Target.com account to easily shop online.

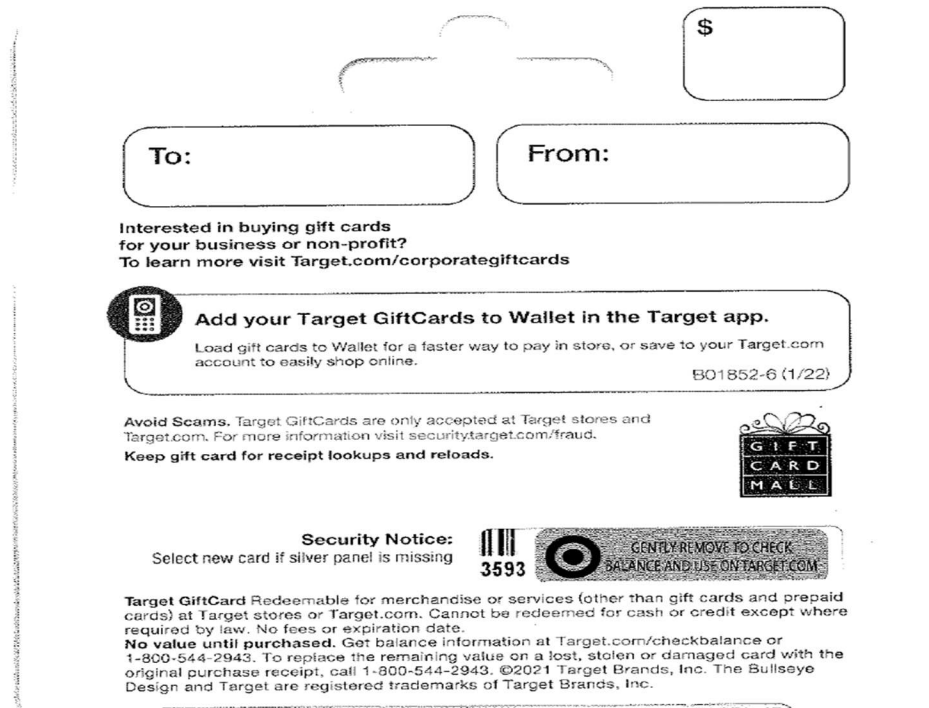
No fees. No expiration. No kidding.

Keep gift card for receipt lookups and reloads.

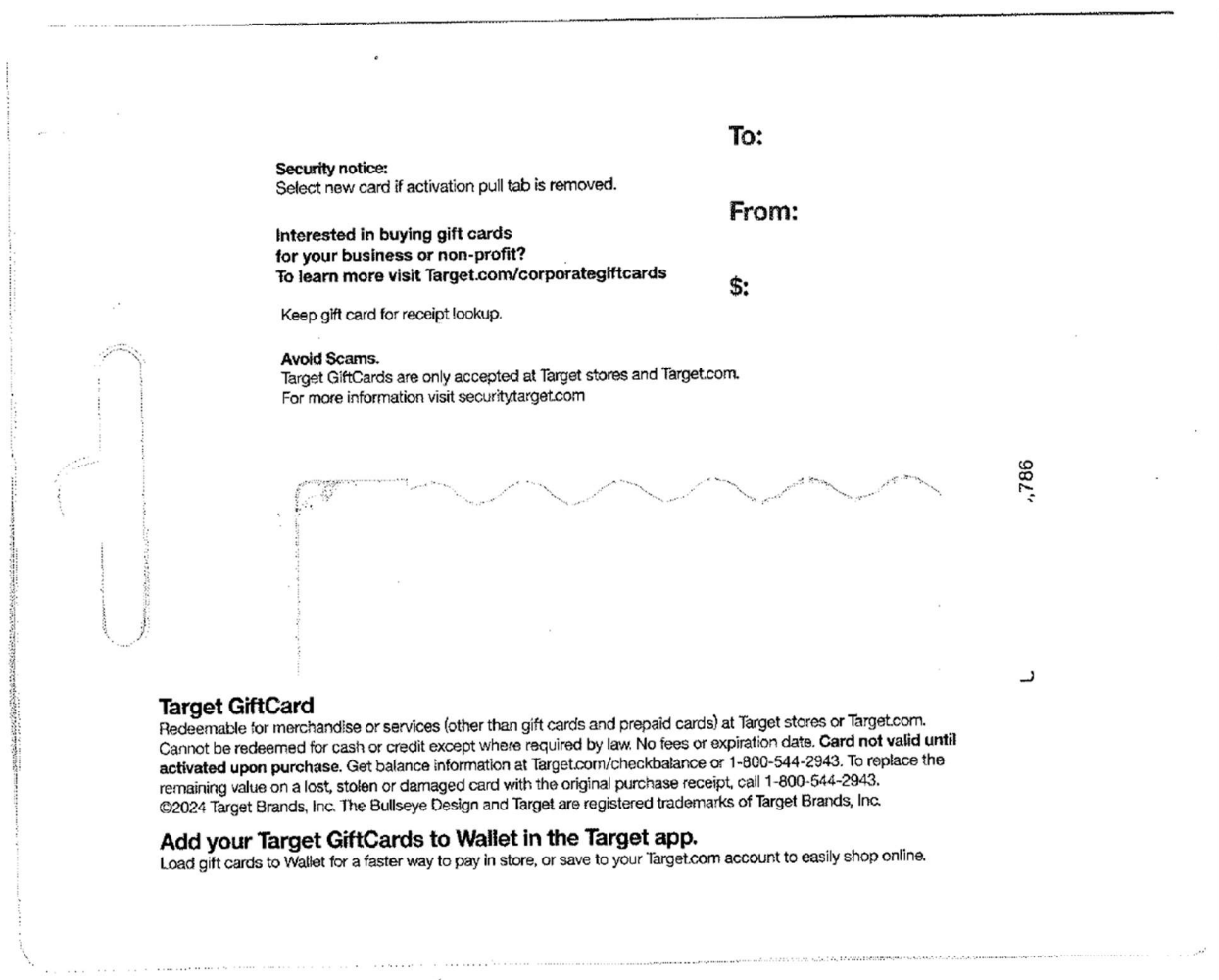
Security notice:

Select new card if silver panel is missing.

91. Similarly, when Plaintiffs Wallis and Konowalow purchased the Target gift cards in 2023, the packaging for Target gift cards did not adequately warn or protect consumers. Target did not warn customers that scammers could attempt to trick customers into providing the gift card access codes. Nor did Target provide customers with instructions on how to report fraud or request a refund for scams stolen through fraud. For example, the packaging visible to Plaintiff Yannone and the other consumers prior to purchase stated:



92. Similarly, when Plaintiff Yannone purchased the Target gift cards in 2024, the packaging for Target gift cards did not adequately warn or protect consumers. Target did not warn customers that scammers could attempt to trick customers into providing the gift card access codes. Nor did Target provide customers with instructions on how to report fraud or request a refund for scams stolen through fraud. For example, the packaging visible to Plaintiff Yannone and the other consumers prior to purchase stated:



III. TARGET'S SYSTEMS MONITOR AND TRACK GIFT CARDS AND CAN DETECT GIFT CARD SCAMS

93. Target has sophisticated computer systems that monitor and track gift cards throughout their lifecycle, from purchase and activation at the retail register, to adding to a Target account, and finally to spending on merchandise at Target.

94. Target actively tracks the gift card numbers and access codes of Target gift cards including data concerning the time and location where the gift cards are purchased. Similarly, when a Target gift card is added or saved to a Target Account, Target obtains substantial data concerning that process, including the identity of that card and the Target

Account that was used to save it, and when the gift card was saved. Finally, when an attempt is made to spend the card on merchandise at Target.com or in a Target store, Target receives a wealth of data about the attempted purchase, including the time and location, the specific merchandise in the digital or physical shopping cart, and if applicable, a wealth of information about the Target Account attempting to spend the card.

95. Target represents that it takes an active role in preventing gift card scams, stating that it “has built a multi-layered approach to stopping fraud, including gift card scams. Our group of hundreds of cybersecurity experts enables Target to identify and mitigate fraud, proactively monitor trends and create solutions to prevent fraud *before* it happens.”¹¹

96. Target has the ability to suspend and/or terminate Target Accounts that are associated with fraud.¹² Target also has the ability to reject attempted gift card transactions that it knows or suspects to be involved in fraud. When it does so, it can freeze the gift card funds which a scammer attempted to add to a Target Account or spend in the rejected transaction. Target reserves the right to disable a customer’s access to their Target Account

¹¹ *How Target is Helping Prevent Fraud in Store & Online*, TARGET SECURITY & FRAUD: HOW TARGET IS HELPING PREVENT FRAUD IN STORE & ONLINE, <https://security.target.com/preventing-scams/> (last visited July 9, 2025) (emphasis added).

¹² *Terms & Conditions*, TARGET, <https://www.target.com/c/terms-conditions/-/N-4sr7l#usertransactions> (last visited July 8, 2025) (“Target reserves the right, without notice and at its sole discretion, to terminate your account or your use of the Site and to block or prevent future access to and use of the Site (i) if you violate any of these Terms & Conditions, (ii) for any other reason or (iii) for no reason. Upon any such termination, your right to use the Site will immediately cease.”).

without issuing a refund to the customer. Target may terminate access to a Target Account upon the detection of suspicious activity in connection with that account.¹³

97. When a Target gift card is tendered to pay for merchandise, either online at Target.com or via the Target mobile app in a Target store, Target has actual knowledge of a wealth of data, including but not limited to the following: (1) with respect to the gift card purchase, the unique gift card number of the gift card, the precise location and time the gift card was purchased, whether other gift cards were purchased at that same location and time, and the numbers and values of all Target gift cards purchased at that same time and location; (2) with respect to adding one or more gift cards to a Target Account, the identity of the Target Account, the precise moment of adding to that Target Account (including the amount of time that passed between purchase and adding), and the type, IP address and location of the device used to add the gift cards (including the distance between the location of purchase and the where the cards were added to the Target Account); (3) with respect to the associated Target Account, when the Target Account was created, the user, device and payment information associated with the account, the IP address location(s) or country in which the Target Account was created and is accessed, and that Target Account's transaction history, including all gift cards ever added to that Target Account and all purchases of merchandise made from that account; (4) with respect to the attempt to spend the gift card, the time of the attempt (including the amount of time passed between purchase of the card and the attempt to spend it), the location of the attempt (including the distance

¹³ *Id.*

between the purchase of the card and the attempt to spend the card), and the specific merchandise selected.

98. Upon information and belief, Target has algorithms and other systems in place to detect the fraudulent addition of Target gift cards to Target Accounts and fraudulent attempts to spend those gift cards.

99. Target does not automatically fulfill a Target website order. In addition to its own internal controls, Target allows consumers to cancel orders so long as they are done within the cancellation window.¹⁴ The option to cancel an order within the cancellation window runs at least until the items have been processed for shipping.¹⁵ This allows both consumers and Target to cancel purchases.

100. Target routinely declines to cancel orders even when customers report fraud and Target's own internal investigation indicates gift card fraud. Specifically, those consumers who reported a Target gift card scam to Target within the time period to cancel an order have found that Target does not cancel the orders and allows them to be fulfilled, of course benefiting Target itself. Even in those circumstances, where Target plainly could have prevented the use of fraudulent gift cards, Target still reiterates its policy that it is "unable to provide a refund or replacement GiftCard."¹⁶

¹⁴ See Fletcher, *supra* n.1.

¹⁵ *Id.*

¹⁶ Target Corporation, BETTER BUSINESS BUREAU: MINNESOTA: MINNEAPOLIS: DEPARTMENT STORES: TARGET CORPORATION: COMPLAINTS (Aug. 1, 2022), <https://www.bbb.org/us/mn/minneapolis/profile/department-stores/target-corporation-0704-1137/complaints?page=154> (Consumer Complaint: On 7/13 I received an email (at night while I was in bed) from my Target account stating an order had been processed for

101. Despite this representation, Target at all times maintains control of the funds used to purchase its merchandise. Additionally, as discussed above, Target can contractually hold and refuse to complete an order due to suspicions of fraud.

IV. TARGET'S KNOWLEDGE OF GIFT CARD SCAMS

102. Target is a highly sophisticated participant in the retail industry and actively monitors and tracks key information at each point in the Target gift card scam process from the time the Target gift card is sold through its addition to a Target Account and use.

103. When Target Accounts are created and used, Target captures certain data, including the users' IP address, location, and other information concerning the users' locations, device, and history.

104. Target also recognizes the risk of fraud, as it purports to have invested in security and fraud prevention, including "hundreds of cybersecurity experts [that] enable[]

\$181.01 against a gift card on my account. I did not place the order and confirmed it was going to an unknown address. My account had been hacked. On 7/14 when I saw the e-mail, I cancelled the order online and changed my password. On 7/16, I saw the order was not cancelled and still processing. I called Target customer service and notified them of the situation and asked them to cancel the order again (it still had not shipped) . . . After weeks passing and talking to many customer service reps, the order wound up getting fully shipped to the fraudulent address, and Target denied my request for a credit.; *see id.* ("Upon receipt of your contact, we have reviewed the guests concerns and researched them with the appropriate teams. After further review, our teams have confirmed if the card was used without your consent, we believe the card information may have been shared directly or indirectly after the purchase was made for the GiftCard. We recommend our guest partnering with local law enforcement as Target is willing to work closely with them. At this time, *were unable to provide a refund or replacement GiftCard as the unrecognized redemption of funds could not have been prevent by Target.*") (emphasis added).

Target to identify and mitigate fraud, proactively monitor trends and create solutions to prevent fraud before it happens.”¹⁷

105. Target developed “new technology to prevent cybercrime and fraud such as gift card scams.”¹⁸ Upon information and belief, Target’s gift card fraud detection algorithms were developed as a result of Target’s knowledge of the significant prevalence of scams using Target gift cards, how Target gift card scams operate, and extensive analysis of data from past gift card scams. The information supporting this belief includes: (1) the public availability of information about gift card scams; (2) Target’s technological abilities; (3) the vast amount of data available to Target regarding past scams; and (4) Target’s public statements acknowledging its awareness of the gift card scams and how they operate.

106. Target is not alone in developing and deploying algorithmic tools for detecting gift card scams. Like Target gift cards, Walmart gift cards are also frequently used by scammers. By 2018, Walmart implemented a technology called “Redemption,” which deploys algorithms to detect gift card fraud. Based on its knowledge that scammers often live outside of the United States and work with associates inside the United States to spend Walmart gift cards, Walmart has identified scammed cards using this technology and intercepted the funds during the laundering process. Walmart turned the intercepted funds over to law enforcement to be returned to gift card scam victims.¹⁹ Although the

¹⁷ *How Target is Helping Prevent Fraud in Store & Online*, *supra* n.11.

¹⁸ *Id.*

¹⁹ *BBB Study: Growth of gift card scams causes retailers to innovate solutions*, BETTER BUSINESS BUREAU: LATEST NEWS (Nov. 16, 2023), <https://www.bbb.org/article/investigations/29516-bbb-study-growth-of-gift-card-scams-causes-retailers-to-innovate-solutions>.

number of scams using Walmart gift cards is just a fraction of the number of such scams using Target gift cards, Target has failed to implement such measures to detect and remedy gift card fraud.

107. Target can and does refuse to accept Target gift cards at its discretion. Pursuant to the company's website, "Target reserves the right to reject or deactivate any gift card to prevent fraud, suspected fraud or abuse."²⁰ Despite its claim, Target often refuses to do so, even when notified of fraud during the cancellation window.

108. Target's admission of the existence of a fraud-detection and prevention mechanism coupled with its reserved right to reject attempts to spend of gift cards support a strong inference that Target's technology provides the company with actual notice of gift card scams in real-time, either at the moment the cards are added to Target Accounts or, at the latest, at the moment when the cards are tendered in an attempt to purchase merchandise from Target; and, further, that Target is fully capable of detecting scams and then either preventing the spending of the fraudulently obtained cards or, at least, intercepting the funds stolen in connection with the fraudulently obtained gift cards.

²⁰ *Where can I find information about gift card fraud prevention?* TARGET: HELP: SEARCH RESULTS: WHERE CAN I FIND INFORMATION ABOUT GIFT CARD FRAUD PREVENTION?, <https://help.target.com/help/TargetGuestHelpArticleDetail?articleId=ka95d000000gVBiAAM&articleTitle=Where+can+I+find+information+about+gift+card+fraud+prevention%3F> (last visited July 10, 2025)

109. At the moment a scammer attempts to add a Target gift card to a Target Account, Target has actual knowledge of the following facts:

- a. The exact retail store where the Target gift card was purchased;
- b. the date and time of purchase;
- c. the amount of value stored on the card;
- d. whether the Target gift card was purchased with other gift cards (and the card numbers and amount of value stored on those cards);
- e. the date and time of the attempt to add the card to a Target Account;
- f. the identity of the Target Account attempting to add the gift card;
- g. any prior indications of fraud associated with that Target Account;
- h. the contact information provided for that Target Account;
- i. the IP address and country location of the device used to create the Target Account;
- j. the date and time of the Target Account's creation;
- k. whether the Target Account has added other gift cards;
- l. whether the Target Account has made any previous purchases;
- m. addresses associated with shipping of purchases;
- n. the amount of time that has elapsed between the Target gift card purchase and the attempt to add the card;
- o. the IP address and location (and country) of the device used to add the card and whether it differs from the location (and country) in which the gift card was purchased; and

- p. whether the Target Account is attempting to add other gift cards at the same time, and the amount of those gift cards.

110. At the moment a scammer attempts to make a purchase using the funds from the Target gift card, Target has actual knowledge of the facts identified above and, in addition, the following facts:

- a. the timing of the attempted purchase;
- b. the specific merchandise sought to be purchased;
- c. the price(s) of that merchandise;
- d. the amount of time between the purchase of the gift card and the attempt to spend it on merchandise; and
- e. the distance between the purchase of the gift cards and the attempt to use it to purchase merchandise.

111. Upon information and belief, Target incorporates the data points identified above into its algorithms for fraud detection and prevention. This belief is based on the following information: (1) Target has admitted that it has algorithms in place to identify, prevent, and mitigate fraud; (2) Target's public facing statements concerning the information it collects from Target Account users; (3) Target's right to suspend gift cards that it suspects were involved in a fraud or scam and its enforcement of that right; (4) Target's right to block use in another country of gift cards purchased in the U.S.; (5) the fact that these data points would be logical to include in such technological assessments; and (6) the fact that Target has the right to cancel orders for Target purchases if it suspects fraud or scams.

112. After the scammer successfully purchases merchandise using funds from the Target gift card, Target also knows of any subsequent activity relating to that gift card and any Target Account to which the stolen gift card was added, including any additional gift cards added or additional purchases of merchandise.

V. TARGET GIFT CARD SCAMS

113. Gift card scams are prevalent, especially at Target. The FTC reported that from January 2018 to September 2021 alone, victims of gift card scams reported losses to the FTC in excess of \$433.5 million, with the dollar amounts increasing significantly each year.²¹ In 2023, consumers reported \$217 million in gift scam losses to the FTC.²²

114. In the first nine months of 2021, the period in which Plaintiff Reese was scammed, \$147.8 million in gift card scam losses were reported to the FTC, far exceeding the \$115.1 million gift card scam losses reported across the entirety of 2020.²³

115. Given these figures represent only the fraction of victims who know they can report scams to the FTC and decide to complete a detailed online FTC form asking for their personal information, it can be reasonably inferred that these reported losses reflect only a small portion of the actual gift card scam losses over that period. Many victims do not report gift card fraud to the gift card issuer, the FTC, or any law enforcement entity.²⁴

²¹ Fletcher, *supra* n.1.

²² *Consumer Sentinel Network: Data Book 2023*, FEDERAL TRADE COMMISSION, (Feb. 2024), https://www.ftc.gov/system/files/ftc_gov/pdf/CSN-Annual-Data-Book-2023.pdf.

²³ Fletcher, *supra* n.1.

²⁴ See, e.g., Tamara Lytle, *Gift Cards are for Gifts – Not Grifters*, AARP (Nov. 7, 2019), <https://www.aarp.org/money/scams-fraud/info-2019/prevent-gift-card-fraud.html> (director of fraud victim support at the American Association for Retired Persons, or

116. The FTC reported that Target gift cards were the primary card of choice for reported gift card scams.²⁵

117. An investigation by the FTC identified that gift card scams involving Target gift cards were approximately \$35 million of the \$147.8 million in gift card scam losses reported to the FTC between January and September 2021.²⁶ The median individual reported losses from January 1, 2021 through September 30, 2021 for victims of gift card scams using Target gift cards was approximately \$2,500 and approximately 30% of victims reported a loss of \$5,000 or more in Target gift cards.²⁷

118. Scammers demand payment in gift cards because “[g]ift cards are essentially cash, meaning anyone who has the code can spend the amount on the card.”²⁸ From 2018 through at least 2021, gift cards were the most frequently reported vehicle for fraud. During this period, 26.6% of all fraud victims who reported losses to the FTC indicated that their money was stolen using gift cards or reloadable cards.²⁹ According to one digital security service, “[g]ift cards have become one of the most popular payment methods for scammers as they’re easy to buy and share, hard to trace, and nearly impossible to refund

AARP, says that victims often do not contact law enforcement because “[t]hey are embarrassed and ashamed, and they don’t think it does any good”).

²⁵ Fletcher, *supra* n.1.

²⁶ Fletcher, *supra* n.1.

²⁷ *Id.*

²⁸ *BBB Study: Growth of gift card scams causes retailers to innovate solutions*, *supra* n.19.

²⁹ Fletcher, *supra* n.1.

once their balance has been spent.”³⁰ “[T]he fact that companies treat them like cash makes them prime targets for scammers.”³¹

119. Target is on notice of the widespread nature of Target gift card scams and has been for years. Target has received actual notice of scams involving Target gift cards from a variety of sources, including from victims of Target gift card scams and requests for information from law enforcement agencies related to Target gift card scams for years, beginning on a date known only to Target. The FTC had identified Target gift cards as the gift cards involved in the most scams three years before Plaintiff Reese fell victim to a Target gift card scam in 2021.³²

120. Target knows precisely how its Target gift cards are used by scammers to steal money from their victims.

121. As Target acknowledges on its website, the first step in the typical Target gift card scam is to convince the victim to purchase “large dollar amounts of gift cards as a form of payment to prevent ‘something bad from happening’.” Target describes the typical scams in formulaic terms:

Victim assisted fraud occurs when a fraudulent actor leverages social engineering to trick an individual into purchasing large dollar amounts of gift cards as a form of payment to prevent “something bad from happening”. The fraudulent actor acts with a strong sense of urgency and fast talking to prevent the victim from having a minute to think about what is happening. They may claim that a loved one is in trouble or they are from the government

³⁰ Irina Maltseva, *Why do Scammers want Gift Cards?*, AURA (Oct. 26, 2023), <https://www.aura.com/learn/why-do-scammers-want-gift-cards>.

³¹ *Id.*

³² Cristina Miranda, *Scammers demand gift cards*, FEDERAL TRADE COMMISSION: CONSUMER ALERTS (Oct. 16, 2018), <https://consumer.ftc.gov/consumer-alerts/2018/10/scammers-demand-gift-cards>.

and failure to pay will result in jail time. Others use the disguise of tech support to remote into the victim's computer and install ransomware or their utility company who plans to cut off service if not paid immediately.³³

122. Target knows that scammers instill a sense of urgency in their victims. In the words of the FTC: "They will say to pay them right away or something terrible will happen."³⁴ As Target recognized in its description of the Target gift card scams, scammers want to prevent victims from consulting with others about the scammer's request.

123. The theft of the victims' money occurs when victims purchase gift cards at the inducement of the scammer because the victims purchased the gift cards under false pretenses which were devised to trick the victims into parting with their money. Target gift card scam victims have no independent intent or desire to purchase gift cards, nor do they intend to use them for recreational purposes on Target.com.

124. If scammers successfully convince a victim to make an initial purchase of Target gift cards and share the access codes, the scammers then typically demand that the victim purchase additional Target gift cards and share the additional access codes.

125. Once scammers obtain the access codes for the Target gift cards purchased by the victims, the scammers often transfer the stored value from the gift cards onto a Target Account. Scammers usually add the stored value onto their own scammer-controlled Target Accounts to make purchases.

³³ *Gift Card Fraud Prevention*, TARGET SECURITY & FRAUD: GIFT CARD FRAUD PREVENTION, <https://security.target.com/gift-card-scam-prevention/> (last visited July 9, 2025).

³⁴ *Avoiding and Reporting Gift Card Scams*, FEDERAL TRADE COMMISSION: ARTICLES, <https://consumer.ftc.gov/articles/avoiding-and-reporting-gift-card-scams> (last visited July 9, 2025).

126. Typically, the scammer or a runner uses a Target Account which is controlled by the scammer to spend the stored value by purchasing merchandise from Target.³⁵ Target understands that scammers monetize gift card scams to, *inter alia*, “make quick money to large, organized retail crime rings using the profits for illegal drug production and distribution, illegal migration, and human trafficking.”³⁶ Target is also aware that the FTC and others “estimate losses in the hundreds of millions of dollars.”³⁷ Those losses, however, represent Target’s profits.

127. After providing Target gift card access codes to scammers, victims like Plaintiffs become targets for refund and recovery scams. Recovery scammers use information sold or traded by other scammers to identify victims who have previously fallen victim to the scam. The recovery scammer then contacts the victim and claims that they can obtain a refund for the victim or recover the prize promised by the original scammer. To obtain the trust of the victim, recovery scammers present themselves as working on behalf of a government agency, consumer advocacy organization, or law firm. These recovery scammers profit by convincing victims that funds must be paid upfront before the recovery can occur or by requesting confidential personal information from the

³⁵Alternatively, scammers can resell the gift cards’ numbers and access codes. In any event, Target’s role remains the same even when the scammer resells the access code.

³⁶ See *Gift Card Fraud Prevention*, *supra* n.33.

³⁷ *Id.*

victim which they can use to steal their funds or identity. Gift cards are among recovery scammers' preferred means of payment.³⁸

VI. TARGET'S UNIFORM POLICY OF CONCEALMENT

128. Upon information and belief, Target uniformly informs victims and the general public that, because scammers spend the funds immediately, there is nothing it can do to reimburse scam victims.

129. Upon information and belief, Target uniformly, and pursuant to a scripted response, informs scam victims who contact it that their funds are gone and/or there is nothing it can do. When scam victims contact Target, it responds consistently with its uniform policy and using a standardized protocol or script.

130. Target requests and records victims' names and contact information and the gift card codes on the back of the Target gift cards. Target also maintains law enforcement and regulatory agency reports that it encourages victims to complete. Target then, and continues, to tell the scam victims that Target is unable to refund the stolen funds and conceals from them the fact that those funds are still, or soon will be, in Target's possession or control.

131. By omitting from its communications with victims its ability to deny redemption or spending, suspend and terminate Target Accounts, cancel pending orders, and return the funds still in its possession to scam victims, Target misleads victims into

³⁸ See *Refund and Recovery Scams*, FEDERAL TRADE COMMISSION: ARTICLES, <https://consumer.ftc.gov/articles/refund-and-recovery-scams#:~:text=They%20may%20call%20the%20upfront,they%20could%20steal%20your%20identity> (last visited July 9, 2025).

falsely believing that Target cannot reject stolen gift cards and conserve and return their funds. Indeed, while Target conceals its ability to freeze accounts and prevent gift card scams, in 2023, the FTC issued a consumer alert advising consumers of the fact that gift card companies could and indeed were freezing stolen gift card money and able to refund that money to victims.³⁹ Target's failure to publicly and prominently disclose its ability to stop gift card scams and return the stolen money to victims is misleading to gift card scam victims.

132. Target's representations mislead victims into believing that there is nothing Target can do to prevent the scammers from purchasing merchandise with stolen gift cards, and thus that there is, in fact, nothing Target can do.

133. Target does not inform consumers that it remains in possession of the funds or has the ability to reject purchases and conserve the funds associated with a gift card scam. Target does not inform victims that it allows transactions to proceed and keeps 100% of the profits it obtains from the merchandise purchased through scam efforts and 100% of the funds from Target Accounts it identifies as having been involved in a Target gift card scam. By telling victims that it no longer controls the proceeds of the Target scam after gift cards are spent, Target conceals its continued control over the stolen funds and the profit it makes from those stolen funds.

³⁹ Cristina Miranda, *If you paid a scammer with a gift card, is your money gone? Maybe not*, FEDERAL TRADE COMMISSION (Aug. 21, 2023) <https://consumer.ftc.gov/consumer-alerts/2023/08/if-you-paid-scammer-gift-card-your-money-gone-maybe-not>; *see also* BBB Study: *Growth of gift card scams causes retailers to innovate solutions*, *supra* n.19.

134. The message uniformly conveyed by Target discourages victims of Target gift card scams from contacting Target and convinces most of the victims who do contact Target to quietly accept Target's refusal to issue a refund and not pursue legal action, approach the press, or pursue the refusal with law enforcement or legislators.

135. Target has a duty to disclose and not conceal from Plaintiffs and Class members the foregoing material facts. Target's duty to disclose arises out of: (1) its misrepresentation to consumers that there is nothing Target can do; and (2) its exclusive knowledge and active concealment of material facts which allows Target to identify all accounts involved in Target gift card scams, reject stolen gift cards, and return the value of Target gift cards to scam victims.

136. Target's omissions and misleading statements, as set forth above, are for the purpose of concealing, withholding, and retaining its profit on purchases made with fraudulently obtained Target gift cards and any funds frozen on suspicion of gift card fraud.

137. As a direct and proximate result of Target's conduct, misrepresentations, and omissions described herein, Plaintiffs and Class members suffered damages including the amount of money that Plaintiffs and Class members spent on Target gift cards that were not refunded to them by Target.

VII. TARGET'S GIFT CARD SCAM PROFITS

138. Target conceals its control over Target gift card victims' stolen property. Its universal "no-refund" policy is profitable to Target.

139. When Target denies redemption or spending of a Target gift card after detecting gift card fraud, Target retains 100% of the money paid to purchase that gift card.

If the scammer or a third party, for whatever reason, fails to seek redemption of a gift card, Target retains 100% of the stolen money paid to purchase that Target gift card even if it has been informed the purchase was a scam.

140. Plaintiffs never intended to purchase items at Target. Their respective intention was to pay off a debt. For each Target gift card purchased by Plaintiffs that Target refused to refund, Target either maintained the full value of the funds thwarted from scammer spending, or if it allowed merchandise to be purchased, then Target profited from its markup on merchandise purchased with stolen gift card funds.⁴⁰

141. Target could, and should, state prominently on its packaging and/or gift cards that scams involving gift cards are common and consumers should not purchase the card in their hands if they have been asked to do so by persons unknown to them who claim that payment by Target gift card is urgently needed. Target could, and should, provide consumers with instruction on how to immediately report gift card frauds that frequently occur with its gift cards. Instead, Target fails to adequately warn consumers and profits from Target gift card scams.

142. At least until 2021, Target said nothing whatsoever on its packaging and/or gift cards regarding urgent demands for payment by unknown persons or scams at all.

⁴⁰ *Investor blog discussed retail markups*, RETAIL CUSTOMER EXPERIENCE (Oct. 17, 2012) <https://www.retailcustomerexperience.com/news/investor-blog-discusses-retail-markups/#:~:text=In%20the%20middle%20are%20retail,by%20demanding%20help%20from%20suppliers> (reporting that Target has an average 46% markup); *On average, how much does Target mark up its items?* QUORA, <https://www.quora.com/On-average-how-much-does-Target-mark-up-its-items> (last visited July 9, 2025) (suggesting that Target may mark up items anywhere between 25% to 50% over their cost).

143. The language on Target’s gift cards until 2021 incorrectly assumes that consumers understand the full scope of merchandise or services available through Target and fails to alert consumers of the widespread phenomenon known to Target. For much of the Class Period, no warning was used at all or was visible to consumers prior to the purchase of gift cards.

144. Target made no effort whatsoever to warn consumers at the time and place where the scam can be avoided entirely—namely, in retail stores prior to purchase.

145. During the Class Period, Target added nonspecific language instructing victims to “Avoid Scams. Target Giftcards are only accepted at Target stores and Target.com. For more information visit securitytarget.com.” *Compare supra* ¶¶90 with ¶¶91.

146. Target used this uninformative language, which does not describe the scam and again incorrectly assumes that consumers are fully informed about the services available in Target stores and Target.com, and which does not contain any instructions for reporting a scam, despite the fact that the FTC states that “[i]f you paid a scammer with a gift card, tell the company that issued the card right away.”⁴¹ Target did not include an adequate warning or instructions to immediately report a scam to Target, despite the fact that in 2021 its cards were identified as the most popular gift card requested by scammers culminating in the highest median loss for consumers who reported the scams.

⁴¹ Traci Armani, *Did someone tell you to pay with gift cards? It’s a scam*, FEDERAL TRADE COMMISSION: CONSUMER ALERTS (Sept. 11, 2020), <https://consumer.ftc.gov/consumer-alerts/2020/09/did-someone-tell-you-pay-gift-cards-its-scam>.

147. Target knows the language on the back of its gift cards fails to adequately inform potential victims of the nature of Target gift card scams or give them the information they need to avoid becoming a victim. Target knows that scam victims are generally unaware of the full scope of “merchandise and services” available at Target stores or Target.com, and therefore do not understand that it does not, in fact, have the type of payment feature described by the scammers.

148. Target makes Target gift cards sold by retailers available for purchase in amounts up to \$500. Making Target gift cards available in such large denominations dramatically increases the amount scammers can obtain from unwitting consumers. The availability of high-value denominations is reflected by the high average loss reported by consumers in Target gift card scams. On information and belief, Target knows that a disproportionate number of high value Target gift cards are being used by scammers, and yet it continues to sell them and retain a profit from the same.

149. Target recognizes that more Target gift cards will be sold—and Target will retain greater profits—if people who otherwise had no intent to purchase Target gift cards, such as Plaintiffs Reese, Yannone, Konowalow, and Wallis are successfully persuaded to do so by scammers and are *not* then dissuaded by an effective warning.

150. Plaintiffs and the members of the Class are more likely to be targeted by scammers in the future (including by so-called “recovery scammers,”) because they provided Target gift cards gift card numbers and access codes to scammers.

TOLLING OF STATUTES OF LIMITATIONS

151. Any applicable statute(s) of limitations were tolled by Target's knowing, active concealment, and denial of the facts alleged herein. Target's conduct is inherently self-concealing because Target does not disclose its ability to monitor and control Target gift card transactions, Target Account activity, and Target online purchases. As a result, Plaintiffs and members of the Class could not have reasonably discovered the true nature of Target's conduct.

152. Target's publicly available policies are vague and omit important details. For example, information about Target's control and possession of funds is not publicly available.

153. Target has not publicly disclosed the details of its ability to detect gift card scams or to more broadly monitor Target Account activity, including addition to Target Accounts and the resulting purchases. Plaintiffs and Class members could not have discovered in the normal course of diligence that Target knew the gift cards were stolen or that Target allowed gift card purchases to proceed despite this knowledge and was keeping their stolen money.

154. After Plaintiffs and Contact Subclass members contacted Target concerning gift card scams, Target told them there was nothing Target could do. Target's representations of futility and omissions concerning its ability to monitor gift card activity and continued control over their monies were false and misleading. These misrepresentations concealed information central to the factual allegations above,

including the essential fact that Target retained control over the funds after gift cards were sold and used by scammers.

155. As a result of Target's active concealment, Plaintiffs and members of the Class could not have reasonably discovered the true nature of Target's conduct until the publication of information relating to Target's policies.

156. Target was and remains under a continuing duty to disclose the true nature of its involvement in gift card scams, including that it can identify all accounts involved in the scam, stop attempted purchases by scammers, and return the value of Target gift cards to victims. As a result of Target's active concealment, any and all statutes of limitations otherwise applicable to the allegations herein were tolled.

CLASS ALLEGATIONS

157. Plaintiffs brings this action, individually, and on behalf of a nationwide class, pursuant to Federal Rules of Civil Procedure 23(a), 23(b)(2), and/or 23(b)(3), defined as follows:

Nationwide Class

All persons in the United States and its territories who were contacted and convinced to purchase one or more Target gift cards when they had no independent intent to do so, and then provided the access codes associated with those cards to people unknown to them, and were not refunded the money they paid for the gift cards by Target or any other source (the "Class").

158. The Class Period is initially defined as the period between March 1, 2019 and the present.⁴²

⁴² Plaintiffs reserve the right to expand or amend the Class Period based on discovery produced in this matter.

159. Pursuant to Federal Rule of Civil Procedure 23(c)(5), Plaintiffs also seek to represent the following subclass:

Contact Subclass

All Class members who contacted Target directly or indirectly through law enforcement and reported the scam that were not refunded by Target or any other source.

Non-Contact Subclass

All Class members who did not contact Target directly or indirectly but suffered financial loss from purchasing Target gift cards due to fraud by false pretense scams and were not refunded by Target or any other source.

160. The Nationwide Class and the Contact Subclass shall collectively be referred to herein as the “Class.” Excluded from the Class are: (a) Defendant; (b) Defendant’s affiliates, agents, employees, officers, and directors; (c) Plaintiffs’ counsel and Defendant’s counsel; and (d) the judge assigned to this matter, the judge’s staff, and any member of the judge’s immediate family. Plaintiffs reserve the right to modify, change, or expand the various class definitions set forth above based on discovery and further investigation.

161. **Numerosity**: The Class is so numerous that joinder of all members is impracticable. While the exact number and identity of individual members of the Class is unknown at this time, such information being in the sole possession of Target and/or third parties and obtainable by Plaintiffs only through the discovery process, Plaintiffs believe, and on that basis alleges, that the Class consists of hundreds of thousands of people. The number of Class members can be determined based on Target’s and other third party’s records.

162. **Commonality**: Common questions of law and fact exist as to all members of each Class. These questions predominate over questions affecting individual Class members. These common legal and factual questions include, but are not limited to, whether:

- a. Target engaged in unfair business practices;
- b. Target engaged in unlawful business practices;
- c. Target received, retained, withheld, or concealed stolen property;
- d. Target converted the property of others;
- e. Target profited from gift card scams involving Target gift cards;
- f. Target misrepresents that there is nothing Target can do after Target gift cards are spent;
- g. Target conceals material facts, including facts regarding its ability to stop purchases and return money to scam victims;
- h. Target's conduct violated the Minnesota consumer protection statutes asserted herein;
- i. the monies obtained by Target from gift card scams rightfully belongs to Plaintiffs and Class members; and
- j. Target keeps all or a portion of stolen money when it thwarts scammers' use of the funds.

163. **Typicality**: Plaintiffs have the same interest in this matter as all Class members, and Plaintiffs' claims arise out of the same set of facts and conduct as the claims of all Class members. Plaintiffs' and Class members' claims all arise out of Target's

uniform misrepresentations, omissions, and unlawful and unfair acts and practices related to Target gift cards.

164. **Adequacy**: Plaintiffs have no interest that conflicts with the interests of the Class and is committed to pursuing this action vigorously. Plaintiffs have retained counsel competent and experienced in complex consumer class action litigation. Accordingly, Plaintiffs and their counsel will fairly and adequately protect the interests of the Class.

165. **Superiority**: A class action is superior to all other available means of fair and efficient adjudication of the claims of Plaintiffs and members of the Class. The injury suffered by each individual Class member is relatively small compared to the burden and expense of individual prosecution of the complex and extensive litigation necessitated by Target's conduct. It would be virtually impossible for individual Class members to redress effectively the wrongs done to them. Even if Class members could afford individualized litigation, the court system could not. Individualized litigation would increase delay and expense to all parties and to the court system, because of the complex legal and factual issues of this case. Individualized rulings and judgments could result in inconsistent relief for similarly situated individuals. By contrast, the class action device presents far fewer management difficulties and provides the benefits of single adjudication, economy of scale, and comprehensive supervision by a single court.

166. Defendant has acted or refused to act on grounds generally applicable to the Class, thereby making final injunctive relief and corresponding declaratory relief appropriate with respect to the Class as a whole.

FIRST CAUSE OF ACTION

**Unfair Practices
in Violation of the Minnesota Uniform Deceptive Trade Practices Act
MINN. STAT. § 325D.43-48 *et seq.*
(on Behalf of the Nationwide Class and the Contact Subclass)**

167. Plaintiffs hereby re-allege and incorporate all allegations in the Complaint, as though fully set forth herein.

168. Plaintiffs bring this Count on their own behalf and on behalf of the Nationwide Class and the Contact Subclass.

169. At all relevant times there was in full force and effect the Minnesota Deceptive Trade Practices Act (“MDTPA”), MINN. STAT. §325D.43-48, *et seq.*, which prohibits, *inter alia*, deceptive trade practices in the course of business, including “unfair or unconscionable acts or practices.” MINN. STAT. §325D.44(13)(ii).

170. Target has unfairly retained millions of dollars in funds that it knows were stolen from Plaintiffs and other victims of Target gift card scams.

171. Target has also engaged in other business acts and practices that are “unfair” under the MDTPA, including knowingly keeping and disbursing illegally obtained money.

172. Target also engaged in several practices designed to perpetuate the scheme and the stream of revenue it generates for Target. Those practices, which are unfair alone, and particularly when taken together, include, but are not limited to, failing to adequately warn consumers about the existence, nature, and prevalence of gift card scams on the packaging of its gift cards, failing to adequately warn consumers about the existence, nature, and prevalence of gift card scams on the cards themselves, and reducing the number

of victims who contact Target by failing to include an instruction to do so on its cards. Target also fails to inform victims that, regardless of whether the Target gift card was spent, if the consumer contacts Target after becoming the victim of a scam and provides the gift card access code to Target, Target can identify the Target Account involved in the scam, stop payment for purchases made by that Target account, and refund the value of the Target gift card to the victim.

173. Unfair acts under the MDTPA have been interpreted using three different tests: (1) whether the public policy, which is a predicate to a consumer unfair competition action under the unfair prong of the MDTPA, is tethered to specific constitutional, statutory, or regulatory provisions; (2) whether the gravity of the harm to the consumer caused by the challenged business practice outweighs the utility of the defendant's conduct; and (3) whether the consumer injury is substantial, not outweighed by any countervailing benefits to consumers or competition, and is an injury that consumers themselves could not reasonably have avoided. Target's conduct alleged is unfair under all of these tests.

174. As is set forth below, Target's conduct is also violative of MINN. STAT. §609.53 and constitutes conversion under the common law.

175. Target's conduct is an unfair and unconscionable act and practice that violates Minn. Stat. §325D.44(13)(ii).

176. As a direct and proximate result of Target's conduct, Plaintiffs and Class members suffered injury and have lost money that Target has improperly retained from the Target gift card scam. Target's participation in the gift card scams and concealment of its

ability to track and stop payments to scammers, aids and abets scammers and further perpetuates the scams.

177. Plaintiffs and other Class members may be targeted by additional scams requesting gift cards, including by scammers promising to recover or refund their losses.

178. The successful prosecution of Plaintiffs' claims would confer a public benefit.

179. Plaintiffs seek to enjoin further unfair acts or practices by Target and for all other relief allowed under MINN. STAT. §325D.072.

180. Pursuant to MINN. STAT. §8.31(3)(a) and MINN. STAT. §325D.45, Plaintiffs and Class members seek actual damages, injunctive and declaratory relief, attorneys' fees, costs, and any other just and proper relief available thereunder for Target's violations of the MDTPA.

181. Plaintiffs plead this claim separately as well as in the alternative to his other claims; without such claims, he would have no adequate remedy at law.

SECOND CAUSE OF ACTION

Unlawful Practices in Violation of the Minnesota Prevention of Consumer Fraud Act MINN. STAT. § 325F.68, *et seq.* (on Behalf of the Nationwide Class and the Contact Subclass)

182. Plaintiffs hereby re-allege and incorporate all allegations in the Complaint, as though fully set forth herein.

183. Plaintiffs bring this Count on his own behalf and on behalf of the Nationwide Class and the Contact Subclass.

184. The Minnesota Prevention of Consumer Fraud Act (MPCFA) prohibits “[t]he act, use, or employment by any person of any fraud, unfair or unconscionable practice, false pretense, false promise, misrepresentation, misleading statement or deceptive practice, with the intent that others rely thereon in connection with the sale of any merchandise, whether or not any person has in fact been misled, deceived, or damaged thereby.” MINN. STAT. §325F.69(1).

185. Target’s actions as set forth herein occurred in the conduct of trade or commerce.

186. In the course of Target’s business, Target failed to disclose and concealed the material fact of the high likelihood that the Gift Cards had been misappropriated or stolen by strangers or third parties in connection with gift card scams.

187. In the course of Target’s business, Target failed to disclose and concealed the material fact that it maintained control and ability to deactivate gift cards, suspend or terminate Target Accounts, cancel purchases made using stolen gift card funds, and recoup stolen funds for purposes of refunding stolen money, and that it maintained possession of the misappropriated or stolen funds at all times.

188. Target misrepresented material facts (intending for others to rely upon the misrepresentations) to Plaintiff and the Class by representing that there was nothing it could do once gift card funds were added to Target Accounts and/or spent.

189. Target made representations to Plaintiffs and the Class which amounted to fraud, false pretense, false promise, misrepresentation, misleading statement or deceptive practice, including but not limited to the fact that Target could deactivate gift cards,

suspend and terminate Target Accounts, cancel purchases made using stolen gift card funds, and refund stolen funds when Target knew or should have known that the funds associated with the cards were stolen or misappropriated by strangers or third parties;

190. In light of Target's misrepresentations, a reasonable consumer would expect the gift card funds to be outside of Target's control and beyond recouperation.

191. Plaintiffs and Class members reasonably relied upon Target's misrepresentations and had no way of knowing that said representations were false and gravely misleading.

192. Accordingly, Target engaged in unlawful acts or practices. Target's acts had the capacity, tendency or effect of deceiving or misleading consumers; failed to state a material fact that deceives or tends to deceive; and constitute fraud, false pretense, false promise, misrepresentation, misleading statement or deceptive practice with the intent that a consumer rely on the same in connection therewith.

193. Target misrepresented material facts regarding the Gift Cards with intent to mislead Plaintiffs and the Class.

194. Target knew or should have known that its conduct violated this statute.

195. Target owed Plaintiffs and the Class a duty to disclose the truth regarding the Gift Cards because Target:

- a. Possessed superior/exclusive knowledge of the security of the Gift Cards;
- b. Target, through its representatives and/or agents, made representations to Plaintiffs and the Class which amounted to fraud, false pretense, false promise, misrepresentation, misleading statement or deceptive practice,

including but not limited to the fact that Target allowed Gift Cards to be spent by scammers when Target knew or should have known that the cards had been stolen or misappropriated;

- c. Target intended for Plaintiffs and the Class to believe that there was nothing it could do to recoup the stolen funds;
- d. At all times, Target intended for purchasers to believe that the stolen funds were beyond recuperation;
- e. Target engaged in fraud, false pretense, false promise, misrepresentation, misleading statement or deceptive practice by failing to disclose material facts to Plaintiffs and the Class members in a timely and accurate manner, in violation of MINN. STAT. §325F.69(1).

196. Target's conduct proximately caused injuries to Plaintiffs and the other Class members.

197. Plaintiffs and the other Class members were injured and suffered ascertainable loss, injury in fact, and/or actual damage as a proximate result of Target's conduct in that Plaintiffs and the other Class members could not receive a refund for purchases made with stolen gift card funds.

198. Target's violations present a continuing risk to Plaintiffs and other Class members. Target's unlawful acts and practices complained of herein (1) offends public policy as established by the statutes, rules, or common law of Minnesota; (2) is unethical, oppressive, or unscrupulous; and (3) is substantially injurious to consumers.

199. The successful prosecution of Plaintiffs' claims would confer a public benefit.

200. Pursuant to MINN. STAT. §8.31(3a), Plaintiffs and the Class seek actual damages, attorneys' fees, and any other just and proper relief available.

201. Plaintiffs plead this claim separately as well as in the alternative to their other claims; without such claims, they would have no adequate remedy at law.

THIRD CAUSE OF ACTION

Receiving, Possessing, Transferring, or Concealing Stolen Property in Violation of Minn. Stat. §609.53 (on Behalf of the Nationwide Class and the Contact Subclass)

202. Plaintiffs hereby re-allege and incorporate all allegations in the Complaint, as though fully set forth herein.

203. MINN. STAT. §609.53 provides:

(1) any person who receives, possesses, transfers, buys or conceals any stolen property or property obtained by robbery, knowing or having reason to know the property was stolen or obtained by robbery, may be sentenced in accordance with the provisions of section 609.52, subdivision 3.

* * *

(4) Any person who has been injured by a violation of subdivision 1 or section 609.526 may bring an action for three times the amount of actual damages sustained by the plaintiff or \$1,500, whichever is greater, and the costs of suit and reasonable attorney's fees,

MINN. STAT. §609.53, subds. 1, 4.

204. Here, Target has (1) received, (2) possessed, (3) transferred, and/or (4) concealed stolen property, namely the money that Class members paid for the Target gift cards or alternatively the stored value held on those gift cards.

205. Minn. Stat. §609.53, subd. 4 allows for civil liability to the owner of the stolen property for treble the damages sustained (i.e., treble the value of the stolen property) or \$1500, whichever is greater.

206. At all relevant times, Plaintiffs and Class members were the rightful owners of the money used to purchase the Target gift cards. It is the money belonging to Plaintiffs and Class members that scammers wish to steal and do steal, rather than the stored value on Target gift cards. Prior to the scams, victims do not possess any Target gift cards or stored value. Their money leaves their possession and control and is stolen from them through false pretenses at the time of the retail sale of the gift card. Target ultimately receives this money in connection with the sale of scammed Target gift cards.

207. Alternatively, Plaintiffs and Class members were the original and rightful owners of any stored value on those Target gift cards.

208. Plaintiffs' and Class members' property was stolen or obtained in a manner constituting robbery by the scammers. The scammers, through false representations and/or false pretenses, defrauded Plaintiffs and Class members, convincing them to purchase Target gift cards and to provide the gift card numbers and access codes of those gift cards.

209. Target had actual knowledge or had reason to know that it was in possession of Plaintiffs' and Class members' stolen property before or at the time any purchase was made using that property.

210. At the moment the scammer sought to add the gift card to a Target Account, Target knew: the retail store where the gift card was purchased; the date and time of purchase, the amount of value stored on the gift card; whether the gift card was purchased

with other gift cards; the date and time of the attempt to add the card, the identity of the Target Account used to add the gift card; and the history of that Target Account.

211. When the scammer attempted to make a purchase using Plaintiffs' and Class members' stolen property, Target learned: the timing of the purchase and the type of product purchased.

212. Target deploys algorithms or algorithmic tools to detect gift card fraud based on the data in its possession. It can be inferred from Target's reservation of the right to refuse to redeem gift cards that Target deploys this algorithm in real-time at the time when gift cards are added to Target Accounts and again at the time when they are spent.

213. Target had further actual knowledge that it was in possession of Plaintiffs' and Class members' property when Plaintiffs and Class members contacted Target to report that they were victims of gift card scams and provided the access codes for those gift cards.

214. Target received the money paid to retailers by Plaintiffs and Class members for the gift cards. Alternatively, Target received the stored value of the gift cards when they were added by the scammer to a Target Account.

215. Target wrongfully possesses, transfers and/or conceals the property stolen from Plaintiffs and Class members by refusing to return the property that rightfully belongs to Plaintiffs and Class members despite Target's actual knowledge that the property was stolen and, Plaintiffs' and other Class members' express refund requests.

216. If Target terminated the scammer's Target Account on suspicion of fraud or thwarted spending of the gift card, Target retained 100% of the Plaintiffs' and Class members' stolen property.

217. Target wrongfully conceals Plaintiffs' and Class members' property by misleading them into believing that the funds paid for the gift cards have been laundered beyond recovery, despite the fact that Target retains those funds.

218. As a direct and proximate result of Target's conduct, Plaintiffs and Class members suffered damages.

219. Plaintiffs and Class members seek compensatory damages, including treble the damages sustained (i.e., treble the value of the stolen property) or \$1500, whichever is greater.

FOURTH CAUSE OF ACTION

Conversion (on Behalf of the Nationwide Class and the Contact Subclass)

220. Plaintiffs hereby re-allege and incorporate all allegations in the Complaint, as though fully set forth herein.

221. At all relevant times, Plaintiffs and Class members had a right to possession in, and were the rightful owners of, the money used to purchase the Target gift cards containing stored value which could be used in Target.com. Alternatively, Plaintiffs and Class members were the original and rightful owners of any stored value on those Target gift cards.

222. Plaintiffs' and Class members' property was used to purchase Target gift cards under false pretenses. These gift cards were also added to Target Accounts and spent under false pretenses.

223. Target had actual knowledge that it was in possession of Plaintiffs' and Class members' property at the time in which that gift card was added to a Target Account by the scammer and/or the moment at which the scammer made a purchase using that property.

224. Target has actual knowledge that it was in possession of Plaintiffs' and Class members' property when Plaintiffs and other Class members contacted Target, advised Target that they were the victim of a scam, and provided Target with the gift card numbers and/or access codes.

225. Target substantially interfered with Plaintiffs' and Class members' property by knowingly retaining the property and allowing purchases made with the stolen property and refusing to return Plaintiffs' and Class members' property. Target permanently deprived Plaintiffs and Class members of the use and enjoyment of their property.

226. Plaintiffs and Class members who contacted Target asked that Target return their property. Target denied the demands to return the property.

227. Plaintiffs and Class members did not consent for Target to exercise dominion or control or to retain their property.

228. Target's conduct was a substantial factor in the harm caused to Plaintiffs and Class members.

FIFTH CAUSE OF ACTION

Unjust Enrichment (on Behalf of the Nationwide Class and the Contact Subclass)

229. Plaintiffs hereby re-allege and incorporate all allegations in the Complaint, as though fully set forth herein.

230. As alleged above, Target has received a benefit from Plaintiffs in the form of monies used to purchased Target Gift Cards under false pretenses. Plaintiffs allege that it would be inequitable for Target to retain that benefit without compensating the Plaintiffs.

231. Plaintiff and members of the Classes conferred upon Target non-gratuitous payments for Target gift cards that they would not have purchased if not Target's failure to warn consumers of the nature and prevalence of these gift card scams utilizing Target gift cards and Target's concealment of the fact that it has control of the gift card amounts and that Target has sophisticated computer systems that can identify, detect, and track gift card scams as they are occurring and could stop transactions, freeze accounts, and prevent these stolen monies from being used to purchase goods, when consumers contact Target and even when victims do not contact Target.

232. Target has accepted or retained the non-gratuitous benefits conferred by Plaintiffs and members of the Classes, with full knowledge and awareness that, Plaintiffs and members of the Classes never intended to purchase these gift cards.

233. Target gift cards that it knew or should have known were stolen as part of a gift card scam. Target has been unjustly enriched in retaining the monies derived from purchases of Target gift cards by Plaintiffs and members of the Classes, which retention under these circumstances is unjust and inequitable because Target could detect and prevent these gift card scams. Retaining the non-gratuitous benefits conferred upon Target by Plaintiff and members of the Classes under these circumstances made Target's retention of the non-gratuitous benefits unjust and inequitable.

234. As a result, Target has been unjustly enriched and has benefited at the expense of Plaintiffs and Class members.

SIXTH CAUSE OF ACTION

Negligence (on Behalf of the Nationwide Class, the Contact and Noncontact Subclasses)

235. Plaintiffs hereby re-allege and incorporate all allegations in the Complaint, as though fully set forth herein.

236. Defendant Target had a legal duty to Plaintiffs and Class members to exercise reasonable care in preventing foreseeable harm, particularly with regard to detecting and preventing gift card scams utilizing its gift cards.

237. Target breached this duty by failing to adequately warn consumers of the known and prevalent risks of scams involving Target gift cards, despite actual knowledge of such scams, and by failing to utilize readily available technological systems and methods to detect, intercept, and prevent fraudulent transactions.

238. Target's breach of its duty directly and proximately caused Plaintiffs and Class members to incur significant financial losses as victims of scams utilizing Target gift cards. Had Target adequately warned consumers and employed its detection mechanisms, Plaintiffs and Class members would not have suffered the losses incurred.

239. As a direct result of Target's negligence, Plaintiffs and Class members suffered actual damages including the purchase amounts of Target gift cards fraudulently induced by scammers. Plaintiffs and Class members are entitled to recover damages resulting from Target's negligence.

240. Plaintiffs seek actual damages, attorneys' fees and costs, and other relief the Court deems appropriate.

SEVENTH CAUSE OF ACTION

**Declaratory Judgment
28 U.S.C. §2201
(on Behalf of the Nationwide Class, the Contact and Noncontact Subclasses)**

241. Plaintiffs hereby re-allege and incorporate all allegations raised in the Complaint, as though fully set forth herein.

242. Under the Declaratory Judgment Act, 28 U.S.C. §2201 *et seq.*, this Court is authorized to enter a judgment declaring the rights and legal relations of the parties and grant further necessary relief. Furthermore, the Court has broad authority to restrain acts, such as those alleged herein, that are tortious and that violate the terms of the federal and state statutes described in this Complaint.

243. Plaintiffs seek a declaration of the rights of the parties under the Federal Declaratory Judgement Act, 28 U.S.C. §2201.

244. An actual and justiciable controversy exists between the parties in light of Target misrepresenting that there was nothing that they can do when Plaintiffs contacted Target to report being a victim of a scam involving Target gift cards, and by failing to disclose that Target can identify the Target gift cards, identify the Target Accounts, knowingly makes payments to accounts involved in gift card scams, and fails to return the money to Plaintiffs and the Class.

245. Plaintiffs and Class members lack an adequate remedy at law.

246. Target cannot, as a matter of law, engage in conversion, or destruction of the balance of Target gift cards when Target knows that the Target gift cards were purchased as a result of wrongful and unlawful conduct, Target has knowledge of the gift card scams perpetrated on Plaintiffs and Class members, Target engages in practices which perpetuate the gift card scams, and Target knowingly retains profits from the gift card scams perpetrated on Plaintiffs and Class members.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs, on behalf of themselves and all others similarly situated, respectfully request that this Court:

- A. Determine that the claims alleged herein may be maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure, and issue an order certifying one or more of the Classes defined above;
- B. Appoint Plaintiffs as the representatives of the Class and their counsel as Class counsel;
- C. Award all actual, general, special, incidental, statutory, and consequential damages, and restitution to which Plaintiffs and the Class members are entitled by law;
- D. Award pre-judgment and post-judgment interest on such monetary relief;
- E. Grant appropriate injunctive and/or declaratory relief, including, without limitation, an order that requires Defendant to permit transactions using funds it knows or suspects were misappropriated or stolen in gift card scams;
- F. Award reasonable attorneys' fees and costs; and