

THIS NOTICE AFFECTS YOUR LEGAL RIGHTS
PLEASE READ IT CAREFULLY

Yatram Indergit v. Rite Aid of New York, Inc. and Rite Aid Corporation,
U.S. District Court for the Southern District of New York, Case No. 08 Civ. 9361.

NOTICE OF PROPOSED SETTLEMENT AND FAIRNESS HEARING

TO: ALL CURRENT AND FORMER SALARIED STORE MANAGERS WHO WORKED AT A RITE AID BRAND STORE (OR A STORE THAT BECAME A RITE AID BRAND STORE DURING THE RELEVANT PERIOD):

IN THE STATE OF NEW YORK AT ANY TIME FROM OCTOBER 30, 2002 TO THE PRESENT,

- and/or -

IN ANY STATE, FROM MARCH 31, 2007 TO THE PRESENT WHO PREVIOUSLY FILED A CONSENT TO JOIN IN THIS CASE.

THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK HAS PRELIMINARILY APPROVED THIS SETTLEMENT

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

SUBMIT A CLAIM FORM	To be eligible to receive a settlement payment you must timely submit a fully complete and signed Claim Form to the Claims Administrator. This document must be postmarked, emailed or faxed to the Claims Administrator on or before November 7, 2017. If electronically transmitted, the Claim Form must also be received by that date. If you properly and timely submit these documents, and the Court grants final approval of the Settlement, you will be mailed a settlement check. The amount of your check will depend on the number of weeks you worked as a salaried Store Manager for Rite Aid.
EXCLUDE YOURSELF	Not eligible to receive a payment; but give up no rights. See Question No. 13 below for instructions.
DO NOTHING	Not eligible to receive a payment. Give up wage claims covered by Settlement/release to maximum extent permitted by law.
OBJECT OR GO TO HEARING	Write to the Claims Administrator, or ask to be heard in Court (at the final approval/fairness hearing). See Question No. 13 below for instructions.

These rights and options – **and the deadlines to exercise them** – are explained in detail below.

BASIC INFORMATION

1. Why Did I Get This Notice?

The Court granted preliminary approval of the proposed Settlement and ordered that this Notice be sent to you because Rite Aid's records show that you are a member of one or both of the classes in this case, defined as follows:

FLSA CLASS: To be a member of the FLSA Class you must have previously filed a consent to join in this Action stating that you worked at Rite Aid as a salaried Store Manager during the three-year period prior to the filing of your consent form.

NEW YORK STATE LAW CLASS: To be a member of the New York State Law Class you must be a current or former salaried Store Manager at a Rite Aid brand store in the State of New York during any period from October 30, 2002 to the present.

You may be a member of either class or both classes.

2. What Is The Litigation About And Why Is There A Settlement?

The Litigation was filed on October 30, 2008, in the U.S. District Court for the Southern District of New York as a class and collective action by Yatram Indergit on behalf of himself and others who were employed by Rite Aid as salaried Store Managers. The Litigation alleged that Rite Aid failed to pay salaried Store Managers for all hours worked over 40 in a work week as required by the federal Fair Labor Standards Act (the “FLSA”) and New York state law.

Rite Aid expressly denies any liability or wrongdoing of any kind associated with the claims in the Litigation. Rite Aid contends they have complied with all applicable federal and state laws at all times. Rite Aid is entering into the Settlement Agreement solely for the purpose of avoiding the costs and disruption of ongoing litigation and to settle all outstanding claims.

Upon careful consideration of all of the facts and circumstances, Class Counsel believe that the settlement negotiated with the Company is fair, reasonable, and adequate, and is in the best interest of the Class and is preferable to litigating the claim further, given the risks, delay and uncertainty associated with doing so.

3. What Is A Class or Collective Action, And Who Is Involved?

In a class action lawsuit, one or more people called “Named Plaintiffs” (in this case, Yatram Indergit) sue on behalf other people who they believe have similar claims. The people together are called a “Class” or “Class Members.” The company they sue is called the Defendant. If the Court certifies a class, then one court resolves the issues for everyone in the class – except for those people who choose to exclude themselves from the class. In this case, the Court certified the Litigation as a class action in September 2014.

A collective action is similar in that a Named Plaintiff sues on behalf of other people who they believe have similar claims. The Named Plaintiff asks the Court to conditionally certify the collective action and provide notice to other persons who may have claims advising them of their right to join – or “opt in” to the case. Here, in March 2010, the Court conditionally certified the case, and notice was sent to eligible persons advising them of their right to join the case.

The Court has ordered that this Notice be sent to you because you may be a member of one or both of the groups in this case, as defined above.

THE PROPOSED SETTLEMENT BENEFITS

4. What Does The Proposed Settlement Provide?

Rite Aid has agreed to pay up to a maximum amount of \$5,500,000.00 (“Maximum Gross Settlement Amount”) to resolve the Litigation. In consideration for settlement and a release of all wage-related claims by the Settlement Classes, the Company agrees to make payments to those members of the Settlement Classes (or the authorized legal representative of such individuals) who mail in a valid Claim Form (“Participating Class Member”) by the deadline established by the Court.

5. How Much Will My Payment Be?

Any class member who wishes to receive a settlement payment **must submit a valid Claim Form by no later than November 7, 2017 (the “Claims Submission Period”).**

Each Class member who submits a valid Claim Form during the Claims Submission Period will receive a settlement payment in accordance with the settlement allocation formula below:

A per workweek rate of pay will be determined by dividing the Net Settlement Amount (Maximum Gross Settlement Amount minus Attorney Fees and Expenses and Service Awards) by the total number of exempt workweeks worked during the applicable period (“Workweek Rate”). Each participating settlement class member’s payment shall equal the Workweek Rate multiplied by the number of exempt workweeks worked.

Each payment will be separated into two equal amounts: fifty percent (50%) will be allocated to the claims asserted in the lawsuit for unpaid overtime and other wage-related damages and will be subject to all authorized or required deductions, including, but not limited to: local, state and federal taxes, garnishments, child support orders and tax levies/liens and reported on an IRS Form W-2; and fifty percent (50%) will be allocated to the claims asserted in the lawsuit for liquidated damages and other relief which will be reported as non-wage income and reported on an IRS Form 1099. This income will all be reported in the year in which the payment is made. You are responsible for reporting and paying appropriate taxes on these payments; you should consult a professional tax preparer if necessary. Class Counsel and the Claims Administrator cannot provide tax advice.

6. Are My Legal Rights Affected If I Submit A Claim Form?

Yes. The Settlement Agreement and Claim Form contain a release of legal claims. If the proposed Settlement Agreement becomes final and you timely submit a Claim Form, then you will be releasing the Company and all related people and entities (collectively, “Rite Aid”) from all of the wage claims described in the Settlement Agreement and below in Section 14 of this Notice. This means you will no longer be able to sue any of these entities or people regarding any of these claims

7. Are My Legal Rights Affected If I Do Not Submit A Claim Form?

Yes. Unless you exclude yourself from the settlement by October 10, 2017, you will not be able to start, continue, or be part of any other lawsuit against the Company involving the legal issues addressed in this Litigation. If you do nothing, you may not receive any money from this proposed settlement.

8. I Previously Submitted A “Consent to Join” Form In This Case, Do I Still Need To Submit A Claim Form?

Yes. Even if you previously submitted a “Consent to Join” Form in this case, unless you submit a Claim Form you will not receive a settlement payment.

9. Does The Named Plaintiff Receive Any Additional Payments?

Yes. The Named Plaintiff will ask the Court to approve a service payment of \$7,500.00 for his role in initiating the case and participating in the Litigation, including but not limited to being deposed, providing responses to discovery requests and assisting Class Counsel for the past nine years. This amount is in addition to any award he is eligible to receive as part of the Settlement.

10. What Happens If Not All of the Class Members Submit Claim Forms?

Subject to Court approval, Rite Aid will pay into the settlement fund the amounts claimed by the Participating Class Members, attorneys’ fees and costs, the claims administrator’s costs and relevant taxes, but in no event will Rite Aid pay more than \$5,500,000.00. Thus, if all Class Members do not submit their Claim Forms, Rite Aid will not be required to pay the total amount into the Settlement Fund.

THE LAWYERS REPRESENTING YOU

11. Who Is Class Counsel?

The Court decided that these attorneys are qualified to represent you and all other Settlement Class Members and have approved them as Class Counsel in this action:

Robert John Valli, Jr.
Sara Wyn Kane
James A. Vagnini

Valli Kane & Vagnini, LLP
600 Old Country Road, Suite 519
Garden City, NY 11530

Jay D. Ellwanger
Adam G. Price
DiNovo Price Ellwanger & Hardy LLP
7000 North MoPac Expressway
Suite 350
Austin, TX 78731

You do not need to hire your own lawyer because Class Counsel are working on your behalf. However, should you wish to do so, you are entitled to retain your own lawyer at your own expense.

12. How Will Class Counsel Be Paid?

Class Counsel has pursued the lawsuit on a contingent basis and has not received any payment of fees or any reimbursement of their out-of-pocket expenses related to the recovery on behalf of the Class. As part of the Settlement, Class Counsel will ask the Court to approve payment of up to 1/3 of the Maximum Gross Settlement Amount to them for attorneys' fees. They also will ask the Court to approve payment of their costs incurred in prosecuting the Litigation. The attorneys' fees and costs awarded by the Court would pay Class Counsel for investigating the facts, litigating the case, and negotiating the settlement. The Court will make a determination on the reasonableness of Class Counsel's application at a later date.

YOUR RIGHTS AND OPTIONS

13. What are My Rights and Options in this Matter?

OPTION 1 – Submit the Enclosed Claim Form During the Claims Submission Period

- **If you are a member of EITHER the FLSA Class and/or the New York State Law Class and would like to be eligible to receive a settlement payment you must:**
 - a. Complete and sign the enclosed Claim Form, and
 - b. Mail by first class U.S. mail, email or fax the Claim Form to the Settlement Administrator at the address provided on the Form, **postmarked no later than November 7, 2017.**

If you are a member of either settlement class, or both, and the Court grants final approval of the Settlement, you will be mailed a settlement payment check in accordance with the settlement allocation formula described above. In addition, you will be deemed to have released and waived your claims against the Released Parties, as described in the release below.

OPTION 2 – Exclude Yourself from the Settlement

- **If you are a member of EITHER the FLSA Class and/or New York State Law Class and do not wish to participate in the Settlement, you must request to be excluded from the Settlement. To do so, you must send a written Request for Exclusion from the settlement via first class U.S. mail, postmarked no later than October 10, 2017 to:**

Indergit v. Rite Aid
Claims Administration
P.O. Box 404000
Louisville, KY 40233-4000

- a. This Request for Exclusion must include your name (and former names, if any), current address, telephone number and the Rite Aid store(s) in which you worked, and should state: (1) that you are requesting to be excluded from the settlement in *Indergit v. Rite Aid of New York, Inc. and Rite Aid Corporation*, Case No. 08 Civ. 9361, and (2) that **you understand that by excluding yourself from the Settlement, you will receive no settlement payment in the case.**
- b. If you choose this **Option 2**, and send a timely written request for exclusion, as described above, you will no longer be a Settlement Class member, and you will not receive a Settlement payment. If you request exclusion, and do not return the Claim Form, you will retain any rights you may have to assert claims against Rite Aid that have not expired under the applicable statutes of limitations. If you submit a Claim Form and also a request to be excluded from the Settlement, the Claim Form will be considered valid, and the request to be excluded will be rejected.

OPTION 3 – File an Objection

You can only object to the terms of the Settlement if you are a Settlement Class member and do not submit a timely and complete Request for Exclusion. If you are a member of the New York State Law Class you may object to the Settlement and also participate in the Settlement, but to do **so you still must timely file a Claim Form to receive a Settlement payment.**

If you want to object to the Settlement, you must file an objection with the Claims Administrator which will be shared with Class and Defense counsel and filed with the Clerk of the Court. Your objection must state your name (and former names, if any), current address, telephone number, the reasons for your objection, whether you are represented by counsel and if you are, the name and address of your counsel, the Case Number, and must be signed by you personally no later than October 10, 2017.

Late objections will be deemed waived, and you will be barred from asserting any objection.

OPTION 4 – Do Nothing

If you do not submit a timely Claim Form you will not be eligible to receive a Settlement payment.

- **If you are EITHER a member of the FLSA Class and/or the New York State Law Class and have previously signed a consent to join the lawsuit** and do nothing more, you will be bound by the terms of the Settlement and will, upon final approval of the Settlement by the Court, have released all your claims against Rite Aid in accordance with the Release below. **However, unless you submit a timely Claim Form you will not receive any Settlement payments.**

14. What Claims Are Being Released by this Settlement?

If the Settlement is approved by the Court, all Class Members who have not timely requested exclusion from the Settlement will be barred from bringing certain claims against Rite Aid in accordance with the following Release of Claims:

- (a) Upon the Effective Date, all members of the New York State Settlement Class who have not opted out, including their heirs, assigns and estates, shall be deemed to fully, forever, irrevocably and unconditionally release, remise, and discharge the Released Parties from any and all suits, actions, causes of action, claims, or demands against the Released Parties or any of them based on putative violations of any state or local law (both statutory and common law) pertaining to hours of work or payment of wages while employed by the Released Parties in the position of Store Manager, including without limitation all state and local wage claims that were asserted or could have been asserted in this Action, based on the allegations in them, regarding events that occurred or are alleged to have occurred from the beginning of time until the date of the Final Approval Order.
- (b) Upon the Effective Date, all individuals who join this Action as members of the FLSA Settlement Class (including, without limitation, all individuals who filed opt-in forms in this Action prior to the settlement and all individuals who timely return a Claim Form containing a consent to join the Action pursuant to 29 U.S.C. 216(b)) shall be deemed to fully, forever, irrevocably and unconditionally release, remise, and discharge the Released Parties, from any and all suits, actions, causes of action, claims, or demands against the Released Parties or any of them based on putative violations of federal law pertaining to hours of work or payment of wages while employed by the Released Parties, in the position of Store Manager, specifically without limitation all claims that were asserted or could have been asserted in this Action under the Fair Labor Standards Act, 29 U.S.C. § 201, et seq., regarding events that occurred or are alleged to have occurred from the beginning of time until the date of the Final Approval Order.

THE COURT'S FINAL APPROVAL HEARING

15. When And Where Will The Court Decide Whether To Approve The Settlement?

The Court will hold a fairness hearing on January 11, 2018 at 10:15 a.m. at the United States District Court for the Southern District of New York, 500 Pearl Street, New York, NY 10007-1312. At this hearing, the Court will determine whether the settlement is fair, reasonable, and adequate and whether to approve the settlement

and if so to determine what amount of attorneys' fees, costs and expenses or service payment to the Named Plaintiff should be awarded. The time and date of this hearing may be changed without further notice to members of the Settlement Class.

If the Court does not approve the proposed Settlement, the case will proceed as if no settlement was attempted. In that case, there can be no assurance that the class will recover more than is provided for in this Settlement, or indeed anything. If you did not previously receive a notice and opportunity to opt into this case prior to the notice of settlement, your Claim Form will be deemed null and void, but you will receive another notice advising you of your rights and an opportunity to participate in this case as an opt-in.

16. Do I Have To Come To The Hearing?

No. It is not necessary for you to appear at this hearing unless you have timely filed an objection with the Court and wish to be heard in support of your objection. You are welcome to do so however, at your own expense, if you wish. Class Counsel will represent you at the hearing, unless you have opted-out or objected to the Settlement of the action.

17. May I Speak At The Hearing?

You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter saying it is your "Notice of Intention to Appear in *Indergit v. Rite Aid*, Case No. 1:08-Civ-9361." Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be received no later than October 10, 2017, and be sent to the Claims Administrator who will submit it to the Clerk of the Court, Class Counsel, and Defense Counsel. You cannot speak at the hearing if you excluded yourself from the Settlement (*i.e.*, opted out).

NO RETALIATION OR DISCRIMINATION

18. Will Submitting A Claim Form Affect My Employment Or Future Employment Will I Experience Any Retaliation?

No. Whether you are a current or former employee of Rite Aid, your decision as to whether or not to submit a Claim Form will in no way affect your current or future employment with the Company. The Company will not retaliate against you because of your decision whether to participate in the Litigation or this settlement.

ADDRESS CHANGES

19. What Do I Do If My Address Changes?

It is your responsibility to inform the Claims Administrator of your correct address. Please mail any change of address to the Claims Administrator (information above).

GETTING MORE INFORMATION

20. Are There More Details About The Settlement? What If I Have Questions?

This Notice summarizes the basic terms of the proposed Settlement. Further information is available from the Claims Administrator and/or Class Counsel. Additionally, you may also view a .pdf of the relevant documents in the case (including the Complaint, Settlement Agreement, Notice and the Claim Form) at www.sm2008settlement.com.

If you have a procedural question, such as how to complete the Claim Form, please contact the Claims Administrator. **It is also recommended that you contact the Claims Administrator before the claim filing deadline to confirm that they have received your documents.**

If you have a question that requires legal consultation, please contact Class Counsel: Robert J. Valli, Jr., Sara Wyn Kane, or James A. Vagnini at Valli Kane & Vagnini LLP, 600 Old Country Road, Suite 519, Garden City, New York 11530, (516) 203-7180, www.vkvlawyers.com. Your communications with Class Counsel will be strictly confidential and privileged.

NO INQUIRIES SHOULD BE DIRECTED TO THE COURT