

J C PENNEY CO INC
Form 4
March 13, 2007

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
CAVANAUGH ROBERT B

(Last) (First) (Middle)

C/O J. C. PENNEY COMPANY, INC., 6501 LEGACY DRIVE

(Street)

PLANO, TX 75024

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
J C PENNEY CO INC [JCP]

3. Date of Earliest Transaction (Month/Day/Year)
03/09/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
X Officer (give title below) ___ Other (specify below)
EVP, Chief Financial Officer

6. Individual or Joint/Group Filing(Check Applicable Line)
X Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount (D) Price		
Common Stock of 50 cent Par Value	03/09/2007		A		19,008 (1)	A	\$ 0 19,008 D
Common Stock of 50 cent Par Value					5,417.157	I	By Trustee of 401(k) (2)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Transaction (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CAVANAUGH ROBERT B C/O J. C. PENNEY COMPANY, INC. 6501 LEGACY DRIVE PLANO, TX 75024			EVP, Chief Financial Officer	

Signatures

***s/ Salil R. Virkar, attorney
in fact 03/13/2007

__Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
 - (1) Represents earn-out of previously awarded performance-based restricted stock units granted under the Company's 2005 Equity Compensation Plan on 3/22/2006. The earned restricted stock units are subject to further time-based vesting requirements with one-third of the units vesting on March 22, 2007, March 22, 2008, and March 22, 2009, respectively.
 - (2) Represents equivalent shares based on units of participation in the JCPenney stock fund allocated to Mr. Cavanaugh's account in the Company's 401(k) plan, as of February 28, 2007. The shares of JCPenney common stock in the fund are held by the trustee of the 401(k) plan. Changes in the amount of securities beneficially owned reflect changes in the value of the fund, the number of units of participation in the fund held by all participants, and the number of units of participation held by Mr. Cavanaugh.

Remarks:

*** Under power of attorney filed herewith as Exhibit 24.

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Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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