

RITE AID CORP
Form 11-K
June 29, 2010

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

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2009

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-5742

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Rite Aid Services, L.L.C. 401(k) Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Rite Aid Corporation
30 Hunter Lane
Camp Hill, Pennsylvania 17011

RITE AID SERVICES, L.L.C. 401(k) PLAN

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NOTE: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Plan Administrator and Participants of
Rite Aid Services, L.L.C. 401(k) Plan
Harrisburg, Pennsylvania

We have audited the accompanying statements of net assets available for benefits of the Rite Aid Services, L.L.C. 401(k) Plan (the "Plan") as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the year ended December 31, 2009. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2009 and 2008, and the changes in net assets available for benefits for the year ended December 31, 2009 in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2009, is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This schedule is the responsibility of the Plan's management. Such schedule has been subjected to the auditing procedures applied in our audit of the basic 2009 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic 2009 financial statements taken as a whole.

/s/ Deloitte & Touche LLP

Philadelphia, Pennsylvania
June 28, 2010

RITE AID SERVICES, L.L.C. 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2009 AND 2008

	2009	2008
ASSETS:		
Participant-directed investments — at fair value	\$ 4,887,912	\$ 3,874,878
Contributions receivable:		
Employee	4,395	-
Total contributions receivable	4,395	-
NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE	4,892,307	3,874,878
Adjustments from fair value to contract value for fully benefit-responsive investment contracts	(39,324)	10,908
NET ASSETS AVAILABLE FOR BENEFITS	\$ 4,852,983	\$ 3,885,786

See notes to financial statements.

RITE AID SERVICES, L.L.C. 401(k) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2009

ADDITIONS:	
Employee contributions	\$ 211,819
Employer paid VCP settlement charges	2,503
Investment income	83,647
Net appreciation in fair value of investments	717,792
Total additions	1,015,761
DEDUCTIONS:	
Benefit payments	47,164
Administrative expenses	1,400
Total deductions	48,564
INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	967,197
NET ASSETS AVAILABLE FOR BENEFITS — Beginning of year	3,885,786
NET ASSETS AVAILABLE FOR BENEFITS — End of year	\$ 4,852,983

See notes to financial statements.

RITE AID SERVICES, L.L.C. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2009 AND 2008, AND FOR THE YEAR ENDED DECEMBER 31, 2009

1. DESCRIPTION OF THE PLAN

The following brief description of the Rite Aid Services, L.L.C. 401(k) Plan (the “Plan”) is provided for general informational purposes only. Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

General — The Plan is a defined contribution plan. An individual account is established for each participant and provides benefits that are based on (a) amounts the participant and Rite Aid Corporation (the “Company,” “Rite Aid” or “Plan Sponsor”) contributed to a participant’s account, (b) investment earnings (losses), and (c) any forfeitures allocated to the account, less any administrative expenses charged to participant accounts, if any.

T. Rowe Price Trust Company serves as Plan trustee with respect to all assets other than Company stock. GreatBanc Trust Company serves as Plan trustee with respect to Company stock. The Employee Benefits Administration Committee is the plan administrator (“Plan Administrator”) and is responsible for the preparation of the Plan’s financial statements.

Participation — Each employee who is a member of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, Local 614 becomes eligible to participate in the Plan after attaining age 21 and completing one year of service (a twelve-month period when at least 1,000 hours are credited).

Contributions — Effective January 1, 2008, participants may elect to contribute up to 70% of pretax annual compensation as defined in the Plan. Participants age 50 and over may make additional pretax contributions as defined in the Plan. A participant may also contribute, or roll over, amounts representing distributions from another qualified defined benefit or defined contribution plan. Effective June 16, 2001, the Plan Sponsor ceased making contributions to the Plan pursuant to a collective bargaining agreement dated May 27, 2001. Employees continue to contribute as described above.

Investment Options — The Plan provides participants with the option of investing the participant’s account balances into various investment options offered by the Plan. The Plan currently offers 18 mutual funds, 5 custom funds, 1 common/collective trust, a stable value fund and Rite Aid Corporation common stock. Effective February 3, 2009, Rite Aid common stock is no longer available for new contributions.

The Plan’s custom funds are custom investment option created specifically for the Plan by Northern Trust Global Advisors, Inc. The custom fund is an unregistered custom account maintained by the trustee. The performance of the custom fund is based on the performance of the underlying mutual funds which are registered in the market.

Payment of Benefits — Upon termination of service due to death, disability, or retirement, a participant may elect to receive a lump-sum amount equal to the value of the participant’s vested interest in the participant’s account, or installment payments as determined by the Plan Administrator.

Loans — A participant may elect to borrow against the participant’s vested balance at a reasonable rate of interest as defined in the Plan document. A participant may borrow up to 50% of the participant’s vested balance, with a maximum loan of \$50,000. A participant may only have one loan outstanding at any one time, with the exception that

participants may have up to two outstanding loans which were grandfathered at the time the Plan was amended to no longer allow more than one loan.

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Vesting — A participant is vested immediately in the participant's voluntary contributions, plus actual earnings (losses) thereon. Vesting in the Plan Sponsor's contributions made prior to June 16, 2001, is based on years of service, as defined in the Plan document. A participant becomes fully vested in the Plan Sponsor contributions upon the participant's death, disability or attainment of normal retirement age while employed, or the occurrence of a Plan termination. If not vested earlier for one of the foregoing reasons, and not subject to other exceptions described in the Plan document, a participant's account becomes fully vested upon the participant's attainment of five years of service. When a participant withdraws from the Plan prior to becoming fully vested, the non-vested portion of the participant's account is forfeited and credited to a suspense account. The suspense account may be reallocated to participants in the same manner as matching contributions.

Forfeited Accounts — At December 31, 2009 and 2008, forfeited nonvested accounts totaled \$380 and \$8,129, respectively. These forfeited amounts may, among other uses, be used to reduce future employer contributions and pay certain administrative expenses. During the year ended December 31, 2009, certain administrative expenses were paid by forfeited nonvested accounts.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — The accompanying financial statements are prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Investment Valuation and Income Recognition — The Plan's investments are stated at fair value. Shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year end. Custom funds are stated at fair value which is based on the net asset value of participation units held by the Plan at year-end and is calculated based on the shares held in underlying mutual fund investments and the net asset value of those investments. Common stock is valued at quoted market prices.

Common collective trust funds are stated at fair value as determined by the issuer of the common collective trust funds based on the fair market value of the underlying investments.

The stable value fund ("SVF") includes two fully benefit-responsive synthetic guaranteed investment contracts ("GIC") whose underlying investments are stated at fair value and then adjusted by the issuer to contract value. Fair value of the underlying investments is determined by the issuer of the synthetic GIC based on market prices and a fair value estimate of the wrapper contract. Fair market value of the wrapper is estimated by converting the basis points assigned to the wrap fees into dollars.

In accordance with GAAP, the SVF is included at fair value in participant-directed investments in the statements of net assets available for benefits, and an additional line item is presented representing the adjustment from fair value to contract value. The statement of changes in net assets available for benefits is presented on a contract value basis.

Participant loans are valued at the outstanding loan balances, which approximates fair value.

The common collective trust funds and the SVF may invest in fixed interest insurance investment contracts, money market funds, corporate and government bonds, mortgage-backed securities, bond funds, and other fixed income securities. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. Contract value represents contributions made to the fund, plus earnings, less participant withdrawals.

Purchases and sales of securities are recorded on a trade-date basis. Realized gain or loss on investment transactions is determined using the first-in, first-out method; investment transactions are recorded at the trade date. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Management fees and operating expenses charged to the Plan for investments in the mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

The Plan had 952 and 1,883 shares of Company common stock at December 31, 2009 and 2008, respectively.

Valuation of Investment(s) Contracts — The Plan offers the SVF as an investment option. On October 1, 2006, the Plan began to offer the T. Rowe Price SVF with the Prudential SVF blended together as a single investment split fifty percent into each of these underlying investments. These are trust products and are comprised of group annuity insurance products issued by The Prudential Insurance Company of America (“Prudential”) and by T. Rowe Price Retirement Plan Services (“T. Rowe Price”) and a portfolio of assets owned by the Plan or designee. Interest on the SVF is credited daily. T. Rowe Price calculated a blended rate which was credited and compounded on a daily basis. The blended rate is based upon the Prudential and T. Rowe Price rates and the 50%-50% asset split. The SVF is deemed to be fully benefit responsive; therefore, it is presented at contract value, which approximates fair value.

Administrative Expenses — Plan fees and expenses related to account maintenance, transaction and investment fund management are allocated to participant accounts. Under the terms of the Plan document, costs relating to Plan administration may be paid by the Plan Sponsor or paid from Plan forfeitures. For the year ended December 31, 2009, the Plan Sponsor has paid substantially all administrative expenses.

Use of Estimates — The preparation of financial statements in conformity with GAAP requires the Plan Administrator to make estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements and the reported changes to the Plan’s net assets available for benefits during the reporting period. Actual results may differ from those estimates and assumptions.

The Plan invests in mutual funds, common/collective trusts, corporate stocks and the SVF. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

3.

FAIR VALUE MEASUREMENTS

In accordance with Accounting Standards Codification (“ASC”) Topic 820, Fair Value Measurements and Disclosures (“ASC 820”), the Plan classifies its investments into Level 1, which refers to securities valued using quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The following table sets forth by level within the fair value hierarchy a summary of the Plan’s investments measured at fair value on a recurring basis at December 31, 2009.

In 2009, FASB Staff Position (FSP) FAS 157-4, Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly, was issued and later codified into ASC 820, which expanded disclosures and required that major category for debt and equity securities in the fair value hierarchy table be determined on the basis of the nature and risks of the investments.

In September 2009, the FASB issued Accounting Standards Update No. 2009-12, Fair Value Measurements and Disclosures (Topic 820): Investments in Certain Entities That Calculate Net Asset per Share (or Its Equivalent) (“ASU 2009-12”), which amended ASC Subtopic 820-10, Fair Value Measurements and Disclosures — Overall. ASU 2009-12 is effective for the first reporting period ending after December 15, 2009. ASU 2009-12 expands the required disclosures for certain investments with a reported net asset value (“NAV”). ASU 2009-12 permits, as a practical expedient, an entity holding investments in certain entities that calculate net asset value per share or its equivalent for which the fair value is not readily determinable, to measure the fair value of such investments on the basis of that net asset value per share or its equivalent without adjustment. ASU 2009-12 requires enhanced disclosures about the nature and risks of investments within its scope. Such disclosures include the nature of any restrictions on an investor’s ability to redeem its investments at the measurement date, any unfunded commitments, and the investment strategies of the investee. The adoption did not have a material impact on the fair value determination and disclosure of applicable investments.

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		December 31,	
		2009	2008
Level 1:			
Mutual Funds:			
T. Rowe Price	Retirement 2025	\$ 408,381	\$ 294,488
T. Rowe Price	Retirement 2020	366,166	293,083
T. Rowe Price	Retirement 2015	291,240	227,488
T. Rowe Price	Retirement 2030	228,809	160,612
T. Rowe Price	Retirement 2010	154,598	139,575
T. Rowe Price	International Equity Index Fund	88,446	48,430
T. Rowe Price	Retirement 2035	58,036	40,604
T. Rowe Price	Retirement 2040	30,772	26,127
T. Rowe Price	Extended Equity Market Index Fund	11,142	14,419
T. Rowe Price	Retirement 2005	6,850	5,500
T. Rowe Price	Retirement Income Fund	2,859	2,342
T. Rowe Price	Retirement 2045	1,189	1,176
Dodge & Cox	Balanced Fund	446,766	315,204
Vanguard	Instl Index Fund	268,702	178,064
Pimco	Total Return Inst Fund	104,791	57,133
Vanguard	Small-Cap Index Fund	38,892	29,332
Total mutual funds		2,507,639	1,833,577
Custom Funds:			
Northern Trust Global Advisors	Large-Cap Growth Fund	243,826	154,089
Northern Trust Global Advisors	International Equity Fund	76,540	68,599
Northern Trust Global Advisors	Mid-Cap Fund	73,822	65,218
Northern Trust Global Advisors	Small-Cap Fund	40,675	33,961
Northern Trust Global Advisors	Large-Cap Value Fund	47,870	29,695
Total custom funds		482,733	351,562
Company Stock Fund			
Rite Aid Corporation	Company Stock Fund	1,437	584
Total Level 1		2,991,809	2,185,723
Level 2:			
Stable Value Fund Synthetic			
Guaranteed Investment Contract			
Prudential and T. Rowe Price	Stable Value Fund	1,498,929	1,434,483
Common and collective trust			
T. Rowe Price	Bond Index Trust	706	4,042
Total Level 2		1,499,635	1,438,525
Level 3:			
Participant notes	Loan Fund	396,468	250,630
Total Level 3		396,468	250,630
Total		\$ 4,887,912	\$ 3,874,878

The following is a description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

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Common Stock – The Plan measures its Rite Aid common stock using the stock’s quoted price, which is available in an active market. Therefore, this investment is classified within Level 1 of the valuation hierarchy.

Mutual Funds – The Plan measures its mutual funds that are exchange-traded using the fund’s quoted price, which is in an active market. Therefore, these investments are classified within Level 1 of the valuation hierarchy.

Custom Funds – Custom funds are made up of two mutual funds. The Plan measures its mutual funds that are exchange-traded using the fund’s quoted price. They are traded daily based on observable fair value at a NAV that is recalculated daily. Therefore, these investments are classified within Level 1 of the valuation hierarchy.

Common and Collective Trusts – The T. Rowe Price Bond Index Trust is priced at trust NAV per unit, adjusted for trustee fees accrued daily (as applicable). Investments held by the T. Rowe Price Bond Index Trust are stated at fair value in accordance with ASC 820. Therefore, the Plan classifies common and collective trusts as Level 2 securities in the fair value hierarchy.

Stable Value Fund – SVFs have underlying investments that consist of cash equivalents, collective trust funds, GICs, and alternative investment contracts. Cash equivalents are short term investment funds that have a maturity of 90 days or less and are valued at cost. The collective trust funds value is derived by their respective NAV. The collective trust funds consist of bonds and asset-backed securities whose value is derived from observable inputs based on the pricing of similar instruments that are publicly traded. GICs are valued based on their underlying securities, which consist of bonds whose value is derived from observable inputs including London Interbank Offered Rate (“LIBOR”) forward interest rate curves. The bonds are valued based on the pricing of similar bonds that are publicly traded. In determining fair value, factors such as the benefit-responsiveness of the investment contracts and the ability of the parties to the investment contracts to perform in accordance with the terms of the contracts; such inputs were not significant to the valuation. Alternative investment contracts are valued based on their underlying securities, which consists of common funds consisting of bonds and asset-backed securities whose value is derived from observable inputs based on the pricing of similar instruments that are publicly traded. Therefore, the Plan classifies SVFs as Level 2 securities in the fair value hierarchy.

Participant Loans – Participant loans are stated at cost, which approximates fair value.

The following table is a reconciliation of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

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For the Year Ended December 31, 2008	Participant Notes Receivable	Total Fair Value
Beginning balance	\$ 222,520	\$ 222,520
Total gains or losses (realized/unrealized)	—	—
Purchases, sales, issuances and settlements — net	28,110	28,110
Transfers in and/or out of Level 3	—	—
Ending balance	\$ 250,630	\$ 250,630

For the Year Ended December 31, 2009	Participant Notes Receivable	Total Fair Value
Beginning balance	\$ 250,630	\$ 250,630
Total gains or losses (realized/unrealized)	—	—
Purchases, sales, issuances and settlements — net	145,838	145,838
Transfers in and/or out of Level 3	—	—
Ending balance	\$ 396,468	\$ 396,468

4. SYNTHETIC GUARANTEED INVESTMENT CONTRACT

The Plan provides a self managed stable value investment option to participants that includes a synthetic GIC which simulates the performance of a GIC through an issuer's guarantee of a specific interest rate (the wrapper contract) and a portfolio of financial instruments that are owned by the Plan. The synthetic GIC includes underlying assets which are held in trust owned by the Plan and utilizes a benefit-responsive wrapper contract. A portion of the master trust's SVF is issued by The Prudential Insurance Company of America and a portion is managed by T. Rowe Price Associates, Inc. ("TRPA"). The TRPA portion of the SVF consists of synthetic investment contracts which are selected by TRPA and issued by banks and other financial institutions. TRPA also manages the fixed income instruments underlying the investment contracts in its portion of the SVF. The contract provides that participants execute Plan transactions at contract value. Contract value represents contributions made to the SVF, plus earnings, less participant withdrawals. The interest rates are reset quarterly based on market rates of other similar investments, the current yield of the underlying investments and the spread between the market value and contract value. Certain events such as Plan termination or a Plan merger initiated by the Plan Sponsor, may limit the ability of the Plan to transact at contract value or may allow for the termination of the wrapper contract at less than contract value. The Plan Sponsor does not believe that any events that may limit the ability of the Plan to transact at contract value are probable.

	2009	2008
Average yields:		
Based on annualized earnings (1)	4.02%	4.80%
Based on interest rate credited to participants (2)	4.43	4.25

(1) Computed by dividing the annualized one-day actual earnings of the contract on the last day of the Plan year by the fair value of the investments on the same date.

(2) Computed by dividing the annualized one-day earnings credited to participants on the last day of the Plan year by the fair value of the investments on the same date.

5. INVESTMENTS

The investments that represent 5% or more of the Plan's assets at December 31, 2009 and 2008 are as follows:

	2009	2008
Stable Value Fund	\$ 1,498,929	\$ 1,434,483
Dodge & Cox Balanced Fund	446,766	315,204
T. Rowe Price Retirement 2025	408,381	294,488
Participant Loan Fund	396,468	250,630
T. Rowe Price Retirement 2020	366,166	293,083
T. Rowe Price Retirement 2015	291,240	227,488
Vanguard Institutional Index Fund	268,702	178,064
Northern Trust Global Advisors Large-Cap Growth Fund	**	154,089

** - below 5% of Plan assets at December 31, 2009

The Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value for the year ended December 31, 2009, as follows:

Investments:	
Rite Aid corporate stock	\$ 1,956
Mutual funds	534,057
Custom funds	115,912
Common and collective trusts	201
Stable value funds	65,666
Net appreciation in fair value of investments	\$ 717,792

6. TAX STATUS

The Plan obtained its latest determination letter dated July 8, 2003, in which the Internal Revenue Service ("IRS") stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code ("IRC"). The Plan has been amended since receiving the determination letter. The Plan Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC, including the processes identified for remediation. Therefore, no provision for income taxes has been included in the Plan's financial statements.

7. PLAN TERMINATION

Although it has not expressed any intent to do so, the Plan Sponsor has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event the Plan terminates, participants would become fully vested in their Plan Sponsor contributions.

8. PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are shares of mutual funds managed by T. Rowe Price Trust Company, the trustee and custodian of the Plan. The transactions related to such investments qualify as party-in-interest transactions. The Plan has also permitted investment in the common stock of the Plan Sponsor, and therefore these transactions qualify as party-in-interest transactions. The Plan Administrator does not consider Plan Sponsor contributions or benefits paid by the Plan to be party-in-interest transactions.

9. CONTINGENCY

The Plan Administrator identified operational failures in the Plan, including a failure to make certain deferral contributions. The Plan Administrator submitted a Voluntary Correction Program filing with the IRS on December 23, 2008 requesting a compliance statement and approval of the correction method for these operational failures identified in the Plan. On August 5, 2009, the Plan Administrator received a fully executed compliance statement containing IRS approval of the correction methods submitted. The Plan Sponsor completed all corrections in accordance with the compliance statement thereby eliminating exposure to penalties, taxes or disqualification by the IRS. The correction process was completed on November 30, 2009.

10. RECONCILIATION OF FINANCIALS TO FORM 5500

The reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2009, is as follows.

Net assets available for benefits per the financial statements at contract value	\$ 4,852,983
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	39,324
Net assets available for benefits per Form 5500, Schedule H, Part I (line L)	\$ 4,892,307

For the year ended December 31, 2009, the following is a reconciliation of net investment gain per the financial statements to the Form 5500:

Total contributions	\$ 211,819
Employer paid VCP settlement charges	2,503
Total investment income	83,647
Net appreciation in fair value of investments	717,792
Prior year adjustment from fair value to contract value for fully benefit-responsive investment contracts	10,908
Current year adjustment from fair value to contract value for fully benefit-responsive investment contracts	39,324
Total gain per Form 5500, Schedule H, Part II (line 2d)	\$ 1,065,993

SUPPLEMENTAL SCHEDULE

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RITE AID SERVICES, L.L.C. 401(k) PLAN

FORM 5500 — SCHEDULE H, LINE 4i — SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2009

Identity of Issuer, Borrower, Lessor or Similar Party and Description	Number of Shares	At Fair Market Value
Common and collective trust:		
*T. Rowe Price Bond Index Trust	25	\$ 706
Total common and collective trust		706
Mutual Funds:		
*T. Rowe Price Retirement 2025	38,490	408,381
*T. Rowe Price Retirement 2020	25,080	366,166
*T. Rowe Price Retirement 2015	27,295	291,240
*T. Rowe Price Retirement 2030	15,133	228,809
*T. Rowe Price Retirement 2010	11,082	154,598
*T. Rowe Price International Equity Index Fund	7,954	88,446
*T. Rowe Price Retirement 2035	5,449	58,036
*T. Rowe Price Retirement 2040	2,031	30,772
*T. Rowe Price Extended Equity Market Index Fund	869	11,142
*T. Rowe Price Retirement 2005	656	6,850
*T. Rowe Price Retirement Income Fund	234	2,859
*T. Rowe Price Retirement 2045	118	1,189
Dodge & Cox Balanced Fund	6,977	446,766
Vanguard Instl Index Fund	2,635	268,702
Pimco Total Return Inst Fund	9,703	104,791
Vanguard Small-Cap Index Fund	1,414	38,892
Total mutual funds		2,507,639
Custom Funds:		
Northern Trust Global Advisors Large-Cap Growth Fund	21,809	243,826
Northern Trust Global Advisors International Equity Fund	4,980	76,540
Northern Trust Global Advisors Mid-Cap Fund	5,732	73,822
Northern Trust Global Advisors Small-Cap Fund	2,924	40,675
Northern Trust Global Advisors Large-Cap Value Fund	4,305	47,870
Total custom funds		482,733
Stable Value Fund Synthetic Guaranteed Investment Contract:		
Prudential and *T. Rowe Price Stable Value Fund	113,235	1,498,929

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Total Stable Value Fund Synthetic Guaranteed Investment Contract				1,498,929
Company Stock Fund:				
*Rite Aid Corporation	Company Stock Fund		952	1,437
*Participant notes	Loan Fund**			396,468
Total Assets Held at End of Year				\$ 4,887,912

* Party-in-interest

** The loans range in interest rates from 4.15% to 9.25% and expire through 2021.

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SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

RITE AID SERVICES, L.L.C. 401(k) PLAN

By: /s/ Kenneth Black
Kenneth Black, not in his individual
capacity, but solely
as an authorized signatory for the
Employee Benefits
Administration Committee

Date: June 29, 2010

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EXHIBIT INDEX

Exhibit Number	Description
23.1	Consent of Independent Registered Public Accounting Firm
