

# SECURITIES AND EXCHANGE COMMISSION

## FORM S-8

Initial registration statement for securities to be offered to employees pursuant to employee benefit plans

Filing Date: **1994-08-02**  
SEC Accession No. **0000904103-94-000063**

([HTML Version](#) on [secdatabase.com](http://secdatabase.com))

### FILER

#### **GENOVESE DRUG STORES INC**

CIK: **40970** | IRS No.: **111556812** | State of Incorporation: **DE** | Fiscal Year End: **0131**  
Type: **S-8** | Act: **33** | File No.: **033-54857** | Film No.: **94541228**  
SIC: **5912** Drug stores and proprietary stores

Mailing Address  
3500 ONE PEACHTREE  
CENTER  
303 PEACHTREE ST NE  
ATLANTA GA 30308

Business Address  
80 MARCUS DR  
MELVILLE NY 11747  
5164201900X216

Registration No.

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM S-8  
REGISTRATION STATEMENT  
UNDER THE SECURITIES ACT OF 1933

GENOVESE DRUG STORES, INC.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

11-1556812  
(I.R.S. Employer  
Identification No.)

80 Marcus Drive  
Melville, New York 11747  
(Address of principal executive offices including zip code)

GENOVESE DRUG STORES, INC. 1984 EMPLOYEE STOCK OPTION  
AND STOCK APPRECIATION RIGHTS PLAN  
(Full title of the plan)

DONALD W. GROSS  
Secretary  
Genovese Drug Stores, Inc.  
80 Marcus Drive  
Melville, New York 11747  
(Name and address of agent for service)

(516) 420-1900  
(Telephone number, including area code, of agent for service)

CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be registered	Proposed maximum offering price per	Proposed maximum aggregate offering	Amount of registration fee
--------------------------------------	-------------------------	-------------------------------------	-------------------------------------	----------------------------

		share	price	
Class A	595,320	\$11.75 (2)	\$6,995,010 (2)	\$2,412.07
Common Stock,	shares (1)			
par value				
\$1.00 per				
share				

- (1) Such additional indeterminable number of shares of Class A Common Stock is hereby registered as may be required by reason of the anti-dilution provisions of the Genovese Drug Stores, Inc. 1984 Employee Stock Option and Stock Appreciation Rights Plan.
- (2) Pursuant to Rule 457(h) under the Securities Act of 1933, this estimate is made solely for the purpose of calculating the amount of the registration fee and is based on the average of the high and low prices of the Class A Common Stock on the American Stock Exchange on July 28, 1994.

## Part II

### ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE.

The following documents heretofore filed by Genovese Drug Stores, Inc. (the "Company") with the Securities and Exchange Commission are incorporated herein by reference:

- (1) Annual Report of the Company on Form 10-K for the fiscal year ended January 28, 1994;
- (2) Quarterly Report on Form 10-Q for the fiscal quarter ended April 28, 1994; and
- (3) The description of the Company's Class A Common Stock, par value \$1.00 per share, contained in the Company's Registration Statement filed pursuant to Section 12 of the Securities Exchange Act of 1934 and any amendments and reports filed for the purpose of updating that description.

All documents that shall be filed by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934 subsequent to the filing of this registration statement and prior to the filing of a post-effective amendment indicating that all securities offered under the Genovese Drug Stores, Inc. 1984 Employee Stock Option and Stock Appreciation Rights Plan (the "Plan") have been sold or deregistering all securities then remaining unsold thereunder shall be deemed to be incorporated herein by reference and shall be deemed to be a part

hereof from the date of filing thereof.

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL.

Gene L. Wexler, Vice President and General Counsel of the Company, who is opining as to the validity of the securities being registered herewith, received on March 8, 1994 a grant of 5,000 options being registered in connection with this registration statement.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

A director or officer of the Company, whether or not then in office, or a person whose testator or intestate was such a director or officer, shall be indemnified by the Company for the defense of, or in connection with, civil or criminal actions or proceedings, or appeals therein, in accordance with, and to the fullest extent permitted by, the provisions of the General Corporation Law of the State of Delaware, as it may from time to time be amended, except in cases where it is determined that said director, officer, employee or agent was guilty of gross negligence in the performance of his or her duty to the Company or its stockholders.

A director or officer of any wholly-owned subsidiary of the Company, whether or not then in office, or a person whose testator or intestate was such a director or officer shall also be indemnified by the Company for the defense of, or in connection with, civil or criminal actions or proceedings, or appeals therein, in accordance with, and to the fullest extent permitted by, the provisions of the General Corporation Law of the State of Delaware, as it may from time to time be amended, except in cases where it is determined that said director, officer, employee or agent was guilty of gross negligence in the performance of his or her duty to the Company or its stockholders.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling the registrant pursuant to the

foregoing provisions, the registrant has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is therefore unenforceable.

ITEM 8. EXHIBITS.

4(a) Certificate of Incorporation of the Company  
(filed as Exhibit 4, pages 4-1 - 4-4, to the

- (b) By-Laws of the Company, as amended (filed as Exhibit 4(b) to the Company's Registration Statement No. 33-53529 on Form S-8 and incorporated herein by reference)
- (c) Genovese Drug Stores, Inc. 1984 Employee Stock Option and Stock Appreciation Rights Plan, as amended
- 5 Opinion of Counsel
- 23(a) Consent of Independent Auditors
- (b) Consent of Counsel (included in Exhibit 5)
- 24 Powers of Attorney

ITEM 9. UNDERTAKINGS

- (a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement: (i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933; (ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; (iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement; provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the registration statement is on Form S-3 or Form S-8, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

#### SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THE REGISTRANT CERTIFIES THAT IT HAS REASONABLE GROUNDS TO BELIEVE THAT IT MEETS ALL OF THE REQUIREMENTS FOR FILING THIS REGISTRATION STATEMENT ON FORM S-8 AND HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN THE CITY OF MELVILLE, STATE OF NEW YORK, ON THIS 29TH DAY OF JULY, 1994.

GENOVESE DRUG STORES, INC.

By: /s/ Leonard Genovese

Chairman of the Board  
and President

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF  
1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE  
FOLLOWING PERSONS IN THE CAPACITIES AND ON THE DATES INDICATED.

Signature	Title	Date
*Leonard Genovese Leonard Genovese	Chairman of the Board, President and Director (Principal Executive Officer)	July 29, 1994
*Herbert J. Kett Herbert J. Kett	Vice Chairman and Director	July 29, 1994
*Allan Patrick Allan Patrick	Executive Vice President and Director	July 29, 1994
*Jerome Stengel Jerome Stengel	Vice President and Treasurer (Principal Financial and Accounting Officer)	July 29, 1994
*Frances Genovese Wangberg Frances Genovese Wangberg	Director	July 29, 1994
*William J. McKenna William J. McKenna	Director	July 29, 1994
*Charles Hayward Charles Hayward	Director	July 29, 1994
*Abraham Allen Abraham Allen	Director	July 29, 1994
*Thomas M. Cooney Thomas M. Cooney	Director	July 29, 1994

\* This registration statement has been signed on behalf of the  
above-named directors and officers of the Company by Leonard  
Genovese, Chairman of the Board and President of the Company,  
as attorney-in-fact pursuant to powers of attorney filed with

the Securities and Exchange Commission as Exhibit 24 to this registration statement.

DATED: July 29, 1994

By:/s/ Leonard Genovese  
Attorney-in-Fact

EXHIBIT INDEX

Exhibit Number	Exhibit Description	Page Number in Sequentially Numbered Copy
4(a)	Certificate of Incorporation of the Company (filed as Exhibit 4, pages 4-1 - 4-4, to the Company's Registration Statement No. 33-20284 on Form S-8 and incorporated herein by reference)	
4(b)	By-Laws of the Company, as amended (filed as Exhibit 4(b) to the Company's Registration Statement No. 33-53529 on Form S-8 and incorporated herein by reference)	
4(c)	Genovese Drug Stores, Inc. 1984 Employee Stock Option and Stock Appreciation Rights Plan, as amended	
5	Opinion of Counsel	
23(a)	Consent of Independent Auditors	
23(b)	Consent of Counsel (included in Exhibit 5)	
24	Powers of Attorney	

As amended through June 13, 1994

GENOVESE DRUG STORES, INC.

1984 EMPLOYEE STOCK OPTION  
AND STOCK APPRECIATION RIGHTS PLAN

Section 1. Statement of Policy. The Board of Directors of Genovese Drug Stores, Inc. believes that it would be in the best interest of the Company to adopt an Employee Stock Option and Stock Appreciation Rights Plan in order to encourage the acquisition of a proprietary interest in the Company by employees of the Company. The Plan will provide a means whereby such employees may purchase shares of the Common Stock of the Company pursuant to options or stock appreciation rights granted subject to the conditions hereinafter provided.

Section 2. Definitions. When used in this Plan, unless the context otherwise requires:

(a) Board of Directors. "Board of Directors" shall mean the Board of Directors of the Company as constituted from time to time.

(b) Committee. "Committee" shall mean the Stock Option Plan Committee described in Section 3.

(c) Company. "Company" shall mean Genovese Drug Stores, Inc., a Delaware corporation.

(d) Fair Market Value. "Fair Market Value" shall mean for a Share on any particular date the closing sales price of a Share on the stock exchange on which the Shares are then primarily listed and traded, or if there shall have been no sales on such exchange on the relevant date, the closing sales price on the last preceding day upon which a sale took place, or if the Shares shall not be listed, the average of the high and low bid prices in the domestic over-the-counter market on the relevant date.

(e) Options. "Options" shall mean the Options to purchase shares granted pursuant to the Plan.

(f) Plan. "Plan" shall mean the 1984 Employee Stock Option and Stock Appreciation Rights Plan authorized by the Board of Directors at its meeting held on March 16, 1984 as such Plan may be amended from time to time as herein provided.

(g) Share. "Share" shall mean a share of Common Stock of the Company.

(h) Stock Appreciation Rights. "Stock Appreciation Rights" shall mean the Stock Appreciation Rights granted pursuant to Section 15 of the Plan, and shall include Stock

Appreciation Rights issued in tandem with an Option and non-tandem Stock Appreciation Rights.

### Section 3. Stock Option Plan Committee.

(a) The Plan shall be administered by a Committee which shall consist of at least three outside members of the Board of Directors who shall be selected by the Board of Directors. Any member of the Committee may be removed at any time with or without cause by the Board of Directors. If a member of the Committee for any reason shall cease to serve, the vacancy shall be filled by the Board of Directors. The Chairman of the Committee shall be designated by the Board of Directors.

(b) Subject to the provisions of the Plan, the Committee shall have the authority to construe and interpret the Plan, to define the terms used therein, to prescribe, amend and rescind rules and regulations relating to the Plan, to approve and determine the duration of leaves of absence which may be granted to participants without constituting a termination of their employment for the purposes of the Plan, and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Committee shall be binding and conclusive on all participants in the Plan and on their legal representatives and beneficiaries.

### Section 4. Meetings.

(a) Meetings of the Committee may be called at any time by the Board of Directors or the Chairman of the Committee and shall be called on written request of any two (2) members of the Committee, provided that meetings may be held at any time without notice if all the members of the Committee are present, or if at any time before or after the meeting those not present waive notice of the meeting in writing. When practicable, at least one (1) day's notice of meeting shall be given in person or by telephone, letter, telegram or telex.

(b) At meetings of the Committee the presence of a majority of the members of the Committee at the time of such meeting shall be necessary to constitute a quorum. Any act of a

majority present at a meeting at which there is a quorum shall be the act of the Committee. Action may be taken by the Committee without a meeting if a written consent thereto is signed by all the members of the Committee and such written consent is filed with the minutes of proceedings of the Committee. Members of the Committee may participate in meetings of the Committee by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

Section 5. Shares Available. The Committee may, but shall not be required to, grant in accordance with the Plan, Options or non-tandem Stock Appreciation Rights with respect to not more than 650,000 Shares which may either be treasury Shares

or authorized but unissued Shares. The number of Shares with respect to which Options or Stock Appreciation Rights have not been granted or with respect to which Options or Stock Appreciation Rights have expired or terminated shall be subject to adjustment pursuant to the provisions of Section 20 herein. If any Options or Stock Appreciation Rights shall expire or terminate for any reason without having been exercised in full, Options or non-tandem Stock Appreciation Rights for the unpurchased Shares or unexercised Rights subject thereto may again be granted under the Plan; provided, however, that to the extent a Stock Appreciation Right granted in tandem with an Option is exercised, such Option shall be deemed to have been exercised and the Shares which otherwise would have been issued upon the exercise of such Option shall not be subject to the grant of any additional Options or non-tandem Stock Appreciation Rights.

Section 6. Time of Granting of Options or Stock Appreciation Rights. Options and/or Stock Appreciation Rights may be granted by the Committee pursuant to this Plan up to and including March 16, 2004.

Section 7. Persons Eligible. Persons eligible to receive discretionary Options or Stock Appreciation Rights shall be such employees of the Company as the Committee in its sole discretion may select. In addition, non-employee members of the Board of Directors shall be eligible to receive nondiscretionary Options as provided herein.

Section 8. Number of Shares to be Optioned. The number of Shares to be optioned or subject to Stock Appreciation Rights granted to any eligible personnel shall be determined by the Committee in its sole discretion. Notwithstanding the foregoing, as soon as reasonably practicable following the end of each fiscal year of the Company, the Committee shall grant an

option to purchase 2,000 shares of each non-employee who is then a member of the Board of Directors. An employee who has been granted an Option or Stock Appreciation Right may be granted additional Options or Stock Appreciation Rights if the Committee shall so determine.

Section 9. Form of Options and Rights. The form of Options and Stock Appreciation Rights shall be as determined from time to time by the Committee. An Option Certificate or Stock Appreciation Right Certificate signed by the Chairman of the Board or the President or a Vice President, attested by the Treasurer or Assistant Treasurer, or Secretary of Assistant Secretary of the Company and having the seal of the Company so affixed thereto shall be issued to each person to whom an Option or Stock Appreciation Right is granted. If a Stock Appreciation Right is granted in tandem with an Option, an Option Certificate, with appropriate modifications as determined by the Committee, shall be issued.

Section 10. Duration of Options or Rights. The duration of each Option or any Stock Appreciation Right granted hereunder shall be for such period as the Committee shall determine, but not more than five (5) years from the date of granting thereof. The duration of each tandem Stock Appreciation Right shall be coextensive with the Option pursuant to which it was granted and shall expire at the same time.

Section 11. Assignability of Options. Options, Stock Appreciation Rights and all rights thereunder granted under this Plan, shall not be transferrable by the holder thereof otherwise than by will or the laws of descent and distribution, and such Option or Stock Appreciation Right may be exercised during the holder's lifetime only by or on behalf of the holder thereof.

Section 12. Price. The price per share of the Shares to be purchased pursuant to the exercise of an Option and the price per share of the Shares subject to a non-tandem Stock Appreciation Right shall not be less than one hundred percent (100%) of the Fair Market Value, as determined by the Committee, of a Share of the Company on the date of grant of the Option or Stock Appreciation Right. The price per Share of the shares subject to a tandem Stock Appreciation Right shall be the same as the price per share of the Shares to be purchased pursuant to the exercise of the Option underlying such tandem Stock Appreciation Right.

Section 13. (Reserved).

Section 14. Exercise of Options or Rights. Options and non-tandem Stock Appreciation Rights shall be exercisable in

whole or in part at such time and upon such terms and conditions as the Committee shall determine, but not sooner than approval of this Plan by the stockholders of the Company. An Option or any Stock Appreciation Right shall be exercised by delivery of a duly signed notice in writing specifying the number of Shares with respect to which such exercise occurs, together with the Option or Right Certificate, and in the case of the exercise of an Option, the full purchase price of the Shares to be purchased pursuant to such exercise, to the Chairman of the Board or an officer of the Company appointed by the Chairman of the Board for the purpose of receiving the same; provided, however, that no Option or Stock Appreciation Right granted pursuant to the Plan may be exercised at any time when the exercise thereof violates any law or governmental order or regulation. Payment for the Shares purchased pursuant to the exercise of an Option shall be made in full at the time of the exercise of such Option by any one or more of the following methods: in cash; by check payable to the order of the Company; by the delivery to the Company of Shares which shall be valued at their Fair Market Value on the date of exercise of the Option, by participation in the stock option exercise program established pursuant to the Corporate Stock Option Exercise Program Agreement by and between the Company and Merrill Lynch, Pierce, Fenner & Smith Incorporated, or by any other method acceptable to the Committee and counsel for the Company, including loans, advances and guarantees of loans by the Company.

#### Section 15. Stock Appreciation Rights.

(a) A Stock Appreciation Right may be granted by the Committee to an eligible person or may be granted by the Committee in tandem with all or any part of an Option granted under this Plan at the time of the grant of such Option.

(b) Subject to the provisions set forth below, upon the exercise of a Stock Appreciation Right granted in tandem with an Option, the holder thereof shall surrender the Option, or any applicable portion thereof, to the extent then exercisable but unexercised and receive a number of Shares or cash, or cash and Shares as determined by the Committee pursuant to subparagraphs (ii) and (iii) of paragraph (c) of this Section 15. Such Options shall, to the extent surrendered, thereupon cease to be exercisable.

(c) A Stock Appreciation Right shall be subject to the following terms and conditions and to such other terms and conditions as shall from time to time be approved by the Committee:

(i) A Tandem Stock Appreciation Right shall be

exercisable at such time or times and to such extent, but only to the extent, that the Option to which they relate shall be exercisable. A Tandem Stock Appreciation Right shall not be transferrable or assignable separately from the Option to which it relates and the exercise or expiration of such Option shall terminate the related Stock Appreciation Right.

(ii) The exercise by the holder of a Stock Appreciation Right shall be made in writing to the Chairman of the Board or an officer of the Company appointed by the Chairman of the Board for the purpose of receiving the same, specifying whether the holder thereof desires cash or Shares or a combination thereof. Such request shall be subject to the absolute right of the Committee to substitute stock for cash or cash for stock as set forth in Section 15(c) (iv) hereof. An exercise by an officer, director or 10% shareholder electing a full or partial settlement for cash must be received in writing during the period beginning on the third business day next following the date of release by the Company of quarterly or annual financial data and ending on the twelfth business day following such date of release.

(iii) Upon the exercise of a Stock Appreciation Right, the holder thereof shall be entitled to receive from the Company the difference between (x) the price per share under the Stock Appreciation Right determined in accordance with Section 12 hereof, and (y) the Fair Market Value on the date of exercise of one Share, multiplied by the number of rights in respect to which the Stock Appreciation Right shall have been exercised. For purposes of this subparagraph, Fair Market Value shall be determined by

the Committee as of the date of exercise of the Stock Appreciation Right.

(iv) Notwithstanding any provision to the contrary herein, the Committee may, under such terms and conditions as it deems appropriate, accept the exercise of a Stock Appreciation Right and authorize payment to be made in Shares, or in cash, or partly in such Shares and partly in cash. Shares shall be valued at Fair Market Value as determined by the Committee as of the date of exercise of the Stock Appreciation Right.

(d) If the Committee decides to pay cash upon the exercise of a Stock Appreciation Right, the Committee shall have

the discretion to make such cash payments over a period of time, such period not to exceed 5 years from the date of exercise, plus interest at a rate to be determined by the Committee from the date of exercise.

(e) Shares with respect to which a non-tandem Stock Appreciation Right shall be exercised shall be charged against the maximum number of Shares which may be subject to Options or non-tandem Stock Appreciation Rights under this Plan notwithstanding that payment upon the exercise of such Stock Appreciation Right is made in whole or in part in cash.

Section 16. Tax Withholding. In the event that a holder elects to exercise his Option or Stock Appreciation Right, or any part thereof, pursuant to Section 14 or 15 hereof and if the Company shall be required to withhold any amounts by reason of any federal, state or local tax rules or regulations by reason of the issuance of Shares and/or cash to the holder, the Company shall be entitled to deduct and withhold such amounts from any cash payments to be made to the holder. In any event, the holder shall make available to the Company, promptly when required, sufficient funds to meet the requirements of such withholding, and the Committee shall be entitled to take and authorize such steps as it may deem advisable in order to have such funds available to the Company when required.

Section 17. Issuance of Shares and Compliance With Securities Act. Within a reasonable time after the due exercise of an Option or Stock Appreciation Right, the Company shall cause to be delivered to the employee a certificate for the Shares issuable and/or the cash payable pursuant to the exercise of the Option or Stock Appreciation Right together with either (i) an Option and/or Right certificate for a number of Shares equivalent to the difference between the number of Shares as to which the Option and/or Stock Appreciation Right had not been exercised immediately prior to the time of the exercise of the Option or Stock Appreciation Right and the number of shares with respect to which the Option or Stock Appreciation Right was so exercised, or (ii) the original Option or Right certificate endorsed to give effect to the partial exercise thereof. The Company may postpone the issuance and delivery of Shares upon any exercise of an Option or Stock Appreciation Right until (a) the admission of such Shares to listing on any stock exchange on which Shares of

the same class are then listed and (b) the completion of such registration or other qualification of such Shares under any state or federal law, rule or regulation as the Company shall determine to be necessary or advisable. Any person exercising an Option or Stock Appreciation Right shall make such representations (including representations to the effect that such person will not dispose of such Shares in violation of the

Federal Securities laws, if required by the Company) and furnish such information as may in the opinion of counsel for the Company be appropriate to permit the Company, in the light of the then existence or nonexistence of an effective Registration Statement under the Securities Act of 1933, as from time to time amended, with respect to such Shares, to issue the shares in compliance with the provisions of that or any comparable act. The Company may place an appropriate legend on any certificate evidencing the Shares and may issue stop transfer instructions in respect thereof. Nothing herein shall be deemed to require that the Company file or amend a Registration Statement.

Section 18. Termination of Options. Notwithstanding any other provisions of this Plan, any Option or Stock Appreciation Right not exercised within the period fixed for such exercise shall expire and become void and of no effect.

Section 19. Termination of Employment. Any unexercised Option or Stock Appreciation Right shall terminate forthwith at the close of business on the fourteenth business day after cessation or termination for any reason of the holder's employment by the Company. Notwithstanding the foregoing, (a) if the cessation of employment is due to retirement on or after attaining the age of sixty-five (65) years or to disability (to an extent and in a manner as shall be determined by the Committee in its sole discretion), the holder shall have the privilege within the remaining period of the Option or Stock Appreciation Right, or within three months of such holder's cessation of employment, whichever is the shorter period, of exercising the unexercised Options or Stock Appreciation Rights which such holder could have exercised at the time of such cessation of employment, (b) if the cessation of employment is due to death, or if death occurs within three months of the holder's cessation of employment by reason of retirement or disability, as aforesaid, the legal representatives of the estate of the holder or a specific legatee under a will or distributees in intestacy, after distribution of the Options or Stock Appreciation Rights to said legatee or distributees shall have the privilege within the remaining period of the Option or Stock Appreciation Right or within three months of such holder's cessation of employment, whichever is shorter, of exercising the unexercised Options or Stock Appreciation Rights which the holder could have exercised at the time of such death, (c) if the employment of any holder with the Company shall be terminated because of such holder's violation of his or her duties with the Company (the existence of which violation shall be conclusively determined by the Committee in its sole discretion), all unexercised Options or Stock Appreciation Rights of such holder shall terminate immediately upon the termination of the holder's employment with the Company and a holder whose employment with the Company is so terminated

shall have no right after such termination to exercise any unexercised Option or Stock Appreciation Right which such holder might have exercised prior to the termination of such employment with the Company, and (d) the Committee shall have the right in any specific case upon the grant of the Option or Stock Appreciation Right to provide any other rule or method for termination of the Option or Stock Appreciation Right upon termination of employment as the Committee shall deem proper and appropriate in the circumstance.

Nothing contained herein or in any Option or Stock Appreciation Right certificate shall be construed to confer upon any employee any right to be continued in the employ of the Company or derogate from any right of the Company to retire, request the resignation of or discharge such employee, at any time, with or without cause.

Section 20. Adjustment of Shares. If prior to the complete exercise of any Option there shall be declared and paid a stock dividend upon the Shares of the Company or if the Shares shall be split, combined, converted, exchanged, reclassified or in any way substituted for, or if the Company shall merge or consolidate with another corporation, then in any such event, the Option, to the extent that it has not been exercised, shall entitle the holder upon its future exercise to such number and kind of securities or other property subject to the terms of the Option to which the holder would have been entitled had such holder actually owned the Shares subject to the unexercised portion of the Option at the time of the occurrence of such stock dividend, split, combination, conversion, exchange, reclassification, substitution, merger or consolidation.

In addition to the adjustment provided for in the preceding paragraph, if a Stock Appreciation Right has been granted, then, upon the occurrence of any of the events referred to in said paragraph, the Committee in its sole discretion shall have the right to determine the amount of cash and/or the number of Shares or other property to which the holder of such Stock Appreciation Right shall be entitled upon its payment so that there shall be no decrease or dilution (as determined by the Committee in its sole discretion) in the cash and/or the value of the Shares or other property to which the holder of such Stock Appreciation Right upon its payment shall be entitled by reason of such events.

Section 21. Amendment by the Board of Directors or the Committee. Except as provided in Section 22, the Board of Directors or the Committee may at any time withdraw or from time to time amend the Plan and the terms and conditions of any Options or Stock Appreciation Rights not theretofore granted, and the Board of Directors or the Committee, with the consent of the

affected holder of an Option or Stock Appreciation Right, may at any time withdraw or from time to time amend the Plan and the terms and conditions of any Options or Stock Appreciation Rights which have been theretofore granted.

Section 22. Amendments Requiring Stockholder Approval. Notwithstanding the provisions of Section 21, any amendment to the Plan which changes the option price as set forth in Section 12 hereof or changes the method of computation of the amount payable upon exercise of a Stock Appreciation Right pursuant to Section 15(c)(iii) or changes the categories of individuals eligible to receive Options or Stock Appreciation Rights under the Plan shall not be effective unless approved by the holders of a majority of the stock of the Company present, or represented by proxy, and entitled to vote thereon at a meeting called for such purpose within twelve (12) months after the adoption of such amendment by the Board of Directors.

Section 23. Effectiveness of the Plan. The effectiveness of this Plan is subject to its approval by the stockholders of the Company within one (1) year from March 16, 1984 except that this Plan shall be effective on and after March 16, 1984, to permit the granting of Options and Stock Appreciation Rights hereunder during said one (1) year period. In the event this Plan is not approved by the stockholders of the Company as aforesaid, any Options or Stock Appreciation Rights granted within said one (1) year period shall be deemed void and of no force or effect.

GENOVESE

We'll Take Good Care of You

80 Marcus Drive-Melville New York 11747  
(516) 420-1900-FAX #(516) 845-8487

July 29, 1994

Genovese Drug Stores, Inc.  
80 Marcus Drive  
Melville, NY 11747

Re: Genovese Drug Stores, Inc. 1984 Employee Stock  
Option and Stock Appreciation Rights Plan (the "Plan")

Ladies and Gentlemen:

I have acted as counsel to Genovese Drug Stores, Inc., a Delaware corporation (the "Company"), in connection with the Plan. I have examined such documents, records and matters of law as I have deemed necessary for purposes of this opinion, and, based thereon, I am of the opinion that the shares of the Company's Class A Common Stock, par value \$1.00 per share (the "Class A Common Shares"), that may be issued and sold pursuant to the Plan will be duly authorized, validly issued, fully paid and nonassessable when issued and sold in accordance with the Plan, provided that the consideration received by the Company is at least equal to the par value of the Class A Common Shares.

I hereby consent to the filing of this opinion as Exhibit 5 to the Registration Statement on Form S-8 that is being filed by the Company with the Securities and Exchange Commission regarding the Plan.

Sincerely,

/s/ Gene L. Wexler  
Gene L. Wexler  
Vice President and General Counsel

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Genovese Drug Stores, Inc. on Form S-8 of our report dated March 3, 1994 appearing in the Annual Report on Form 10-K of Genovese Drug Stores, Inc. for the fiscal year ended January 28, 1994.

/s/ Deloitte & Touche

Jericho, New York  
July 29, 1994

DIRECTORS AND OFFICERS OF  
GENOVESE DRUG STORES, INC.  
REGISTRATION STATEMENT ON FORM S-8  
POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned directors and officers of Genovese Drug Stores, Inc., a Delaware corporation (the "Company"), hereby (1) constitutes and appoints Leonard Genovese, Donald W. Gross, Jerome Stengel and Gene L. Wexler, collectively and individually, as his agent and attorney-in-fact with full power of substitution and resubstitution to (a) sign and file on his behalf and in his name, place and stead in any and all capacities (i) a Registration Statement on Form S-8 (the "Registration Statement") with respect to the registration under the Securities Act of 1933, as amended, of an additional 595,320 shares of the Company's Class A Common Stock, par value \$1.00 per share, for issuance under the Company's 1984 Employee Stock Option and Stock Appreciation Rights Plan, (ii) any and all amendments, including post-effective amendments, and exhibits to the Registration Statement and (iii) any and all applications or other documents to be filed with the Securities and Exchange Commission or any state securities commission or other regulatory authority with respect to the securities covered by the Registration Statement and (b) do and perform any and all other acts and deeds whatsoever that may be necessary or required in the premises and (2) ratifies and approves any and all actions that may be taken pursuant hereto by any of the above-named agents and attorneys-in-fact or their substitutes.

IN WITNESS WHEREOF, the undersigned directors and officers of the Company have hereunto set their hands as of the 29th day of July, 1994.

/s/ Leonard Genovese  
Leonard Genovese

/s/ Frances Genovese Wangberg  
Frances Genovese Wangberg

/s/ Herbert J. Kett  
Herbert J. Kett

/s/ William J. McKenna  
William J. McKenna

/s/ Allan Patrick  
Allan Patrick

/s/ Charles Hayward  
Charles Hayward

/s/ Jerome Stengel  
Jerome Stengel

/s/ Abraham Allen  
Abraham Allen

/s/ Thomas M. Cooney  
Thomas M. Cooney