

**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES**

OMB APPROVAL	
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Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

<b>1. Name and Address of Reporting Person*</b> <u>VORNADO REALTY TRUST</u>  (Last) (First) (Middle) <u>888 SEVENTH AVE</u>  (Street) <u>NEW YORK NY 10019</u>  (City) (State) (Zip)	<b>2. Date of Event Requiring Statement (Month/Day/Year)</b> <u>10/08/2010</u>	<b>3. Issuer Name and Ticker or Trading Symbol</b> <u>J C PENNEY CO INC [ JCP ]</u>	
		<b>4. Relationship of Reporting Person(s) to Issuer (Check all applicable)</b> Director <input type="checkbox"/> 10% Owner <input type="checkbox"/> Officer (give title below) <input checked="" type="checkbox"/> Other (specify below) <u>10% Owner (4) (5)</u>	<b>5. If Amendment, Date of Original Filed (Month/Day/Year)</b>  <b>6. Individual or Joint/Group Filing (Check Applicable Line)</b> <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock, par value \$0.50 per share	3,084,010	D	

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Call Option <sup>(1)</sup>	09/28/2010 <sup>(1)</sup>	03/27/2012 <sup>(1)</sup>	Common Stock, par value \$0.50 per share	15,500,000 <sup>(1)</sup>	199,264,900 <sup>(1)</sup>	I	By Fashion <sup>(1)</sup>
Contract <sup>(2)(3)</sup>	10/07/2010	10/12/2012 <sup>(2)(3)</sup>	Common Stock, par value \$0.50 per share	4,815,990 <sup>(2)(3)</sup>	(2)(3)	I	By VSPS <sup>(2)(3)</sup>

**Explanation of Responses:**

- On September 28, 2010, Fashion acquired from Societe Generale ("SG") over-the-counter American-style call options to purchase 15,500,000 Common Shares (the "Call Options") at the strike price of \$12.2437 for an aggregate premium amount of \$199,264,900. All or a portion of the Call Options may be exercised by Fashion from time to time and may be settled in cash or by delivery of Common Shares at Fashion's election. Fashion may not elect to physically settle any of the Call Options until all required filings and any applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 have been made or have expired, as applicable (the "HSR Act Condition").
- On October 7, 2010, VSPS entered into a share forward transaction with and Deutsche Bank AG, London Branch ("DB") (the "Forward Transaction"). Currently, 4,815,900 shares of Common Stock of the Issuer are subject to this transaction. DB has agreed to sell to VSPS, for settlement no later than October 12, 2012, 4,815,900 Common Shares at a per share forward price determined based on a formula. At any time during the term of the Forward Transaction, VSPS may accelerate settlement of the Forward Transaction, in whole or in part, upon two business days' notice to DB, and DB may accelerate settlement of the Forward Transaction, in whole or in part, upon one year's notice to VSPS.
- The Forward Transaction may be settled, at the election of VSPS, in cash or, upon satisfaction of the HSR Act Condition, by delivery of Common Shares in exchange for payment by VSPS of the forward price per share. VSPS has agreed with DB that, while the Forward Transaction is outstanding, VSPS and its affiliates will not own or otherwise have economic exposure to more than 9.95% of the Common Shares outstanding at such time.

**Remarks:**

(4) Pershing Square Capital Management, L.P. ("Pershing") has filed a Report on Schedule 13D reporting its beneficial ownership of Common Shares. The Vornado Entities (as defined below) and Pershing intend to consult with each other in connection with their respective investments in the Common Shares. The Vornado Entities and Pershing have no agreements or understandings that grant the Vornado Entities or Pershing any voting or dispositive power over any of the other's shares or create any limitation on the rights of either the Vornado Entities or Pershing to acquire, dispose of, hold or vote any Common Shares. This filing shall not be deemed an admission that the Vornado Entities are 10% shareholders for purposes of Section 16 of the Exchange Act. (5) This form is filed by Vornado Realty Trust ("Vornado"), on behalf of itself and Vornado Realty L.P. ("VRLP"), VNO Fashion LLC ("Fashion") and VSPS I LLC ("VSPS" and, together with Vornado, VRLP and Fashion, the "Vornado Entities").

/s/ Joseph Macnow, Executive  
Vice President Finance and  
Administration Chief Financial Officer 10/08/2010

\*\* Signature of Reporting Person Date

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

\* If the form is filed by more than one reporting person, see Instruction 5 (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).

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.**