

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of

J. C. PENNEY CO., INC.

For a Redetermination of a Deficiency or
a Refund of Stock Transfer
Taxes under Article(s) 12 of the
Tax Law for the (Year(s))

AFFIDAVIT OF MAILING
OF NOTICE OF DECISION
BY (CERTIFIED) MAIL

State of New York
County of Albany

Linda Wilson, being duly sworn, deposes and says that she is an employee of the Department of Taxation and Finance, over 18 years of age, and that on the 29th day of December, 1971, she served the within Notice of Decision (or Determination) by (certified) mail upon J. C. PENNEY CO., INC. (representative of) the petitioner in the within

proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows: J. C. Penny Co., Inc.

1301 Avenue of the Americas
New York, New York 10012

and by depositing same enclosed in a postpaid properly addressed wrapper in a (post office or official depository) under the exclusive care and custody of the United States Post Office Department within the State of New York.

That deponent further says that the said addressee is the (representative of) petitioner herein and that the address set forth on said wrapper is the last known address of the (representative of the) petitioner.

Sworn to before me this

29th day of December, 1971.

Martha J. Jones

Linda Wilson

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of

J. C. PENNEY CO., INC.

For a Redetermination of a Deficiency or
a Refund of Stock Transfer
Taxes under Article(s) 12 of the
Tax Law for the (Year(s))

AFFIDAVIT OF MAILING
OF NOTICE OF DECISION
BY (CERTIFIED) MAIL


State of New York
County of Albany

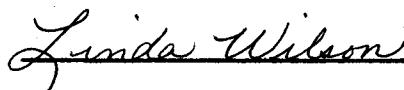
Linda Wilson, being duly sworn, deposes and says that she is an employee of the Department of Taxation and Finance, over 18 years of age, and that on the 29th day of December, 1971, she served the within Notice of Decision (or Determination) by (certified) mail upon PHILLIP R. TRIMBLE, ESQ. CRAVATH, SWAINE & MOORE (representative of) the petitioner in the within proceeding, by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed as follows: Phillip R. Trimble, Esq.
Cravath, Swaine & Moore
1 Chase Manhattan Plaza
New York, New York 10005
and by depositing same enclosed in a postpaid properly addressed wrapper in a (post office or official depository) under the exclusive care and custody of the United States Post Office Department within the State of New York.

That deponent further says that the said addressee is the (representative of) petitioner herein and that the address set forth on said wrapper is the last known address of the (representative of the) petitioner.

Sworn to before me this

29th day of December, 1971.





STATE TAX COMMISSION

2. It was further agreed that on the closing date, General Merchandise Company would deliver to Chemical Bank of New York Trust Company as exchange agent the certificates for shares of common stock of J. C. Penney Co., Inc. for disposition to the stockholders of General Merchandise Company. The shareholders and directors of General Merchandise Company approved the terms of the agreement thereby authorizing the issuance directly to General Merchandise Company shareholders of the J. C. Penney Co., Inc.

stock to be received by General Merchandise Company pursuant to agreement.

3. That the shares have been so issued.

Based upon the foregoing findings, the State Tax Commission hereby

DECIDES:

A. That the issuance of the J. C. Penney Co., Inc. stock in New York by Chemical Bank New York Trust Company as exchange agent to the shareholders of General Merchandise Company was a transfer of the shares by General Merchandise Company to its stockholders and a taxable transfer pursuant to section 270 of the Tax Law, and

B. That the application for revision of the determination is denied.

DATED: Albany, New York
December 29, 1971.

STATE TAX COMMISSION

William J. Sullivan
COMMISSIONER

Bruce Manley
COMMISSIONER

Walter Koenig
COMMISSIONER