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 the29th day of December , 19 71, 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

29thday of December

, 1971. 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 , 19 71, 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 Phillip R. Trimble, Esq. wrapper addressed as follows: 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

Linda Wilson

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Application

of

J. C. PENNEY CO., INC.

DETERMINATION

:

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for Revision of Determination of Stock Transfer Tax pursuant to Article 12 of the Tax Law.

J. C. Penney Co., Inc., the taxpayer herein, having filed an application for revision of determination of stock transfer tax pursuant to Article 12 of the Tax Law, and a hearing having been duly held before Vincent P. Molineaux, Hearing Officer, at the office of the State Tax Commission, 80 Centre Street, New York, New York, on the 27th day of November, 1967, and the record having been duly examined and considered,

The State Tax Commission hereby

FINDS:

1. That J. C. Penney Co., Inc., a Delaware corporation, agreed to acquire the assets of General Merchandise Company, a Wisconsin corporation, in exchange for 227,745 shares of J. C. Penney Co., Inc. common stock and the assumption by J. C. Penney Co., Inc. of General Merchandise Company's liabilities.

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.

> That the shares have been so issued. 3.

Based upon the foregoing findings, the State Tax Commission hereby

DECIDES:

That the issuance of the J. C. Penney Co., Inc. Α. 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

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COMMISSIONER

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