



STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL

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Deputy Attorney General
for Economic Justice

June 12, 2008

**NOTICE OF PROPOSED LITIGATION PURSUANT
TO NEW YORK EXECUTIVE LAW § 63(12) AND
NEW YORK GENERAL BUSINESS LAW § 820**

BY CERTIFIED MAIL

Robert Sari
Executive Vice President and General Counsel
Rite Aid Corporation
30 Hunter Lane
Camp Hill, PA, 17011

Notice of Intention to Sue

Dear Mr. Sari:

You are hereby notified that the Attorney General intends to commence litigation against Rite Aid of New York, Inc. ("Rite Aid") pursuant to New York General Business Law § 820 and Executive Law § 63(12) to enjoin repeated illegal acts and practices in which Rite Aid has engaged and continues to engage, and to obtain additional injunctive relief, restitution, penalties, damages and such other relief as the court may deem just and proper.

Over the past three months, the Attorney General's Office has conducted a statewide investigation of pharmacies, including Rite Aid stores. Investigators were directed to examine whether over-the-counter drugs, infant formula, eggs and milk were being sold past their expiration dates. The investigation revealed that Rite Aid has, through its sale of expired products, persistently violated both state and federal laws.

In over 100 Rite Aid stores, located throughout the State of New York, Rite Aid was found to have been selling expired products. These products included, among many others, cold medicines, pain relievers, baby formula, allergy medicine, milk and eggs (a full listing of both the stores and the expired products is attached as Exhibit A). In some cases, these items were almost one year past their expiration dates (i.e., as early as June of 2007). The widespread nature of these violations indicates that Rite Aid maintains an implicit company policy to maximize profits through the selling of expired goods to the public.

These practices violate a host of laws intended to protect the general public including General Business Law § 820 (prohibiting the sale of expired over-the-counter medication), 21 U.S.C. §§ 331, 342, 350a and 21 C.F.R. 107.20 (prohibiting the sale of “adulterated” food and infant formula); New York City Health Code § 111.33 (prohibiting the sale of milk beyond its expiration date); New York City Administrative Code § 20-485 (perishable foods); Westchester County Consumer Protection Code, Article IV, Section 863.91 (prohibiting sale of outdated perishable foods); and Regulatory Local Laws of Suffolk County, Chapter 301, Article I, Section 301-4 (prohibiting sale of perishable foods beyond their expiration date).

Please be advised that, pursuant to New York General Business Law § 821.2., Rite Aid is hereby afforded the opportunity to show in writing, within five business days after the receipt of this notice, why such proceedings should not be instituted.

Very truly yours,

A handwritten signature in black ink that reads "Michael Berlin". The signature is written in a cursive, flowing style.

Michael Berlin
Deputy Attorney General
for Economic Justice