



DIVISION OF  
CORPORATION FINANCE

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

May 2, 2022

Marc S. Gerber  
Skadden, Arps, Slate, Meagher & Flom LLP

Re: Rite Aid Corporation (the "Company")  
Incoming letter dated January 28, 2022

Dear Mr. Gerber:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by Steven Krol for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Proposal recommends that the board consider a statement to their shareholders in all future annual proxy statements on the latest Company ranking on customer service within the drugstore space, as provided by J.D. Power Customer Satisfaction Annual Rankings or the same equally respected independent source of its choosing.

There appears to be some basis for your view that the Company may exclude the Proposal under Rule 14a-8(i)(7). In our view, the Proposal relates to, and does not transcend, ordinary business matters. 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)(7). In reaching this position, we have not found it necessary to address the alternative basis for omission upon which the Company relies.

Copies of all of the correspondence on which this response is based will be made available on our website at <https://www.sec.gov/corpfin/2021-2022-shareholder-proposals-no-action>.

Sincerely,

Rule 14a-8 Review Team

cc: Steven Krol

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

1440 NEW YORK AVENUE, N.W.  
WASHINGTON, D.C. 20005-2111

TEL: (202) 371-7000  
FAX: (202) 393-5760  
www.skadden.com

FIRM/AFFILIATE OFFICES

BOSTON  
CHICAGO  
HOUSTON  
LOS ANGELES  
NEW YORK  
PALO ALTO  
WILMINGTON

BEIJING  
BRUSSELS  
FRANKFURT  
HONG KONG  
LONDON  
MOSCOW  
MUNICH  
PARIS  
SÃO PAULO  
SEOUL  
SHANGHAI  
SINGAPORE  
TOKYO  
TORONTO

DIRECT DIAL  
202-371-7233  
DIRECT FAX  
202-661-8280  
EMAIL ADDRESS  
MARC.GERBER@SKADDEN.COM

**BY EMAIL** (shareholderproposals@sec.gov)

January 28, 2022

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 – 2022 Annual Meeting  
Omission of Shareholder Proposal of Steven Krol

Ladies and Gentlemen:

Pursuant to Rule 14a-8(j) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), 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 Steven Krol (the “Proponent”) from the proxy materials to be distributed by Rite Aid in connection with its 2022 annual meeting of stockholders (the “2022 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 2022 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 he 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 text of the resolution contained in the Proposal is set forth below:

**RESOLVED**, shareholders recommend to the board of directors that it will consider a statement to their shareholders in all future annual proxy statements on the latest Rite Aid ranking on customer service within the drugstore space, as provided by J.D. Power Customer Satisfaction Annual Rankings or the same equally respected independent source of its choosing. Once selected, the annual source will be unchanged unless unavailable.

## **II. Bases for Exclusion**

We hereby respectfully request that the Staff concur with Rite Aid's view that the Proposal may be excluded from the 2022 proxy materials pursuant to:

- Rule 14a-8(f)(1) because the Proponent has failed to satisfy the eligibility requirements of Rule 14a-8(b); and
- Rule 14a-8(i)(7) because the Proposal deals with matters relating to Rite Aid's ordinary business operations.

## **III. Background**

Rite Aid received an initial version of the Proposal, via email, on January 12, 2022. Also on January 12, 2022, Rite Aid received a copy of a letter, via email, from Charles Schwab, dated January 12, 2022, indicating the Proponent's ownership of shares of Rite Aid common stock continuously since March 16, 2021 (the "Broker Letter"). On January 13, 2022, Rite Aid sent a letter to the Proponent, via email, noting that the Broker Letter did not reflect the Proponent's "continuous ownership of shares of Rite Aid common stock for at least the requisite period required to be eligible to submit a proposal" and that the Broker Letter "covers the period from March 16, 2021 through January 12, 2022, a period of less than ten months" (the "Deficiency Letter"). In addition, the Deficiency Letter specifically instructed the Proponent on how to remedy this deficiency:

If you intend to demonstrate ownership of more than \$25,000 of Rite Aid common stock for at least one year, preceding and including the date that the proposal was submitted, you must supplement the [Broker] Letter by providing a written statement from the record holder of your shares (usually a bank or broker) and a participant in the Depository Trust Company (DTC) verifying that you had beneficially held your shares of Rite Aid common stock continuously for at least the period from January 12, 2021 to March 16, 2021, or, if you intend to demonstrate that you continuously held at least \$2,000 of Rite Aid common stock for at least one year as of January 4, 2021, you must provide proof of your ownership from January 4, 2020 to March 16, 2021 (as applicable, the “Gap Period”).

The Deficiency Letter also requested a written statement regarding the Proponent’s availability to meet with Rite Aid in person or via teleconference no less than 10 calendar days nor more than 30 calendar days after submission of the Proposal. On January 16, 2022, Rite Aid received an email from the Proponent including screenshots of E\*TRADE account statements (collectively, the “Account Statements”) and the Proponent’s availability to meet with Rite Aid via teleconference. Also on January 16, 2022, Rite Aid received a revised version of the Proposal and, on January 17, 2022, Rite Aid received a typographical correction from the Proponent regarding his January 16, 2022 correspondence. Copies of the initial Proposal, cover letters, the Broker Letter, the Deficiency Letter, the Account Statements, the revised Proposal and related correspondence are attached hereto as Exhibit A.

**IV. The Proposal May be Excluded Pursuant to Rule 14a-8(f)(1) Because the Proponent Failed to Satisfy the Eligibility Requirements of Rule 14a-8(b).**

Rule 14a-8(b)(1) provides that, in order to be eligible to submit a proposal, a proponent must have continuously held:

- at least \$2,000 in market value of the company’s common stock for at least three years, preceding and including the date that the proposal was submitted;
- at least \$15,000 in market value of the company’s common stock for at least two years, preceding and including the date that the proposal was submitted; or
- at least \$25,000 in market value of the company’s common stock for at least one year, preceding and including the date that the proposal was submitted.

Alternatively, a proponent must have continuously held at least \$2,000 in market value of the company’s common stock for at least one year as of January 4, 2021 and

continuously maintained a minimum investment of at least \$2,000 in market value of the company's common stock from January 4, 2021 through and including the date that the proposal was submitted.

If the proponent is not a registered holder, he or she must provide proof of beneficial ownership of the securities. Under Rule 14a-8(f)(1), a company may exclude a shareholder proposal if the proponent fails to provide evidence that it meets the eligibility requirements of Rule 14a-8(b), provided that the company notifies the proponent of the deficiency within 14 calendar days of receiving the proposal and the proponent fails to correct the deficiency within 14 days of receiving such notice.

In accordance with these requirements, the Staff consistently has permitted exclusion under Rule 14a-8(f)(1) of shareholder proposals where a proponent has failed to provide timely evidence of eligibility to submit a proposal in response to a timely deficiency notice from the company. *See, e.g., JetBlue Airways Corp.* (Jan. 4, 2017) (permitting exclusion under Rule 14a-8(f) of a proposal where the proponent supplied evidence of ownership from December 17, 2015 to November 29, 2016, which was insufficient to prove continuous ownership for one year as of October 20, 2016, the date the proposal was submitted); *Bank of America Corp.* (Jan. 16, 2013, *recon. denied* Feb. 26, 2013) (permitting exclusion under Rule 14a-8(f) of a proposal where the proponent supplied evidence of ownership from November 30, 2011 to December 7, 2012, which was insufficient to prove continuous ownership for one year as of November 19, 2012, the date the proposal was submitted); *Comcast Corp.* (Mar. 26, 2012) (permitting exclusion under Rule 14a-8(f) of a proposal where the proponent supplied evidence of ownership for one year as of November 23, 2011, which was insufficient to prove continuous ownership for one year as of November 30, 2011, the date the proposal was submitted).

In addition, an account statement does not satisfy the requirements of Rule 14a-8(b)(1) because it fails to demonstrate continuous ownership of a company's securities for the requisite period. In Section C.1.c (2) of Staff Legal Bulletin No. 14 (July 13, 2001) ("SLB 14"), the Staff addressed whether periodic investment statements, like account statements, could satisfy the continuous ownership requirements of Rule 14a-8(b):

**(2) Do a shareholder's monthly, quarterly or other periodic investment statements demonstrate sufficiently continuous ownership of the securities?**

No. A shareholder must submit an affirmative written statement from the record holder of his or her securities that specifically verifies that the shareholder owned the securities *continuously* for a period of one year as of the time of submitting the proposal.

Consistent with the foregoing, the Staff has on numerous occasions permitted exclusion under Rule 14a-8(f)(1) of proposals on the grounds that the brokerage statement or account statement submitted in support of a proponent's ownership was insufficient proof of such ownership under Rule 14a-8(b). *See, e.g., FedEx Corp.* (Jun. 28, 2018) (an account statement, broker trade confirmation and a list of stock transactions was insufficient verification of continuous ownership); *PepsiCo, Inc.* (Jan. 20, 2016) (account statement showing ownership of company shares as of a certain date was insufficient verification of continuous ownership); *Int'l Business Machines Corp.* (Jan. 31, 2014) (security record and position report showing ownership account names and a quantity of company shares held as of a certain date was insufficient verification of continuous ownership); *E.I. du Pont de Nemours and Co.* (Jan. 13, 2012) (one-page excerpt from proponent's monthly brokerage statement was insufficient proof of ownership); *Verizon Communications Inc.* (Jan. 25, 2008) (broker letter that provided current ownership of shares and original date of purchase was insufficient proof of ownership); *General Motors Corp.* (Apr. 5, 2007) (account summary was insufficient verification of continuous ownership); *Yahoo! Inc.* (Mar. 29, 2007) (account statements, trade confirmations, email correspondence, webpage printouts and other selected account information was insufficient to specifically verify continuous ownership); *General Electric Co.* (Jan. 16, 2007) (brokerage statement was insufficient to prove continuous ownership); *Sky Financial Group* (Dec. 20, 2004, *recon. denied* Jan. 13, 2005) (monthly brokerage account statement was insufficient proof of ownership); *Int'l Business Machines Corp.* (Jan. 11, 2005) (pages from quarterly 401(k) plan account statements was insufficient proof of ownership); *Bank of America Corp.* (Feb. 25, 2004) (monthly brokerage account statement was insufficient proof of ownership); *RTI International Metals, Inc.* (Jan. 13, 2004) (monthly account statement was insufficient proof of ownership).

In this instance, the Proponent has failed to provide timely evidence of eligibility to submit a shareholder proposal to Rite Aid after a timely deficiency notice from Rite Aid. Specifically, after receiving the Broker Letter on January 12, 2022, which related to the Proponent's beneficial ownership of shares of Rite Aid for the period from March 16, 2021 through January 12, 2022, a period of less than ten months, Rite Aid sent the Deficiency Letter timely notifying the Proponent of the procedural defect under Rule 14a-8(b). The Deficiency Letter specifically referenced the defect in the Broker Letter, noting that the Broker Letter did not reflect the Proponent's "continuous ownership of shares of Rite Aid common stock for at least the requisite period required to be eligible to submit a proposal" and that the Broker Letter "covers the period from March 16, 2021 through January 12, 2022, a period of less than ten months." In addition, the Deficiency Letter specifically instructed the Proponent on how to remedy this deficiency relating to the Gap Period, as described above. In this respect, the Deficiency Letter clearly explained the requirements of Rule 14a-8(b) and the steps that could be taken to cure this deficiency and requested that proof of the

Proponent's ownership required by Rule 14a-8(b)(1) be provided within 14 days of the Proponent's receipt of the Deficiency Letter, which was January 13, 2022.

On January 16, 2022, Rite Aid received the Account Statements, relating to the Proponent's beneficial ownership of shares of Rite Aid. However, the Account Statements do not provide sufficient evidence of the Proponent's continuous ownership of shares of Rite Aid during the Gap Period, as brokerage statements or account statements, such as the Account Statements, are insufficient proof of continuous ownership under Rule 14a-8(b). Thus, the Account Statements failed to address the proof of ownership defect raised by the Deficiency Letter.<sup>1</sup>

Accordingly, consistent with the precedent described above, the Proposal may be excluded pursuant to Rule 14a-8(b)(1) and Rule 14a-8(f)(1) as the Proponent has failed to timely provide proof of the requisite stock ownership after receiving timely notice of such deficiency.

#### **IV. The Proposal May be Excluded Pursuant to Rule 14a-8(i)(7) Because the Proposal Deals with Matters Relating to Rite Aid's Ordinary Business Operations.**

Under Rule 14a-8(i)(7), a shareholder proposal may be excluded from a company's proxy materials if the proposal "deals with matters relating to the company's ordinary business operations." In Exchange Act Release No. 34-40018 (May 21, 1998) (the "1998 Release"), the Commission stated that the policy underlying the ordinary business exclusion rests on two central considerations. The first recognizes that certain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight. The second consideration relates to the degree to which the proposal seeks to "micro-manage" the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.

---

<sup>1</sup> Rule 14a-8 does not require a company to provide multiple deficiency letters to a proponent. *See* Rule 14a-8(f)(1) (explaining a company's obligation to provide a singular notice of deficiency); *see also* SLB 14 (noting that "a company may exclude a proposal from its proxy materials due to eligibility or procedural defects if . . . the shareholder timely responds [to the company's notice of defect] but does not cure the eligibility or procedural defect(s)" and referencing only a singular deficiency notice). We acknowledge that Staff Legal Bulletin No. 14L (Nov. 3, 2021) indicates that, in some instances, a second deficiency notice may be appropriate. However, the guidance relates to the fact pattern where a deficiency letter indicates the absence of any proof of ownership and, in response to that notice, the submitted proof of ownership contains a defect. That is different than the current situation where proof of ownership was initially provided and was insufficient, a deficiency letter was sent, and the attempt to cure the deficiency continued to fail to satisfy the eligibility requirements of Rule 14a-8.

The Commission has stated that a proposal requesting the dissemination of a report is excludable under Rule 14a-8(i)(7) if the substance of the proposal involves a matter of ordinary business of the company. *See* Exchange Act Release No. 34-20091 (Aug. 16, 1983) (“[T]he staff will consider whether the subject matter of the special report or the committee involves a matter of ordinary business; where it does, the proposal will be excludable under Rule 14a-8(c)(7).”); *see also Netflix, Inc.* (Mar. 14, 2016) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested a report describing how company management identifies, analyzes and oversees reputational risks related to offensive and inaccurate portrayals of Native Americans, American Indians and other indigenous peoples, how it mitigates these risks and how the company incorporates these risk assessment results into company policies and decision-making, noting that the proposal related to the ordinary business matter of the “nature, presentation and content of programming and film production”).

Consistent with the policy considerations underlying the ordinary business exclusion, the Staff consistently has permitted exclusion under Rule 14a-8(i)(7) of shareholder proposals that relate to the presentation of disclosure in a company’s reports to shareholders. *See, e.g., Exxon Mobil Corp.* (Mar. 9, 2007) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting that the company list all proposals, including shareholder proposals, by title on the notice page of the proxy statement, noting that the proposal “relat[es] to the [company]’s ordinary business operations”); *Dominion Resources, Inc.* (Oct. 7, 1997) (permitting exclusion under Rule 14a-8(c)(7) of a proposal mandating that the company supplement its proxy statement with additional management compensation disclosures, noting that “the proposal may be omitted under rule 14a-8(c)(7) (i.e., presentation of disclosure in the [c]ompany’s reports to shareholders”); *Long Island Lighting Co.* (Feb. 22, 1996) (permitting exclusion under Rule 14a-8(c)(7) of a proposal requesting that the company expand the disclosure in its proxy statement to include data on stock price, the consumer price index, the common stock dividend, average company worker salary and total CEO compensation, noting that “the proposal relates to the conduct of the ordinary business of the registrant and therefore may be excludable under Rule 14a-8(c)(7) (i.e., presentation of disclosure in the [c]ompany’s reports to shareholders”); *Santa Fe Southern Pacific Corp.* (Jan. 14, 1988) (permitting exclusion under Rule 14a-8(c)(7) of a proposal requesting that the company’s proxy statement be written in “plain english” and “provide explanations and definitions of terms,” noting that the proposal “appears to deal with a matter relating to the conduct of the [c]ompany’s ordinary business operations (i.e., the technical preparation of company reports”).

In addition, the Staff consistently has permitted exclusion under Rule 14a-8(i)(7) of proposals that relate to a company’s relationships with its customers. *See, e.g., JPMorgan Chase & Co.* (Feb. 21, 2019) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested the board complete a report on the impact to customers of the company’s overdraft policies); *AT&T Inc.* (Dec. 28, 2016) (permitting exclusion under



Rule 14a-8(i)(7) of a proposal that requested the company provide free tools to customers to block robocalls); *Ford Motor Co.* (Feb. 13, 2013) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested removal of dealers that provided poor customer service, noting that “[p]roposals concerning customer relations are generally excludable under rule 14a-8(i)(7)”); *The Coca-Cola Co.* (Jan. 21, 2009, *recon. denied* Apr. 21, 2009) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested a report on how the company could provide information to customers regarding the company’s products, noting that the proposal “relat[ed] to Coca-Cola’s ordinary business operations (i.e., marketing and consumer relations)”).

In this instance, the Proposal and supporting statement, when read together, focus on the presentation of disclosure in Rite Aid’s reports to shareholders and Rite Aid’s relationships with its customers, both of which are ordinary business matters. The Proposal does so by requesting a statement on Rite Aid’s customer service ranking within the drugstore space in all future annual proxy statements. In addition, the Proposal’s supporting statement expresses concern over Rite Aid’s “poor store execution and customer service” and “poor shopping experiences and general store mismanagement,” while opining that the value of “a single happy customer will grow with better customer service because they shop more frequently with us and spending more money when they do.” When read together, the Proposal and supporting statement are clearly focused on the presentation of disclosure in Rite Aid’s reports to shareholders and Rite Aid’s relationships with its customers. Decisions with respect to the presentation of disclosure in Rite Aid’s annual proxy statement are a quintessential ordinary business matter. Moreover, decisions with respect to Rite Aid’s relationships with its customers are at the heart of Rite Aid’s business as a retail pharmacy and are so fundamental to Rite Aid’s day-to-day operations that they cannot, as a practical matter, be subject to shareholder oversight. As a result, the Proposal is precisely the type that companies are permitted to exclude under Rule 14a-8(i)(7).

Accordingly, the Proposal should be excluded from Rite Aid’s 2022 proxy materials pursuant to Rule 14a-8(i)(7) as relating to Rite Aid’s ordinary business operations.

## **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 its 2022 proxy materials.

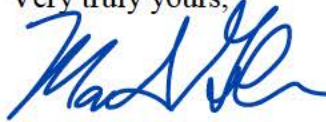
Office of Chief Counsel

January 28, 2022

Page 9

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: Paul Gilbert  
Executive Vice President, Secretary and General Counsel  
Rite Aid Corporation

Steven Krol

EXHIBIT A

(see attached)

**From:** Steve Krol [REDACTED]  
**Date:** January 12, 2022 at 4:59:54 PM CST  
**To:** "Paul D. Gilbert" [REDACTED], Sherrie L Hinkle [REDACTED]  
**Subject:** Fw: Shareholder Proposal For Inclusion in 2022 Proxy Materials

Mr. Paul Gilbert  
Rite Aid Corporation  
30 Hunter Lane  
Camp Hill, Pennsylvania 17011

January 12, 2022

Dear Mr. Gilbert:

Under a previous email transmitted minutes ago, your office received my Schwab broker letter, evidencing my share position in Rite Aid, and qualifying m Proponent status, which was a direct transfer over from Etrade. **Please See** last years Etrade letter and note the vast majority of those shares have been continuously held by myself as an individual now when directly transferred into the below Schwab IRA account

Referenced below is the Proposal I request be included in Rite Aid's 2022 proxy statement to be voted on at the Annual Meeting of Shareholders later this year. I will be present to introduce it at the meeting.

Should you have any questions, or wish to discuss the Proposal, please feel free to contact me by email or at the telephone number below.

Sincerely,  
Steven Krol  
Rite Aid Shareholder

[REDACTED]

**RESOLVED**, shareholders recommend to the board of directors that it will consider a statement to their shareholders in all future annual proxy statements on the latest Rite Aid ranking on customer service within the drugstore space, as provided by J.D. Power Customer Satisfaction Annual Rankings or the same equally respected independent source of its choosing

**SUPPORTING STATEMENT**

The below referenced statements are true and accurate.

From the year 2000-2015 Proponent routinely visited Rite Aid stores nationwide and reported dismal findings to our board of directors and senior management pertaining to poor store execution and customer service. This led to Rite Aid's largest thirty (30%) percent directors/shareholder at that time insisting on and Proponent being invited to Corporate to meet

with senior management to review these findings in late 2008. The ninety (90) minute meeting was deemed a failure by Proponent as management, now removed from the company, continued its denial of the seriousness of the operational issues presented to them; thereafter additional comparative findings were presented to the board debunking these denials.

The financial health of our highly indebted company and the continued improvement in our enterprise value will depend on our mostly newer board and senior management placing a new focus on the importance of superior store execution and customer service. For this to occur proper oversight by Corporate on its Regional, District, and Store Management must be part of the new "corporate culture" woefully absent prior to 2018. Proponent was forced to step in to fix unresolved store issues costing millions of dollars in lost revenues and assumed profits from loss of customers due to poor shopping experiences and general store mismanagement.

The Customer World store format introduced in 2005 and the Wellness Store format introduced in 2012 were unsuccessful due to poor store execution, and hence we showed the poorest sales per square foot of floor space of the top three pharmacy chains. Bartells purchased one year ago has already received highly poor ratings by its customers as reported in a Seattle Times article last August as well as Proponent and other shareholder complaints to Corporate. We will soon be spending triple digit millions on "the store of the future" which could have the same fate without another noticeable improvement in customer service. Over the years, Rite Aid has done no better than being rated in the middle of the rankings, with independents always at the top tier because if not they would be out of business.

The full Customer Lifetime Value to Rite Aid of a single happy customer will grow with better customer service because they shop more frequently with us and spending more money when they do. Additionally, they can allow Rite Aid to up-sell and cross-sell additional products with less resistance encountered by that happy customer.

Protect Your Investment- Vote **"FOR"** this Proposal

**From:** Steve Krol [REDACTED]

**Date:** January 12, 2022 at 4:45:18 PM CST

**To:** "Paul D. Gilbert" [REDACTED] Sherrie L Hinkle [REDACTED]

**Subject:** Fw: Schwab Letter

Mr. Paul Gilbert  
Rite Aid Corporation  
30 Hunter Lane  
Camp Hill, Pennsylvania 17011

January 12, 2022

Dear Mr. Gilbert:

Referenced below is the Schwab broker letter indicating my position in Rite Aid qualifying me to submit a Proposal for inclusion into the 2022 proxy statement for shareholder vote under Rule 14a-8. These shares will be held by the undersigned through at least the date of the upcoming Annual Meeting. **Please Note:** This IRA account was a direct transfer from Etrade to Schwab in March of 2021 with the vast majority of RAD shares held for many, many years continuously. Please review last year's Etrade letter to demonstrate the nexus from one broker, Etrade, to the current one, Schwab.

Further, the undersigned will attend the meeting to introduce the Proposal as required under SEC rules, as well as making myself available by teleconference with Rite Aid to discuss the Proposal in not less than 10 days nor more than 30 days from today's date upon being presented with several dates/times to do so.

The Proposal itself will be submitted to your office shortly under separate email. Correspondence should be sent to the address indicated below and by email.

Sincerely,  
Steven Krol  
Rite Aid Shareholder

[REDACTED]



January 12, 2022

Account # [REDACTED] PII

Steven Krol  
[REDACTED]

## Important information about your recent request.

Dear Steven Krol,

I am writing in response to your request for information regarding the account referenced above.

On January 12, 2022 you held 9,588 shares of Rite Aid Corp (RAD).

You continuously held 9,588 shares of Rite Aid Corporation (symbol: RAD) in the Charles Schwab account referenced above since March 16, 2021.

Charles Schwab is an active participant in the Depository Trust Company (DTC).

This letter is for informational purposes only and is not an official record. Please refer to your statements and trade confirmations as they are the official record of your transactions.

**Thank you for choosing Schwab.** We appreciate your business and look forward to serving you in the future. If you have any questions, please call me or any Client Service Specialist at 800-435-4000..

Sincerely,

Suzanne Niedhammer  
Manager - Escalation Support  
[REDACTED]

**From:** Sherrie L Hinkle [REDACTED]  
**Sent:** Thursday, January 13, 2022 1:55 PM  
**To:** [REDACTED]  
**Subject:** [Ext] LETTER FROM PAUL GILBERT  
**Attachments:** Krol Deficiency Letter 1-13-2022.docx.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Good afternoon Mr. Krol –

Please see the attached letter from Paul Gilbert.

Thank you,

**Sherrie L. Hinkle** \ Executive Assistant to Paul D. Gilbert  
Executive Vice President, Secretary & General Counsel







CORPORATE OFFICE  
30 Hunter Lane  
Camp Hill, PA 17011

Paul D. Gilbert  
Executive Vice President, Secretary & General Counsel

January 13, 2022

**BY EMAIL**

Steven Krol  
[REDACTED]

RE: Notice of Deficiency

Dear Mr. Krol:

I am writing to acknowledge receipt on January 12, 2022 of the shareholder proposal submitted by you to Rite Aid Corporation pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended, for inclusion in Rite Aid's proxy materials for the 2022 Annual Meeting of Stockholders (the "Annual Meeting").

Under Rule 14a-8, in order to be eligible to submit a proposal for the Annual Meeting, a proponent must have continuously held:

- at least \$2,000 in market value of Rite Aid common stock for at least three years, preceding and including the date that the proposal was submitted;
- at least \$15,000 in market value of Rite Aid common stock for at least two years, preceding and including the date that the proposal was submitted; or
- at least \$25,000 in market value of Rite Aid common stock for at least one year, preceding and including the date that the proposal was submitted.

Alternatively, a proponent must have continuously held at least \$2,000 in market value of Rite Aid common stock for at least one year as of January 4, 2021 and continuously maintained a minimum investment of at least \$2,000 in market value of Rite Aid common stock from January 4, 2021 through and including the date that the proposal was submitted. For your reference, a copy of Rule 14a-8 is attached to this letter as Exhibit A.

Steve Krol  
January 13, 2022  
Page 2

Our records indicate that you are not a registered holder of Rite Aid common stock. We have received the letter from Charles Schwab indicating your ownership of shares of Rite Aid common stock continuously since March 16, 2021 (the "Schwab Letter"). The Schwab Letter, however, does not reflect your continuous ownership of shares of Rite Aid common stock for at least the requisite period required to be eligible to submit a proposal (as described above). Specifically, the Schwab Letter covers the period from March 16, 2021 through January 12, 2022, a period of less than ten months. If you intend to demonstrate ownership of more than \$25,000 of Rite Aid common stock for at least one year, preceding and including the date that the proposal was submitted, you must supplement the Schwab Letter by providing a written statement from the record holder of your shares (usually a bank or broker) and a participant in the Depository Trust Company (DTC) verifying that you had beneficially held your shares of Rite Aid common stock continuously for at least the period from January 12, 2021 to March 16, 2021, or, if you intend to demonstrate that you continuously held at least \$2,000 of Rite Aid common stock for at least one year as of January 4, 2021, you must provide proof of your ownership from January 4, 2020 to March 16, 2021 (as applicable, the "Gap Period"). In addition, we acknowledge your request to look at the proof of ownership you submitted in connection with your submission of a proposal under Rule 14a-8 in connection with Rite Aid's 2021 annual meeting, but doing so would not establish continuous ownership of Rite Aid common stock for at least the requisite period of time prior to submission of the proposal for the Annual Meeting or for the Gap Period.

In order to determine if the bank or broker holding your shares is a DTC participant, you can check the DTC's participant list, which is currently available on the Internet at <http://www.dtcc.com/client-center/dtc-directories>. If the bank or broker holding your shares is not a DTC participant, you also will need to obtain proof of ownership from the DTC participant through which the shares are held. You should be able to find out who this DTC participant is by asking your broker or bank. If the DTC participant knows your broker or bank's holdings, but does not know your holdings, you can satisfy Rule 14a-8 by obtaining and submitting two proof of ownership statements verifying that the required amount of shares were continuously held for at least the Gap Period – one from your broker or bank confirming your ownership, and the other from the DTC participant confirming the broker or bank's ownership. For additional information regarding the acceptable methods of proving your ownership of the minimum number of shares of Rite Aid common stock, please see Rule 14a-8(b)(2) in Exhibit A.

In addition, Rule 14a-8 requires a proponent to provide Rite Aid with a written statement that the proponent is able to meet with Rite Aid in person or via teleconference no less than 10 calendar days, nor more than 30 calendar days, after submission of the proposal, including specific business days and specific times that the proponent is available to discuss the proposal with the company. Although your

Steve Krol  
January 13, 2022  
Page 3

cover note includes a statement regarding making yourself available to discuss the proposal, you have not provided a statement that includes specific business days and specific times that you are available for such a discussion. Accordingly, please provide Rite Aid with this statement, which must include business days and specific times that you are available to discuss the proposal with Rite Aid. You must identify times that are within the regular business hours of Rite Aid's principal executive offices.

Rule 14a-8 requires that the documentation be postmarked or transmitted electronically to us no later than 14 calendar days from the date you receive this letter. Once we receive your response, we will be in a position to determine whether the proposal is eligible for inclusion in the proxy materials for the Annual Meeting. Rite Aid reserves the right to seek relief from the Securities and Exchange Commission as appropriate.

Very truly yours,

DocuSigned by:  
  
E1D2A5E0CC584A2...  
Paul D. Gilbert  
Executive Vice President, General  
Counsel and Corporate Secretary

Enclosure

[ATTACHED]

**EXHIBIT A**

## §240.14a-8 Shareholder proposals.

This section addresses when a company must include a shareholder's proposal in its proxy statement and identify the proposal in its form of proxy when the company holds an annual or special meeting of shareholders. In summary, in order to have your shareholder proposal included on a company's proxy card, and included along with any supporting statement in its proxy statement, you must be eligible and follow certain procedures. Under a few specific circumstances, the company is permitted to exclude your proposal, but only after submitting its reasons to the Commission. We structured this section in a question-and-answer format so that it is easier to understand. The references to "you" are to a shareholder seeking to submit the proposal.

(a) *Question 1:* What is a proposal? A shareholder proposal is your recommendation or requirement that the company and/or its board of directors take action, which you intend to present at a meeting of the company's shareholders. Your proposal should state as clearly as possible the course of action that you believe the company should follow. If your proposal is placed on the company's proxy card, the company must also provide in the form of proxy means for shareholders to specify by boxes a choice between approval or disapproval, or abstention. Unless otherwise indicated, the word "proposal" as used in this section refers both to your proposal, and to your corresponding statement in support of your proposal (if any).

(b) *Question 2:* Who is eligible to submit a proposal, and how do I demonstrate to the company that I am eligible? (1) To be eligible to submit a proposal, you must satisfy the following requirements:

(i) You must have continuously held:

(A) At least \$2,000 in market value of the company's securities entitled to vote on the proposal for at least three years; or

(B) At least \$15,000 in market value of the company's securities entitled to vote on the proposal for at least two years; or

(C) At least \$25,000 in market value of the company's securities entitled to vote on the proposal for at least one year; or

(D) The amounts specified in paragraph (b)(3) of this section. This paragraph (b)(1)(i)(D) will expire on the same date that §240.14a-8(b)(3) expires; and

(ii) You must provide the company with a written statement that you intend to continue to hold the requisite amount of securities, determined in accordance with paragraph (b)(1)(i)(A) through (C) of this section, through the date of the shareholders' meeting for which the proposal is submitted; and

(iii) You must provide the company with a written statement that you are able to meet with the company in person or via teleconference no less than 10 calendar days, nor more than 30

calendar days, after submission of the shareholder proposal. You must include your contact information as well as business days and specific times that you are available to discuss the proposal with the company. You must identify times that are within the regular business hours of the company's principal executive offices. If these hours are not disclosed in the company's proxy statement for the prior year's annual meeting, you must identify times that are between 9 a.m. and 5:30 p.m. in the time zone of the company's principal executive offices. If you elect to co-file a proposal, all co-filers must either:

(A) Agree to the same dates and times of availability, or

(B) Identify a single lead filer who will provide dates and times of the lead filer's availability to engage on behalf of all co-filers; and

(iv) If you use a representative to submit a shareholder proposal on your behalf, you must provide the company with written documentation that:

(A) Identifies the company to which the proposal is directed;

(B) Identifies the annual or special meeting for which the proposal is submitted;

(C) Identifies you as the proponent and identifies the person acting on your behalf as your representative;

(D) Includes your statement authorizing the designated representative to submit the proposal and otherwise act on your behalf;

(E) Identifies the specific topic of the proposal to be submitted;

(F) Includes your statement supporting the proposal; and

(G) Is signed and dated by you.

(v) The requirements of paragraph (b)(1)(iv) of this section shall not apply to shareholders that are entities so long as the representative's authority to act on the shareholder's behalf is apparent and self-evident such that a reasonable person would understand that the agent has authority to submit the proposal and otherwise act on the shareholder's behalf.

(vi) For purposes of paragraph (b)(1)(i) of this section, you may not aggregate your holdings with those of another shareholder or group of shareholders to meet the requisite amount of securities necessary to be eligible to submit a proposal.

(2) One of the following methods must be used to demonstrate your eligibility to submit a proposal:

(i) If you are the registered holder of your securities, which means that your name appears in the company's records as a shareholder, the company can verify your eligibility on its own, although

you will still have to provide the company with a written statement that you intend to continue to hold the requisite amount of securities, determined in accordance with paragraph (b)(1)(i)(A) through (C) of this section, through the date of the meeting of shareholders.

(ii) If, like many shareholders, you are not a registered holder, the company likely does not know that you are a shareholder, or how many shares you own. In this case, at the time you submit your proposal, you must prove your eligibility to the company in one of two ways:

(A) The first way is to submit to the company a written statement from the “record” holder of your securities (usually a broker or bank) verifying that, at the time you submitted your proposal, you continuously held at least \$2,000, \$15,000, or \$25,000 in market value of the company’s securities entitled to vote on the proposal for at least three years, two years, or one year, respectively. You must also include your own written statement that you intend to continue to hold the requisite amount of securities, determined in accordance with paragraph (b)(1)(i)(A) through (C) of this section, through the date of the shareholders’ meeting for which the proposal is submitted; or

(B) The second way to prove ownership applies only if you were required to file, and filed, a Schedule 13D (§240.13d-101), Schedule 13G (§240.13d-102), Form 3 (§249.103 of this chapter), Form 4 (§249.104 of this chapter), and/or Form 5 (§249.105 of this chapter), or amendments to those documents or updated forms, demonstrating that you meet at least one of the share ownership requirements under paragraph (b)(1)(i)(A) through (C) of this section. If you have filed one or more of these documents with the SEC, you may demonstrate your eligibility to submit a proposal by submitting to the company:

(1) A copy of the schedule(s) and/or form(s), and any subsequent amendments reporting a change in your ownership level;

(2) Your written statement that you continuously held at least \$2,000, \$15,000, or \$25,000 in market value of the company’s securities entitled to vote on the proposal for at least three years, two years, or one year, respectively; and

(3) Your written statement that you intend to continue to hold the requisite amount of securities, determined in accordance with paragraph (b)(1)(i)(A) through (C) of this section, through the date of the company’s annual or special meeting.

(3) If you continuously held at least \$2,000 of a company’s securities entitled to vote on the proposal for at least one year as of January 4, 2021, and you have continuously maintained a minimum investment of at least \$2,000 of such securities from January 4, 2021 through the date the proposal is submitted to the company, you will be eligible to submit a proposal to such company for an annual or special meeting to be held prior to January 1, 2023. If you rely on this provision, you must provide the company with your written statement that you intend to continue to hold at least \$2,000 of such securities through the date of the shareholders’ meeting for which the proposal is submitted. You must also follow the procedures set forth in paragraph (b)(2) of this section to demonstrate that:

(i) You continuously held at least \$2,000 of the company's securities entitled to vote on the proposal for at least one year as of January 4, 2021; and

(ii) You have continuously maintained a minimum investment of at least \$2,000 of such securities from January 4, 2021 through the date the proposal is submitted to the company.

(iii) This paragraph (b)(3) will expire on January 1, 2023.

(c) *Question 3:* How many proposals may I submit? Each person may submit no more than one proposal, directly or indirectly, to a company for a particular shareholders' meeting. A person may not rely on the securities holdings of another person for the purpose of meeting the eligibility requirements and submitting multiple proposals for a particular shareholders' meeting.

(d) *Question 4:* How long can my proposal be? The proposal, including any accompanying supporting statement, may not exceed 500 words.

(e) *Question 5:* What is the deadline for submitting a proposal? (1) If you are submitting your proposal for the company's annual meeting, you can in most cases find the deadline in last year's proxy statement. However, if the company did not hold an annual meeting last year, or has changed the date of its meeting for this year more than 30 days from last year's meeting, you can usually find the deadline in one of the company's quarterly reports on Form 10-Q (§249.308a of this chapter), or in shareholder reports of investment companies under §270.30d-1 of this chapter of the Investment Company Act of 1940. In order to avoid controversy, shareholders should submit their proposals by means, including electronic means, that permit them to prove the date of delivery.

(2) The deadline is calculated in the following manner if the proposal is submitted for a regularly scheduled annual meeting. The proposal must be received at the company's principal executive offices not less than 120 calendar days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting. However, if the company did not hold an annual meeting the previous year, or if the date of this year's annual meeting has been changed by more than 30 days from the date of the previous year's meeting, then the deadline is a reasonable time before the company begins to print and send its proxy materials.

(3) If you are submitting your proposal for a meeting of shareholders other than a regularly scheduled annual meeting, the deadline is a reasonable time before the company begins to print and send its proxy materials.

(f) *Question 6:* What if I fail to follow one of the eligibility or procedural requirements explained in answers to Questions 1 through 4 of this section? (1) The company may exclude your proposal, but only after it has notified you of the problem, and you have failed adequately to correct it. Within 14 calendar days of receiving your proposal, the company must notify you in writing of any procedural or eligibility deficiencies, as well as of the time frame for your response. Your response must be postmarked, or transmitted electronically, no later than 14 days from the date you received the company's notification. A company need not provide you such



notice of a deficiency if the deficiency cannot be remedied, such as if you fail to submit a proposal by the company's properly determined deadline. If the company intends to exclude the proposal, it will later have to make a submission under §240.14a-8 and provide you with a copy under Question 10 below, §240.14a-8(j).

(2) If you fail in your promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of your proposals from its proxy materials for any meeting held in the following two calendar years.

(g) *Question 7:* Who has the burden of persuading the Commission or its staff that my proposal can be excluded? Except as otherwise noted, the burden is on the company to demonstrate that it is entitled to exclude a proposal.

(h) *Question 8:* Must I appear personally at the shareholders' meeting to present the proposal?

(1) Either you, or your representative who is qualified under state law to present the proposal on your behalf, must attend the meeting to present the proposal. Whether you attend the meeting yourself or send a qualified representative to the meeting in your place, you should make sure that you, or your representative, follow the proper state law procedures for attending the meeting and/or presenting your proposal.

(2) If the company holds its shareholder meeting in whole or in part via electronic media, and the company permits you or your representative to present your proposal via such media, then you may appear through electronic media rather than traveling to the meeting to appear in person.

(3) If you or your qualified representative fail to appear and present the proposal, without good cause, the company will be permitted to exclude all of your proposals from its proxy materials for any meetings held in the following two calendar years.

(i) *Question 9:* If I have complied with the procedural requirements, on what other bases may a company rely to exclude my proposal? (1) *Improper under state law:* If the proposal is not a proper subject for action by shareholders under the laws of the jurisdiction of the company's organization;

Note to paragraph (i)(1): Depending on the subject matter, some proposals are not considered proper under state law if they would be binding on the company if approved by shareholders. In our experience, most proposals that are cast as recommendations or requests that the board of directors take specified action are proper under state law. Accordingly, we will assume that a proposal drafted as a recommendation or suggestion is proper unless the company demonstrates otherwise.

(2) *Violation of law:* If the proposal would, if implemented, cause the company to violate any state, federal, or foreign law to which it is subject;

Note to paragraph (i)(2): We will not apply this basis for exclusion to permit exclusion of a proposal on grounds that it would violate foreign law if compliance with the foreign law would result in a violation of any state or federal law.

(3) *Violation of proxy rules*: If the proposal or supporting statement is contrary to any of the Commission's proxy rules, including §240.14a-9, which prohibits materially false or misleading statements in proxy soliciting materials;

(4) *Personal grievance; special interest*: If the proposal relates to the redress of a personal claim or grievance against the company or any other person, or if it is designed to result in a benefit to you, or to further a personal interest, which is not shared by the other shareholders at large;

(5) *Relevance*: If the proposal relates to operations which account for less than 5 percent of the company's total assets at the end of its most recent fiscal year, and for less than 5 percent of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business;

(6) *Absence of power/authority*: If the company would lack the power or authority to implement the proposal;

(7) *Management functions*: If the proposal deals with a matter relating to the company's ordinary business operations;

(8) *Director elections*: If the proposal:

(i) Would disqualify a nominee who is standing for election;

(ii) Would remove a director from office before his or her term expired;

(iii) Questions the competence, business judgment, or character of one or more nominees or directors;

(iv) Seeks to include a specific individual in the company's proxy materials for election to the board of directors; or

(v) Otherwise could affect the outcome of the upcoming election of directors.

(9) *Conflicts with company's proposal*: If the proposal directly conflicts with one of the company's own proposals to be submitted to shareholders at the same meeting;

Note to paragraph (i)(9): A company's submission to the Commission under this section should specify the points of conflict with the company's proposal.

(10) *Substantially implemented*: If the company has already substantially implemented the proposal;

Note to paragraph (i)(10): A company may exclude a shareholder proposal that would provide an advisory vote or seek future advisory votes to approve the compensation of executives as disclosed pursuant to Item 402 of Regulation S-K (§229.402 of this chapter) or any successor to

Item 402 (a “say-on-pay vote”) or that relates to the frequency of say-on-pay votes, provided that in the most recent shareholder vote required by §240.14a-21(b) of this chapter a single year (i.e., one, two, or three years) received approval of a majority of votes cast on the matter and the company has adopted a policy on the frequency of say-on-pay votes that is consistent with the choice of the majority of votes cast in the most recent shareholder vote required by §240.14a-21(b) of this chapter.

(11) *Duplication*: If the proposal 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;

(12) *Resubmissions*. If the proposal addresses substantially the same subject matter as a proposal, or proposals, previously included in the company’s proxy materials within the preceding five calendar years if the most recent vote occurred within the preceding three calendar years and the most recent vote was:

(i) Less than 5 percent of the votes cast if previously voted on once;

(ii) Less than 15 percent of the votes cast if previously voted on twice; or

(iii) Less than 25 percent of the votes cast if previously voted on three or more times.

(13) *Specific amount of dividends*: If the proposal relates to specific amounts of cash or stock dividends.

(j) *Question 10*: What procedures must the company follow if it intends to exclude my proposal?

(1) If the company intends to exclude a proposal from its proxy materials, it must file its reasons with the Commission no later than 80 calendar days before it files its definitive proxy statement and form of proxy with the Commission. The company must simultaneously provide you with a copy of its submission. The Commission staff may permit the company to make its submission later than 80 days before the company files its definitive proxy statement and form of proxy, if the company demonstrates good cause for missing the deadline.

(2) The company must file six paper copies of the following:

(i) The proposal;

(ii) An explanation of why the company believes that it may exclude the proposal, which should, if possible, refer to the most recent applicable authority, such as prior Division letters issued under the rule; and

(iii) A supporting opinion of counsel when such reasons are based on matters of state or foreign law.

(k) *Question 11*: May I submit my own statement to the Commission responding to the company’s arguments?

Yes, you may submit a response, but it is not required. You should try to submit any response to us, with a copy to the company, as soon as possible after the company makes its submission. This way, the Commission staff will have time to consider fully your submission before it issues its response. You should submit six paper copies of your response.

(l) *Question 12:* If the company includes my shareholder proposal in its proxy materials, what information about me must it include along with the proposal itself?

(1) The company's proxy statement must include your name and address, as well as the number of the company's voting securities that you hold. However, instead of providing that information, the company may instead include a statement that it will provide the information to shareholders promptly upon receiving an oral or written request.

(2) The company is not responsible for the contents of your proposal or supporting statement.

(m) *Question 13:* What can I do if the company includes in its proxy statement reasons why it believes shareholders should not vote in favor of my proposal, and I disagree with some of its statements?

(1) The company may elect to include in its proxy statement reasons why it believes shareholders should vote against your proposal. The company is allowed to make arguments reflecting its own point of view, just as you may express your own point of view in your proposal's supporting statement.

(2) However, if you believe that the company's opposition to your proposal contains materially false or misleading statements that may violate our anti-fraud rule, §240.14a-9, you should promptly send to the Commission staff and the company a letter explaining the reasons for your view, along with a copy of the company's statements opposing your proposal. To the extent possible, your letter should include specific factual information demonstrating the inaccuracy of the company's claims. Time permitting, you may wish to try to work out your differences with the company by yourself before contacting the Commission staff.

(3) We require the company to send you a copy of its statements opposing your proposal before it sends its proxy materials, so that you may bring to our attention any materially false or misleading statements, under the following timeframes:

(i) If our no-action response requires that you make revisions to your proposal or supporting statement as a condition to requiring the company to include it in its proxy materials, then the company must provide you with a copy of its opposition statements no later than 5 calendar days after the company receives a copy of your revised proposal; or

(ii) In all other cases, the company must provide you with a copy of its opposition statements no later than 30 calendar days before its files definitive copies of its proxy statement and form of proxy under §240.14a-6.

From: Steve Krol [REDACTED]  
To: Paul D. Gilbert [REDACTED] Sherrie L Hinkle [REDACTED]  
Sent: Sunday, January 16, 2022, 02:48:35 PM EST  
Subject: Fw: E-Trade broker statements

Mr. Paul Gilbert  
Rite Aid Corporation  
30 Hunter Lane  
Camp Hill, Pa.

January 16, 2022

Dear Mr. Gilbert:

I am in receipt of your letter, dated 1/13/22, which responds to my shareholder proposal submitted to your office on 1/12/2022.

Your response is without merit. However, valuing the limited resources of The SEC Staff in manpower and time, I will provide to your office my monthly broker statements subsequent to your receipt of last year's proposal and Etrade broker letter, dated January 22, 2021. As you were already made aware last week, in March of 2021 my dissatisfaction with Etrade's service led to the full transfer of my IRA account to Charles Schwab. This you see on the final Etrade March 2021 monthly statement.

At that time, and up to and including the January 12, 2022 Schwab letter submitted last week, the undersigned has continuously held way in excess of \$25,000 in market value of Rite Aid shares and for way more than one (1) year, the basis of last week's qualification and Proposal submission. Notwithstanding your recent employment at Rite Aid, the undersigned could continuously and easily meet that threshold in excess of fifteen (15) years **plus**, as a 20 year long significant shareholder.

Referenced below are snapshots of my monthly Etrade IRA account statements. All personal information not relating to my stock position in Rite Aid have been redacted as irrelevant to the matter at hand:

On 1/22/21 your office received a prior Etrade broker letter, uncontested, evidencing 10,313 Rite Aid shares held **continuously for more than three (3) years**, after a 1 for 20 reverse stock split. Moving forward from there:

1. **Exhibit A-** shows most of them, 9,938 RAD shares, still held as of the statement ending on January 31, 2021.
2. **Exhibit B-** shows that as of February 28, 2021 this same IRA account held nearly this same amount, 9588 RAD shares.
3. **Exhibit C-** shows for the period ending on March 31, 2021 that Etrade, per my demand, transferred these same 9588 shares

to Charles Schwab on March 15, 2021. Given a transfer process on the books of Schwab, they recognized these incoming shares on 3/16/22, per last week's broker letter in your possession.

The above information should put my valid qualifications to submit this year's **revised** proposal (to follow shortly) to rest, however, if that continues to escape your office counsel is welcome to make its challenge to The SEC.

Lastly, as a courtesy I previously indicated that Rite Aid could select a date/time within SEC Rule parameters to teleconference with the undersigned on the proposal and it would be accommodated. Rite Aid has rejected that courtesy and therefore the undersigned now establishes Wednesday, February 2, 2022 at 9AM for such call. Please have Sherrie Hickle confirm this date and time no later than January 19, 2022 at 5PM. The failure to do so could potentially give away that date/time to other pressing matters that could arise in its place. Rite Aid may teleconference at my cell number, referenced below.

Sincerely,  
Steven Krol  
Rite Aid Shareholder/Proponent

[REDACTED]



E\*TRADE Pro Elite  
Investment Account

Account Number: [REDACTED]

Statement Period : January 1, 2021 - January 31, 2021

Exhibit A

Exhibit A

ACCOUNT HOLDINGS

CASH & CASH EQUIVALENTS (21.35% of Holdings)

DESCRIPTION

CASH BALANCE

Opening Balance

Closing Balance

TOTAL CASH & CASH EQUIVALENTS

TOTAL CASH & CASH EQUIVALENTS YTD INTEREST (CREDIT INTEREST ONLY)

STOCKS, OPTIONS & EXCHANGE-TRADED FUNDS (78.65% of Holdings)

DESCRIPTION	SYMBOL/ CUSIP	ACCT TYPE	QUANTITY	PRICE	TOTAL MKT VALUE	PORT
-------------	------------------	--------------	----------	-------	--------------------	------

COMMON STOCK  
RITE AID CORPORATION  
COMMON STOCK

RAD

Cash

9,938

26.2900

261,270.02



E\*TRADE Pro Elite  
Investment Account



Account Number: [REDACTED]

Statement Period : February 1, 2021 - February 28, 2021

Account Type: IRA - CONTRIBUTORY

ACCOUNT HOLDINGS

Exhibit B

CASH & CASH EQUIVALENTS (28.91% of Holdings)

DESCRIPTION	PORTFOLIO %	AMOUNT
CASH BALANCE		
Opening Balance		
Closing Balance		
<b>TOTAL CASH &amp; CASH EQUIVALENTS</b>		



TOTAL CASH & CASH EQUIVALENTS YTD INTEREST (CREDIT INTEREST ONLY)

STOCKS, OPTIONS & EXCHANGE-TRADED FUNDS (71.09% of Holdings)

DESCRIPTION	SYMBOL/ CUSIP	ACCT TYPE	QUANTITY	PRICE	TOTAL MKT VALUE	PORTFOLIO (%)	EST. ANNUAL INCOME	EST. ANNUAL YIELD (%)
RITE AID CORPORATION COMMON STOCK	RAD	Cash	9,588	19,5800	187,733.04	34.96		





E\*TRADE Pro Elite  
Investment Account



Exhibit C

Account Number: [REDACTED]

Statement Period: March 1, 2021 - March 31, 2021

Account Type: IRA - CONTRIBUTORY

OTHER ACTIVITY (Continued)

DATE	DESCRIPTION	SYMBOL/ CUSIP	TRANSACTION TYPE	QUANTITY	PRICE	AMOUNT DEBITED	AMOUNT CREDITED
03/15/21	RITE AID CORPORATION COMMON STOCK TRANSFER TO CHARLES SCHWAB ACAT20210690034669 BOS 0164	RAD	R&D	-9,588			

**From:** Steve Krol [REDACTED]

**Date:** Sunday, January 16, 2022 at 2:47 PM

**To:** "Paul D. Gilbert" [REDACTED] Sherrie L Hinkle [REDACTED]

**Subject:** Revised Shareholder Proposal

Mr. Paul Gilbert  
Rite Aid Corporation  
30 Hunter Lane  
Camp Hill, Pa.

January 16, 2022

Dear Mr. Gilbert:

Referenced below and please note that the below revised proposal replaces the previous one submitted on 1/12/22. Over the weekend, it became apparent that Rite Aid may be stepping away, as it should, from spending triple digit millions on "the store of the future" as originally discussed by management quite some time ago. Therefore, in the interest of accuracy I have deleted that comment in the Original Proposal as well as making some other minor changes.

### **REVISED PROPOSAL**

**RESOLVED**, shareholders recommend to the board of directors that it will consider a statement to their shareholders in all future annual proxy statements on the latest Rite Aid ranking on customer service within the drugstore space, as provided by J.D. Power Customer Satisfaction Annual Rankings or the same equally respected independent source of its choosing. Once selected, the annual source will be unchanged unless unavailable.

### **SUPPORTING STATEMENT**

The below referenced statements are true and accurate.

From the year 2000-2015 Proponent routinely visited Rite Aid stores nationwide and reported dismal findings to our board of directors and senior management pertaining to poor store execution and customer service. This led to Rite Aid's largest thirty (30%) percent directors/shareholder at that time insisting on and Proponent being invited to Corporate to meet with senior management to review these findings in late 2008. The ninety (90) minute meeting was deemed a failure by Proponent as management, now removed from the company, continued its denial of the seriousness of the operational issues presented to them; thereafter additional comparative findings were presented to the board debunking these denials.

The financial health of our highly indebted company and the continued improvement in our enterprise value will depend on our mostly newer board and senior management placing a new focus on the importance of superior store execution and customer service. For this to occur proper oversight by Corporate on its Regional, District, and Store Management must be part of the new "corporate culture" woefully absent prior to 2018. Proponent was forced to step in to fix unresolved store issues costing perhaps millions of dollars in lost

revenues and assumed profits from loss of customers due to poor shopping experiences and general store mismanagement.

The Customer World store format introduced in 2005 and the Wellness Store format introduced in 2012 were unsuccessful due to poor store execution, and hence we showed the poorest sales per square foot of floor space of the top three pharmacy chains. Bartells, purchased one year ago, has already received poor ratings by its customers as reported in a Seattle Times article last August as well as Proponent and other shareholder complaints to Corporate on these and other stores. Bartells could have the same fate as the others mentioned above without dramatic and noticeable improvements in customer service. Over the years, Rite Aid has done no better than being rated in the middle of the rankings, with independents always at the top tier because if they weren't they would be out of business.

The full Customer Lifetime Value to Rite Aid of a single happy customer will grow with better customer service because they shop more frequently with us and spending more money when they do. Additionally, they can allow Rite Aid to up-sell and cross-sell additional products with less resistance encountered by that happy customer.

Protect Your Investment- Vote **"FOR"** this Proposal

**From:** Steve Krol [REDACTED]  
**Date:** Monday, January 17, 2022 at 7:47 AM  
**To:** "Paul D. Gilbert" [REDACTED]  
**Subject:** Fw: E-Trade broker statements

Mr. Gilbert: Please take note of an obvious typographical error under #3. **Exhibit C, last line** should have read 3/16/21 not 3/16/22 as reported by Schwab in the letter already in your possession.

Thank You.  
Steven Krol

----- Forwarded Message -----

**From:** Steve Krol [REDACTED]  
**To:** Paul D. Gilbert [REDACTED]; Sherrie L Hinkle [REDACTED]  
**Sent:** Sunday, January 16, 2022, 02:48:35 PM EST  
**Subject:** Fw: E-Trade broker statements

Mr. Paul Gilbert  
Rite Aid Corporation  
30 Hunter Lane  
Camp Hill, Pa.

January 16, 2022

Dear Mr. Gilbert:

I am in receipt of your letter, dated 1/13/22, which responds to my shareholder proposal submitted to your office on 1/12/2022.

Your response is without merit. However, valuing the limited resources of The SEC Staff in manpower and time, I will provide to your office my monthly broker statements subsequent to your receipt of last year's proposal and Etrade broker letter, dated January 22, 2021. As you were already made aware last week, in March of 2021 my dissatisfaction with Etrade's service led to the full transfer of my IRA account to Charles Schwab. This you see on the final Etrade March 2021 monthly statement.

At that time, and up to and including the January 12, 2022 Schwab letter submitted last week, the undersigned has continuously held way in excess of \$25,000 in market value of Rite Aid shares and for way more than one (1) year, the basis of last week's qualification and Proposal submission. Notwithstanding your recent employment at Rite Aid, the undersigned could continuously and easily meet that threshold in excess of fifteen (15) years **plus**, as a 20 year long significant shareholder.

Referenced below are snapshots of my monthly Etrade IRA account statements. All personal information not relating to my stock position in Rite Aid have been redacted as irrelevant to the matter at hand:

On 1/22/21 your office received a prior Etrade broker letter, uncontested, evidencing 10,313 Rite Aid shares held **continuously for more than three (3) years**, after a 1 for 20 reverse stock split. Moving forward from there:

1. **Exhibit A-** shows most of them, 9,938 RAD shares, still held as of the statement ending on January 31, 2021.
2. **Exhibit B-** shows that as of February 28, 2021 this same IRA account held nearly this same amount, 9588 RAD shares.
3. **Exhibit C-** shows for the period ending on March 31, 2021 that Etrade, per my demand, transferred these same 9588 shares

to Charles Schwab on March 15, 2021. Given a transfer process on the books of Schwab, they recognized these incoming shares on 3/16/22, per last week's broker letter in your possession.

The above information should put my valid qualifications to submit this year's **revised** proposal (to follow shortly) to rest, however, if that continues to escape your office counsel is welcome to make its challenge to The SEC.

Lastly, as a courtesy I previously indicated that Rite Aid could select a date/time within SEC Rule parameters to teleconference with the undersigned on the proposal and it would be accommodated. Rite Aid has rejected that courtesy and therefore the undersigned now establishes Wednesday, February 2, 2022 at 9AM for such call. Please have Sherrie Hickle confirm this date and time no later than January 19, 2022 at 5PM. The failure to do so could potentially give away that date/time to other pressing matters that could arise in its place. Rite Aid may teleconference at my cell number, referenced below.

Sincerely,  
Steven Krol  
Rite Aid Shareholder/Proponent

████████████████████

**From:** [Steve Krol](#)  
**To:** [ShareholderProposals](#); [Paul D. Gilbert](#); [Sherrie L Hinkle](#)  
**Date:** Thursday, February 3, 2022 12:48:41 PM

---

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

U.S. Securities and Exchange Commission  
Division of Corporation Finance  
Office of Chief Counsel  
100 F Street N.E.

February 3, 2022

**Annual Meeting**  
Washington, D.C. 20549  
**Aid Omission Request**

**Re: Rite Aid Corporation-2022**

**Proponent Response to Rite  
of Shareholder Proposal**

**Ladies and Gentlemen:**

Pursuant to Staff Legal Bulletin No. 14L which rescinds the prior 14I, J, K, Proponent requests that the Staff of the Division of Corporation Finance disagree with Rite Aid's view that, for reasons stated below, it may not exclude the shareholder proposal and supporting statement submitted by the undersigned.

Counsel is reminded that it must furnish to Proponent any further correspondence it makes to Commission or the Staff with respect to the Proposal, and per Staff Legal Bulletin No. 14L that "to prove delivery of an email for purposes of Rule 14a-8, the sender should seek a reply email from the proponent in which the recipient acknowledges receipt of the email. In this instance and all others prior to this year, counsel has failed to do so.

Further, pursuant to the amended 14a-8 Rules, Proponent notified Rite Aid initially that he would teleconference with it on February 2, 2022 @ 9AM and requested a courtesy confirmation from Rite Aid. Not only did Rite Aid fail to extend that common courtesy with a confirmation, but as well failed to keep the appointment and call proponent's phone number provided to them.

#### **I. Proof of Ownership Letter(s)**

The Staff's guidance on proof-of-ownership letters previously appeared in the rescinded SLB 14K. SLB 14L reminds companies not to take an "overly technical" approach in trying very hard to exclude proposals and that the Staff will take a "plain meaning" approach to qualification based on these broker letters. The use of the words "common sense" may also be appropriate in this instance.

The undersigned has been a significant shareholder in Rite Aid for over 20 years, notwithstanding a 1 for 20 reverse stock split several years ago. Proponent assisted all shareholders in changing the by-laws of Rite Aid based on past proposal submissions, including:

**2015-Proxy access**

**2018-Separation of Chairman and CEO functions, leading to the company removal of the executive who had held both functions**

**2019-Shareholder ability to call for Special Meeting of Shareholders, previously only allowed by the board or senior executive**

Broker letters requested previously at E-Trade, even before the pandemic, have been difficult to obtain at best as Customer Service reps. and even their supervisors have been unfamiliar with The SEC broker letter process, causing delivery of unacceptable letters to proponent. The pandemic has led most personnel to work from home further aggravating any proper service from

E-Trade, despite proponent having what they call "Elite" status. Receiving no satisfaction from any staff at E-Trade as a long-time client, last year I threatened to sue E-Trade if they did not submit a proper broker letter without the usual mistakes. While that did the trick and Rite Aid received that letter, dated 1/22/21 as referenced below as Exhibit 2, showing continuous ownership for at least 3 years with a market value well in excess of \$25,000, I severed my relationship with E-Trade as indicated to Rite Aid in this year's letter proposal submission. The IRA account was subsequently fully transferred to Charles Schwab, as reflected on the March 2021 final monthly E-Trade statement already provided to Rite Aid, together with the month-end January and February 2021 statements to fill in the full gap.

Given the timing of the full transfer of over ninety-three (93%) percent of the continuous ownership of well over the \$25,000 in market value for well over one year (let alone over 3 years in the 2021 broker letter), neither E-Trade nor Schwab can reasonably attest to a full year of continuous custody for at least one year as of now. Counsel provides no similar example in his numerous cases where a proposal was excluded under similar circumstances, namely:

1. transfer of broker account mid-year
2. Proponent was the same proponent the previous year and provided a valid letter without company challenge as a guide then
3. shows monthly broker statements to fill in the gap prior to account transfer
4. and now shows in Exhibit 1 even further detail of all Rite Aid share transactions (which occurred only in January of 2021) which ties directly into the transfer to Schwab

The monthly broker statements pick up where last year's letter dated 1/22/21 ended until Schwab picks up custody of the account:

1. 1/22/21- E-Trade broker letter submitted to Rite Aid last year (Exhibit 2) showing 10,313 shares
2. 1/31/21- E-Trade month-end statement shows 9938 shares remaining (excludes unsettled trades). Exhibit 1 below shows the only Rite Aid transactions which occurred in January 2021, since last year's E-trade broker letter.
3. 2/28/21- E-Trade month-end statement shows 9,588 shares (includes prior unsettled trades)
4. 3/31/21- E-Trade month-end statement shows this same amount of shares, 9588, or 93% of them compared to last year's broker letter transferred to Schwab

It matters how long the Proponent continuously held the Rite Aid shares, not how long the individual brokers have held them. Proponent has clearly provided all detail to make any counsel argument mute.

## **II. The Proposal May Not Be Excluded Because the Revised Staff Legal Bulletin 14L, Which Counsel Intentionally Avoids, Overrules All Rite Aid Arguments Made**

Counsel was one of his firm's authors announcing the rescinding of 2017-2019 previous guidance in favor of SLB 14L which resets the Staff's approach to the "ordinary business" and "micro-management" exclusions counsel makes prominent mention of. SLB 14L also rescinded prior guidance on proof-of-ownership letters referred to above as well as the confirmation of transmitted emails, strongly recommended, which counsel continues to ignore. Sending an email is not proof of recipient's receipt of it.

The SEC Staff hopefully appreciates that the proposal 500 word limit leaves little room to present all matters relating to customer service which is all encompassing. It is the report card for the pieces of the puzzle leading up to it in properly assessing the proper operation of Rite Aid's retail stores, in the hope of the company making a profit and a decent return on stockholders investment.

The annual reporting in the proxies of information already available in the public domain, and not

some complicated report for Rite Aid to toil over, as counsel falsely alleges, answers many shareholder questions. Among them is how Rite Aid and every other retail drugstore handles their "capital labor management" issues as well as how neighborhoods which Rite Aid does business in are adequately served, a societal issue indeed. In effect, the pecking order is simple, i.e., unhappy employees lead to poor customer service, less customer foot traffic, followed by revenue/profit shortfalls and a subsequent closed store. Companies without profit, such as Rite Aid, are expected by their investors to grow their revenues every year, and a lot of it. How can a company stay in business if revenue growth is anemic and it does not earn profits? Unimpressively, Rite Aid grew its revenue at only 1.7% per year over the last several years, and losing money at it. The poor customer service is the culprit partially at too many of their stores.

As mentioned in the title of a prior Forbes article, dated 10/21/19, "When Pharmacies Close, Low-Income Neighborhoods Lose", so the societal impact of poor customer service at Rite Aid, sometimes the only pharmacy in a low-income neighborhood is not overstated and is significant to Rite Aid and others, although the 500 word limit did not allow for a fuller discussion. Last week, Rite Aid announced the closure of over 60 stores with more to come according to them.

Further, employment discrimination and other even more recent employee class-action lawsuits make exclusion under "ordinary business" or "micro-management" no longer available to Rite Aid under SLB 14L as follows:

**1. Rite Aid Uniform Class-Action Lawsuit (Nucci v. Rite Aid Corp.)**

employees forced to buy their own work uniforms without reimbursement, its "Team Colors" dress code, in violation of California

Labor Code Section 2802. Now, years later, Rite Aid wants to settle for \$12 million to cover over 25,000 employees

Does counsel believe these employees would be happy to know that the former Chairman/CEO was paid \$3 million in retention bonuses in 2018 only to be fired (together with others fired also receiving retention bonuses) a mere nine months later?

**2. Robert Leggins v. Rite Aid Corp.**

\$8.7 million jury verdict for wrongful termination and disability termination

**3. Martinez v. Rite Aid Corp.**

\$6 million jury verdict at 3rd trial (2nd trial had only awarded \$341,000) for wrongful termination

**4. Palma v. Rite Aid Corp.**

\$3.5 million jury verdict on discrimination lawsuit

**5. Fultz v. Rite Aid**

Federal agency, EEOC, awards \$250,000 for disability and retaliation discrimination

**6. Shirley Craig v. Rite Aid**

misclassification of all Assistant Store Managers as exempt from overtime even though they did non-exempt and non-managerial

tasks. This resulted in a \$21 million settlement and \$6.6 million in attorney fees and reclassification to an overtime eligible hourly position.

Therefore, the above appears to suggest that Rite Aid has human capital management issues at all supervision levels which SLB 14L attempts to address. Does counsel believe those employees were happy to service our customers when they are first poorly treated by their employer. These issues rise to the level of transcending the company's "ordinary business" operations. Shareholders have a right to see and reflect upon the latest nationally recognized sources of drugstore customer service as a vital good source to monitor everything that flows into it. Workforce management, including proper supervision of its regional and divisional supervisors



that were likely responsible for some of the lawsuits above, are all part of the puzzle pieces leading up to the independent source rankings.

Rite Aid struggles to get 4/5 star customer reviews (2-3 is on average). The independent drugstores routinely obtain 4/5 star reviews and top tier rankings, because otherwise they would be out of business. Rite Aid has never risen to that admiral level and hence the announcement of an initial 60 store count closure with more to follow.

Lastly, current Rite Aid senior management long ago "opened the door" to providing this proposal request information, when the COO, without prior retail store experience bragged about such a customer service rating below 4 at one such quarterly results analyst conference call long ago. Imagine if Rite Aid could pick and choose when it felt like it to issue quarterly results. The same should be true for annual rankings provided in the annual proxy provided by independent sources and not part of a complicated Rite Aid work project as Rite Aid attempts to suggest. Investors are entitled to know if management has what it takes to keep the company in business and to service the communities that depend on them to stay in business.

Should the SEC Staff have any questions for the proponent, please feel free to contact the undersigned at the number provided below.

Sincerely,  
Steven Krol  
Proponent

Tel. [REDACTED] PII

EXHIBIT 1

EXHIBIT 2

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP  
1440 NEW YORK AVENUE, N.W.  
WASHINGTON, D.C. 20005-2111

TEL: (202) 371-7000  
FAX: (202) 393-5760  
www.skadden.com

FIRM/AFFILIATE OFFICES

BOSTON  
CHICAGO  
HOUSTON  
LOS ANGELES  
NEW YORK  
PALO ALTO  
WILMINGTON  
  
BEIJING  
BRUSSELS  
FRANKFURT  
HONG KONG  
LONDON  
MOSCOW  
MUNICH  
PARIS  
SÃO PAULO  
SEOUL  
SHANGHAI  
SINGAPORE  
TOKYO  
TORONTO

DIRECT DIAL  
202-371-7233  
DIRECT FAX  
202-661-8280  
EMAIL ADDRESS  
MARC.GERBER@SKADDEN.COM

**BY EMAIL** (shareholderproposals@sec.gov)

February 11, 2022

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 – 2022 Annual Meeting  
Supplement to Letter dated January 28, 2022  
Relating to Shareholder Proposal of Steven Krol

Ladies and Gentlemen:

We refer to our letter dated January 28, 2022 (the “No-Action Request”), submitted on behalf of our client, Rite Aid Corporation, a Delaware corporation (“Rite Aid”), pursuant to which we requested 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 the shareholder proposal and supporting statement (the “Proposal”) submitted by Steven Krol (the “Proponent”) may be excluded from the proxy materials to be distributed by Rite Aid in connection with its 2022 annual meeting of stockholders (the “2022 proxy materials”).

This letter is in response to the letter to the Staff, dated February 3, 2022, submitted by the Proponent (the “Proponent’s Letter”), and supplements the No-Action Request. In accordance with Rule 14a-8(j), a copy of this letter also is being sent to the Proponent.

The Proponent's Letter contends that Rite Aid is taking an "overly technical" approach to the Broker Letter (as defined in the No-Action Request). On the contrary, the Broker Letter is crystal clear in that it establishes the Proponent's beneficial ownership of Rite Aid shares from March 16, 2021 to January 12, 2022 (*i.e.*, approximately a ten-month period). Rite Aid alerted the Proponent to this procedural defect in a timely Deficiency Letter (as defined in the No-Action Request) that specifically instructed the Proponent on how to remedy the defect. The Proponent then elected to send the Account Statements (as defined in the No-Action Request) to attempt to cure the deficiency.

The Proponent's Letter further contends that the Account Statements should be sufficient to establish continuous ownership for purposes of satisfying the requirements of Rule 14a-8. However, the Staff's longstanding position is that such monthly account statements are insufficient to establish eligibility to submit a proposal under Rule 14a-8 (and the Staff's more recent guidance has not altered that previous Staff guidance). Specifically, in Section C.1.c (2) of Staff Legal Bulletin No. 14 (July 13, 2001), the Staff squarely addressed whether periodic investment statements, like account statements, could satisfy the continuous ownership requirements of Rule 14a-8(b):

**(2) Do a shareholder's monthly, quarterly or other periodic investment statements demonstrate sufficiently continuous ownership of the securities?**

No. A shareholder must submit an affirmative written statement from the record holder of his or her securities that specifically verifies that the shareholder owned the securities *continuously* for a period of one year as of the time of submitting the proposal.

As described in the No-Action Request, consistent with Staff Legal Bulletin No. 14, the Staff has on numerous occasions permitted exclusion under Rule 14a-8(f)(1) of proposals on the grounds that the brokerage statement or account statement submitted in support of a proponent's ownership was insufficient proof of such ownership under Rule 14a-8(b).

In addition, the Proponent's Letter asserts that Staff Legal Bulletin No. 14L (Nov. 3, 2021) ("SLB 14L") "overrules" Rite Aid's argument that the Proposal relates to its ordinary business operations. This appeal to SLB 14L may be understandable but is inapposite. The Proposal focuses on the presentation of disclosure in Rite Aid's reports to shareholders and Rite Aid's relationships with its customers, both of which are ordinary business matters. Indeed, the Proponent's Letter concedes that the Proposal was submitted in the hope that "present[ing]

matters relating to customer service” would in turn result in Rite Aid “making a profit and a decent return on stockholders['] investment[s],” all of which relate to Rite Aid’s ordinary business operations. In a further effort to grasp at SLB 14L, the Proponent’s Letter attempts to recast the Proposal as relating to “human capital management” and “capital labor management,” none of which is referenced in the Proposal or its supporting statement.

For the reasons described above and in the No-Action Request, the Proposal may be excluded from the 2022 proxy materials pursuant to Rule 14a-8(b)(1) and Rule 14a-8(f)(1) as the Proponent has failed to timely provide proof of the requisite stock ownership after receiving timely notice of such deficiency and pursuant to Rule 14a-8(i)(7) as relating to Rite Aid’s ordinary business operations.

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

cc: Paul Gilbert  
Executive Vice President, Secretary and General Counsel  
Rite Aid Corporation

Steven Krol

**From:** [Steve Krol](#)  
**To:** [ShareholderProposals](#); [Paul D. Gilbert](#); [Sherrie L Hinkle](#)  
**Subject:** Proponent Supplement to SEC Letter-Dated 2/3/22  
**Date:** Sunday, February 13, 2022 2:39:46 PM

---

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

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

February 13, 2022

Rite Aid Corporation-2022 Annual

**Proponent Supplement to Letter**

**dated, 2/3/22**

Ladies and Gentlemen:

The undersigned refers to its letter dated February 3, 2022 in response to Rite Aid Corporation's request to have the U.S. Securities and Exchange Commission concur in Rite Aid's view that the undersigned's Proposal submitted to Rite Aid be excluded from the 2022 proxy materials

This letter is in response to Rite Aid's supplement, dated February 11, 2022 and supplement's Proponent's initial response dated February 3, 2022.

**I. The Proposal May Not be Excluded Because Rite Aid Has Failed to Demonstrate that Proponent's Eligibility Requirement for Rule 14a-8 Has Not Been Met**

Much of The SEC Staff's new Legal Bulletin 14I (rescinding I, J,,K) appears to attempt to lessen the workload of The Staff, which has limited manpower in reviewing the volume of "exclusion requests" being transmitted to them. While the Staff warns companies and its counsel to avoid being "overly technical" in reviewing qualifying broker letters, that is exactly what Rite Aid has elected to do. Does counsel believe the Staff does not carefully review the Proponent response letters it has received on this matter? Proponent's initial proponent letter to Rite Aid indicated the relationship with Etrade ceased in March 2021 in favor of a direct transfer to Charles Schwab. Counsel conveniently and intentionally not only fails to advise the Staff of this, but as well fails to advise the Staff of the previous Etrade letter from last year, dated 1/22/21 just prior to the transfer, previously in their possession. The Staff, per LSB 14L have now elected a "plain language" standard instead, notwithstanding the "shell game" being attempted by counsel.

Given the March 2021 account transfer date to Charles Schwab, no single broker could demonstrate the full one (1) year qualification that was presented to Rite Aid when the Proposal was submitted. Etrade especially, given the ill feelings causing the transfer as previously discussed, would be uncooperative presently since they have no current relationship with Proponent. In any event, they are not needed now as Proponent provides the best further evidence without them, namely the detail of it's account in January-March 2021 until transfer to Schwab

It should not be lost on the Staff that counsel has cited numerous cases where exclusion was allowed (but conspicuously before SLB 14L which attempts to reign in lawyers "technical " viewpoints). yet fails in his Supplement to prove that a single one of them mirrors the unique circumstance in this case. Why? Because this case is uniquely different than those. Proponent should not be penalized because its relationship with Etrade's service became intolerable. Counsel's desire to see one broker letter of qualification to meet his "technical" satisfaction should not be allowed by the Staff, especially because

counsel has omitted some of the evidence necessary for the Staff to draw a proper conclusion.

Further, Rite Aid comes before this Staff with "unclean hands" in that they intentionally violated the required amendment to SEC Rule 14a-8 pertaining to teleconferencing with Proponent (after making such a big point of it in their Deficiency Letter, when Proponent had previously allowed them to pick the date/time). Again, "game playing" since there was no intention to meet the requirements of the amendment, which could have resolved this issue without the need for discussion now, if Rite Aid ever had such a desire in the first place. This is a misuse of the Staff's limited resources and time.

Lastly, and once again according to counsel's co-authoring of his internet article, "SLB 14L expresses a new Staff view that companies should identify any specific defects in the proof of ownership letter, **even if the company previously sent a deficiency notice prior to receiving proof of ownership**. In this case, Rite Aid received the timely January 16, 2022 response to their Deficiency Notice which then included the January, February and March 2021 month-end Etrade statements. This was more than adequate to prove proponent qualified ownership, but counsel did not advise Rite Aid to inform proponent that they believed, albeit wrongly, proponent must provide more evidence as provided in my initial SEC response, dated February 3, 2022. Counsel's article and Rite Aid's failure to keep their teleconference appointment appears to suggest "do as I say, but not as I do". For this, they should not be rewarded.

**II. The Proposal May Not be Excluded Because Rite Aid Fails to Demonstrate that the Proposal Deals with Matters Relating to "Ordinary Business Operations" or "Micromanagement" to satisfy exclusion under revised Staff Legal Bulletin No. 14L or Otherwise**

**Counsel continues to cite examples under rescinded SLB 14i, attempting to steer the Staff away from what current SLB 14l attempts to accomplish.**

On November 5, 2021 counsel co-authored an internet article announcing the rescinding of 2017-2019 Guidance, and that "proposals squarely raising human capital management issues with a broad societal impact would not be subject to exclusion solely because it did not demonstrate that the human capital management issue was significant to the company". Here, it is both highly significant to Rite Aid specifically and all retail operations generally.

Clearly, at a time when employees have easy choices where to be employed, Rite Aid in only a few employee discrimination and employee class-action lawsuits selected previously, has wasted over \$51 million in shareholder assets on mostly jury verdicts. More importantly, Rite Aid has created poor employee relations, evidence of poor middle management supervision of their stores, less foot traffic/sales and ultimately closed stores as recently announced with more to come according to them (1900 Rite Aid stores were already sold to Walgreens in 2017, with 600 of them subsequently closed).

Employment discrimination and an illogical employer practice of making employees pay for their own uniforms is a significant social policy and generally **not** excludable per a 1998 SEC release "because such issues typically fall outside the scope of management's prerogative". Also, under the second prong of counsel's initial response, but apparently abandoned in his Supplement now, "micromanagement", under SLB 14L would not be allowed exclusion if the proposal raises policy issues that it would be appropriate for a shareholder to vote on. Shareholders should want to see high customer service ratings because it automatically indicates that employees are happy with their jobs/employers. At Rite Aid, when senior management is paid millions in retention bonuses in June 2018 and then only nine (9) months later are fired, while employees must pay for their own uniforms, this not only causes an inability for good customer service (a rating/ranking Rite Aid wants to continue to hide), but as well raises a societal "fair pay" issue as well.

The Supporting Statement indicates that Proponent has been fully aware of just how bad customer service has been over the years based upon nationwide store visitations. Other shareholders may reside in states where Rite Aid has no presence. The ratings/rankings, routinely and annually available to the public provide vital information to present and future investors. It provides for an annual timeline in the proxy but is not excludable since it affords discretion to management as to how to achieve that goal and

to keep stores open to serve the public need.

### III. Conclusion

Counsel has indicated that Proponent has not mentioned in its Supporting Statement certain components that comprise the ultimate goal, i.e. better customer rankings that shareholders have a right to vote on and not have hidden from them. I welcome counsel advocating on my behalf to lengthen the amount of words afforded a proponent beyond the 500 word limit. Until that day comes, proponents will be unable to include everything, but are envious of companies that are allowed to write novels in their proxy Opposition Statements.

Proponent has been careful to give no guidance to Rite Aid on how to improve its customer service, left to their discretion; Proponent only requests the publishing of public information available to it **and** on one occasion already made mention of by senior management to analysts during a quarterly conference call, clearly "opening the door" to its annual publishing in the proxy.

There is no good time to transfer one's brokerage account, given many days that one cannot trade while the "transfer process" is underway. Proponent should not be penalized because of the uniqueness of the situation when the full pieces of the puzzle were provided, or could have been initially had Rite Aid not refused to teleconference with Proponent and/or send a second Deficiency Notice requesting even more (yet unnecessary) information.

There is nothing "ordinary" about some of Rite Aid's business practices and how many of Rite Aid's employees have been treated in comparison to the former top brass at Corporate; store employee discrimination and class-action lawsuits speak for themselves. The cash registers are at the stores, not Corporate presenting a glaring societal issue on proper pay practices throughout organizations. Human capital management is indeed an important element of customer service rankings. Shareholders are entitled to see this. As the below referenced Seattle Times recent article suggests, pharmacy staff quitting in unison at some of the Bartells stores suggests this is more than existing labor shortages. Unhappy employees become unhappy customers as the below article is quite clear about.

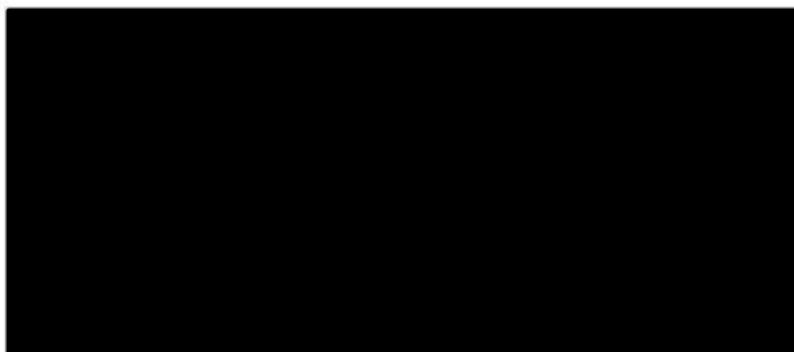
The undersigned welcomes any questions you may have and would be delighted to speak with you in that event at the number/email listed below.

Sincerely,  
Steven Krol  
Rite Aid Proponent

Tel. [REDACTED] Landline

Email- [REDACTED]

[Bartell customers face delays, staff shortages after Rite Aid takeover | The Seattle Times](#)



## **Bartell customers face delays, staff shortages after Rite Aid takeover**

Ten months after the national drugstore chain Rite Aid bought the locally owned Bartell Drugs chain, some custom...