J C PENNEY CO INC
Form SC 13D/A
February 09, 2011

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 3)*
J.C. Penney Company, Inc.

(Name of Issuer)

Common Stock, par value $0.50 per share

(Title of Class of Securities)

708160106

(CUSIP Number)

Joseph Macnow
Executive Vice President - Finance and
Administration and Chief Financial Officer
Vornado Realty Trust
888 Seventh Avenue
New York, New York 10019
(212) 894-7000

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

With a copy to:
Daniel S. Sternberg
Neil Whoriskey
Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, New York 10006
(212) 225-2000

February 9, 2011

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this

Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box: o

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

This Amendment No. 3 (this “Amendment”) amends and supplements the Schedule 13D filed by Vornado Realty Trust, a Maryland real estate investment trust (“Vornado”), Vornado Realty L.P., a Delaware limited partnership, VNO Fashion LLC, a Delaware limited liability company and VSPS I L.L.C., a Delaware limited liability company, with the Securities and Exchange Commission on October 8, 2010 (the “Schedule 13D”) and amended on November 10, 2010 and January 25, 2011, relating to the common stock, par value $.50 per share, of J.C. Penney Company, Inc., a Delaware corporation (the “Issuer”). All capitalized terms used in this Amendment and not otherwise defined herein have the meanings ascribed to such terms in the Schedule 13D.

Item 4 is hereby amended and supplemented to add the following:

Item 4. Purpose of the Transaction.

On February 9, 2011, the board of directors of the Issuer (the “Board”) elected Steven Roth to the Board. Mr. Roth is the chairman of the board of Vornado.

3

SIGNATURE

After reasonable inquiry and to the best of our knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Dated: February 9, 2011

VORNADO REALTY TRUST
By: /s/ JOSEPH MACNOW
Name: Joseph Macnow
Title: Executive Vice President - Finance and Administration,
Chief Financial Officer

VORNADO REALTY L.P.
By: Vornado Realty Trust,
its general partner

By: /s/ JOSEPH MACNOW
Name: Joseph Macnow
Title: Executive Vice President - Finance and Administration,
Chief Financial Officer

VNO FASHION LLC
By: Vornado Realty L.P.,
Its sole member

By: /s/ JOSEPH MACNOW
Name: Alan Rice
Title: Executive Vice President - Finance and Administration,
Chief Financial Officer

VSPS I L.L.C.
By: Vornado Realty L.P.,
Its sole member
By: Vornado Realty Trust,
its general partner

By: /s/ JOSEPH MACNOW
Name: Alan Rice
Title: Executive Vice President - Finance and Administration,
Chief Financial Officer

The accompanying notes are an integral part of the financial statements.

Table of Contents

PLANET POLYMER TECHNOLOGIES, INC.

CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Six months ended June 30,	
	2002	**2001**
Cash flows from operating activities:		
Net loss	$(340,750)	$ (762,844)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization	15,543	42,919
Loss from impairment of assets	62,159	
Gain on disposal of assets	(13,500)	(25)
Issuance of Common Stock for services	6,340	6,300
Changes in operating assets and liabilities:		
Accounts receivable	103,417	11,164
Inventories		27,461
Prepaid expenses and other assets	39,530	5,461
Accounts payable and accrued expenses	(87,831)	(68,779)
Net cash used by operating activities	(215,092)	(738,343)
Cash flows from investing activities:		
Purchases of property and equipment		(19,947)
Proceeds from the sale of property and equipment	13,500	25
Cost of patents and other		(1,243)
Payments from note receivable	97,577	4,200
Net cash provided (used) by investing activities	111,077	(16,965)
Cash flows from financing activities:		
Proceeds from issuance of Common Stock and exercise of warrants and stock options		40,801
Principal payments on capital lease obligations	(37,231)	(4,833)
Net cash provided (used) by financing activities	(37,231)	35,968
Net increase (decrease) in cash	(141,246)	(719,340)
Cash at beginning of period	291,479	1,088,567
Cash at end of period	$ 150,233	$ 369,227
Supplemental disclosure of non-cash activity:		
Issuance of Common Stock dividends on Preferred Stock	$	$ 10,450
Conversion of Series A Preferred Stock into Common Stock		517,251

The accompanying notes are an integral part of the financial statements.

Table of Contents

Planet Polymer Technologies, Inc.
NOTES TO UNAUDITED FINANCIAL STATEMENTS

1. Basis of Presentation

The accompanying unaudited financial statements of Planet Polymer Technologies, Inc. (Planet or the Company) have been prepared in accordance with the interim reporting requirements of Form 10-QSB, pursuant to the rules and regulations of the Securities and Exchange Commission. However, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements.

In management s opinion, all adjustments (consisting of only normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the six months ended June 30, 2002 are not necessarily indicative of results that may be expected for the year ending December 31, 2002. For additional information, refer to the Company s consolidated financial statements and notes thereto for the year ended December 31, 2001 contained in the Company s Form 10-KSB for the fiscal year ended December 31, 2001.

Certain reclassifications have been made to the interim financial statements of the prior year to conform to the presentation of the current interim periods. These reclassifications had no effect on previously reported results of operations or retained earnings.

2. Liquidity and Capital Resources

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the ordinary course of business, and not on a liquidation basis. The Company has incurred losses since inception. For the six months ended June 30, 2002 and 2001, the Company had net losses of approximately $341,000 and $763,000, respectively. As of June 30, 2002, the Company had an accumulated deficit of approximately $14,085,000. These matters raise substantial doubt about the ability of the Company to continue as a going concern. The Company has reduced staff and operating expenses, reduced or sold non-Agway or agricultural assets, while continuing to provide technical research and development for Agway s FreshSeal commercial program and Optigen development activities, as well as support of MIM asset utilization at Ryer Industries. However, management cannot provide any assurance that the Company will be successful in satisfying future working capital and other cash requirements past December 31, 2002. As a result, the Company may have to cease its operations and liquidate its assets and liabilities and prepare its financial statements on a liquidation basis. The accompanying financial statements do not include any adjustments that might result for this uncertainty. The Company s future capital requirements will be dependent upon many factors, including, but not limited to, costs associated with the continued research and development of the Company s proprietary polymer materials, costs associated with the filing and enforcement of the Company s patents, costs associated with manufacturing scale-up and market acceptance, and the timing thereof, of the Company s products.

3. Long-Lived Assets

The Company assesses potential impairments to its long-lived assets when there is evidence that events or changes in circumstances have made recovery of the asset s carrying value unlikely. An impairment loss would be recognized when the sum of the expected future net cash flows is less than the carrying amount of the asset. For similar assets held for sale, an impairment loss is recognized when the carrying amount exceeds its net realizable value or fair value less cost to sell. In June 2002, the Company recorded approximately $62,000 relating to the write-off of certain intangible assets when it was determined that net realizable value or fair value

Table of Contents

Planet Polymer Technologies, Inc.
NOTES TO UNAUDITED FINANCIAL STATEMENTS (Continued)

less cost to sell these assets were insufficient to recover their carrying value. The impaired assets principally represent the Company s EnviroPlastic® Z technology.

4. Earnings (Loss) Per Share

Earnings (loss) per share is computed using the weighted average number of shares of common stock outstanding and is presented for basic and diluted earnings (loss) per share. Basic earnings (loss) per share is computed by dividing income (loss) available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted earnings (loss) per share is computed by dividing income (loss) available to common shareholders by the weighted average number of common shares outstanding during the period increased to include, if dilutive, the number of additional common shares that would have been outstanding if the potential common shares had been issued. Dilutive potential common shares consist of the incremental common shares issuable upon conversion of convertible preferred stock (using the if converted method) and exercise of stock options and warrants (using the treasury stock method) for all periods.

The Company has excluded all convertible preferred stock and outstanding stock options and warrants from the calculation of diluted loss per share for the three and six months ended June 30, 2001 and 2002 because all such securities are anti-dilutive for those periods. Accordingly, diluted earnings per share equals basic earnings per share. The total number of potential common shares excluded from the calculation of diluted loss per share for the three and six months ended June 30, 2002 was 1,748,729 and 1,748,729, respectively.

Table of Contents

PART I FINANCIAL INFORMATION
Item 2 Management s Discussion and Analysis of Financial Condition and Results of Operations

Planet Polymer Technologies, Inc.

Except for the historical information contained herein, the discussion in this report contains forward- looking statements that involve certain risks and uncertainties. The Company s actual results could differ materially from those discussed in this report. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and in the Company s Form 10-KSB for the fiscal year ended December 31, 2001.

OVERVIEW

Since Planet Polymer Technologies, Inc. (Planet or the Company) was founded in 1991 substantially all of the Company s resources have been devoted to the development and commercialization of its technologies and products. This has included the expenditure of funds to develop the Company s corporate infrastructure, support the Company s marketing efforts and establish a pilot production facility, in addition to research and development.

Planet has incurred operating losses since inception and had an accumulated deficit as of June 30, 2002 of approximately $14.1 million. Pending commercial deployment of and related volume orders for the Company s products, the Company expects to incur additional losses.

RESULTS OF OPERATIONS

On December 28, 2001, the Company sold certain assets of the Company relating to its Metal Injection Molding (MIM) business, including intellectual property, technology, manufacturing equipment and raw material and finished goods to Ryer Industries LLC (Ryer).

The Company s revenues decreased to approximately $43,000 for the three months ended June 30, 2002 from approximately $71,000 for the same period in 2001 and to approximately $78,000 for the six months ended June 30, 2002 from approximately $160,000 for the same period in 2001. These decreases were primarily attributable to no AQUAMIM® sales, resulting from selling all AQUAMIM® assets in December 2001 and no EnviroPlastic® Z sales partially offset by higher Agway development income, revenue from research and development technical consulting and approximately $2,000 in royalties paid by Ryer in the second quarter of 2002.

Cost of revenues decreased to approximately $32,000 for the three months ended June 30, 2002 from approximately $68,000 for the same period in 2001 and to approximately $55,000 for the six months ended June 30, 2002 from approximately $141,000 for the same period in 2001. These decreases were primarily due to decreased revenues and a change in product mix away from AQUAMIM® and EnviroPlastic® Z.

General and administrative expenses decreased to approximately $87,000 for the three months ended June 30, 2002 from approximately $210,000 for the same period in 2001 and to approximately $187,000 for the six months ended June 30, 2002 from approximately $434,000 for the same period in 2001. These decreases were primarily attributable to a reduction in staff, reduced use of outside services, and lower depreciation and amortization expense resulting from selling all AQUAMIM® assets in December 2001.

Table of Contents

Item 2 Management s Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Planet Polymer Technologies, Inc.

Marketing expenses decreased to approximately $30,000 for the three months ended June 30, 2002 from approximately $58,000 for the same period in 2001 and to approximately $50,000 for the six months ended June 30, 2002 from approximately $138,000 for the same period in 2001. These decreases were primarily due to a reduction in staff and reduced promotional expenses.

Research and development expenses decreased to approximately $37,000 for the three months ended June 30, 2002 from approximately $65,000 for the same period in 2001 and to approximately $85,000 for the six months ended June 30, 2002 from approximately $229,000 for the same period in 2001. These decreases were primarily due to a reduction in staff, severance costs related to employee terminations in 2001, greater research and development expense reimbursement from Agway and lower depreciation and amortization expense resulting from selling all AQUAMIM® assets in December 2001.

In June 2002, the Company recorded a charge of approximately $62,000 relating to the write-off of certain EnviroPlastic Z intangible assets held for sale when it was determined that future undiscounted cash flows associated with these assets were insufficient to recover their carrying value. The assets principally represent the Company s historical ownership interest in product rights and license agreements relating to the Company s EnviroPlastic Z patent.

Other income, net increased to approximately $20,000 for the three months ended June 30, 2002 from approximately $6,000 for the same period in 2001 and to approximately $21,000 for the six months ended June 30, 2002 from approximately $19,000 for the same period in 2001. These increases were primarily attributable to a gain on the sale of fixed assets and securities partially offset by lower cash balances and lower interest rates.

LIQUIDITY AND CAPITAL RESOURCES

The Company used cash of approximately $215,000 for continuing operations for the six months ended June 30, 2002. Such funds were used primarily for research and development activities, marketing efforts and administrative support.

Net cash provided by investing activities of approximately $111,000 for the six months ended June 30, 2002 resulted from the receipt of payments on a note receivable associated with the sale of MIM assets to Ryer and the sale of other equipment to unrelated parties.

Net cash used by financing activities was approximately $37,000 for the six months ended June 30, 2002. Such funds were used for payments associated with capital lease obligations.

The Company does not believe that its existing sources of liquidity and anticipated revenue will satisfy the Company s projected working capital and other cash requirements through June 30, 2003. The Company expects that it will need to raise or generate substantial additional capital to accomplish its business plan over the next year. The Company has reduced staff and operating expenses, reduced or sold non-Agway or agricultural assets, while continuing to provide technical research and development for Away s FreshSeal commercial program and Optigen development activities, as well as support of MIM asset utilization at Ryer Industries. However, management cannot provide any assurance that the Company will be successful in satisfying future working capital and other cash requirements past

Table of Contents

Item 2 Management s Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Planet Polymer Technologies, Inc.

December 31, 2002. If it cannot, the Company may have to cease operations and liquidate its assets and liabilities and prepare its financial statements on a liquidation basis instead of a going concern basis. The Company s future capital requirements will be dependent upon many factors, including, but not limited to, costs associated with the continued research and development of the Company s proprietary polymer materials, costs associated with the filing and enforcement of the Company s patents, costs associated with manufacturing scale-up and market acceptance, and the timing thereof, of the Company s products. There can be no assurance that the Company will be able to generate positive cash flows or profitability in the future.

On July 18, 2001, the Company s Common Stock was delisted from the Nasdaq Small Cap Stock Market due to non-compliance with Nasdaq s net tangible assets and minimum bid pricing requirements. There can be no assurance that the Company s efforts will result in additional funds or that additional financing will be available on acceptable terms, or at all.

Table of Contents

PART II OTHER INFORMATION

Planet Polymer Technologies, Inc.

Item 1 Legal Proceedings:

None

Item 2 Changes in Securities:

None

Item 3 Defaults upon Senior Securities:

None

Item 4 Submission of Matters to a Vote of Security Holders:

None

Item 5 Other Information:

None

Item 6 Exhibits and Reports on Form 8-K:

(a) *Exhibits:*

Exhibit Number	Description
99.1	CEO and CFO certification

(b) Reports on Form 8-K:

None

Table of Contents

Planet Polymer Technologies, Inc.

SIGNATURES

In accordance with the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 13, 2002

Planet Polymer Technologies, Inc.

/s/ Richard C. Bernier

Richard C. Bernier
Chief Executive Officer
(On behalf of Registrant and as Registrant s
Principal Financial and Accounting Officer)

12