



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

April 10, 2019

Marc S. Gerber
Skadden, Arps, Slate, Meagher & Flom LLP
marc.gerber@skadden.com

Re: Rite Aid Corporation
Incoming letter dated February 26, 2019

Dear Mr. Gerber:

This letter is in response to your correspondence dated February 26, 2019 concerning the shareholder proposal (the "Proposal") submitted to Rite Aid Corporation (the "Company") by Scott Klarquist (the "Proponent") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. Copies of all of the correspondence on which this response is based will be made available on our website at <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml>. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

M. Hughes Bates
Special Counsel

Enclosure

cc: Scott Klarquist
sklarquist@sevendornerscapital.com

April 10, 2019

Response of the Office of Chief Counsel
Division of Corporation Finance

Re: Rite Aid Corporation
Incoming letter dated February 26, 2019

The Proposal requests that the board take the steps necessary to amend the Company's bylaws and any other appropriate governing document to provide that one or more stockholders holding, in the aggregate, fifteen percent (15%) or more of the Company's outstanding common stock shall have the power to call a special stockholder meeting.

There appears to be some basis for your view that the Company may exclude the Proposal under rule 14a-8(i)(11). We note that the Proposal is substantially duplicative of a previously submitted proposal that will be included in the Company's 2019 proxy materials. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on rule 14a-8(i)(11).

Sincerely,

Kasey L. Robinson
Special Counsel

DIVISION OF CORPORATION FINANCE INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the company in support of its intention to exclude the proposal from the company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversarial procedure.

It is important to note that the staff's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly, a discretionary determination not to recommend or take Commission enforcement action does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the company's management omit the proposal from the company's proxy materials.

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BY EMAIL (shareholderproposals@sec.gov)

February 26, 2019

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

RE: Rite Aid Corporation – 2019 Annual Meeting
Omission of Shareholder Proposal of
Scott Klarquist

Ladies and Gentlemen:

Pursuant to Rule 14a-8(j) promulgated under the Securities Exchange Act of 1934, as amended, we are writing on behalf of our client, Rite Aid Corporation, a Delaware corporation (“Rite Aid”), to request that the Staff of the Division of Corporation Finance (the “Staff”) of the U.S. Securities and Exchange Commission (the “Commission”) concur with Rite Aid’s view that, for the reasons stated below, it may exclude the shareholder proposal and supporting statement (the “Proposal”) submitted by Scott Klarquist (the “Proponent”) from the proxy materials to be distributed by Rite Aid in connection with its 2019 annual meeting of stockholders (the “2019 proxy materials”).

In accordance with Section C of Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”), we are emailing this letter and its attachments to the Staff at shareholderproposals@sec.gov. In accordance with Rule 14a-8(j), we are simultaneously sending a copy of this letter and its attachments to the Proponent as notice of Rite Aid’s intent to omit the Proposal from the 2019 proxy materials.

Rule 14a-8(k) and Section E of SLB 14D provide that shareholder proponents are required to send companies a copy of any correspondence that the shareholder proponents elect to submit to the Commission or the Staff. Accordingly, we are taking this opportunity to remind the Proponent that if the Proponent submits correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should concurrently be furnished to Rite Aid.

I. The Proposal

The resolution contained in the Proposal is set forth below:

RESOLVED, Stockholders request that our board take the steps necessary to amend Rite Aid's bylaws (and any other appropriate governing company document) to provide that one or more Rite Aid stockholders holding, in the aggregate, fifteen percent (15%) or more of our outstanding common stock shall have the power to call a special stockholder meeting pursuant to Article I, Section 3 of our bylaws.

II. Basis for Exclusion

We hereby respectfully request that the Staff concur in Rite Aid's view that it may exclude the Proposal from the 2019 proxy materials pursuant to Rule 14a-8(i)(11) because the Proposal substantially duplicates a shareholder proposal previously submitted to Rite Aid that Rite Aid intends to include in its 2019 proxy materials.

III. Background

Rite Aid received the Proposal, accompanied by a cover letter from the Proponent, by email at 5:53 P.M. (Eastern Time) on February 6, 2019. On February 7, 2019, Rite Aid received a letter from TD Ameritrade dated February 7, 2019, verifying the Proponent's stock ownership as of such date (the "Broker Letter"). On February 12, 2019, Rite Aid received an email from the Proponent containing a revision to the Proposal. Copies of the Proposal, cover letter, Broker Letter and related correspondence are attached hereto as Exhibit A.

IV. The Proposal May be Excluded Pursuant to Rule 14a-8(i)(11) Because the Proposal Substantially Duplicates Another Proposal Previously Submitted to Rite Aid.

Under Rule 14a-8(i)(11), a company may exclude a shareholder proposal if it substantially duplicates another proposal previously submitted to the company by

another proponent that will be included in the company's proxy materials for the same meeting. The Commission has stated that the purpose of Rule 14a-8(i)(11) is to eliminate the possibility of shareholders having to consider two or more substantially identical proposals submitted by proponents acting independently of each other. *See* Securities Exchange Act Release No. 34-12598 (July 7, 1976). Two shareholder proposals need not be identical in order to provide a basis for exclusion under Rule 14a-8(i)(11). Proposals are substantially duplicative when the principal thrust or focus is substantially the same, even though the proposals differ in terms of the breadth and scope of the subject matter. *See, e.g., Pfizer Inc.* (Feb. 17, 2012); *Ford Motor Co.* (Feb. 15, 2011); *Wells Fargo & Co.* (Jan. 7, 2009); *General Motors Corp.* (Apr. 5, 2007); *Weyerhaeuser Co.* (Jan. 18, 2006).

Rite Aid received a proposal (the "Prior Proposal") from Steven Krol on February 6, 2019, delivered to Rite Aid by email at 12:05 P.M. (Eastern Time). A copy of the Prior Proposal is attached hereto as Exhibit B. The text of the resolution contained in the Prior Proposal is set forth below:

RESOLVED, shareholders recommend our board amend the bylaws and other necessary governing documents to give holders in the aggregate of 10% of our outstanding common stock the power to call a special shareholder meeting. Numerous Fortune 500 companies allow this, and in this percentage. This proposal does not impact the existing board/senior management's sole power to call such a special meeting, now denied other shareholders in our company by-laws, although otherwise permitted under Delaware law.

The principal thrust or focus of the Proposal and the Prior Proposal are the same – amending Rite Aid's By-laws and other governing documents to give shareholders holding, in the aggregate, a certain minimum amount of Rite Aid's outstanding common stock the right to call a special meeting. Specifically, the Proposal asks Rite Aid to amend its governing documents to permit shareholders holding, in the aggregate, 15% or more of Rite Aid's outstanding common stock to call a special meeting. Likewise, the Prior Proposal asks Rite Aid to amend its governing documents to permit shareholders holding, in the aggregate, 10% or more of Rite Aid's outstanding common stock to call a special meeting.

The only substantive difference between the Proposal and the Prior Proposal is the ownership threshold at which shareholders could call a special meeting. The difference in the share ownership threshold recommended by the Proposal and the Prior Proposal, however, do not change the fact that both proposals focus on amending Rite Aid's By-laws and other governing documents to give shareholders

holding, in the aggregate, a certain minimum amount of Rite Aid's outstanding common stock the right to call a special meeting.

The Staff has concurred with the exclusion under Rule 14a-8(i)(11) of substantially duplicative proposals relating to the right of shareholders to call a special meeting even though the proposals had different thresholds for shareholders to be able to call a special meeting. In *Metromedia International Group, Inc.* (Mar. 27, 2001), the Staff permitted exclusion under Rule 14a-8(i)(11) of a proposal requesting that the company amend its bylaws to provide that shareholders owning 1.5 million shares of common stock could demand that the board of directors call a special meeting as substantially duplicative of another proposal that asked the company to amend its certificate of incorporation to allow "each shareholder" to take action by written consent and to call a special meeting. The exclusion of a substantially duplicative special meeting shareholder proposal with a 1.5 million share ownership threshold where the previously submitted proposal lacked a minimum ownership threshold is instructive in considering the exclusion of a substantially duplicative special meeting shareholder proposal with a 15% ownership threshold where the previously submitted proposal contains a 10% ownership threshold.

As described above, the principal thrust or focus of both the Proposal and the Prior Proposal is amending Rite Aid's By-laws and other governing documents to give shareholders holding, in the aggregate, a certain minimum amount of Rite Aid's outstanding common stock the right to call a special meeting. Accordingly, the Proposal substantially duplicates the Prior Proposal and may be excluded pursuant to Rule 14a-8(i)(11).

V. Conclusion

Based upon the foregoing analysis, Rite Aid respectfully requests that the Staff concur that it will take no action if Rite Aid excludes the Proposal from the 2019 proxy materials.

Office of Chief Counsel
February 26, 2019
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Should the Staff disagree with the conclusions set forth in this letter, or should any additional information be desired in support of Rite Aid's position, we would appreciate the opportunity to confer with the Staff concerning these matters prior to the issuance of the Staff's response. Please do not hesitate to contact the undersigned at (202) 371-7233.

Very truly yours,



Marc S. Gerber

Enclosures

cc: James J. Comitale
Rite Aid Corporation

Scott Klarquist

EXHIBIT A

(see attached)

Subject:

FW: [Ext] FW: Rite Aid Corporation - Rule 14a-8 Proposal

From: Scott Klarquist <sevendcornerscap@gmail.com>**Sent:** Wednesday, February 6, 2019 5:53 PM**To:** Jim Comitale <jcomitale@riteaid.com>**Subject:** Rite Aid Corporation - Rule 14a-8 Proposal

Mr. Comitale,

Please be advised that I have Fedex'ed to you today (for receipt tomorrow) a signed copy of the attached cover letter and Rule 14a-8 proposal for this year's Rite Aid annual meeting. Please confirm receipt at your earliest convenience tomorrow. If you need anything further, please also let me know. Thanks very much.

Regards,
Scott Klarquist

Rite Aid Corporation - Rule 14a-8 Proposal, February 6, 2019

Rite Aid Corporation
30 Hunter Lane
Camp Hill, Pennsylvania 17011
Attention: James J. Comitale, Secretary

Dear Mr. Comitale,

I purchased stock in Rite Aid because I believed our company had potential and was undervalued. My attached Rule 14a-8 proposal is submitted in support of the long-term performance of our company and as a means to improve corporate governance at Rite Aid.

My proposal is for the next annual stockholder meeting (currently scheduled for July 2019). I will meet Rule 14a-8 requirements, including the continuous ownership of the required stock value (I currently own 40,000 RAD shares), until after the date of the stockholder meeting. The proposal submitted herewith, along with the supporting statement, is for inclusion in the proxy statement. Please advise stockholders in the proxy statement that my address will be provided upon request. Furthermore, I intend to present the proposal at the 2019 annual meeting.

This letter does not cover proposals that are not rule 14a-8 proposals. This letter does not grant the power to vote. Your consideration and the consideration of the Board of Directors for this proposal is appreciated.

Please acknowledge receipt hereof promptly by email to sklarquist@sevendcornerscapital.com.

Sincerely,

Scott Klarquist

Rite Aid Corporation - Rule 14a-8 Proposal, February 6, 2019

Proposal [4] - Special Stockholder Meetings:

RESOLVED, Stockholders request that our board to take the steps necessary to amend Rite Aid's bylaws (and any other appropriate governing company document) to provide that one or more Rite Aid stockholders holding, in the aggregate, fifteen percent (15%) or more of our outstanding common stock shall have the power to call a special stockholder meeting pursuant to Article I, Section 3 of our bylaws.

Supporting Statement:

Many Fortune 500 companies allow holders of as little as 10% of shares to call a special meeting. Special meetings allow stockholders to vote on vitally important matters, such as electing new directors, which may arise or become necessary or desirable to vote on between annual meetings (please note that 15½ months elapsed between Rite Aid's 2017 annual meeting and the 2018 annual meeting).

Article I, Section 3 of our bylaws currently states: "The ability of the stockholders to call a Special Meeting of Stockholders is hereby specifically denied". This resolution requests our board to reverse this shareholder-unfriendly provision and provide the ability in our bylaws for one or more stockholders holding at least 15% of the outstanding common stock (in aggregate) to call a special meeting of stockholders. This proposal does NOT impact our board's or CEO's current power to convene a special meeting.

When significant stockholders have reason to call a special meeting, the decision of whether to convene such a meeting should not be left to company insiders who may have clear conflicts of interests. We need to amend the bylaws, however, to rectify this issue at our company. Please vote for improved corporate governance by VOTING IN FAVOR OF Proposal [4] - Special Stockholder Meetings.



02/07/2019

Scott Klarquist

Re: Your TD Ameritrade Account Ending in ***

Dear Scott Klarquist,

Thank you for allowing me to assist you today. As you requested, we are writing to confirm that as of February 07, 2019 in your account ending in *** you have held 20,000 shares of Rite Aid Corp (RAD) for greater than one year.

If we can be of any further assistance, please let us know. Just log in to your account and go to the Message Center to write us. You can also call Client Services at 800-669-3900. We're available 24 hours a day, seven days a week.

Sincerely,

A handwritten signature in black ink that reads 'Jordan Baker'. The signature is fluid and cursive, with the first name 'Jordan' and last name 'Baker' clearly distinguishable.

Jordan Baker
Resource Specialist
TD Ameritrade

This information is furnished as part of a general information service and TD Ameritrade shall not be liable for any damages arising out of any inaccuracy in the information. Because this information may differ from your TD Ameritrade monthly statement, you should rely only on the TD Ameritrade monthly statement as the official record of your TD Ameritrade account.

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Subject:

FW: [Ext] FW: Rite Aid Corporation - Rule 14a-8 Proposal

From: Scott Klarquist <***>
Sent: Tuesday, February 12, 2019 4:57 PM
To: Jim Comitale <jcomitale@riteaid.com>
Subject: Re: Rite Aid Corporation - Rule 14a-8 Proposal

Hi Mr. Comitale - I just wanted to note one typo in the resolution, namely to delete the word "to" after the phrase "RESOLVED, Stockholders request that our board..."

Thus, you have my express permission to correct it in the proxy statement to read as follows: "Proposal [4] - Special Stockholder Meetings: RESOLVED, Stockholders request that our board take the steps necessary to amend..." (and the rest of the resolution & supporting statement would remain as originally worded). If this presents a problem or you have any questions, please let me know.

Thanks,
Scott Klarquist

EXHIBIT B

(see attached)

From: Steve Krol <***>
Sent: Wednesday, February 06, 2019 12:05 PM
To: Jim Comitale
Subject: Fw: Rite Aid Shareholder Proposal for 2019 proxy Inclusion

Mr. Comitale: Referenced below is the Proposal that I request inclusion in the 2019 proxy materials, pertaining to Special Meetings. Previous to this email, minutes ago, I also sent you the secure pdf from Etrade evidencing my RAD position, which qualifies me to present this proposal for shareholder vote. The stock position indicated will be held through at least the date of the 2019 Annual Meeting.

Please inform your outside counsel that when they submit to me Rite Aid's Statement in Opposition, unless there is a statement also clearly indicating that there is no "hidden" general statements of introduction to all such proposals, with opposition statements such as "assertions, statements we believe are incorrect, but have not refuted all the inaccuracies", etc. I will conclude that such statements appear again this year, as it did on p.27 last year. This will trigger an immediate complaint to the Office of Chief Counsel for further review. As you know, Rite Aid is free **following** an individual Proposal to make their Statement in Opposition, assuming it does not contain false and/or misleading statements. Making a general introduction to all proposals with such erroneous statements, I believe, violates SEC rules, and I will ask the SEC to review the matter unless counsel indicates there is no general prior "boiler plate" language kept out of my view.

Sincerely,
Steven Krol
Rite Aid Shareholder

RESOLVED, shareholders recommend our board amend the bylaws and other necessary governing documents to give holders in the aggregate of 10% of our outstanding common stock the power to call a special shareholder meeting. Numerous Fortune 500 companies allow this, and in this percentage. This proposal does not impact the existing board/senior management's sole power to call such a special meeting, now denied other shareholders in our company by-laws, although otherwise permitted under Delaware law.

Special meetings allow shareholders to vote on important matters, such as electing new directors, that can arise between annual meetings, the lack of which can and have negatively impacted our stock price over the recent years. Our recent resignation of 3 directors could have easily occurred much sooner than the October 2018 Annual Meeting, which was already delayed more than 15 months since the prior Annual Meeting. Delaware law requires an Annual Meeting take place no later than 13 months from the previous Meeting. While our board has indicated a desire to continue to refresh the board, there appears no urgency to do so, and certainly not before an Annual Meeting.

The Albertsons merger announcement could have been abandoned soon after February 2018 at a Special Meeting, rather than wasting double digit millions of shareholder dollar assets to close a seriously flawed merger attempt, even according to ISS and Glass Lewis, which was not terminated until less than 24 hours before the vote! Millions of dollars in retention bonuses, and millions more in stock options bestowed on senior management recently could have likewise been avoided altogether.

The 2018 proxies revealed the board's private discussions with many of the top holders after the termination of the Albertsons merger, whose specific conversations were not divulged to all other stockholders. A special meeting, many months before this could have allowed all attending stockholders, large and small, their input with the board and places investors in a much better and timely position to ask for immediate improvements, such as director replacement.
Hide original message

Please vote " **FOR**" Proposal # _____ to increase management accountability to all its shareholders and enhance shareholder value.