TARGET CORP
Form 8-K
June 10, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) June 8, 2011

Target Corporation

(Exact name of registrant as specified in its charter)

Minnesota	**1-6049**	**41-0215170**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1000 Nicollet Mall, Minneapolis, Minnesota 55403

(Address of principal executive offices, including zip code)

(612) 304-6073

(Registrant s telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. <u>Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.</u>

On June 8, 2011, Target Corporation (the Company) held its 2011 Annual Meeting of Shareholders (the Annual Meeting), at which our shareholders approved the Target Corporation 2011 Long-Term Incentive Plan (the 2011 Plan). The full text of the 2011 Plan is attached as Appendix A to the Company s definitive proxy statement on Schedule 14A filed with the SEC on April 28, 2011, and is incorporated herein by reference.

Item 5.07. Submission of Matters to a Vote of Shareholders.

On June 8, 2011, Target Corporation (the Company) held its 2011 Annual Meeting of Shareholders (the Annual Meeting) to: (1) elect directors for a one-year term; (2) ratify the appointment of Ernst & Young LLP as the Company s independent registered accounting firm; (3) approve the Target Corporation 2011 Long-Term Incentive Plan; (4) cast a non-binding advisory vote on executive compensation (Say-on-Pay); (5) cast a non-binding advisory vote on the frequency of Say-on-Pay votes; (6) vote on a shareholder proposal on compensation benchmarking; and (7) vote on a shareholder proposal on electronics recycling.

At the close of business on April 11, 2011, the record date of the Annual Meeting, the Company had 689,133,340 shares of common stock issued and outstanding. The holders of a total of 597,048,707 shares of common stock were present at the Annual Meeting, either in person or by proxy, which total constituted a majority of the issued and outstanding shares on the record date for the Annual Meeting.

The final voting results and the votes used to determine the results for each proposal are set forth below:

1. The shareholders elected each of the following nominees for a one-year term:

	For		Against			Broker
Nominee	No.	%	No.	%	Abstain	Non-Votes
Roxanne S. Austin	511,402,490	97.8	11,319,547	2.2	2,895,903	71,430,767
Calvin Darden	503,363,653	96.2	19,760,089	3.8	2,494,198	71,430,767
Mary N. Dillon	505,667,849	96.7	17,001,169	3.3	2,948,922	71,430,767
James A. Johnson	497,379,071	95.2	25,234,095	4.8	3,004,774	71,430,767
Mary E. Minnick	512,886,029	98.1	9,795,744	1.9	2,936,167	71,430,767
Anne M. Mulcahy	459,952,288	88.0	62,851,063	12.0	2,814,589	71,430,767
Derica W. Rice	511,880,341	98.0	10,561,503	2.0	3,176,096	71,430,767
Stephen W. Sanger	499,544,372	95.6	23,160,725	4.4	2,912,843	71,430,767
Gregg W. Steinhafel	505,870,362	96.6	18,021,909	3.4	1,725,669	71,430,767
John G. Stumpf	505,005,310	96.6	17,546,012	3.4	3,066,618	71,430,767
Solomon D. Trujillo	514,007,883	98.3	9,045,714	1.7	2,564,343	71,430,767

2. The shareholders ratified the appointment of Ernst & Young LLP as the Company s independent registered accounting firm for 2011:

For:	No.	576,424,611
	%	96.6
Against:	No.	17,571,417
	%	2.9
Abstain:	No.	3,052,679
	%	0.5

3. The shareholders approved the Target Corporation 2011 Long-Term Incentive Plan:

For:	No.	445,031,406
	%	84.7
Against:	No.	76,494,227
	%	14.5
Abstain:	No.	4,092,307
	%	0.8
Broker Non-Votes:	No.	71,430,767

4. The shareholders approved a non-binding advisory vote on executive compensation (Say-on-Pay):

For:	No.	479,768,160
	%	92.2
Against:	No.	40,356,470
	%	7.8
Abstain:	No.	5,493,310
Broker Non-Votes:	No.	71,430,767

5. The shareholders selected a term of 1 Year as the non-binding advisory recommendation for the frequency of Say-on-Pay votes:

1 Year:	No.	473,094,566
	%	90.7
2 Years:	No.	2,407,149
	%	0.5
3 Years:	No.	45,822,854
	%	8.8
Abstain:	No.	4,293,371
Broker Non-Votes	No.	71,430,767

6. The shareholders did not approve a shareholder proposal on compensation benchmarking:

For:	No.	155,251,396
	%	29.5
Against:	No.	363,725,892
	%	69.2
Abstain:	No.	6,640,652
	%	1.3
Broker Non-Votes:	No.	71,430,767

7. The shareholders did not approve a shareholder proposal on electronics recycling:

For:	No.	129,256,300
	%	24.6
Against:	No.	290,378,258
	%	55.2
Abstain:	No.	105,983,382
	%	20.2
Broker Non-Votes:	No.	71,430,767

The Board of Directors has determined to include a non-binding advisory vote on executive compensation at each Annual Meeting of Shareholders until the next required vote on the frequency of shareholder votes on executive compensation.

Item 9.01. **Financial Statements and Exhibits.**

(d) Exhibits

(10)A	Target Corporation 2011 Long-Term Incentive Plan (Incorporated by reference to Appendix A to the Target Corporation Proxy Statement filed April 28, 2011)
(99)	Target Corporation s News Release dated June 10, 2011

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TARGET CORPORATION

Date: June 10, 2011

/s/ Timothy R. Baer
Timothy R. Baer
Executive Vice President, General Counsel
and Corporate Secretary

EXHIBIT INDEX

Exhibit	Description	Method of Filing
(10)A	Target Corporation 2011 Long-Term Incentive Plan	Incorporated by Reference
(99)	Target Corporation s News Release dated June 10, 2011	Filed Electronically

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Federal Home Loan Bank ("FHLB") advances increased $17 million from March 31, 2007 and decreased $66 million from December 31, 2007. The increase in advances is primarily the result of the decrease in CD's from broker sources to more favorable rates at the FHLB. Repurchase agreements and other borrowed funds were $492 million at March 31, 2008, an increase of $324 million from March 31, 2007, and an increase of $91 million from December 31, 2007. Included in this latter category are U.S. Treasury Tax and Loan funds of $242 million at March 31, 2008, an increase of $20 million from December 31, 2007, and an increase of $238 million from March 31, 2007. March 31, December 31, March 31 $ change from $ change from STOCKHOLDERS' EQUITY 2008 2007 2007 December 31, March 31, ($ IN THOUSANDS EXCEPT PER SHARE DATA) (unaudited) (audited) (unaudited) 2007 2007 ----------- ------------ ----------- ------------- ------------- Common equity $ 538,665 525,459 468,646 13,206 70,019 Accumulated other comprehensive income 4,283 3,117 3,790 1,166 493 ----------- ------------ ----------- ------------- ------------- Total stockholders' equity 542,948 528,576 472,436 14,372 70,512 Core deposit intangible, net, and goodwill (153,485) (154,264) (146,164) 779 (7,321) ----------- ------------ ----------- ------------- ------------- $ 389,463 374,312 326,272 15,151 63,191 =========== ============ =========== ============= ============= Stockholders' equity to total assets 11.23% 10.97% 10.60% Tangible stockholders' equity to total tangible assets 8.32% 8.03% 7.57% Book value per common share $ 10.07 9.85 8.97 0.22 1.10 Market price per share at end of quarter $ 19.17 18.74 24.04 0.43 (4.87) 28 Total equity and book value per share amounts have increased $71 million and $1.10 per share, respectively, from March 31, 2007, the result of earnings retention, issuance of common stock in connection with the acquisition of North Side State Bank in Rock Springs, Wyoming, and exercised stock options. Accumulated other comprehensive income, representing net unrealized gains or losses on investment securities designated as available for sale, increased $493 thousand from March 31, 2007. Cash dividend On March 26, 2008, the board of directors declared a cash dividend of $.13 payable April 17, 2008 to shareholders of record on April 7, 2008, which is an increase of 8 percent over the $.12 dividend declared in the first quarter of last year. Liquidity and Capital Resources The objective of liquidity management is to maintain cash flows adequate to meet current and future needs for credit demand, deposit withdrawals, maturing liabilities and corporate operating expenses. The principal source of the Company's cash revenues are dividends received from the Company's banking subsidiaries. The payment of dividends is subject to government regulation, in that regulatory authorities may prohibit banks and bank holding companies from paying dividends which would constitute an unsafe or unsound banking practice. The subsidiaries' source of funds is generated by deposits, principal and interest payments on loans, sale of loans and securities, short and long-term borrowings, and net earnings. In addition, all of the banking subsidiaries are members of the FHLB. As of March 31, 2008, the Company had $948 million of available FHLB credit of which $473 million was utilized. Accordingly, management of the Company has a wide range of versatility in managing the liquidity and asset/liability mix for each individual institution as well as the Company as a whole. Lending Commitments In the normal course of business, there are various outstanding commitments to extend credit, such as letters of credit and un-advanced loan commitments, which are not reflected in the accompanying condensed consolidated financial statements. Management does not anticipate any material losses as a result of these transactions. Impact of Recently Issued Accounting Standards In December 2007, FASB issued SFAS No. 141(R), Business Combinations. The objective of this Statement is to improve the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial reports about a business combination and its effects. The Statement establishes principles and requirements for how the acquirer: a) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree, b) recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase, and c) determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. This Statement applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. An entity may not apply it before that date. The Company is currently evaluating the impact of the adoption of this standard, but does not expect it to have a material effect on the Company's financial position or results of operations with any future business combinations. Merger of Bank Subsidiaries Effective April 30, 2008, Whitefish merged into Glacier with the combined operations conducted under the Glacier charter. In connection with the merger, Russ Porter, President of Whitefish, has joined Mountain West as President and Chief Operating Officer. 29 Effect of inflation and changing prices Generally accepted accounting principles often require the measurement of financial position and operating results in terms of historical dollars, without consideration for change in relative purchasing power over time due to inflation. Virtually all assets of the Company and each subsidiary bank are monetary in nature; therefore, interest rates generally have a more significant impact on a company's performance than does the effect of inflation. Forward Looking Statements This Form 10-Q includes forward looking statements, which describe management's expectations regarding future events and developments such as future operating results, growth in loans and deposits, continued success of the Company's style of banking and the strength of the local economies in which it operates. Future events are difficult to predict, and the expectations described above are necessarily subject to risk and uncertainty that may cause actual results to differ materially and adversely. In addition to discussions about risks and uncertainties set forth from time to time in the Company's public filings, factors that may cause actual results to differ materially from those contemplated by such forward looking statements include, among others, the following possibilities: (1) local, national and international economic conditions are less favorable than expected or have a more direct and pronounced effect on the Company than expected and adversely affect the company's ability to continue its internal growth at historical rates and maintain the quality of its earning assets; (2) changes in interest rates reduce interest margins more than expected and negatively affect funding sources; (3) projected business increases following strategic expansion or opening or acquiring new banks and/or branches are lower than expected; (4) costs or difficulties related to the integration of acquisitions are greater than expected; (5) competitive pressure among financial institutions increases significantly; (6) legislation or regulatory requirements or changes adversely affect the businesses in which the Company is engaged. ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK The Company believes that there have not been any material changes in information about the Company's market risk than was provided in the Form 10-K report for the year ended December 31, 2007. ITEM 4. CONTROLS AND PROCEDURES Evaluation of Disclosure Controls and Procedures The Company's Chief Executive Officer and Chief Financial Officer have reviewed and evaluated the effectiveness of our disclosure controls and procedures (as required by Exchange Act Rules 240.13a-15(b) and 15d-14(c)) as of the date of this quarterly report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's current disclosure controls and procedures are effective and timely, providing them with material information relating to the Company required to be disclosed in the reports the Company files or submits under the Exchange Act. 30 Changes in Internal Controls There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the first quarter 2008, to which this report relates that have materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting. PART II - OTHER INFORMATION ITEM 1. LEGAL PROCEEDINGS There are no pending material legal proceedings to which the registrant or its subsidiaries are a party. ITEM 1A. RISK FACTORS The Company and the community bank subsidiaries are exposed to certain risks. The following is a discussion of the most significant risks and uncertainties that may affect the Company's business, financial condition and future results. Fluctuating interest rates can adversely affect our profitability The Company's profitability is dependent to a large extent upon net interest income, which is the difference (or "spread") between the interest earned on loans, securities and other interest-earning assets and interest paid on deposits, borrowings, and other interest-bearing liabilities. Because of the differences in maturities and repricing characteristics of our interest-earning assets and interest-bearing liabilities, changes in interest rates do not produce equivalent changes in interest income earned on interest-earning assets and interest paid on interest-bearing liabilities. Accordingly, fluctuations in interest rates could adversely affect the Company's interest rate spread, and, in turn, the profitability. The Company cannot provide assurance that it can minimize interest rate risk. In addition, interest rates also affect the amount of money the Company can lend. When interest rates rise, the cost of borrowing also increases. Accordingly, changes in levels of market interest rates could materially and adversely affect the net interest spread, asset quality, loan origination volume, business and prospects. A tightening of the credit market may make it difficult to obtain available money to fund loan growth, which could adversely affect our earnings A tightening of the credit market and the inability to obtain adequate money to fund continued loan growth may negatively affect asset growth and, therefore, earnings capability. In addition to any deposit growth, maturity of investment securities and loan payments, the Company also relies on alternative funding sources through correspondent banking and a borrowing line with the FHLB to fund loans. In the event of a downturn in the economy, particularly in the housing market, these resources could be negatively affected, which would limit the funds available to the Company. Allowance for loan and lease losses may not be adequate to cover actual loan losses, which could adversely affect earnings The Company maintains an ALLL in an amount that is believed adequate to provide for losses inherent in the portfolio. While the Company strives to carefully monitor credit quality and to identify loans that may become non-performing, at any time there are loans included in the portfolio that will result in losses, but that have not been identified as non-performing or potential problem loans. The Company cannot be sure that it will be able to identify deteriorating loans before they become non-performing assets, or that it will be able to limit losses on those loans that are identified. As a result, future additions to the allowance may be necessary. Additionally, future additions to the ALLL may be required based on changes in the composition of the loans comprising the portfolio and changes in the financial condition of borrowers, such as may result from changes in economic conditions or as a result of incorrect assumptions by management in determining the allowance. Additionally, federal banking regulators, as an integral part of their supervisory function, periodically review 31 the Company's ALLL. These regulatory agencies may require the Company to increase the ALLL which could have a negative effect on the Company's financial condition and results of operation. A critical element in determining the adequacy of the ALLL is the maintenance of the underlying collateral values, most of which are in real estate. Concentration in Real Estate Market The Company has a high concentration of loans secured by real estate and a downturn in the real estate market, for any reason, could hurt business and prospects. Business activities and credit exposure are concentrated in loans secured by real estate. A decline in the real estate market could negatively affect the business because the collateral securing those loans may decrease in value. A downturn in the economics of the markets the Company serves could have a material adverse effect both on the borrowers' ability to repay these loans, as well as the value of the real property held as collateral. The ability to recover on defaulted loans by foreclosing and selling the real estate collateral would then be diminished and the Company would more likely to suffer losses on defaulted loans. Loan portfolio mix could result in increased credit risk in an economic downturn The loan portfolio contains a high percentage of commercial, commercial real estate, real estate acquisition and development loans in relation to the total loans and total assets. These types of loans generally are viewed as having more risk of default than residential real estate loans or certain other types of loans or investments. In fact, the FDIC has issued a pronouncement alerting banks its concern about banks with a heavy concentration of commercial real estate loans. These types of loans also typically are larger than residential real estate loans and other commercial loans. Because the loan portfolio contains a significant number of commercial and commercial real estate loans with relatively large balances, the deterioration of one or a few of these loans may cause a significant increase in non-performing loans. An increase in non-performing loans could result in a loss of earnings from these loans, an increase in the provision for loan losses, or an increase in loan charge-offs, which could have an adverse impact on the results of operations and financial condition. Competition in our market area may limit our future success Commercial banking is a highly competitive business. The Company competes with other commercial banks, savings and loan associations, credit unions, finance, insurance and other non-depository companies operating in the Company's market area. The Company is subject to substantial competition for loans and deposits from other financial institutions. Some of the Company's competitors are not subject to the same degree of regulation and restriction as it is. Some of its competitors have greater financial resources than the Company. If the Company is unable to effectively compete in its market area, the business and results of operations could be adversely affected. ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS (a) Not Applicable (b) Not Applicable (c) Not Applicable ITEM 3. DEFAULTS UPON SENIOR SECURITIES (a) Not Applicable (b) Not Applicable 32 ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITIES HOLDERS (a) None (b) Not

Applicable (c) None (d) None ITEM 5. OTHER INFORMATION (a) Not Applicable (b) Not Applicable ITEM 6. EXHIBITS Exhibit 31.1 - Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes - Oxley Act of 2002 Exhibit 31.2 - Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes - Oxley Act of 2002 Exhibit 32 - Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes - Oxley Act of 2002 SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. GLACIER BANCORP, INC. May 12, 2008 /S/ Michael J. Blodnick ---------------------------- Michael J. Blodnick President/CEO May 12, 2008 /S/ Ron J. Copher ---------------------------- Ron J. Copher Senior Vice President/CFO 33