CAVANAUGH ROBERT B

Form 4 July 28, 2008

FORM 4

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

Check this box if no longer

subject to Section 16. Form 4 or

Form 5 obligations

1(b).

(Last)

may continue. See Instruction 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

2. Issuer Name and Ticker or Trading Symbol

(Middle)

(Zip)

J C PENNEY CO INC [JCP]

3. Date of Earliest Transaction (Month/Day/Year) 07/24/2008

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

(Street)

(State)

(First)

4. If Amendment, Date Original

Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

OMB APPROVAL

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

Estimated average

burden hours per

(Check all applicable)

Director 10% Owner

Other (specify X_ Officer (give title below) 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

PLANO, TX 75024

(City)

(Instr. 3)

1. Title of 2. Transaction Date 2A. Deemed Security

(Month/Day/Year)

Execution Date, if (Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

Code V Amount (D) Price

5. Amount of Securities Beneficially Owned Following Reported

6. Ownership Form: Direct (D) or Indirect Beneficial (T) (Instr. 4)

Indirect Ownership (Instr. 4)

7. Nature of

Transaction(s) (Instr. 3 and 4)

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

number.

(A)

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SEC 1474 (9-02)

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

1. Title of Derivative Security

Conversion or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year) Execution Date, if

any

5. Number of **Transaction**Derivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount of Underlying Securities (Instr. 3 and 4)

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(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	or Dispo		(Instr. 3, 4	ed of				
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amoun or Numbe of Shar
Employee stock option/Right to Buy	\$ 30.88	07/24/2008		A		50,000		<u>(1)</u>	07/23/2018	Common Stock	50,00

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

07/28/2008

**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 grant of employee stock options under the Company's 2005 Equity Compensation Plan which vest one-third on July 24, 2009, one-third on July 24, 2010, and one-third on July 24, 2011.
- (2) Represents current grant of stock options. Including the reported grant, Mr. Cavanaugh beneficially owns an aggregate of 333,395 stock options at various exercise prices.

Remarks:

*** Under continuing POA as filed with the SEC.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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