

## Rite Aid: Promises To Shareholders Not Kept

Feb. 6, 2019 1:10 PM ET230 comments | 28 Likes

by: Seven Corners Capital Management

### Summary

- Last September, Rite Aid promised that the separation of the CEO and Chairman roles was just the "first step" in corporate governance reform at the company.
- Since then, the company has been silent on further governance reforms.
- The recent reverse split proposal appears to us yet another shareholder-unfriendly entrenchment device employed by the board and management.
- Rite Aid can never fulfill its potential unless it attains best-in-class governance. Fortunately, the company is now a promising target for activist investors.

Shares of Rite Aid (RAD) recently plumbed multi-year lows, dropping to \$0.60/share in late December and \$0.79/share as of this writing (levels not seen since the 2008/2009 financial crisis), down from a high over \$8.50/share as recently as January 2017 and the \$4.50 to \$8.50/share range in which the stock consistently traded during the three-year period from 2014 through 2016. We provided our views on why Rite Aid's management and board of directors have comprehensively failed shareholders several months ago in our article on Seeking Alpha entitled "Rite Aid - Vote 'Em Out On October 30th". We followed this article up with a blog post entitled "Rite Aid - Last Chance For Shareholders To Effect Change", which outlined additional problematic corporate governance and executive compensation issues requiring immediate corrective action by the company's leadership.

Disappointingly, all incumbent directors were re-elected at the annual meeting, meaning the company's shareholders will most likely suffer from suboptimal leadership at their company for the foreseeable future (as reflected in the current dismal stock price). Even worse, the company has utterly failed to follow up on its promises for further governance improvements. However, all is not (yet) lost, since we think that Rite Aid now stands primed for targeting by one or more activist hedge funds, which could benefit massively from a campaign to unseat the incumbent board and replace Rite Aid's failed management team. In this article, we provide the following: (1) an update on Rite Aid's corporate governance story, in light of promises made by the board of directors leading up to last year's annual meeting, (2) an explanation as to why the recently announced reversal split proposal is detrimental to Rite Aid shareholders and (3) specifics regarding why and how the company could become a prime target for an activist sooner rather than later (i.e., a "playbook for an activist" in Rite Aid).

### Just the "First Steps" in Governance Reform at Rite Aid? Hardly

Back in September 2018, Rite Aid issued its proxy statement for the 2018 annual meeting. In the proxy, Rite Aid's board chairman-designee Bruce Bodaken and the other independent directors penned a letter addressed to the shareholders laying out why the company's board decided to appoint three new independent directors and strip CEO John Standley of his chairman's role, stating as follows:

Based on the feedback [from shareholders] we received, and consistent with our commitment to align Rite Aid's interests with those of our stockholders, we are making several changes to strengthen and enhance the Board's governance oversight. First, the Board has decided to separate the positions of Chairman and Chief Executive Officer, and Bruce G. Bodaken will hold the position of Chairman effective at the 2018 Annual Meeting of Stockholders. The Board also has significantly accelerated its efforts to change the composition of the Board. As part of that refreshment process, three of our current eight independent directors will not be standing for re-election and we are nominating three new independent directors- Robert E. Knowling, Jr., Louis P. Miramontes and Arun Nayar. These changes will bring fresh perspectives to the opportunities and challenges before us.... We are committed to continuing the Board refreshment process over the next year to ensure we have the right mix of experience, expertise and fresh perspectives to guide Rite Aid going forward.

Moreover, the letter from the Rite Aid directors made the following promises to the company's shareholders:

We view the governance changes described above as the first steps in reinvigorating our corporate governance practices and policies. Over the coming year, the Board will continue to seek stockholder input and identify new candidates to further refresh the Board. We will also consider [other] corporate governance enhancements, including addressing items specifically raised by stockholders in the course of our recent and ongoing engagement efforts.

Over four months have now elapsed since the date of the 2018 proxy statement, yet since then (and despite these promises), we have seen Rite Aid's board take precisely zero "additional steps" to further reform governance. In our original article, we asked aloud the following obvious questions raised by the directors' letter: If there are additional steps to "reinvigorate Rite Aid's corporate governance practices and policies", then (1) what additional steps are being contemplated by the board? and (2) what in the world is the board waiting for? In other words, why hasn't Rite Aid taken such steps already? We re-iterate these questions today. Regardless of whether the promises were genuine or not when made, the "radio silence" emanating from Rite Aid ever since the 2018 annual meeting is deeply disturbing from the perspective of a shareholder.

## Entrenchment and Excessive Executive Compensation Still The Norm

### A. RAD's Board Continues To Remain Firmly Entrenched

Since the October 2018 annual meeting, Rite Aid's board of directors has taken additional steps that, in our view, prevent the true owners of the company, the shareholders, from effecting real change at Rite Aid (perhaps not coincidentally, the stock is down substantially since then). We note in particular the manner in which the 2019 annual meeting and a special meeting regarding a proposal to reverse split the stock were scheduled. First, after regular market hours on Friday, December 28, 2018, Rite Aid filed a form 8-K which stated that the company had amended its bylaws (eight days earlier, on December 20th) to provide that if Rite Aid's annual meeting of stockholders is more than 30 days before or more than 60 days after the anniversary date of the prior year's annual meeting, to be timely, proxy access nominations must be received by the Secretary at Rite Aid's principal executive offices not more than 165 days prior to the date of the annual meeting and not later than the later of (1) the 135th day prior to the date of the annual meeting or (2) the 10th day following public disclosure of the date of the annual meeting. Eleven days later, Rite Aid filed yet another Form 8-K specifying that the 2019 annual

meeting would be held on July 19, 2019 (more than three months prior to the anniversary date of the 2018 meeting, which occurred on October 30, 2018), and thus the following rules would apply regarding nominations and shareholder proposals for the 2019 meeting:

As a result [of the advanced scheduling in the calendar of the 2019 meeting vis-a-vis the 2018 meeting], the deadlines for stockholders to submit proposals and nominations of directors as set forth in Rite Aid's definitive proxy statement for the Company's 2018 annual meeting of stockholders are no longer effective.

Under the Company's amended and restated By-Laws (as so amended and restated, the "By-Laws"), in order for stockholder proposals and director nominations to be presented at the 2019 Annual Meeting (other than by means of inclusion of a stockholder proposal in the proxy materials under Rule 14a-8 and proxy access nominations, which are each described below), the Company must have received proper notice at the Company's principal executive offices not later than the close of business on January 18, 2019....

Under the Company's By-Laws, in order for proxy access nominations to be included in the Company's proxy materials and presented at the 2019 Annual Meeting, the Company must have received proper notice at the Company's principal executive offices not before February 2, 2019 and not later than the close of business on March 4, 2019....

Stockholder proposals intended for inclusion in the Company's definitive proxy statement for the 2019 Annual Meeting pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended, must be received at Rite Aid's principal executive offices no later than February 8, 2019 (which the Company believes is a reasonable time before it begins to print and send its proxy materials).

Now, let's compare these deadlines to those included in the 2018 proxy statement (on page 74):

1. Shareholder proposals (other than Rule 14a-8 proposals) were originally supposed to be submitted by May 30th (rather than January 18th);
2. Rule 14a-8 proposals were originally supposed to be submitted by August 1st (rather than February 8th); and
3. Director nominations were originally supposed to be submitted no earlier than April 30, 2019, and no later than May 30, 2019 (rather than January 18th for regular nominations or, for proxy access nominations, between February 2nd and March 4th).

Thus, we find that by moving the 2019 up in the calendar by more than 30 days versus the prior year, key shareholder deadlines for the annual meeting were set much earlier in the year than would otherwise be the case (including advancing the Rule 14a-8 deadline by nearly five months!), the practical effect of which is to reduce the possibility that an activist might take a major stake in the company, or that a regular shareholder might wish to submit a proposal to be included in the proxy statement, prior to such deadlines, in each case in order to effect desperately needed reform and/or regime change at the company.

Next, we note that on January 4, 2019, the company filed a Form 8-K stating that Rite Aid was out of compliance with NYSE listing requirements, due to the stock price falling below \$1 for 30 consecutive trading days. Rite Aid stated in the 8-K that "[i]n accordance with the NYSE's rules, Rite Aid has six months from the receipt of the notice [on January 3rd] to regain compliance with the NYSE's price condition or until the company's next annual meeting of stockholders if stockholder approval is required, as would be the case to effectuate a reverse stock split, to cure the share price non-compliance". This was

followed on January 25, 2019, by the announcement of a special meeting on March 21, 2019, to reverse split the stock in order to regain compliance with the listing rules (see the proxy statement for the reverse split here).

The timing of the reverse split special meeting is curious indeed, especially if one naturally distrusts the motives of Rite Aid's board (as we do, in light of recent history). For starters, note that an NYSE-listed company can appeal a delisting decision under Section 804 of the NYSE's Listing Rules, thereby possibly extending the 6-month cure period. Pier 1 (PIR) noted this in their delisting press release from several weeks ago, stating that "Pier 1 has a period of six months from receipt of the notice to regain compliance with the NYSE's minimum share price requirement, with the possibility of extension at the discretion of the NYSE". So, why would Rite Aid go to the trouble and expense of scheduling a special meeting on the reverse split when they could have (1) simply moved the annual meeting date up a few weeks from July 19th in order to fall within the 6-month deadline or (2) if option #1 was not available for some reason, asked the NYSE for a short-term extension to July 19th, in either case, so that shareholders could vote on the reverse split at the already-scheduled annual meeting?

We note in this respect that the special meeting's record date is February 5, 2019, which is far in advance of the annual meeting's anticipated record date (which will likely fall near the end of May). This again restricts the ability of activists to get a toehold in the stock who might oppose the reverse split. Why might an activist want to block the reverse split? The answer is simple: index and other passive funds. Below is a snapshot of Rite Aid's largest institutional and mutual fund holders:

Name	Shares Held	% Outstanding	Change in Shares	% of Assets	As Of Date
The Vanguard Group, Inc.	93.27M	8.74%	2.02M	0%	09/30/18
BlackRock Fund Advisors	65.81M	6.17%	575.93K	0%	09/30/18
OppenheimerFunds, Inc.	50.17M	4.7%	0	0.03%	09/30/18
Franklin Mutual Advisers LLC	49.68M	4.66%	-1.63M	0.08%	09/30/18
Highfields Capital Management LP	30.53M	2.86%	-16.48M	0.51%	09/30/18
SSgA Funds Management, Inc.	29.43M	2.76%	4.38M	0%	09/30/18
Alberta Investment Management Corp.	23.36M	2.19%	754.94K	0.17%	09/30/18
APG Asset Management NV	14.98M	1.4%	0	0.01%	09/30/18
Northern Trust Investments, Inc.	12.23M	1.15%	113.51K	0%	09/30/18
Geode Capital Management LLC	10.29M	0.96%	486.37K	0%	09/30/18

Name	Shares Held	% Outstanding	Change in Shares	% of Assets	As Of Date
Oppenheimer Global Opportunities Fund	50M	4.69%	0	0.48%	09/30/18
Vanguard Small Cap Index Fund	27.3M	2.56%	-12.8K	0.02%	12/31/18
iShares Russell 2000 ETF	23.42M	2.2%	-566.21K	0.04%	01/2/19
Vanguard Small Cap Value Index Fund	17.45M	1.64%	518.38K	0.05%	12/31/18
Franklin Mutual Quest Fund	17.14M	1.61%	1.72M	0.29%	11/30/18
Vanguard Extended Market Index Fund	14.64M	1.37%	198.68K	0.02%	12/31/18
Stichting Pensioenfonds ABP (Global Equity Portfolio)	13.18M	1.24%	-92.63K	0%	03/31/18
iShares Russell 2000 Value ETF	10.43M	0.98%	19.4K	0.09%	01/2/19
Franklin Mutual Beacon Fund	8.46M	0.79%	0	0.18%	11/30/18
SPDR S&P Retail ETF	6.43M	0.6%	78.94K	0.91%	01/3/19

(source: Barron's)

As can be seen above, Rite Aid's largest shareholders are mostly comprised of passive index funds and ETFs run by entities such as Vanguard and BlackRock (the only known Rite Aid activist, Highfields, was significantly selling down its stake during Q3 of 2018 after closing its doors to outside investors). Passive funds are notorious for rubber-stamping management decisions and almost never voting against unopposed board slates at annual meetings. In effect, such funds are an entrenched and underperforming board and management's most loyal allies. For example, during fiscal 2018, in the United States, Vanguard voted in favor of (1) incumbent directors a staggering 95% of the time and (2)

management-initiated governance proposals 90% of the time, yet supported shareholder-initiated governance proposals just 24% of the time, a shocking disparity (see page 35 of Vanguard's FY 2018 Investment Stewardship Annual Report).

If Rite Aid's shares were delisted from the NYSE, many passive funds would be forced by their own internal rules to divest from Rite Aid stock. For example, the prospectus of the Oppenheimer Global Opportunities Fund, the largest Rite Aid mutual fund holder (with ownership of 4.7% of the outstanding shares), states on page 13 that "the Fund will not invest more than 15% of its net assets in illiquid investments, [which are defined as] investments that do not have an active trading market, or that have legal or contractual limitations on their resale". Suffice it to say that any delisting would cause massive turnover in Rite Aid share ownership, potentially putting hundreds of millions of shares into new (activist?) hands, who we believe would likely be much less willing than the index funds and ETFs to blindly support Rite Aid's incumbent board and management. All the reverse split does is bail out Rite Aid's leadership from a problem of their own creation (a low stock price). If they want to keep passive, loyal (to board and management) shareholders in Rite Aid stock, they should earn this privilege by getting the stock price back up through financial and operational performance, not by simply reducing the number of shares outstanding. Incidentally, with Rite Aid shares down 17% since January 25th, the market has loudly broadcast its negative view of the reverse split proposal.

## B. RAD's Board Continues To Reward Executive Management Failure

We also conclude that there is little desire on the part of Rite Aid's board for further governance reform by examining executive compensation practices at the company. Despite the fact that the annual advisory vote on executive compensation garnered the support of just 16.6% of the votes cast at the 2018 annual meeting (82 million out of 493 million), no announcements have been made regarding how Rite Aid's executive compensation will be amended going forward. In fact, in early January 2019, the board handed out over six million free shares of restricted stock to senior executives, indicating that "more of the same" failed compensation practices are still in effect:

Acquisition or Disposition	Transaction Date	Deemed Execution Date	Reporting Owner	Form	Transaction Type	Direct or Indirect Ownership	Number of Securities Transacted	Number of Securities Owned	Line Number	Owner CIK	Security Name
A	2019-01-04		STANDLEY JOHN T	4	A-Award	--D	2377700.0000	6865012.0000	1	0001233862	Common Stock
A	2019-01-04		Konrad Jocelyn Z	4	A-Award	--D	269600.0000	460792.0000	1	0001650760	Common Stock
A	2019-01-04		Karst Darren W	4	A-Award	--D	828700.0000	1491265.0000	1	0001540953	Common Stock
A	2019-01-04		Griffith Derek S.	4	A-Award	--D	225700.0000	370442.0000	1	0001720266	Common Stock
A	2019-01-04		Everett Bryan B	4	A-Award	--D	481600.0000	1071670.0000	1	0001650166	Common Stock
A	2019-01-04		Crawford Kermit R	4	A-Award	--D	1655800.0000	2537328.0000	1	0001341253	Common Stock
A	2019-01-04		Abelman David	4	A-Award	--D	237200.0000	433287.0000	1	0001463499	Common Stock

(Source here)

At last count, CEO Standley had received in excess of \$43 million in cash compensation since first entering the C-suite in late 1999 (including an utterly outrageous \$3 million so-called "retention bonus" during 2018), despite the stock price falling over 90% from \$8.25/share since then to the current level. Yet, the three Rite Aid compensation committee directors inexplicably deemed him worthy of receiving an additional 2.38 million shares of stock courtesy of the shareholders (who are diluted by such issuances) just a few weeks ago. In light of the massive shareholder repudiation of Rite Aid's compensation practices just three months ago, does such a "pay-for-failure" award make any sense at all?

## Playbook For A Rite Aid Activist

The opportunity for an activist in Rite Aid is compelling for a simple fact: the stock is down over 90% from where it traded just over two years ago, meaning the equity is currently significantly undervalued versus peers. For example, Rite Aid stock trades far below Walgreens Boots Alliance (WBA) and CVS Health Corp. (CVS) on a forward price-to-sales basis:

Company	FY2019E Sales	Market Cap	P/S Ratio
RAD	21,900	800	3.65%
WBA	137,410	67,815	49.35%
CVS	193,590	84,343	43.57%

(Source: Company SEC filings; Capital IQ metrics)

If Rite Aid traded comparably to WBA and CVS on a P/S metric, its stock price would be approximately \$9.50/share (incidentally, slightly higher than the \$9/share original buyout price agreed to between Rite Aid and Walgreens in October 2015).

Moreover, Rite Aid trails both WBA and CVS significantly with respect to its EBITDA generation capability, meaning there is much fat for an activist to trim in order to get Rite Aid more in line with peers (for starters, compensation should be brought way down for senior executives, as the company is now half the size it was prior to the Walgreens asset sale transaction):

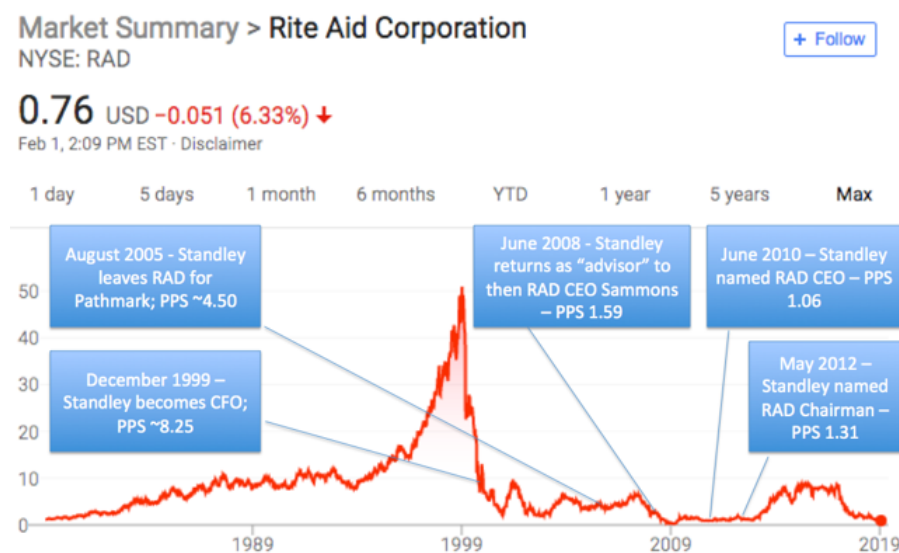
Company	FY2019E EBITDA	EBITDA Margin
RAD	570	2.60%
WBA	7,875	5.73%
CVS	12,657	6.54%

(Source: Company SEC filings; Capital IQ metrics)

Below is our list of three "Must Do" Initial Action Items for any potential activist in Rite Aid:

1. Replace Rite Aid CEO Standley. Since a picture is worth 1,000 words, we have summarized the CEO's abysmal track record with a few selected graphics.

First, the stock price:



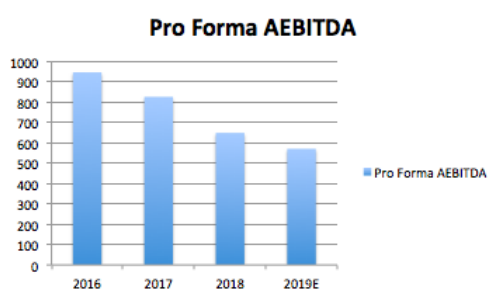
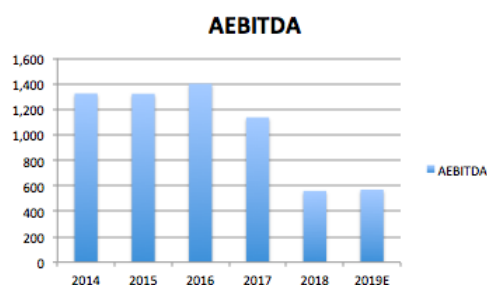
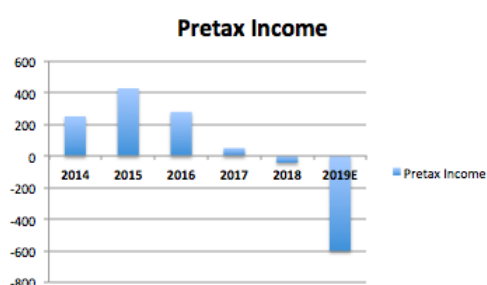
(Source: Rite Aid press releases and SEC filings)

Note that, except for the brief period during 2014-2016 when investor hopes for the (ultimately failed) buyout of Rite Aid by Walgreens were aroused, Rite Aid's stock performance with Standley involved has been an unmitigated disaster for shareholders, including a decline of over 90% since Standley first entered the C-suite as CFO in late

1999. In fact, as of February 1, 2019, the stock has trailed the S&P 500 by the following staggering margins during the relevant time periods (without even considering the fact that the S&P has paid regular dividends throughout the entire period whereas Rite Aid has not paid a dime in dividends since Standley originally became a senior Rite Aid executive):

- (1) 175% underperformance since December 1999 (+84% for the S&P versus -91% for Rite Aid) [Standley first enters C-suite];
- (2) 165% underperformance since June 2008 (+113% for the S&P versus -52% for Rite Aid) [Standley returns to Rite Aid as an advisor];
- (3) 173% underperformance since June 2010 (+145% for the S&P versus -28% for Rite Aid) [Standley named CEO]; and
- (4) 140% underperformance since May 2012 (+98% for the S&P versus -42% for Rite Aid) [Standley named Chairman].

Next, the financials (amounts in \$MM):



(Source: Rite Aid SEC filings; Barron's)

From these charts, we see that Rite Aid under CEO Standley has failed under each relevant financial metric, including (1) pretax income over the past five fiscal years, (2) adjusted EBITDA over the past five fiscal years and (3) pro forma adjusted EBITDA (adjusted to reflect the Walgreen's asset divestiture) over the past four fiscal years. Finally, we note that over the past 5 fiscal years (i.e., FY 2014 through FY 2018) Rite Aid has spent \$1.75 billion on capital expenditures and acquisitions over and above its aggregate depreciation, yet the current market cap is less than half of this amount, showing how disastrous capital allocation has been under Standley.

Yet, despite a veritable mountain of evidence that change is desperately needed in the CEO role, Rite Aid's independent directors in their letter included at the front of the 2018 proxy statement bizarrely claimed that "the Board firmly believes that John Standley is best situated to serve as Rite Aid's Chief Executive Officer". Come again? Clearly, if any senior executive has ever had a fair opportunity at a public company to try to create value for its shareholders (despite failure after failure to do so), it has been Rite Aid's CEO Standley. Over 19 years of failure does not inspire confidence that "the 20th year will be the charm" for this executive. The bottom line is that I firmly believe Standley needs to go ASAP and be replaced by a capable and thoughtful leader from outside the company. Only an outsider can avoid the "groupthink" that apparently afflicts the incumbent board and management and truly grapple with, and thereby tame, Rite Aid's operational underperformance and leadership entrenchment and unaccountability.

## 2. Replace All Three Compensation Committee Directors, Including Board Chairman Bodaken.

All three directors on Rite Aid's compensation committee, namely Board Chairman Bruce G. Bodaken, Marcy Syms and Michael N. Regan, have clearly failed in designing an effective senior executive compensation scheme at the company and must be replaced, once again by directors with no affiliation to the company (meaning no loyalty to the CEO). The fact that the advisory vote on executive compensation received just 16.6% support of the shareholders at the 2018 annual meeting is bad enough. The fact that literally nothing has been done since then to overhaul compensation practices at the company is absolutely inexcusable. These three directors simply are not doing their job and need to be replaced as soon as possible. Unless sanity is restored to Rite Aid's compensation practices and "pay for failure" is permanently eradicated, we believe the company will continue to fail and shareholders will continue to get poorer.

## 3. Designate As New Board Chairman A Representative Of A Significant Shareholder

In our view, one of the key reasons Rite Aid's governance has been abysmal in recent years is that the company's insiders have put virtually no skin of their own in the game (via open market stock acquisitions). As we noted in our first Rite Aid article, the last actual insider open market purchase of Rite Aid stock occurred in April 2015, when then-EVP Dedra Newman Castle bought a measly \$2,243 worth of Rite Aid stock. Prior to this purchase, we can locate precisely ZERO insider purchases after mid-2008. If the directors and senior executives are not willing to put their own personal funds into Rite Aid stock, why should they expect anyone else to do so? Thus, we believe that it is absolutely essential that a new board chairman be appointed who is a representative of one of the company's large shareholders (and not from an index fund). This would truly align the board and the shareholders financially, meaning that the company would be much more likely to make rational decisions (from the perspective of the shareholders) regarding all of the issues outlined in this article. It is hard enough to compete and win in business as it is. However, it is virtually impossible when the financial incentives of insiders are not properly aligned with those of shareholders.

## Conclusion

Since the October 2018 meeting, Rite Aid shareholders have been patiently waiting for the company to announce its promised further corporate governance reforms, yet none has been forthcoming. The latest machinations regarding the scheduling of the 2019 annual meeting and a special meeting to vote on a reverse split in the stock further confirm for any thinking shareholder that the company remains firmly in "entrenchment mode". Fortunately, this fact, combined with a cratered share price, presents an interesting opportunity for one or more activist shareholders to effect vitally needed change at the



company (and, hence, make a large profit on Rite Aid stock from current prices). We believe that any such activist would be met by Rite Aid's long-suffering shareholders (other than the rubber-stamp passive funds) with open arms. We believe that if an activist were to simply implement just the three action items listed above (remove and replace the CEO, remove and replace the three compensation committee directors and appoint as new board chairman a representative of a major Rite Aid shareholder, preferably an activist), the stock would re-rate significantly higher.

**Disclosure:** I am/we are long RAD. I wrote this article myself, and it expresses my own opinions. I am not receiving compensation for it (other than from Seeking Alpha). I have no business relationship with any company whose stock is mentioned in this article.

## Comments (230)

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### Paul Nouri, CFP, Contributor

When guidance comes out for the next fiscal year, there may be some positive upside surprises. Their beneficial pricing from the renewed agreement with McKesson will flow through on the income statement and the company should be right sizing it's administrative work force to align with the new size of the company. Finally, their PBM could benefit from the CI/ESRX merger...clients could be looking for independent PBMs, of which there are few large ones.

06 Feb 2019, 12:40 PM

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#### v.c

No offense but keep dreaming. We should be happy if RAD is not paying more than what they used to pay till last year. RAD management will come out and keep defend themselves saying even though we are purchasing 40% less than what we used to purchase (before stores sales to WBA) management is able to negotiate almost same price with MCK. They may even announce bonus for that achievement.

Not going with WBA generic deal is a big blunder in recent time, just before the reverse split. No one is going to buy entire RAD or PBM with a number of moving parts. If RAD choose WBA generic deal they would have saved millions of dollars.

Well, the whole point of the article is how management doesn't care about EBITDA or profits. Their compensation is hardly tied with share price or profit. At some point even if that is associated and the end of year board and compensation committee will revise and give 100% bonus.

06 Feb 2019, 12:58 PM

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#### adamgay33

I agree.. looking for better same store sales then the positive 1.6 they just did

06 Feb 2019, 01:47 PM

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### Bulls\_eyes@

Great analysis. RAD is run to the ground by the management. Without their replacement, future is bleak.

06 Feb 2019, 01:04 PM

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### user20

F&@\$ amazing article. Great info, detail, conclusions.

06 Feb 2019, 01:11 PM

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### nicklo62

Thank you 7 corners, you write the best articles about the corrupt criminals running this show

06 Feb 2019, 01:20 PM

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### rusty13

Maybe when RAD's Mkt Cap hits \$400 Mil someone will step in and takeover but I'm guessing some type of a poison pill will be implemented before then..

06 Feb 2019, 01:21 PM

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### Rock Fan

Great article. How do you get an Icahn or Ackman interested?

06 Feb 2019, 01:28 PM

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**Mike Deadmorton**

Thanks for a new article. Was getting tiresome scrolling other articles to check comments. Your article will be the new place to bitch and moan about RAD and its lousy management.

06 Feb 2019, 01:29 PM

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**GTAT**

Since announcement of the reverse split, RAD has been down as much as 25%. And now floating around 20% lower than prior to the announcement. Great job Standley. You are without a doubt an expert on how to lower the stock price as you have had many years of this proven track record !

06 Feb 2019, 01:29 PM

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**Seven Corners Capital Management, Contributor**

Author's reply » Please note one correction to the following statement in the article: "We have seen Rite Aid's board take precisely zero "additional steps" to further reform governance"

RAD did amend its by-laws to require that the CEO and chairman positions be held by different people. However, this was in response to the shareholders voting in favor of Mr Krol's "STOCKHOLDER PROPOSAL—INDEPENDENT CHAIRMAN", i.e., Proposal #4 at the 2018 annual meeting (which RAD's board had unanimously advised shareholders to vote AGAINST). So basically the board made these changes against their will, b/c the shareholders demanded them.

Other than this one item it does not appear that RAD has made any other governance reforms. Apologies for the omission in the article on this point.

06 Feb 2019, 01:30 PM

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**Do Research**

What happened to Krol? I thought him tanking the merger was going to double the share price.

06 Feb 2019, 04:50 PM

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**Seven Corners Capital Management, Contributor**

Author's reply » Friendly reminder - the deadline for Rule 14a-8 Proposals for this year's RAD annual meeting is in just two days (February 8th). If you have any such proposal, it needs to be delivered by the deadline to the following:

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

06 Feb 2019, 05:58 PM

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**ablewalker**

He decided to lawyer up against Rite Aid,

[secureir.edgar-online.com/...](https://secureir.edgar-online.com/...)

On June 29, July 27, and August 3, 2018, three purported stockholders of the Company each separately filed a Verified Complaint to Compel Inspection of Books and Records under 8 Del. C. §220 in the Delaware Court of Chancery against the Company, seeking to inspect books and records in order to determine whether wrongdoing or mismanagement had taken place such that it would be appropriate to file claims for breach of fiduciary duty, and to investigate the independence and disinterestedness of the Company's directors with respect to the then proposed merger with ACI. On August 10 and September 6, 2018, respectively, two of the purported stockholders' complaints were voluntarily dismissed. On October 18, 2018, the remaining plaintiff filed an amended complaint, Del. C.A. No. 2018-0554-AGB ( Krol v. Rite Aid Corp. ), which is substantially similar to his original complaint. On November 1, 2018, the Company answered the amended complaint. I doubt you'll be hearing much from him on SA for a while.

06 Feb 2019, 06:50 PM

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**thespiceman3281**

It's time for new people to run the company, need an Icahn, in order to have new leadership

06 Feb 2019, 07:11 PM

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**v.c**

Litigation settlement — — 18,000

Look at page 27. RAD paid 18M. Some of them may be opioides related. 18M is a big number. They might have paid off. There won't be any voluntary action to withdraw on these crooked thieves unless they pay you.

[secureir.edgar-online.com/...](https://secureir.edgar-online.com/...)

06 Feb 2019, 07:56 PM

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**Tojoro**

Can you still nominate directors?

07 Feb 2019, 12:10 AM

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**Lightningrules**

The reverse split allows the company to remain listed ffs. This is yet another article that if taken to heart, and the reverse split voted down would be the final nail on the coffin. I bought in big before the Albertson's deal in hopes of a quick 20% pop. Got screwed by bad investor rhetoric thinking somehow the deal was no good when in fact it would have got us out well above today's price. Every chance this stock has had at being a good hold has been screwed up ever since the Gov. amazing shot down the original buyout. I'll continue to hold unless I feel the reverse split will not happen. If that's the case, I'm running quick for the exit once and for all.

06 Feb 2019, 01:37 PM

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**Mike Deadmorton**

If the stock remained below \$ 1, then RS would definitely be necessary. I question why they made this announcement when the price was recovering above the low price set by tax loss selling.

I am still holding thinking WBA may want another shot at picking up the remaining stores. I thought MCK might, but this looks less likely.

Easiest way to get above \$ 1 - fire Standley.

06 Feb 2019, 01:45 PM

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**Trublu**

It would have gotten us out???? They wouldn't even release a share price. That deal was essentially a 10:1 reverse split with an .18 per share kicker.

I believe Glass Lewis estimated RAD was worth about the same amount as Albertsons as is and we have to reverse split our shares 10:1 and they are buying us out for an undisclosed sum?

You are crazy

06 Feb 2019, 01:51 PM

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**v.c**

I believe if there is RS it will be 20:1. I hate and very against reverse split. Based on board member election, I think RS vote will be in favor of management.

Management may go for 20:1 in which case price will be \$16. They don't have to worry about another reverse split for another 2 years if they stay, which they are planning to do.

06 Feb 2019, 01:54 PM

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**Contango trades**

Lmao another clown who thought the Albroseson's scam deal was good! Amazing!

06 Feb 2019, 05:02 PM

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**Contango trades**

@ Trublu Bingo!

06 Feb 2019, 05:03 PM

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**RollingTheDice**

If it was such a great deal, why'd the stock drop when it was announced ?

(after briefly popping).

Unbelievably, it also dropped when they canceled the deal.

Albertson's was bad all around...

06 Feb 2019, 07:45 PM

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**greggmclintic**

Nice write up.

I wish the article called for paying the company back for the merger vote that never was done via insurance of the board.

I think we should be talking to the larger share holders before this vote gets done and recommend them to vote adjournment and no to the RS. We need different language that protects investors better.

1. Revoke the gifted shares of the last two years
2. Pay the company back for the merger vote that never happened via the boards insurance.
3. No creation of further shares without another approval for a specific time frame in the event of approval.
4. An expiry date for how long the reverse split can occur.

06 Feb 2019, 01:41 PM

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**9146fan**

I nominate John Standley for prison. Additionally, I nominate all board members to be his cellmate.

06 Feb 2019, 01:49 PM

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**ziaakbari**

great article am holding long rad..

06 Feb 2019, 01:58 PM

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**steveserrote**

M

06 Feb 2019, 02:12 PM

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**ladybird13**

vote them all off the island asap

06 Feb 2019, 02:26 PM

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**ablewalker**

IMO it's pretty simple here.

JS now owns 6.865M shares of RAD. He sells RAD for \$3 a share he walks away with roughly \$20M ... Him and the rest of the executive team have now accumulated enough shares to make it worthwhile for them to offload RAD for \$3 a share (which is probably at the top end of an offer RAD would get, unless some crazy guidance comes out next quarter).

Back in 2015 he held 2.4M shares and with the WBA deal @ \$9 and he would have gotten \$21.6M for his shares, I'm willing to take the bet (owning this thing) he simply wants the \$20M back he lost when the WBA deal went south. I highly doubt any executive at RAD cares who they take as collateral damage to make their money back. Insiders have been accumulating, not selling and I suspect for good reason. If they were actually trying to rebuild this company and cut costs as they say they are, they would be issuing a statement about restructuring management which they haven't done.

And yes a fantastic article!

06 Feb 2019, 02:45 PM

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**v.c**

You forgot 15M shares he would have got if he is able to sell. If he had sold to walgreens for \$9 he would have got \$135M and any shares that were already awarded. He tried to sell it for \$1.5 so ABS will make him CEO and pay \$100M over the period of time, I guess.

If you are thinking he will be happy for 20M he won't. Even now if he is able to sell the company for \$3 he will get \$45M + accumulate shares.

06 Feb 2019, 05:38 PM

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**woogerbear**

Executive officers cannot buy back stock due to insider trading rules..they are trying to merge, partner or sell the asset..they have said so

The reverse split will allow institutions who are prohibited from buying stocks less than \$5 will pile in when allowed..this is not conjecture

I believe management purposely took the price down to these ridiculous levels on purpose with their incredible silence , vagueness of positive events and future goals and profits. Why? I think they were working with a friendly institution big enough to destroy the share price (Goldman? Blackrock?) to extract shares from scared retail. The destruction of the share price does not correspond to the improving financials. Now that the votes are set in friendly hands for reverse split, that split can happen at any share price so their is no longer any reason to not pump positive events or give details on past positive events..except a flow of news going forward

06 Feb 2019, 03:16 PM

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**woogerbear**

Rite Executive team, now that they have the shares they need, do not like penny stock land because retail cannot trade shares without costing them 3 or 4%..I'm expecting news now to bring this over \$1 quick...these guys are greedy and a little corrupt but they are not stupid

06 Feb 2019, 03:42 PM

**9146fan**

Institutions have been buying RAD all through the last 18 months and the stock has been below \$5/share all of that time. Just FYI. Oh, and institutions are buying the stock at under \$1.

07 Feb 2019, 12:49 AM

**goldrush**

Let's face it. We all know RAD is toast. Cut the idle chatter.

06 Feb 2019, 03:16 PM

**ContangoTrades**

PUTZ

06 Feb 2019, 09:15 PM

**SeattleGoldMiner**

@goldrush

I think the real conundrum is that RAD is NOT "toast". They are worth good money based on a whole variety of metrics.. but the current management seems incapable of (or are unwilling to) move the company towards achieving its value. You can pick and choose from the following menu:

- 1.) They own valuable assets! Specifically a transparent PBM which several companies have historically expressed interest in buying and about 2500 stores which have higher average volumes and more modernization than the stores sold to WBA for over \$2mm/store. In addition those stores are concentrated in 7 attractive states where they have strong market share. One can do a "sum of the parts" and if you assign \$1.3mm (very low) for the PBM and \$1.8mm/store valuation (much lower than what WBA paid) you wind up with \$5.8B of value. The company has \$3.2B of net debt, so that leaves \$2.6B or a tad over \$2.50/share; you can change the values and create your own SOTP number.
- 2.) They expect \$550 EBITDA for current year and there is every reason to believe that this will increase as they "shrink" around their lower store base and improve volumes at the PBM. For argument's sake, let's say they are looking at \$650 for next year. At an 8 times EBITDA enterprise value that is \$5.2B .. again with "net debt" at \$3.2, that leaves \$2B for equity, or close to \$2/share.
- 3.) They are oozing liquidity. They have well over \$1B unused on their new credit line and have NO debt due till 1/1/23. Thus, they should be able to retire some of their debt as they move ahead, increasing cash flow in future years. Also, the average rate on their debt is low.

Soooo...RAD is 100% NOT "toast" by any measure.. and as Seven Corners has so eloquently and forcefully state, they need new management to realize these latent values.

06 Feb 2019, 10:10 PM

**Wjohnmax**

Seattle,

Well said and thank you for the positive perspective.

07 Feb 2019, 06:35 PM

**muishin**

I need to bring up Chipotle again. This stock was left for dead a year ago at \$250 after another food scare. Ackman pushed out the long-time CEO/founder into a chairman role and brought in a hot young rising star to be the new chief. The stock is now over \$600 in less than a year. Digital sales increased 60%. They just hired an Oscar-winning director to make their digital and TV ads. The market is eating up his moves. This is what a capable management team can do to unlock value.

11 Feb 2019, 04:59 PM

**proffittj**

Seven Corners, Thanks for the great article. The managers of the funds that hold a large number of shares of RAD must not read, otherwise they would see articles like yours and do something about RAD's CEO and BOD.

06 Feb 2019, 03:22 PM

**Dariusu**

Is a company making a promise to a shareholder really any different than a father promising ice cream to his son?

06 Feb 2019, 03:25 PM

**losbronces**

@Dariusu If I promised something to my children; I delivered. Your word is your bond, but I guess that doesn't matter to some.

12 Feb 2019, 09:16 AM

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**v.c**

Hell yes. If I am promising to my son, I am promising my time, my money, my patience etc., for something he is supposed to do like homework, behaving well etc., with out any bribe. For a company, we invested our money and he is getting paid. Basically, CEO and Chairman works for their investors who pay a lot to do their job.

12 Feb 2019, 09:27 AM

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**RickL7**

Cut my losses like a bad girlfriend and dumped this stock at .90. This stock is dust.

06 Feb 2019, 03:58 PM

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**Bloodgutsandfury**

Unreal that Walgreen's offered 9\$ for this puppy 2 years ago.

06 Feb 2019, 03:58 PM

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**Lowhangers**

Crooked Standley and the Corrupt Rite Aid Board are depraved sociopaths. It is long past time for the SEC and FBI to indict, prosecute and convict all of them of earnings fraud, stock manipulation and various other financial crimes.

If you have any information about financial crimes perpetrated by Crooked Standley or the Corrupt Rite Aid Board please contact the SEC's whistleblower program:

[www.sec.gov/...](http://www.sec.gov/)

You can make big money if you blow the whistle on these crooks. More than 300 million dollars have been awarded to whistleblowers.

06 Feb 2019, 04:10 PM

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**billbix**

Just liquidate already

06 Feb 2019, 04:15 PM

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**jeffdavis057**

The rest of Rad needs to be sold off evenly between WBA and CVS.

06 Feb 2019, 04:28 PM

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**olde1two**

Nothing will change at RAD because you have the same morons managing it into the ground,

Management and BOD are totally worthless and were paying them to destroy the company and what little share holder value is left.

Who are the dummies here ? The funds that own the stock look at RAD's value like the price of a cheap cup of coffee. Maybe they wanted RAD to buy the other turd Albertsons to save one of their own kind.

RAD means nothing any more in the drug store business they don't have a chance let they mind BK and ne done with it.

06 Feb 2019, 04:35 PM

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**losbronces**

@olde1two

Most of the funds that own RAD do so because it is included in various indices that are used for ETFs that those funds own. That is also the main reason why the funds are so passive on RAD. They aren't buying RAD based on anything other than the fact that they must have it in an ETF. So they are not going to waste time/money looking closely at RAD.

If RAD drops out of an index or if it fails to meet listing requirements; those funds will simply sell it off.

12 Feb 2019, 09:39 AM

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**Drink DT**

Out of all retail stocks, with RAD, marketing activities such as flyers, price & promotions do play a critical role. Every time RAD has a price competitive/appealing offer, its share price goes up. I mean do I see this with apparel retailers? Not really. Check out the RAD weekly flyer and you will see what I mean. With the Valentine's ahead, if average Joes/Janes are shopping for chocolates from Hershey's no doubt the share price will hit above \$1 provided that they keep up with good price/promotions.

06 Feb 2019, 04:55 PM

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**RiteRAD**

...company's insiders have put virtually no skin of their own in the game (via open market stock acquisitions)". That statement speaks volumes about this company's executives. As for why no dividends, more \$ in the slush fund for CEO & Exec compensation for doing an abysmal job.

06 Feb 2019, 06:09 PM

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**Dollarsandcents**

RAD should be a mandatory Harvard case study on bad management/governance.

Also, why is Sr Mgt salary still the same even though the store count has dramatically decreased? They are being paid the same amount to (mis)manage a much smaller copy

06 Feb 2019, 06:21 PM

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**losbronces**

@Dollarsandcents And the management headcount is far too high given the situation. It would be easy to reduce costs simply by right-sizing the management group.

12 Feb 2019, 09:40 AM

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**fm5**

My Mother would slap him right in the face if she was still alive

06 Feb 2019, 06:52 PM

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**longnose**

Hi @Seven Corners Capital Management - can you please check

"Next, we note that on January 4, 2019, the company filed a Form 8-K stating that Rite Aid was out of compliance with NYSE listing requirements, due to the stock price falling below \$1 for 30 consecutive trading days."

Here is trading data from Yahoo - Do you think Jan 4th reporting is actually done in hurry of some sort? It's not 30 days - not that I am saying I know the truth - NYSE is supposedly sending letter to RAD ?

Date	Open	High	Low	Close*	Adj Close**	Volume
Jan 10, 2019	0.8000	0.8100	0.7600	0.8000	0.8000	14,799,600
Jan 09, 2019	0.8300	0.8300	0.8000	0.8100	0.8100	7,558,300
Jan 08, 2019	0.8500	0.8600	0.8000	0.8100	0.8100	15,764,900
Jan 07, 2019	0.7800	0.8400	0.7600	0.8400	0.8400	16,551,800
Jan 04, 2019	0.7600	0.8200	0.7600	0.7700	0.7700	16,185,400
Jan 03, 2019	0.7700	0.8000	0.7300	0.7500	0.7500	14,583,400
Jan 02, 2019	0.7000	0.7800	0.7000	0.7700	0.7700	16,842,100
Dec 31, 2018	0.7300	0.7400	0.6800	0.7100	0.7100	20,778,900
Dec 28, 2018	0.6300	0.7100	0.6300	0.6900	0.6900	29,185,900
Dec 27, 2018	0.6700	0.6800	0.6000	0.6400	0.6400	32,481,400
Dec 26, 2018	0.6900	0.7000	0.6400	0.6600	0.6600	34,490,500
Dec 24, 2018	0.7100	0.7100	0.6600	0.6800	0.6800	16,444,200
Dec 21, 2018	0.7900	0.7900	0.7000	0.7100	0.7100	32,106,300
Dec 20, 2018	0.8800	0.9200	0.7400	0.7900	0.7900	31,104,200
Dec 19, 2018	0.8500	0.8700	0.8100	0.8100	0.8100	15,166,100
Dec 18, 2018	0.8400	0.8700	0.8100	0.8500	0.8500	10,722,800
Dec 17, 2018	0.8900	0.9000	0.8000	0.8200	0.8200	20,233,100
Dec 14, 2018	0.9100	0.9500	0.8900	0.8900	0.8900	15,910,300
Dec 13, 2018	0.9800	0.9900	0.8800	0.9100	0.9100	19,451,400
Dec 12, 2018	0.9800	1.0000	0.9700	0.9800	0.9800	8,375,000
Dec 11, 2018	1.0000	1.0100	0.9500	0.9700	0.9700	6,812,200
Dec 10, 2018	1.0100	1.0200	0.9700	0.9800	0.9800	12,805,500
Dec 07, 2018	1.0300	1.0500	1.0100	1.0100	1.0100	6,712,600
Dec 06, 2018	1.0400	1.0500	1.0000	1.0300	1.0300	15,214,900
Dec 04, 2018	1.1200	1.1300	1.0400	1.0400	1.0400	12,757,900
Dec 03, 2018	1.1300	1.1500	1.1100	1.1100	1.1100	13,559,900
Nov 30, 2018	1.1300	1.1300	1.1000	1.1100	1.1100	5,641,500
Nov 29, 2018	1.1200	1.1400	1.1100	1.1300	1.1300	4,132,200
Nov 28, 2018	1.1000	1.1600	1.0900	1.1300	1.1300	10,436,500
Nov 27, 2018	1.1000	1.1100	1.0900	1.1000	1.1000	6,080,800

Nov 26, 2018 1.1000 1.1200 1.0700 1.1000 1.1000 10,184,900  
Nov 23, 2018 1.1300 1.1300 1.0900 1.1000 1.1000 2,706,700  
Nov 21, 2018 1.0900 1.1500 1.0900 1.1000 1.1000 9,720,300  
Nov 20, 2018 1.1600 1.1600 1.0700 1.0700 1.0700 13,289,100  
Nov 19, 2018 1.2000 1.2100 1.1100 1.1800 1.1800 11,909,700  
Nov 16, 2018 1.2000 1.2500 1.1900 1.2100 1.2100 13,941,900  
Nov 15, 2018 1.3200 1.3200 1.1900 1.2000 1.2000 18,743,100  
Nov 14, 2018 1.3300 1.3600 1.3000 1.3200 1.3200 12,434,600  
Nov 13, 2018 1.3000 1.3300 1.2800 1.3100 1.3100 10,261,300  
Nov 12, 2018 1.3000 1.3100 1.2700 1.3000 1.3000 9,175,200  
Nov 09, 2018 1.2800 1.3400 1.2800 1.2900 1.2900 12,858,000  
Nov 08, 2018 1.2600 1.3200 1.2500 1.3200 1.3200 9,819,600  
Nov 07, 2018 1.2500 1.2700 1.2000 1.2600 1.2600 8,912,200  
Nov 06, 2018 1.2400 1.2500 1.2200 1.2400 1.2400 6,642,400  
Nov 05, 2018 1.2000 1.2300 1.1900 1.2300 1.2300 9,725,600  
Nov 02, 2018 1.1600 1.2100 1.1600 1.1900 1.1900 7,825,500  
Nov 01, 2018 1.2000 1.2100 1.1500 1.1600 1.1600 10,041,300

\*Close price adjusted for splits. \*\*Adjusted close price adjusted for both dividends and splits.

06 Feb 2019, 07:07 PM

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**SeattleGoldMiner**

It has to close at an AVERAGE price of less than \$1 over a 30 day period. Thus the >\$1 closes on Nov 19-Dec 4 are averaged in with the much lower closes after that, such that by January 3 close the AVERAGE for the close for the 30 day period is

06 Feb 2019, 10:16 PM

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**Ted Mason25**

They can do the stock reverse split....who cares.

06 Feb 2019, 10:40 PM

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**longnose**

thanks got it. I wonder if reverse was cause or effect (if leaked)

06 Feb 2019, 11:08 PM

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**ladybird13**

thank you b.o.d. for lining your pockets and letting rite aid fail.

06 Feb 2019, 07:30 PM

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**B1LL1on\$**

Thanks for the article very informative.

06 Feb 2019, 08:37 PM

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**DB2012**

Nice article. Simply put Standley and RAD are a POS. Standley is a criminal who belongs in jail for lack of fiduciary duty. What a complete scumbag.

06 Feb 2019, 09:29 PM

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**Ted Mason25**

And Yes, a activist investor would be fantastic. But, why hasn't one shown up at the door. Even the activist wants to generate a strong return.

I visit New York on a number of occasions and I always gravitate to the Rite Aids. It really needs a thinned out governance, because the company is not profitable right now, and thinning out governance could improve the bottom line. And u can't have a guy at the top, sticking his greasy hands in the cookie jar, and extracting 3 million dollars from a struggling company.

I could even see them leaving the CEO position open, and just let it operate freely for a bit, let the air clear.

We have debated some of these issues before. An activist that could come in, and thin out governance, with lower compensation and/or compensation geared towards performance of the stock. And no more screwing a struggling company by getting a retention bonus, when the shareholders would be glad to see Stanley gone.

06 Feb 2019, 09:37 PM



**rswend**

Ted, I'm not sure but some could have shown some interest in at least parts like before. But if it has no advantage to the management we probably won't even hear about it.

06 Feb 2019, 11:27 PM

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**Chemene**

Great article; I wonder how much it would cost to run an op-ed in the Wall Street Journal? John Sleazy and the Board are the most unethical and corrupt people in the industry. The 6 million shares given to John and the senior management is simply a crime against shareholders and employees. What have they done to improve business at RAD except fatties thier pockets!

06 Feb 2019, 11:54 PM

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**L3n2B5**

Has someone sent this Article to Investor Relations? If not, please do!

07 Feb 2019, 05:30 AM

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**Rickster4Retirement**

Great article highlighting the deceit and greed of management and its overseer Board. Where is the federal oversight here? It has been totally lacking for 2 years here, while these crooks are stealing the retail and institutional shareholders blind!

07 Feb 2019, 09:45 AM

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**olde1two**

Why would a activist want RAD you have a company that has been mismanaged for almost 2 decades, no longer a national player, debt, and lack luster sales.

No real good assets other than the PBM. Wait they will find a way to screw that up as well and take a loss on the purchase of it.

RAD has no hope if these turds are still left to destroy it.

The clock is running but I gave up hope on these p o s in December and took my lumps.

RAD = destruction of share holders money that's the story.

07 Feb 2019, 12:59 PM

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**Red702355B**

The SEC sits on its hands and does nothing as usual. They are the people who s/b investigated. They terminated the WBA merger and destroyed our pensions, 401K's, etc. SEC let RAD and its BOD run rampant over us shareholders. Fiduciary duties are not being carried out by the Rite Aid Corporation in regard to our investments.

07 Feb 2019, 01:43 PM

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**losbronces**

@Red702355B It was not the SEC that squashed the deal with WBA; it was the FTC.

12 Feb 2019, 10:18 AM

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**longnose**

in fact it was not FTC either - per official FTC letter - it was WBA/RAD

12 Feb 2019, 12:17 PM

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**longnose**

Are there any people on SA reading this - have connection to or who know people who have connection to activist (Icahn etc) ? Its so pathetic situation and we just wonder why? what is missing here? where is SEC, FTC, activist - why why why everyone has abandoned RAD small shareholders? Why institutions are siding with RAD management?

07 Feb 2019, 01:53 PM

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**longnose**

I think this KidCents is used as a ploy to keep positive public image - at the same time swindling and destroying shareholder value. How corrupt management is! So all officials in various charity will speak high of the scums

07 Feb 2019, 03:14 PM

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**Red702355B**

Write off goes to RAD for the 4 mill donation when it should go to shareholders---maybe we should claim a portion of that write off.

07 Feb 2019, 07:10 PM

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**Mike Deadmonton**

Kidcents collects donations at the till from customers. There is no tax claim.

07 Feb 2019, 08:40 PM

**Red702355B**

Mike--I did not know that---just making light banter. Thanks for reply

07 Feb 2019, 09:26 PM

**Bloodgutsandfury**

Somebody should take Standley to the back of the barn and put him out of our misery. We need a new puppy to run the show. You can't teach an old dod new tricks.

07 Feb 2019, 10:52 PM

**ablewalker**

I think your comment would classify as presidential harassment.

08 Feb 2019, 02:47 AM

**longnose**

old dog has lot of tricks all right - they just aren't the ones we are looking for - for example peeing in living room, bringing dead skunk in the kitchen, biting like a rabid one, drooling all over couch, bringing other feline friends, stinking up the whole house - Yep tricks of the trade - not welcome, needed

08 Feb 2019, 11:04 AM

**Bulls\_eyes@**

Management is utterly incompetent. This BOD a living example of startling lack of accountability and unfair executive enrichment, a great textbook example of the destruction of wealth of a fortune 500 company in ways and means bordering criminality. 12 years and no profitability on books on billion-dollar revenues year after year, Shareholders are hoping and waiting for a change while others are doing x times better CVS, WBA etc. in industry. Shareholder value lost YoY and furthermore 60K jobs in danger.

08 Feb 2019, 04:16 PM

**MWD aka WD**

I dont think we should confuse incompetence with what may be considered "Agenda Driven" the problem is its their agenda and it isnt in line with what a typical share holder agenda as it relates to goals. John Standley is not incompetent he is really making alot of money for he and his #Crew . He is doing a masterful job at taking from those who cant do anything about it. I being one of that cant do anything about it. They are not incompetent.

08 Feb 2019, 05:39 PM

**Red702355B**

Every person in the market knows of Standley and his tricks. He does not have a good name because he has ruined it himself. Even if he donates to charity it is an empty gesture on his part. Probably on his 10th beer already today telling his family and bod how smart he is..

08 Feb 2019, 04:35 PM

**MWD aka WD**

Twitter campaigns work. Twitter campaign against this seemingly and proven corrupt executive culture at @riteaid costs the retail investor little to no outlay of financial resource beyond what has already been utilized to secure the equity investment. Twitter campaign does require enough attention to daily post and repost tweets inclusive of the @ symbol of the representatives in your state district and senator and any of the several agencies that maybe able to investigate or simply bring about pressures on the company to continue the changes they said were forth coming. Twitter exposure inscreasingly has brought about much media attention that could also be brought about against this known criminal track record of this corporate executive team. It is my opinion the criminality isnt gone from this organization relating to kickbacks and bribery involving many other companies and the C suite executives and board members at Rite Aid. I would like to see more twitter campaigning involving all the people that have been commenting on this site. Only a very few investors that im aware of have the time and financial resources to pursue legal action against this company for raiding the shareholder value out from under them. I dont have the financial resources but I do have the ability to help with the Twitter campaign to continue to bring the #SpotLight to this #AmericanShareHolder #ValueDestruction #CEO #JohnTStandley #YourFired . These hashtags i have noticed on twitter have some significant viewing numbers and i would encourage everyone to use them as it relates to trying to bring about change instead of wishing and hoping for deep pockets activist to solve our investor problems with a #RogueBoard and a #CriminalCEO than I only can hope is being investigated still by the @FBI @Sec @ftc and @USAO\_DE or somebody #AnyBodyThatHasABadge ! I would encourage all of you to start using Twitter and put into the search window @riteaid and or \$RAD to start finding relevant tweets to respond to with a like or a retweet or something to continue to promote a change in this company with out spending more resources but creating impact anyway. All the best.

08 Feb 2019, 05:30 PM

**longnose**

@MWD aka WD - Great idea - Can we create a handle and then give us the process to post. I am not really Twitter literate at all and may need to create an account.

First we create handle, second we need steps to add Cc to other handles such as FBI, SEC, FTC etc etc. Once we have the process - then many can follow that path

We need a README.txt of old style to help us get there

Thanks for initiating the new direction

08 Feb 2019, 07:46 PM

**MWD aka WD**

create a twitter account. twitter will help you with this. in the twitter platform there is a search window much like the one on this site. in the search window put in @riteaid or \$RAD and the search feature will list the past tweets that included the above symbols or company name rite aid. then it is typical to "like" it or retweet it. the idea being that all the followers of the tweeter's will also become aware of what ever the post is saying. If it strikes a chord so to speak then they inturn retweet and post to help generated more views and activity by people in their sphere of influence on twitter. I dont know how to post readme instructions but the twitter plasform has a whole host of help FAQ's. I follow several vocal twitter members that constantly try to shine a spot light on rite aid and typically include a list of agencies twitter names on the post trying to generate some government activity on behalf of the retail investors. @InterMerger is one such twitter.

10 Feb 2019, 05:57 PM

**v.c**

Please vote against RS. Even if we go to OTC that is fine. Passive funds will dump the shares and we end up kicking out CEO and Board. It may be too much to expect, if RAD goes to OTC any CEO with little integrity will resign.

If you don't vote it will be treated as FOR. Please vote No.

08 Feb 2019, 07:55 PM

**longnose**

What is an "abstention" and how would it affect the vote?

An "abstention" occurs when a stockholder sends in a proxy with explicit instructions to decline to vote regarding a particular matter. Abstentions are counted as present for purposes of determining a quorum. Abstentions with respect to the reverse stock split proposal and the adjournment proposal will have the same effect as a vote "Against" the proposals.

What is a broker "non-vote" and how would it affect the vote?

A broker non-vote occurs when a broker or other nominee who holds shares for another person does not vote on a particular proposal because that holder does not have discretionary voting power for the proposal and has not received voting instructions from the beneficial owner of the shares so the broker is unable to vote those uninstructed shares. Brokers will have discretionary voting power to vote on both proposals so we do not anticipate any broker non-votes.

Because adoption and approval of the reverse stock split proposal requires a majority of the outstanding shares, a broker non-vote will have the same effect as a vote "Against" the reverse stock split proposal.

Because approval of the adjournment proposal requires an affirmative vote of a majority of the votes present in person or represented by proxy at the Special Meeting, a broker non-vote will have no effect on the outcome of the vote with regards to the adjournment proposal.

08 Feb 2019, 09:57 PM

**electrons**

Nonsense! How could trading in OTC be fine? Most of the index funds hav3 to sell at any price. It would be a dream come true for shorts.

You will see a 50% haircuts almost immediately!

09 Feb 2019, 12:55 AM

**v.c**

Agree price will fall drastically. We don't need those institutions who simply vote yes. They elected every board member. Once those institutions are out shareholders can kick out the board and then CEO as early as July.

Institutions cut down 50M shares as of Sep 30. I am sure many sold out till now. Institutions are not idiots to buy because the share price is more than \$5 (www.nasdaq.com/...). They will sell either way if management is doing what they are doing. Kick out board and CEO and price will go up with out RS.

**HOLDERS SHARES**

Increased Positions 98 32,401,023

Decreased Positions 174 82,852,523

Held Positions 103 416,143,526

Total Institutional Shares 375 531,397,072

Look at the number of institutions sold out.

Owner Name Date Shares Held Change (Shares) Change (%) Value (in 1,000s)

HIGHFIELDS CAPITAL MANAGEMENT LP 09/30/2018 30,526,743 (16,483,623) (35.06) 24,238

ALPINE ASSOCIATES MANAGEMENT INC. 09/30/2018 0 (13,514,200) Sold Out

CNH PARTNERS LLC 09/30/2018 0 (8,550,359) Sold Out

GOLDMAN SACHS GROUP INC 09/30/2018 2,363,676 (6,403,385) (73.04) 1,877

SARBIT ADVISORY SERVICES INC. 09/30/2018 0 (4,600,000) Sold Out

TWO SIGMA ADVISERS, LP 09/30/2018 547,709 (3,027,400) (84.68) 435

PRIVATE MANAGEMENT GROUP INC 12/31/2018 3,933,455 (3,018,545) (43.42) 3,123

MORGAN STANLEY 09/30/2018 3,184,491 (1,728,068) (35.18) 2,528

INTERVAL PARTNERS, LP 09/30/2018 0 (1,716,892) Sold Out

GOTHAM ASSET MANAGEMENT, LLC 09/30/2018 0 (1,676,563) Sold Out

FRANKLIN RESOURCES INC 09/30/2018 49,676,239 (1,634,436) (3.19) 39,443

NUVEEN ASSET MANAGEMENT, LLC 09/30/2018 0 (1,609,000) Sold Out

LONGFELLOW INVESTMENT MANAGEMENT CO LLC 09/30/2018 0 (1,336,500) Sold Out

SCHONFELD STRATEGIC ADVISORS LLC 09/30/2018 0 (1,225,000) Sold Out

ALPINE GLOBAL MANAGEMENT, LLC 09/30/2018 0 (1,074,446) Sold Out

09 Feb 2019, 01:11 AM

#### longnose

@electrons -- I am not so sure about that. Institutions goal is to make money and not lose it. At this juncture -- ALL institutions have already lost money. Let's not kid to ourselves, \$5 is typically penny stock limit and inspite of shares under that for a long time, likes of Vanguard keep buying it. It proves the point that penny stock is not really a problem.

Just by moving out of NYSE or may be move to NASDAQ or pink sheets - if Vanguard is willing to lose \$400MM -- all power to their management style! What it will do for sure is Standley & sandbags will need to resign if everytime proxy votes either oppose or management cans the proxy vote totally (like ABS)

At the risk of repeating myself - I think all of these cosmetic changes are payments to pimps at the cost of real shareholders. When equity is being drained and company is being mismanaged - moving to artificially jack up stock price is akin to buying Lexus by mortgaging home - Current RAD management is forcing us to do that. There is no value and in fact, its delaying inevitable - CEO and many others must be terminated for cause and past compensation recouped

09 Feb 2019, 11:42 AM

#### Germiz

Vanguard and other index institution don't lose money. It is OPM

09 Feb 2019, 02:38 PM

#### Red702355B

When you get your ballot--best to not vote yes or no for the R/S---BEST to not vote either way---then your vote will be counted as AGAINST the R/S---protest by shareholders.

09 Feb 2019, 03:08 PM

#### Red702355B

Shareholders---When you get your

ballot for voting on the R/S question. Please do not vote yes or no. By not voting on the issue your vote is counted as AGAINST and it will be the best way for us common shareholders to protest the Standley R/S proposal.

09 Feb 2019, 03:14 PM

#### v.c

@longnose No one else can say it better than you put it here. We should vote NO and force management to think creative.

09 Feb 2019, 03:26 PM

#### Germiz

OPM is other people money

09 Feb 2019, 05:23 PM

Wondering ow many companies that generate 20+ billion in rev are below \$1 no less OTC?

08 Feb 2019, 09:48 PM

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**sv\_143**

Any guess how the stock price will respond if NO votes win ?

Will it jump to \$1.50 or will it go further south ?

08 Feb 2019, 11:02 PM

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**v.c**

initially go south but institutions need to quit unless management do something concrete. They can not mint millions when the share price is so low. It depends on institutions and management how they take it forward.

I believe RS vote will go through as all institutions will vote for the proxy. It is better to vote no than venting out anger here. That shows street how much retail shareholders hate the current management. With one or two institutions backing we can change entire board and CEO.

09 Feb 2019, 12:46 AM

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**Trublu**

Well sub .80 the vote doesn't matter because it has to happen. We have no choice at this point.

09 Feb 2019, 06:53 PM

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**Dollarsandcents**

IMHO, voting against the reverse split in order to make a statement about how much Management and BOD suck is like cutting your nose to spite your face.

09 Feb 2019, 08:37 AM

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**longnose**

BLACKROCK - December 31, 2018

(5) Sole voting power

72455337

(6) Shared voting power

0

(7) Sole dispositive power

75443713

(8) Shared dispositive power

0

(9) Aggregate amount beneficially owned by each reporting person

75443713

(10) Check if the aggregate amount in Row (9) excludes certain shares

(11) Percent of class represented by amount in Row 9

7.1%

(12) Type of reporting person

HC

Item 1.

Item 1(a) Name of issuer:

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RITE AID CORP

Item 1(b) Address of issuer's principal executive offices:

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2/13/2019

Rite Aid: Promises To Shareholders Not Kept - Rite Aid Corporation (NYSE:RAD) | Seeking Alpha

PO BOX 3165  
HARRISBURG PA 17105

Item 2.

2(a) Name of person filing:

BlackRock, Inc.

2(b) Address or principal business office or, if none, residence:

BlackRock, Inc.  
55 East 52nd Street  
New York, NY 10055

09 Feb 2019, 10:33 PM

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**longnose**

Vanguard is 5% Stockholders - very surprised proxy DID NOT MENTION BLACKROCK!!! surprise surprise

The Vanguard Group

87,936,346 (13) 8.14 %  
100 Vanguard Blvd.

Malvern, PA 19355

09 Feb 2019, 10:35 PM

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**Vigilance13**

Maybe we have it all wrong. It is not easy to keep your company's share price from gaining 5 to 20 cents. John Standley must be working very hard. It takes long hours of strategic planning. Multiple operational initiatives to consider and not deploy. Perfectly timed PR announcements to tank the stock. Without this hard work, the stock would likely have crept up the 5 to 20 cents a share that is a daily rounding error at most companies. The BoD of Rite Aid are visionaries. They must have seen this talent in Standley and is why he deserved the \$3 million retention bonus. Super smart people. Maybe we have it all wrong..

10 Feb 2019, 11:00 AM

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**rswend**

The company jet made a quick trip to Fort Myers, Florida and back today (Sunday). We provide the best for our top of the line management .They were flying somewhere about 88 days in total last year. What is the price of our stock again???

10 Feb 2019, 06:43 PM

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**v.c**

< 88 cents

10 Feb 2019, 10:34 PM

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**Red702355B**

How about .78

11 Feb 2019, 01:08 PM

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**Lowhangers**

How can you tell where it is flying? I thought Crooked Standley had the plane removed from FAA reports or whatever they are that tell people where it is flying.

10 Feb 2019, 08:51 PM

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**longnose**

if you have paid sub search for N271RA may be on [www.flightradar24.com/...](http://www.flightradar24.com/)

10 Feb 2019, 10:42 PM

**rswend**

I got it from flight-data.adsbexchange.com/activity?input... Click on historic flight search. There will be 4 boxes at bottom of screen. Just use 1 and 3. First box click registration, third box enter N271RA.

11 Feb 2019, 01:12 AM

**SeattleGoldMiner**

For \$35/Year, if you get the call letters for a bunch of corporate planes you can do some "surveillance" on possible M&A activity ;>>)

11 Feb 2019, 06:54 AM

**Red702355B**

Price of stock---- matches managements value.!!

10 Feb 2019, 08:56 PM

**Lowhangers**

Someone posted on the Yahoo board that Steve Karol is now suing the board of directors of Rite Aid. Anyone have any details on that?

11 Feb 2019, 10:12 AM

**SeattleGoldMiner**

"On June 29, July 27, and August 3, 2018, three purported stockholders of the Company each separately filed a Verified Complaint to Compel Inspection of Books and Records under 8 Del. C. §220 in the Delaware Court of Chancery against the Company, seeking to inspect books and records in order to determine whether wrongdoing or mismanagement had taken place such that it would be appropriate to file claims for breach of fiduciary duty, and to investigate the independence and disinterestedness of the Company's directors with respect to the then proposed merger with ACI. On August 10 and September 6, 2018, respectively, two of the purported stockholders' complaints were voluntarily dismissed. On October 18, 2018, the remaining plaintiff filed an amended complaint, Del. C.A. No. 2018-0554-AGB (Krol v. Rite Aid Corp.), which is substantially similar to his original complaint. On November 1, 2018, the Company answered the amended complaint."

11 Feb 2019, 10:44 AM

**sv\_143**

Retail investors who are not buying at this level due to the threat of reverse split are stupid....

We are already in with lots of capital involved.

But who are not already in with the long positions are missing a green side of the gamble .....

11 Feb 2019, 11:32 AM

**Goodguy4\$**

Here is the SEC whistle blower link, so that RAD Shareholders can forward real complains that we have here to SEC for action. We know this CEO and BOD have manipulated this stock price. And brought down the share price from \$9.47 in 2015 to .75 cents today. Can't do that without real manipulation. Feel free to send your concerns to the SEC. Our money is on the line, let's make CEO accountable.

[www.sec.gov/...](http://www.sec.gov/)

SEC Office of the Whistleblower

100 F Street NE

Mail Stop 5631

Washington, DC 20549

Fax: (703) 813-9322

The Enforcement Division assists the Commission in executing its law enforcement function by recommending the commencement of investigations of securities law violations, by recommending that the Commission bring civil actions in federal court or before an administrative law judge, and by prosecuting these cases on behalf of the Commission. As an adjunct to the SEC's civil enforcement authority, the Division works closely with law enforcement agencies in the U.S. and around the world to bring criminal cases when appropriate.

The Division obtains evidence of possible violations of the securities laws from many sources, including market surveillance activities, investor tips and complaints, other Divisions and Offices of the SEC, the self-regulatory organizations and other securities industry sources, and media reports.

All SEC investigations are conducted privately. Facts are developed to the fullest extent possible through informal inquiry, interviewing witnesses, examining brokerage records, reviewing trading data, and other methods. With a formal order of investigation, the Division's staff may compel witnesses by subpoena to testify and produce books, records, and other relevant documents. Following an investigation, SEC staff present their findings to the Commission for its review. The Commission can authorize the staff to file a case in federal court or bring an administrative action. In many cases, the Commission and the party charged decide to settle a matter without trial.

11 Feb 2019, 01:16 PM

**Seegood**

2/13/2019

Rite Aid: Promises To Shareholders Not Kept - Rite Aid Corporation (NYSE:RAD) | Seeking Alpha

Goodguy4\$ Thank you.  
GO FOR IT stockholders

11 Feb 2019, 01:30 PM

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**Red702355B**

We need more shareholders to file a complaint with the SEC to check RAD's records and books for manipulation of the share price. Please join in. and contact Office of Whistleblowers mentioned above. You are fighting for your hard earned pensions and investments. There is strength in numbers. Don't hesitate shareholders!

11 Feb 2019, 02:05 PM

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**Red702355B**

A hand written or typed letter is the best---sent to the 4 Commissioners of the SEC or Whistleblowers. I supplied the email address' of the commissioners if you want to send them something fast that their office will receive. Please do your best, the battle is not over until the enemy is beaten.

11 Feb 2019, 08:38 PM

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**Goodguy4\$**

SEC Whistle Blower Link from above.

[www.sec.gov/...](http://www.sec.gov/)

11 Feb 2019, 02:38 PM

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**Red702355B**

Email SEC Chairman Jay Clayton---chairman@office@sec.gov Robert Jackson---CommissionerJackson@sec.gov---CommissionerPeirce@sec.gov----I have no email address for Commissioner Elad L. Roisman. You can check information on this -----U.S. Securities and Exchange Commissioners Washington D. C.

11 Feb 2019, 02:50 PM

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**Phil Anthropy, Contributor**

I seem to recall (and could be wrong) that In the distant past RAD put in a poison pill to prevent a hostile takeover, with a rights issuance trigger if anyone new bought up more than a certain percentage of the company. The ostensible purpose of such a pill is to protect tax loss carryforwards from being lost if ownership changes, but I regard that excuse as mostly balderdash. It would be helpful to confirm whether or not RAD has a poison pill in effect at this point, because some might allege that management would resist any buyout that doesn't include a golden parachute or continued employment for them.

11 Feb 2019, 06:23 PM

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**Captain America**

From Rite Aid Press Release (3/28/18) ---

Rite Aid also announced that its Board of Directors has terminated the tax benefits preservation plan (the "Plan") that it adopted on January 3, 2018. As a result of the Plan, Rite Aid protected approximately \$2.2 billion of Rite Aid's net operating losses. The Plan was originally scheduled to expire on January 3, 2019.

11 Feb 2019, 08:06 PM

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**v.c**

If they do not have golden parachute they will figure out something. If not poison pill they will give downward guidance or do something that they do on daily basis.

11 Feb 2019, 09:44 PM

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**longnose**

i think this ploy was to create a red carpet for ABS/CITI while suffocating free market, in the backroom gold comp plan was being discussed and later on they removed it once rest of the interested parties got dejected and grease was spread all over by Scam

11 Feb 2019, 10:21 PM

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**Lowhangers**

This was posted on the Yahoo Finance Board, please copy and send to the SEC, Vanguard and other institutions:

"Concerned Rite Aid Shareholder

Re: Rite Aid Corporation Stock

To whom it may concern,



Market manipulation is prohibited in the United States under Section 9(a)(2) of the SEC act of 1934. - (2) To effect, alone or with one or more other persons, a series of transactions in any security registered on a national securities exchange creating actual or apparent active trading in such security or raising or depressing the price of such security, for the purpose of inducing the purchase or sale of such security by others.

In February, 2018, Rite Aid Corp's CEO and then Chairman John Standley announced a "merger deal" (essentially an insider hostile takeover attempt) with the privately-owned grocer Albertsons. 1. A cash pay-out price of 18.3 cents per share was negotiated, when Rite Aid stock was trading above \$2 a share. As a part of the deal, Mr Standley even managed to negotiate the CEO position of Albertsons. This was one of many deliberate actions by Mr. Standley and the BOD members in an orchestrated Market Manipulation Scheme.

After a lengthy voting period during which the company's share price suffered a long-running, downward slide, 2. Mr. Standley came out with an unprecedented and unnecessary forward-looking lowered profit warning, three days before the shareholders voting results were to be released. This was a blatant attempt to sway the shareholders vote. Numerous Proxy statement were also sent out in an attempt to confuse shareholders into changing their vote in support of this very bad merger deal.

3. The day before the shareholders meeting, when merger voting results were to be reported, Mr. Standley suddenly announced the "merger" was cancelled, and also cancelled the shareholders meeting. This action has led to speculation of fraudulent activity on the part of the CEO, and corruption among several of the BOD members, which has negatively impacted the share price.

The CEO and BOD continue to issue themselves \$Millions of dollars in "bonuses" and stock grants, while the shareholders continue to suffer Billions of Dollars in losses. The CEO and BOD are still actively manipulating the stock price to keep it artificially low, by making Reverse Stock Split announcements

Due to the Hostile actions of Mr. Standley and other players on the BOD, Rite Aid's stock price has eroded even further, to the point where the company has received a stock price delisting warning from the SEC.

A proposed Reverse Split is an integral part of this orchestrated "Smash-and-Grab" Market Manipulation Scheme. The perpetrators have manipulated the price below \$1 and will most likely continue, until the Reverse Split vote. There should but won't be, any positive news from John Stanley to support the share price. This could easily be done based on recent operating results, which would raise the share price above the \$1 SEC threshold. Mr Standley and the BOD have failed, and purposely worked against the shareholders the past 2 years.

Your prompt attention to this important matter, would be much appreciated by the shareholders CEO John Standley and his BOD have rear ended. Over \$8 Billion in shareholder value has been lost, due to the actions of these criminals. There are many retail shareholders (~ 500 million shares held) whom own this stock, that were relying on the CEO, and BOD to work on their behalf. The CEO/BOD couldn't have acted any more to the contrary. An investigation is needed into laws prohibiting the manipulation of stocks price by officers of the company, that may have been broken during the above actions.

Sincerely

Concerned Rite Aid Shareholder"

11 Feb 2019, 09:39 PM

#### **longnose**

it has been slow but clear death of moral values - first it was savior, then lets give them some time, then it was same all over, then it was incompetence, then it was corruption, collusion, then the coterie planned big with private dealings, then it was stock manipulation, now its fraud - reverse stock, ebitda big hole, leaky ops, self serving egregious comp plan, musical chairs of executive roles, disaster after disaster - this is fraud. god does exist and these executives will see their time behind bars - its matter of time

11 Feb 2019, 10:27 PM

#### **Goodguy4\$**

Lowhangers, thank you for the write up...I submitted that to the SEC. Late in the game but will see what happens here.

12 Feb 2019, 01:43 PM

#### **Red702355B**

Send a copy to Whistleblowers, ISS and Glass Lewis

13 Feb 2019, 02:26 AM

#### **sv\_143**

Also the timing of the announcement of the reverse split was totally inappropriate.

It was announced when the stock price was about to go above \$1.

11 Feb 2019, 10:34 PM

#### **Rock Fan**

Received my proxies. Trying to figure out what to do.

12 Feb 2019, 09:32 AM

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**Seven Corners Capital Management, Contributor**

Author's reply » Vote no. The RS will pass regardless because broker non-votes count (for some insane reason known only to the NYSE) as "FOR" votes. But the "AGAINST" vote needs to be as high as possible to send a message.

12 Feb 2019, 10:14 AM

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**Seven Corners Capital Management, Contributor**

Author's reply » CORRECTION - The proxy states that broker non-votes are NOT votes in favor of the RS:

"Because adoption and approval of the reverse stock split proposal requires a majority of the outstanding shares, a broker non-vote will have the same effect as a vote "Against" the reverse stock split proposal."

So there is hope that this will be defeated IF there is a high number of (1) "AGAINST" or "ABSTAIN" votes & (2) broker non-votes.

This logically explains why the pathetic BoD opted for a special meeting - they wanted the record date to be as early as possible (Feb 5th versus late May for the AM record date) in order to prevent one or more activists from obtaining a large enough position to block the RS and thus "hold management/BoD hostage" (i.e., demanding further corp gov reforms [new CEO??? new BoD chairman???) in return for supporting their RS). All IMHO...

12 Feb 2019, 10:19 AM

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**sv\_143**

Internet Voting is not available at TD Ameritrade yet.

I called them. They said it will be open anytime soon.

Go to MyAccount > ShareHolder Library > Voting will populate in the Box.

Just wait for few more days to do so.

I am voting NO.

12 Feb 2019, 10:35 AM

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**Lowhangers**

VOTE NO TO BOTH ITEMS ON THE PROXY. I did just that this morning, we all need to send a message to Crooked Standley and the Corrupt Rite Aid Board that we are not going to go along with their attempts to screw over shareholders.

If the Corrupt Rite Aid Board and Crooked Standley are for something, then smart shareholders will vote AGAINST it.

12 Feb 2019, 10:35 AM

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**Seven Corners Capital Management, Contributor**

Author's reply » If the RS is BLOCKED, RAD's BoD will have no choice but to "beg for mercy" from shareholders. They know that a delisting will result (with 100% certainty) in the TERMINATION OF STANDLEY AND BODAKEN (both of whom clearly deserve to be fired for cause) - that is why they will be desperate to do anything they can think of to get the RS passed, WHICH CANNOT HAPPEN UNDER ANY CIRCUMSTANCES. Remember, Standley and Bodaken are staunch allies - they obviously have decided to stick together to the bitter end.

RS PERMANENTLY BLOCKED = STANDLEY EJECTED FROM THE C-SUITE & BODAKEN EJECTED FROM THE BoD CHAIRMANSHIP.

Do NOT give up the leverage you now possess as a shareholder - VOTE NO!

12 Feb 2019, 10:42 AM

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**sv\_143**

The business at Rite Aid at the ground level is as usual. It is not getting downside.

This is the feedback I got from 4 Rite Aid Pharmacists at the retail level.

Also, I am hoping for increase in the stock price to above \$1 if the NO Vote passes.

I am not looking for South Direction in Stock Price & delisting because of NO vote.

So, this is a tough call.

12 Feb 2019, 10:58 AM

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**Seven Corners Capital Management, Contributor**

Author's reply » If they don't have enough votes in favor of the RS, they will adjourn the meeting - so it won't be officially voted down (the vote will just get delayed until a later date).

2/13/2019

Rite Aid: Promises To Shareholders Not Kept - Rite Aid Corporation (NYSE:RAD) | Seeking Alpha

Also, as described in the article, they can request an extension of the July 3rd delisting date from the NYSE (as long as they have a plan re how to get the stock back above \$1 - and IF THE RS GETS BLOCKED, THE STOCK WILL PROBABLY GO BACK ABOVE \$1 ANYWAY b/c shareholders will be relieved that management/BoD are finally being held accountable by shareholders for their pathetic & abysmal performance).

THUS, THERE IS LITERALLY NO DOWNSIDE TO VOTING AGAINST THE RS.

12 Feb 2019, 11:01 AM

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**sv\_143**

Yes.

Make sense.

12 Feb 2019, 11:03 AM

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**sv\_143**

I mean yes to what you just said.

Not to the vote.

I am voting NO

12 Feb 2019, 11:03 AM

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**Rock Fan**

Thanks fellas. I'm just a dumb shareholder here. Voting NO on 145,000 shares.

12 Feb 2019, 11:28 AM

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**v.c**

Hopefully you got for less than \$1. If you are dumb or sleepy or lazy here is the golden rule you need to follow for RAD. Just vote against management recommendation.

12 Feb 2019, 11:39 AM

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**GTAT**

Voted against the RS... Both Proposals. No one has touched base on this. But it should be noted that this reverse split plays well in to Stanley's smoke and mirrors game he played with Alberston's deal. Example. If they implement the 10:1 Split as an example. If the share price is at 80 Cents. Then it will become \$8.00/share. At end of year, lets say another merger attempt is made by some company and lets say they offer a 50% premium. That would be \$12/Share. At the surface it may look nice. But remember you only have 1/10th of the shares you once had. So that \$12/Share offer would be the same as if an offer was made at \$1.20/share (Pre reverse split). Does anyone think an offer of \$1.20/Share is a good offer for Rite Aid on an acquisition basis. Of course not. Even in the most pessimistic view, RAD should be valued in the \$3.00 to \$3.50 per share. And optimistic views of \$4.50 to \$5.00. (These values have been talked about man,y many times on SA in the past) Remember, the Walgreen approved deal that was completed last year was equivalent to over \$4/share. If you use a pessimistic view of \$3.20.Share offer, then on a 10:1 Reverse split basis that would equate to an offer of \$32.00 per share. But Stanley will try to promote the \$12/Share price offer by using the 50% Gain offer. Which is nothing more than smoke and mirrors. To get a \$3.20 Share price offer (pre-reverse split), the post reverse split price would have to be \$24/share.

12 Feb 2019, 11:47 AM

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**sv\_143**

Shouldn't it be \$32/share ?

Pre RS \$3.20/Share = Post Rs \$ 32/

12 Feb 2019, 12:18 PM

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**muishin**

Actually \$64, since they will most likely do the max 1:20 reverse split.

12 Feb 2019, 12:27 PM

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**sv\_143**

\$32/Share

12 Feb 2019, 12:19 PM

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**Barrels**

I voted against the split too. Hope it fails. If Management leaves stock will pop.

12 Feb 2019, 01:22 PM

**proffittj**

Just voted NO on both proposals. Hope the large fund managers can see through the CEO's and BOD's smoke and mirrors and force them to do their jobs or get ousted.

12 Feb 2019, 02:00 PM

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**a92556**

51% of shares are owned by institutions it's a mere formality. It will pass.

12 Feb 2019, 02:51 PM

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**Seven Corners Capital Management, Contributor**

Author's reply » PSA for libelers: By filing a defamation/libel lawsuit against "John Doe" you will obtain subpoena power. Subpoenas should be immediately served on the ISPs to obtain the registrant information used to make each posting and, more importantly, the IP address. While it is nearly impossible to trace a posting to a particular individual, it is often possible to trace it to a particular computer and then use circumstantial evidence to establish the identity of the individual or entity responsible for the posting.

12 Feb 2019, 03:59 PM

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**Do Research**

OK, so you are a company in Delaware, even though you list your office in NY. Why are you not on FINRA if you are an investment professional? There is nothing defamatory nor is there any libel issue.

12 Feb 2019, 04:03 PM

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**sv\_143**

Seven Corners ,

Thank You for educating many of us & providing detailed info.

To many of us , it really does not matter who you are but it really matters to many of us what you have provided.

12 Feb 2019, 04:10 PM

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**Do Research**

Motivation is important.

12 Feb 2019, 04:20 PM

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**sv\_143**

Why are you digging so much info about a whistleblower instead of looking into the fact that RAD management has sunk many billions?

Who are you & What are your intentions ?

12 Feb 2019, 04:27 PM

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**Do Research**

I fear author is not long and is trying to tank the RS to profit in subsequent major decline in share value that will definitely occur. if investors block the RS. I could be completely wrong, it's only a fear, but based on what was found by reviewing the website and name he provided to everyone under his Seeking Alpha profile page - my concerns have grown.

12 Feb 2019, 04:30 PM

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**Seven Corners Capital Management, Contributor**

Author's reply » SV - wait until the annual meeting proxy statement comes out, there's more to come. We submitted a Rule 14a-8 proposal that should (if approved) vastly enhance shareholder rights vis-a-vis the incumbent management/BoD. Stay tuned!

12 Feb 2019, 04:32 PM

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**Seven Corners Capital Management, Contributor**

Author's reply » The people attacking RAD whistleblowers are short sellers, most likely. Standley and Bodaken are a short seller's best friend.

12 Feb 2019, 04:35 PM

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**muishin**

You are delusional if you think the RS will not be approved. An SA article will do nothing to change that. I personally rather see an adjournment of the special meeting.

12 Feb 2019, 04:35 PM

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**Do Research**

I was good with the article, but the subsequent comments in the thread regarding the proxy started to peak my interest into motivations.

12 Feb 2019, 04:42 PM

**Red702355B**

Shareholders--- Keep the letters coming to the SEC--and especially whistleblower and commissioners. Let them know of the stock manipulation by these bottom feeders.

12 Feb 2019, 06:57 PM

**electrons**

An SA article will do nothing. That is for sure. I did notice a lot of institutions trimmed their positions significantly. Hopefully, it is still over 50%.

13 Feb 2019, 07:58 AM

**ablewalker**

All I have to say is seriously Rite Aid??? This is beyond maddening!

[www.readingeagle.com/...](http://www.readingeagle.com/)

"A spokesman for the company, which is based in Camp Hill, Cumberland County, said that the drugstore closed last Tuesday.

Chris Savarese, director of public relations, said via email Monday that all patient files were transferred to the CVS/pharmacy at 3100 Shillington Road in Spring Township."

The CVS is 1.3 Miles away... There is another Rite Aid location @ 2210 State Hill Rd - 1.9 Miles away. This is just the perfect example of inept people running this company where they can't even plug an address into Google Maps to figure the most basic of basics. This is right in their back yard, and demands an decent explanation!

Then another one... Now I get it.. this one the nearest one is a bit further away.

[www.monroenews.com/...](http://www.monroenews.com/)

"A notice on the front door of the location informs customers of Rite Aid's pharmacy that their prescriptions have been transferred to the pharmacy at the Kroger on 850 S. Monroe St."

12 Feb 2019, 04:13 PM

**sv\_143**

Why can't those Patients' files be transferred to 1.9 miles away Rite Aid ?

There is not much difference between 1.9 miles & 1.3 miles.

Is this another example of a screwed up decisions?

12 Feb 2019, 04:29 PM

**electrons**

I seriously doubt a lot of shorts pretending to be longs here. Kind of scary.

12 Feb 2019, 06:39 PM

**electrons**

Noticed that Vanguard, Franklin resources, State of Wisconsin, State Street, Simone, Bank of New York all trimmed their positions significantly. At the same time, short interest dropped dramatically.

Vote no, stupids! When index funds sold, you would end up owning dirts.

12 Feb 2019, 07:20 PM

**Red702355B**

Only shorts and Rad officials will vote yes----anyone else---- if you vote yes it is a stupid vote and if R/S is approved you will be very very sorry.

13 Feb 2019, 03:08 AM

**Lowhangers**

You can email Vanguard to ask them to vote AGAINST the reverse split with these email addresses:

[investmentstewardship@vanguard.com](mailto:investmentstewardship@vanguard.com)

Chairman@vanguard.com

12 Feb 2019, 08:05 PM

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**sv\_143**

Let's look at 2 scenarios.

Scenario 1.

If Retail Shareholders' NO vote would not make a dent as it is being talked & Institutions are voting for YES.....

In this case my NO vote is going in drain & the threat of being delisted or stock price going further down will be vanished. Then I will wait for future to get in to Green since Institutions will be buying more.

So , I should not be afraid of voting NO. All I have to lose is my Vote.

Scenario # 2

Retail Shareholders are voting for NO & Institutions are voting for NO as well.

Then, I should not afraid of getting the stock price further down because when Institutions are voting NO, they will have a plan already in place to support their NO vote.

This plan will include getting current CEO & BOD out of their positions. In this case the stock price will immediately go in North.

With the New CEO & BOD, it will be totally a new game, new partnerships & growth.

In both scenarios, it makes sense to vote NO.

So, why should I afraid of voting NO.

Good Luck all Shareholders.

We will get their sooner or later.

So, don't lose the hope.

12 Feb 2019, 08:58 PM

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**electrons**

Sure, institutions have a plan. They can afford to lose dozens of millions. Can you? If you don't care about your money, shorts would love to take them.

If Index funds sell, who is going to prop this crap up?

You are just making believe. Delisting means a 50% haircuts immediately! Saw it and benefited from it several times.

12 Feb 2019, 09:37 PM

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**electrons**

Who said delisting means a change of BOD immediately. The author and you? Based on what?

12 Feb 2019, 09:39 PM

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**sv\_143**

I can afford to lose my vote.

So, I voted for NO.

12 Feb 2019, 09:41 PM

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**sv\_143**

Read my post again.

I said Institutions voting means change of BOD.

That makes sense because obviously Institutions are against the proposal lead by current BOD.

12 Feb 2019, 09:48 PM

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**sv\_143**

Read my post again.

I said Institutions voting NO means change of BOD.

That makes sense because obviously Institutions are against the proposal lead by current BOD.

12 Feb 2019, 09:48 PM

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**electrons**

How? Is this a fact or alternative fact?

When a vulture come, he will take the route of least resistance. Retail shareholders would have NO say!

12 Feb 2019, 09:54 PM

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**sv\_143**

Are you in favor of YES vote or are you a short seller ?

12 Feb 2019, 10:24 PM

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**longnose**

@electrons - you have barking at wrong tree. RAD is manipulated company, stock, management - the full enchilada. You are supporting their manipulation. If institutions have waited so long - either its because they are stupid and did nothing or RAD management illegally disclosed some future M&A to them. Either case, current price already reflects post split price and it can't get better without organic improvement.

Fact we are here shows there is problem - Fact you are playing accounting game to stay compliant shows you are on manipulation side;

You can do fear mongering all day long - won't make a difference.

On the contrary article such as this has made difference and will make difference. Justice will be served. Justice may be delayed but it will not disappear.

13 Feb 2019, 12:30 PM

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**longnose**

IMO the idea of keeping RAD shares low and pushing them down intentionally is simple: frustrate retail investors who resisted ABS. This time, turnover will happen from old to new shareholders. The basis of new owners will be low and any offer higher than the basis will be welcomed with both hands. Of course corrupt institutions don't seem to have guts to standup and speak on behalf of money they manage. The more institutions buys, the better it gets to RAD management. Eventually just the scare of reverse will cause this -- then an offer will be made and then no need of reverse - because its after all upto management! In the mean time the likes of ABS will do kill

12 Feb 2019, 09:12 PM

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**electrons**

You must live in a strange world. Not a lot of institutions are buying this baby. Even Vanguard cut their stakes dramatically!

Lots of funds got burned by it.

Once index funds have to liquidate, I bet you would be the one turning off the light. There might come some vultures, I bet it's easier for them to cut deals with Standley instead of you. They will eat the remains and drink your blood.

12 Feb 2019, 09:52 PM

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**losbronces**

@electrons Vanguard likely has RAD mainly in index-based funds and ETFs. The cut in their stake is more likely a reflection of the decline in value of the shares (thus a lower percentage of any index) that requires Vanguard to sell those shares to maintain a proper index weighting. This is also the reason Vanguard doesn't care about these companies--they are simply bought and sold to maintain the proper weighting within index-based funds & ETFs.

13 Feb 2019, 11:28 AM

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**electrons**

Actually, I am writing to them to support RS. Gee!

12 Feb 2019, 09:40 PM

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**longnose**

you do realize 80c to 60c is 25% cut and 16 to 12 is same. harakiri ...

12 Feb 2019, 11:21 PM

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**electrons**

Looking back, Vanguard probably sold 20M shares, some other institutions sold probably 30-40M shares at the end of last year, which caused 50% drop.

Imagine Vanguard, BlackRock, and state street all have to exit at the same time. Gee, can you even find a market for this drama queen?

Delisting would be a disaster, and it probably means you will lose your money for good.

You think you are better than institutes? Think again and again!

13 Feb 2019, 07:49 AM

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**sv\_143**

Seems like fear is building up in you, ShortSeller .....

13 Feb 2019, 08:06 AM

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**electrons**

A new ID just created to harvest the anger of shareholders. Enough said!

13 Feb 2019, 08:11 AM

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**Red702355B**

Shareholders who vote yes are lacking in brains---There is only 1 way to vote---If you trust slippery standley you vote yes----otherwise----he was trying to give you .18 cents per share with ABS=ALBATROSS. merger--Do you trust a low life who is willing to do that to you.

13 Feb 2019, 03:25 AM

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**electrons**

"There is only 1 way to vote" ... Gee! Who are you?

Who is going to benefit from the delisting and index funds selling. That is the scenario of a total crash.

You guys hide really deep!

13 Feb 2019, 06:26 AM

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**matrixtrade**

should have taken Albertsons deal now they will reverse split and go back down like the Titanic!

13 Feb 2019, 07:23 AM

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**Goodguy4\$**

OMG, how can anyone think, .75 cents a share is acceptable. This company has been manipulated for decades. First buy the CEO that got fired and a short jail sentence and now Standley. The share price of .75 is not an accident, or just market pressure. It is manipulated by the CEO and BOD so that they can load up shares and then sell company. This is criminal and no other explanation fits. Secret behind close door underhanded deals and manipulation.

This CEO needs to be exposed to the world of all his slime ball tactics. Where is oversight, SEC, FTC, ETC. This company is simply a cash cow for these lowest of low corporate clowns

at the expense of the shareholders. Voted NO!

13 Feb 2019, 07:33 AM

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**Rock Fan**

For those keeping score, I believe I see 1 yes vote in these posts and many no votes. I personally would like to hear from Chris Komatinsky and a few others who have been fighting Standley and the BOD.

13 Feb 2019, 09:56 AM

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**Germiz**

I voted yes to avoid shares dumping by index funds and others. It is futile to argue with emotional shareholders and I understand their feelings. I feel the same about the BOD and management but delisting is giving them more power with much regulations.

13 Feb 2019, 10:09 AM

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**Rock Fan**

Thanks Germiz

13 Feb 2019, 10:16 AM

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**longnose**

Germiz sorry to see you voted YES, you can change it though

- we would call this capitulation to Stockholm syndrome. One will start seeing savior in the predator. Its not the first time - we tend to think, let's give him one more chance and it will get better - the fact is he created the situation and perpetuated it for very very long and now he is trying to do even more harm

13 Feb 2019, 12:38 PM

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**Seven Corners Capital Management, Contributor**

Author's reply » Never ever give in to thugs and bullies. RAD's BoD/mgmt use the corporate machinery & our \$\$\$ to enrich themselves and victimize us. The only way to deal with this kind of behavior is to FIGHT BACK ten times as hard. Don't give in to them; don't be a victim.

13 Feb 2019, 01:18 PM



**ablewalker**

I'm a yes too, why? For me it makes for lower fees on my options (as I pay per contract) and better option trading (strikes are 0.5 1.00 1.50 2.00 which can be a heck of a gap) and I use options to offset my risk. I also just don't feel the RS will have much impact of the overall market cap therefor whether I own 4 quarters or 1 dollar it make a difference to me.

13 Feb 2019, 01:28 PM

**Germiz**

I'm not voting yes to the BOD or management or because of their recommendations. I'm voting yes for RS to guarantee continued listing otherwise we will be delisted and with less regulations the power of the BOD and management increases a lot.

13 Feb 2019, 02:58 PM

**Do Research**

Precisely - voting against RS would only benefit those shorting the stock.

13 Feb 2019, 03:28 PM

**jimregina**

Let's look at this differently.

The highest price an item (any item including stock) can fetch is with the maximum number of BUYERS (with money) and the least number of SELLERS.

If no R/S, there would be (if on pink sheet) the LEAST amount of BUYERS.....

If R/S enacted, you would have maximum institutional access to buy because now their bylaws are satisfied and short sellers MAY have to cover.

I am long 140,000 share....just want the most for my shares

13 Feb 2019, 10:13 AM

**Rock Fan**

I like the supply / demand argument. So you are voting yes in order to avoid the possible delisting?

13 Feb 2019, 10:19 AM

**jimregina**

If I decide it makes me more money! I have NO DOG in this fight....want my money back...and more ( even if it means crooked Standley gets another bonus!!)

13 Feb 2019, 10:25 AM

**v.c**

@jimregina Ideally no one will disagree with you. If management is good and looking to enhance shareholder value in multiple ways I agree RS is one of them.

Whoever is against RS (including me) is hoping to kick out management which will take price above \$1 and avoid delisting. If they can improve EBIDTA by 50M (of 20B revenue) in forward guidance, EV will go up by 300M to 400M which is 30 cents to 40cents a share. Even at this price it will cross \$1.

If 15M salary + 3M retention bonus CEO cannot take price to 75% of book value why do we need them? A CEO should stand up and say this is how they will increase EBITDA, this is our forward guidance etc. instead of RS bullshit. In the last 10 years RAD price above \$5 only for a few years before WBA merger.

Please vote No to RS and push management to do their job. No one wants pink sheets. Please do not give them an easy way out and complain they are not performing.

13 Feb 2019, 11:23 AM

**electrons**

v.c

You are very eloquent. However, I failed to grasp your point.

If RS is rejected, how do you know that Standley would be our? Please answer me.

It's not a fact for sure. Is it your imagination? We assumed Standley would be out after the Albertsons scandal, but he is NOT!

His shameless is beyond my imagination. At the same time, your assumption is totally baseless.

I wouldn't bet my money on you imagination. Sorry, no way!

13 Feb 2019, 11:42 AM

**electrons**

Also why a rejection of RS would push management to do their job?

What is the logic here? I failed to see any connections!

13 Feb 2019, 11:49 AM

**v.c**

@electrons, Frankly speaking, I don't know. I thought he will be out after rejecting ABS. I thought he will be voted out in annual meeting. You have two options. Either go with management and see what happens or go against management and see what happens. If you go with management they may reverse split (I don't know if they do) by 20:1 take share price to \$14.

What we know for sure and I think you agree is, if there is RS they do not have any incentive to stop share price falling below \$5. CEO will keep getting his 10M to 15M per year sometimes retention bonus. Board will keep getting 250K+ per year and they will rig the board for another 5 years. Top management will get 100% bonus irrespective of sales or EBITDA. No trimming executives. I don't see any upside near term or long term.

What we know for sure is if there is no RS, the share price will collapse immediately. All funds will be forced to drop shares means more retail folks join the ranks, more float meaning more fluctuations on any news, however, the election won't be as rigged as the last one. Retailers will vote against management if they are not doing good or not vote. If there is upside management will try to keep this above \$1 by giving forward guidance or work hard, again just a guess. Also, the CEO got almost 5M shares for free they worth almost nothing. He may not take this to \$5 but he can keep this above \$1 means \$2.5M without actually working.

FYI, Who the heck will ask some on to bet money. I don't remember giving any advice this will shoot to \$3 or \$5 with current management. My stand is we won't reach \$3 with out improving top and bottom lines. You are free to vote whoever you want. Idea of SA is to share your thoughts. You share yours and I will share mine.

If you fail to see the connection that is your problem. I am here to share my views not to enlighten anyone here.

13 Feb 2019, 12:07 PM

**electrons**

So, you are not sure Standley would be out anymore, if RS is rejected. No?

Who said that if RS proposal is approved, it has to be implemented?

RS proposal has nothing to do with EBITDA for now. You were worried about the price not EBITDA. You argued that RS would bring the price below \$5 again. When you make this assumption, you based it on the price history not on EBITDA.

I failed to see the usage of EBITDA in your post.

You are going to oppose anything management is going to do or propose, no?

13 Feb 2019, 12:30 PM

**v.c**

my intent is not enter into argument.

Yes. I have no clue if rejecting RS will kick Standley. Usually, it should but with RAD I won't be surprised even it is not proposed.

After RS at 20:1 we will go around 15sh. If current management continue what they are doing in few years(say 5) it will be less than \$5. The reason is, they will post 100 to 200M loss every year. In 5 years it will be 500M to 1 Billion. I will be surprised even if it stays above \$5 and not file BK.

If they give positive forward guidance with breakeven or 50M more EBITDA price will shoot up based on 8X EBITDA. 50M times 8 is 400M which will reflect in market cap which is 40cents.

In last 2 years tell me one thing you like that management proposed. They even asked you to vote against separating CEO and chairman. Not disclosing information about opioids.

If they enter into partnership agreements other other small pharmacies or HEB I will welcome. If they get partnership with any insurance giant then I will welcome. If they sell envision and payoff the debt I will welcome. If they do anything creative I welcome them. If I think everything and tells in SA why do we need CEO?

If they say we are too lazy to do something so we will sell for 18cents and monopoly money to get 15M shares and CEO position then I oppose them. If they say I am too lazy to do my job so I will reverse split then I will oppose them.

In short I don't see any reason to think they are doing creative so I oppose them.

13 Feb 2019, 12:47 PM

**electrons**

**v.c**

I hate them to the guts too. A bunch of greedy idiots.

This time, I will pick my poison differently. I

I would also suggest we remove the BODs one by one. Maybe we will target Marcy Syms next tome.

13 Feb 2019, 01:03 PM

**SeattleGoldMiner**  
@jimregina

I agree that a higher price will make it more viable for certain institutional investors to keep or add RAD to their portfolios.

However, on the other side of the coin, it would actually make it more viable for short sellers, since at \$1.00 or less they are putting up huge collateral relative to any gain (most firms would want at least 100% and some will want \$2.50/share). If the stock is e.g. \$8, then they can short with only \$2.50 of collateral at some firms!!

Also, a reverse split would not, in any way, force or encourage short sellers to cover; as illustrated above, just the opposite.

For that and several other reasons I am voting my 600,000 shares a resounding NO.

13 Feb 2019, 01:15 PM

**Red702355B**

Institutions sold off some of their positions---they are telling you they do not trust standley. Most longs do not trust standley. He gives no guidance or direction.

The R/S will fail---standley will cancel the vote as he done with the ABS=ALBATROSS merger and bring RAD back in compliance above \$1.00 as he has time to do that. standley is a snake--how can you trust him.

13 Feb 2019, 02:05 PM

**Red702355B**

standley still has visions of helping ABS=ALBATROSS and passing GO so he can collecting his millions from ABS ---who are boardering on bankruptcy ---He wants to move RAD to ABS as fast as he can and most likely is promised a gravy job with them. His corrupt bod will follow and continue to fly around in their party plane. Do you trust standley ?????

13 Feb 2019, 02:16 PM

**Red702355B**

I'm with you Seattle and my 125,000 shares are a NOOOOOOO!!!!

13 Feb 2019, 02:18 PM

**Germiz**

reserve your anger to the annual meeting not the RS vote

13 Feb 2019, 03:06 PM

**jimregina**

P.S. Does this company look like it's headed for BANKRUPCY ?

Valuation Measures

Market Cap (intraday) 872.31M

Enterprise Value 4.25B

Trailing P/E 1.40

Forward P/E 27.23

PEG Ratio (5 yr expected) 10.88

Price/Sales (ttm) 0.04 (!!!!!!!)

Price/Book (mrq) 0.60

Enterprise Value/Revenue 0.20 !!!!

Enterprise Value/EBITDA 7.78 (Incredibly inefficient management)

13 Feb 2019, 10:21 AM

**SeattleGoldMiner**

You forgot to note that they have well over \$1B available on their credit line, have a very low average cost on their debt and don't owe ANY repayments on their debt until 1/1/23. There even if the other metrics weren't as good as they are, they have the liquidity to stay solvent and viable for a long time. Of course, also since they have large positive operating cash flows, the whole discussion of BK is absurd.

13 Feb 2019, 01:12 PM

**Do Research**

@jimregina I would just point out that none of these numbers have anything to do with risk of bankruptcy. Multiples to sales/revenue are pointless if there are no earnings.

On the flip side, as Seattle points out, the debt schedule is very favorable, for now.

13 Feb 2019, 02:30 PM

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**v.c**

Yeah. Metrics are good but with one catch. RAD losses are 100M+. If they continue for another 5 years, 50% of marketcap is gone. If this management rides till 2023 they will go BK.

13 Feb 2019, 03:46 PM

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**SeattleGoldMiner**

The losses are less relevant than their EBITDA and cash flow from operations which are strongly in the black and presumably on an uptick over the next few years. They have huge depreciation and will also generate additional cash flow from "downsizing" around their smaller store base.

13 Feb 2019, 04:36 PM

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**longnose**

@SeattleGoldMiner -- what about billions of NOL they tried to create poison pill for? does that not help perpetually?

13 Feb 2019, 07:22 PM

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**sacmaz**

Voting Yes! No Qualms.

13 Feb 2019, 12:23 PM

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**rswend**

Yesterday the company jet made another round trip to Fort Myers, Florida after doing the same on Sunday.

13 Feb 2019, 03:22 PM

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**Trublu**

Where do you get this info? Not questioning just curious.

13 Feb 2019, 04:03 PM

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**Do Research**

Publix and RAD?

13 Feb 2019, 04:10 PM

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**SeattleGoldMiner**

Girlfriend?

13 Feb 2019, 04:36 PM

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**rswend**

Check my Monday, Feb. 11 1:12 am post.

13 Feb 2019, 05:10 PM

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**Red702355B**

rswend----- is the pilot

13 Feb 2019, 07:12 PM

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**longnose**

notice Jan 23,24,25 of 2018 and exact same 2019

13 Feb 2019, 07:20 PM

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**Rock Fan**

2/13/2019

Rite Aid: Promises To Shareholders Not Kept - Rite Aid Corporation (NYSE:RAD) | Seeking Alpha

sounds like a winter home on the west coast of Florida

13 Feb 2019, 03:34 PM

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**Do Research**

That's where Publix is located.

13 Feb 2019, 03:59 PM

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**Rock Fan**

Actually Publix is in Lakeland and I would think if they were going to Lakeland they would fly into Tampa or Orlando.

13 Feb 2019, 05:04 PM

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**Do Research**

Lakeland is just 2 hours from Ft Myers. Publix is probably a long shot, but who knows. I was just throwing it out there, it's certainly possible, and I can think of several reasons why they'd rather fly into Ft Myers.

13 Feb 2019, 05:58 PM

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**v.c**

Don't read too much into a buyout. There is a very remote chance someone will pay \$2.5 right now. Unless management improves metrics no one will buy them for a price longs are hoping. They need to post 30 cents or 300M profit/year, they are far far away even thinking about it.

Lakeland has an airport unless they won't have space for private jet.

13 Feb 2019, 06:24 PM

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**Red702355B**

How can you trust standley---his family does not even trust him.!! He stole the Christmas money out of their cookie jar--- that his children had saved up----also he ate 19 of the 20 cookies in the jar and called it a 1-20 R/S split.

13 Feb 2019, 07:20 PM