Target Attempting to have Data Breach Law Suit by Banks Dismissed

November 24, 2014 - In oral arguments last week, an attorney for Target Corp argued that company had no duty to any of the banks which lost money as a result of the company's massive data breach late last year. The company is being sued by a number of banks which claim to have lost tens of millions of dollars as a result of the breach. The banks' costs are as a result of reimbursements to customers for fraudulent charges and costs associated with card replacement and credit monitoring services.

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Target's arguments took place in front of US District Judge Paul Magnuson in St. Paul, MN. Attorney Douglas Meal represented Target.

Meal's argument appears to be based on a technicality. He argued that Target had no direct agreement with any of the banks and that therefore, there was no "special relationship" between the retailer and the banks which would include an obligation to protect the company's customer data. Instead, the company's relationship is with a third party credit card processor.

Carl Cambronne, the attorney for the banks shot back. He told Magnuson that target had been warned at least twice by Visa and MasterCard about the malware that was used to create the data breach. Those warnings apparently included telling the retailer that its systems were not protected from that malware.

Cambronne also told Magnuson that Minnesota law forbids the retailer from retaining credit card data after a sale is made. But Target's attorney argued that because the breach occurred at the point of sale that Minnesota law was not

applicable.

In the end, Magnuson didn't rule on the argument. His decision is expected in the next three weeks.

The case is known as Target Corporation Customer Data Security Breach Litigation, 14-md-2522, U.S. District Court, District of Minnesota
byJim Malmberg
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