

RITE AID CORP
Form 8-K
May 04, 2009

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

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported):
May 1, 2009 (April 28, 2009)

Rite Aid Corporation
(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

1-5742
(Commission File Number)

23-1614034
(IRS Employer
Identification Number)

30 Hunter Lane, Camp Hill, Pennsylvania 17011
(Address of principal executive offices, including zip code)

(717) 761-2633
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

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

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

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

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

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(b) On April 28, 2009, Rite Aid Corporation (the “Company”) received notice from Dr. Michael A. Friedman that he is resigning from the Company’s Board of Directors effective immediately due to the demands and responsibilities of his leadership role at City of Hope.

SIGNATURES

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

Date: May 1, 2009

By:/s/ Marc A. Strassler

Name: Marc A. Strassler
Title: Executive Vice President,
General Counsel and Secretary

rough the date of termination plus the Change in Control benefit. The agreement's severance benefit granted to Mr. Nano provides for no less than twelve months continuation of his base compensation, his employment benefits, vesting of Options granted, and reimbursement for post retirement health coverage. The agreement's Changes in Control benefit granted to Mr. Nano provides for continuation of compensation in effect to be paid for a period of either twice the amount of the severance benefit period, or the remainder of his employment term, whichever is longer; continuation of his employment benefits and reimbursement for post-retirement health care benefits; and full and immediate vesting of any unvested but outstanding Options The following table summarizes the value of benefits payable to Mr. Nano pursuant to the arrangements described above: SUMMARY OF POTENTIAL PAYMENTS AT JULY 31, 2007 FOR JOHN B. NANO EMPLOYMENT CONTRACT (1) POST RETIREMENT SEVERANCE BENEFITS OPTIONS HEALTHCARE (\$) SUMMARY(\$ VESTING(\$ (\$) TOTAL (\$) -----

	Resignation - - - -	Termination - cause - - - -	Death or disability - -
Resignation - good reason	875,000(2)	130,890(3)	434,324(4)
Termination - w/o cause	875,000(2)	130,890(3)	434,324(4)
Change of control	875,000(2)	130,890(3)	434,324(4)
Calculated based on the termination, resignation or change of control taking place as of July 31, 2007, the last day of our most recent fiscal year.	875,000(2)	130,890(3)	434,324(4)

(2) Reflects continued base salary for remaining term of the agreement. (3) Reflects continued benefits of auto, medical, dental, vision and life insurance plan coverage for remaining term of the agreement. (4) Reflects accelerated vesting of the unamortized cost of the options, as if the officer continued employment for the remaining term of the agreement. OTHER ARRANGEMENTS 401(K) RETIREMENT SAVINGS PLAN We have an employee defined contribution plan qualified under section 401(k) of the Internal Revenue Code for all our employees who have attained the age of 21 and meet certain service requirements. The Plan has been in effect since January 1, 1997. Participation in the Plan is voluntary. Employees may defer compensation up to a specific dollar amount determined by the Internal Revenue Service for each calendar year. We do not make matching contributions, and employees are not allowed to invest in our stock under the Plan. We may make discretionary contributions to the Plan solely by authorization of our directors, who may authorize a contribution of a dollar amount to be allocated to participants according to the provisions of the Plan, and payable in shares of our common stock valued as of the date the shares are contributed. Our directors authorized and we expensed \$140,000, \$125,000, and \$100,000 in 2007, 2006, and 2005, respectively, for such discretionary contributions. Related shares of our common stock have been contributed to the Plan for 2007, 2006 and 2005. ANNUAL INCENTIVE PLAN The Competitive Technologies, Inc. Annual Incentive Plan was approved by our Board on November 22, 2005, replacing a prior plan. The Compensation Committee administers the Incentive Plan. The Compensation Committee may suspend or amend the Incentive Plan at any time from time to time, and the Board may terminate the Incentive Plan. The Incentive Plan provides for eligible employees to earn an annual bonus incentive in cash. The targeted annual bonus incentive award is a percentage of the participant's salary earned during the plan year, as defined in the Incentive Plan,

and is comprised of two parts, 50% of which is dependent upon attainment of financial performance metrics that serve as our company wide goals and objectives and are set at the beginning of the year, the Company Component; and 50% of which is dependent upon the individual's performance compared to each individual's pre-established goals and objectives, the Individual Component. If our financial performance is less than 70% of its goal, there will be no award for the Company Component. If our financial performance is more than 120% of its goal, then the Company Component award will increase to 125% of the award, and may, under certain conditions, as defined, increase up to a maximum of 200% of the award. If a participant meets his or her individual goals, we may pay the Individual Component regardless of whether the Company Component is met. For the years ended July 31, 2007, 2006, and 2005, we charged \$0, \$143,608, and \$291,423, respectively, to expense for annual bonus incentive awards to employees other than the Named Executive Officers. In addition, for the year ended July 31, 2005, \$800,000 was charged to expense for commissions paid under our terminated prior annual incentive plan. 1997 EMPLOYEES' STOCK OPTION PLAN The 1997 Employees' Stock Option Plan provides for the granting of stock options to purchase our Common Stock. The stock options may be incentive stock options pursuant to Section 422 of the Internal Revenue Code or non-statutory stock options. Stock options granted under the Stock Option Plan must be granted at not less than 100% of the fair market value on the date of grant. The Compensation Committee determines the vesting period for the stock options. Stock options expire upon termination of the grantee's employment, or ten years after the grant date. In certain instances stock options which are vested or become vested upon the occurrence of an event or events specified by the Compensation Committee, may continue to be exercisable through up to ten years after the grant date, irrespective of the termination of the optionee's employment with us. No options were allowed to be granted pursuant to this plan after September 30, 2007. NUMBER OF SECURITIES REMAINING NUMBER OF WEIGHTED- AVAILABLE SECURITIES TO AVERAGE FOR FUTURE BE ISSUED UPON EXERCISE ISSUANCE EXERCISE OF PRICE OF (EXCLUDING OUTSTANDING OUTSTANDING OPTIONS PLAN CATEGORY OPTIONS OPTIONS OUTSTANDING) ----- Equity compensation plans approved by security holders 960,825 \$ 4.19 436,723 2. ELECTION OF INDEPENDENT PUBLIC ACCOUNTANTS Effective February 12, 2007, the accounting firm BDO Seidman, LLP resigned as the Company's independent registered public accountants. Effective February 20, 2007, the Company engaged Mahoney Cohen & Company, CPA, P.C. as their independent registered public accountants. Fees Billed by Principal Accountants - The following table presents fees for professional services rendered by Mahoney Cohen and BDO for the years ended July 31, 2007 and 2006: 2007 2006 ----- Mahoney Cohen BDO Seidman BDO Seidman ----- Audit fees \$ 129,056 \$ 17,375 \$ 117,000 Audit related fees (1) 2,355 8,580 - All other fees - TOTAL \$ 131,411 \$ 25,955 \$ 117,000 (1) Fees for review of work papers and proxy consultation. AUDIT COMMITTEE PRE-APPROVAL OF SERVICES OF PRINCIPAL ACCOUNTANTS The Audit Committee has sole authority and responsibility to select, evaluate, determine the compensation of, and, where appropriate, replace the independent auditor. After determining that providing the non-audit services is compatible with maintaining the auditor's independence, the Audit Committee pre-approves all audit and permitted non-audit services to be performed by the independent auditor, except for de minimus amounts. If it is not practical for the Audit Committee to meet to approve fees for permitted non-audit services, the Audit Committee has authorized its chairman, currently Mr. Reali, to approve and review such pre-approvals with the Audit Committee at its next meeting. RATIFICATION OF SELECTION OF INDEPENDENT PUBLIC ACCOUNTANTS The persons named in the enclosed proxy will vote to ratify the selection of Mahoney Cohen as independent public accounts for the year ending July 31, 2008, unless otherwise directed by the shareholders. Shareholder ratification of Mahoney Cohen as the Company's independent public accountants is not required by the Company's bylaw or otherwise. However, the Company is submitting selection of Mahoney Cohen to the shareholders for ratification as a matter of good corporate practice. If the shareholders do not ratify the selection of Mahoney Cohen as the Company's independent public accountants, the Audit Committee will reconsider the selection of such independent public accountants. If the selection is ratified, the Audit Committee may, in it discretion, direct the appointment of a different independent public account at any time during the year if it determines that such a change would be in the best interest of the Company and its shareholders. VOTE REQUIRED The affirmative vote of a majority of the shares of Common Stock present or represented by proxy at the Annual Meeting is necessary for the ratification of Mahoney Cohen as independent public accountants for the fiscal year ended July 31, 2008. RECOMMENDATION Our Board of Directors recommends that shareholders vote FOR the ratification of Mahoney Cohen as independent public

accountants for the fiscal year ended July 31, 2008. PROPOSALS OF SHAREHOLDERS Shareholders who wish to present proposals under SEC Rule 14a-8 to be included in our Proxy Statement and form of proxy in connection with next year's Annual Meeting of Shareholders, must submit those proposals so that we receive them no later than 120 days before the mailing date of our Proxy Statement in connection with the upcoming April 18, 2008 Annual Meeting. If we meet this year's expected mailing date of March 21, 2008, we must receive such proposals for next year's Annual Meeting no later than November 21, 2008 Shareholders who wish to present matters outside the processes of SEC Rule 14a-8 to be included in our Proxy Statement and form of proxy in connection with this year's Annual Meeting of Shareholders, must submit notice of those matters so that we receive them no later than 45 days before the mailing date of our Proxy Statement in connection with the April 18, 2008 Annual Meeting. If we meet this year's expected mailing date of March 21, 2008, we must receive notice of such matters for next year's Annual Meeting no later than February 4, 2009. Notice received after February 4, 2009 will be untimely and subject to the discretionary authority described in the last sentence of this Proxy Statement. GENERAL We will pay the cost of soliciting proxies and may make arrangements with brokerage houses, custodians, nominees and other fiduciaries to send proxy material to beneficial owners of our common stock. We will reimburse these third-parties for reasonable out-of-pocket expenses. In addition to solicitation by mail, our directors, officers and employees may solicit proxies by telephone, electronic transmission and personally. Our directors, officers and employees will not receive compensation for such services other than regular employee compensation. We have retained Morrow & Co. for an estimated fee of \$5,000, plus out of pocket expenses, to assist in distributing proxy materials and soliciting proxies. Copies of our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, any amendments to those reports and any other reports filed with or furnished to the SEC also are available on or through our website at www.competitivetech.net as soon as reasonably practicable after they are filed with or furnished to the SEC. Upon written request, we will provide without charge (except for exhibits) to any shareholder of record or beneficial owner of our securities, a copy of our Annual Report on Form 10-K filed with the SEC for the year ended July 31, 2007, including the financial statements and schedules thereto. Exhibits to said report will be provided upon payment of fees limited to our reasonable expenses in furnishing such exhibits. Written requests should be addressed to: Secretary, Competitive Technologies, Inc., 777 Commerce Drive, Fairfield, Connecticut, 06825. Some brokers and other nominee record holders may be participating in the practice of "householding" corporate communications to shareholders, such as proxy statements and annual reports. This means that only one copy of this Proxy Statement may have been sent to multiple shareholders in your household. We promptly will deliver a separate copy of this Proxy Statement to you if you call or write us at the following address or phone number: Secretary, Competitive Technologies, Inc., 777 Commerce Drive, Fairfield, Connecticut, 06825, telephone: (203) 368-6044. If in the future you want to receive separate copies of our corporate communications to shareholders, such as proxy statements and annual reports, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your broker or other nominee record holders, or you may contact us at the above address and phone number. The Board of Directors is not aware of any matter that is to be presented for action at the meeting other than the matters set forth herein. Should any other matters requiring a vote of the shareholders arise, the proxies in the enclosed form confer upon the person or persons entitled to vote the shares represented by such proxies discretionary authority to vote the same in respect of any such other matters in accordance with their best judgment in the interest of CTT. By Order of the Board of Directors, \s\ John B. Nano JOHN B. NANO Chairman, President and CEO Dated: March 19, 2008 * ***** **-----** *----- COMPETITIVE ***** TECHNOLOGIES **===== Unlocking the Potential of Innovation (R) **=====** ***** * (R)