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

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

**November 10, 2020
Date of Report (date of earliest event reported)**

J. C. PENNEY COMPANY, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-15274
(Commission
File Number)

26-0037077
(IRS Employer
Identification No.)

**6501 Legacy Drive
Plano, Texas**
(Address of Principal Executive Offices)

75024-3698
(Zip Code)

Registrant's telephone number, including area code: (972) 431-1000

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
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Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01. Regulation FD.

As previously reported, on May 15, 2020, J. C. Penney Company, Inc. (“J. C. Penney” or the “Company”) and certain of its subsidiaries (together with the Company, the “Debtors”) commenced voluntary cases under chapter 11 of title 11 of the United States Code (the “Chapter 11 Cases”) in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”). Prior to the commencement of the Chapter 11 Cases, on May 15, 2020, the Company and its subsidiaries (together with the Company, the “Company Parties”) entered into a Restructuring Support Agreement with members of an ad hoc group of lenders and noteholders (the “Ad Hoc Group”).

Also as previously reported, on October 28, 2020, the Company, together with certain of its subsidiaries, entered into an Asset Purchase Agreement (the “Asset Purchase Agreement”) with Copper Retail JV LLC, an entity formed by and under the control of Simon Property Group and Brookfield Property Group, and Copper Bidco LLC, an entity that is controlled by the lenders under the Superpriority Senior Secured Debtor-In-Possession Credit and Guaranty Agreement and the other holders of the Debtors’ first lien debt.

To facilitate discussions with the Ad Hoc Group during negotiations relating to the Asset Purchase Agreement, and in connection with discussions with certain other lenders, noteholders and other creditors, the Company provided such persons with certain non-public information subject to confidentiality agreements (collectively, the “NDAs”). Pursuant to the NDAs, the Company agreed to publicly disclose certain information (the “Cleansing Material”) upon the occurrence of certain events set forth in the NDAs. A copy of the Cleansing Material is attached to this Current Report on Form 8-K as Exhibit 99.1.

The Cleansing Material was not prepared with a view toward public disclosure and should not be relied upon to make an investment decision with respect to J. C. Penney. The Cleansing Material should not be regarded as an indication that the Company Parties or any third party consider the Cleansing Material to be a reliable prediction of future events, and the Cleansing Material should not be relied upon as such. The Cleansing Material includes certain values for illustrative purposes only and such values are not the result of, and do not represent, actual valuations, estimates, forecasts or projections of the Company Parties or any third party and should not be relied upon as such. Neither the Company Parties nor any third party has made or makes any representation to any person regarding the accuracy of any Cleansing Material or undertakes any obligation to publicly update the Cleansing Material to reflect circumstances existing after the date when the Cleansing Material was prepared or conveyed or to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying the Cleansing Material are shown to be in error.

The information disclosed in this Item 7.01, including Exhibit 99.1, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such a filing.

Additional Information on the Chapter 11 Cases

Court filings and information about the Chapter 11 Cases can be found at a website maintained by the Debtors’ claim agent, Prime Clerk, at <http://www.cases.primeclerk.com/JCPenney>.

Cautionary Statement Regarding Forward-Looking Information

The Company has included statements in this Current Report on Form 8-K that may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “expect” and similar expressions identify forward-looking statements. Forward-looking statements are based only on the Company’s current assumptions and views of future events and financial performance. They are subject to known and unknown risks and uncertainties, many of which are outside of the Company’s control that may cause the Company’s actual results to be materially different from planned or expected results. Those risks and uncertainties include, but are not limited to, risks attendant to the bankruptcy process, including the Company’s ability to obtain court approval from the Bankruptcy Court with respect to motions or other requests made to the Bankruptcy Court throughout the course of the Chapter 11 Cases; the ability of the Company to negotiate, develop, confirm and consummate a plan of reorganization; the effects of the Chapter 11 Cases, including increased legal and other professional costs necessary to execute the Company’s reorganization, on the Company’s liquidity (including the availability of operating capital during the pendency of the Chapter 11 Cases), results of operations or business prospects; the effects of the Chapter 11 Cases on the interests of various constituents; the length of time that the Company will operate under Chapter 11 protection; risks associated with third-party motions in the Chapter 11 Cases; Bankruptcy Court rulings in the Chapter 11 Cases and the outcome of the Chapter 11 Cases in general; conditions to which any debtor-in-possession financing is subject and the risk that these conditions may not be satisfied for various reasons, including for reasons outside the Company’s control; the ability of the parties to the Asset Purchase Agreement to consummate the transactions contemplated therein; general economic conditions, including inflation, recession, unemployment levels, consumer confidence and spending patterns, credit availability and debt levels; changes in store traffic trends; the cost of goods; more stringent or costly payment terms and/or the decision by a significant number of vendors not to sell the Company merchandise on a timely basis or at all; trade restrictions; the ability to monetize non-core assets on acceptable terms; the ability to implement the Company’s strategic plan, including its omnichannel initiatives; customer acceptance of the Company’s strategies; the Company’s ability to attract, motivate and retain key executives and other associates; the impact of cost reduction initiatives; the Company’s ability to generate or maintain liquidity; implementation of new systems and platforms; changes in tariff, freight and shipping rates; changes in the cost of fuel and other energy and transportation costs; disruptions and congestion at ports through which the Company imports goods; increases in wage and benefit costs; competition and retail industry consolidations; interest rate fluctuations; dollar and other currency valuations; the impact of weather conditions; risks associated with war, an act of terrorism or pandemic; the ability of the federal government to fund and conduct its operations; a systems failure and/or security breach that results in the theft, transfer or unauthorized disclosure of customer, employee or Company information; legal and regulatory proceedings; the Company’s ability to access the debt or equity markets on favorable terms or at all; risks arising from the delisting of the Company’s common stock from the New York Stock Exchange; and the impact of natural disasters, public health crises or other catastrophic events on the Company’s financial results, in particular as the Company manages its business through the COVID-19 pandemic and the resulting restrictions and uncertainties in the general economic and business environment. Please refer to the Company’s Annual Report on Form 10-K for the year ended February 1, 2020, and Quarterly Reports on Form 10-Q filed subsequently thereto, for a further discussion of risks and uncertainties. There can be no assurances that the Company will achieve expected results, and actual results may be materially less than expectations. Investors should take such risks into account and should not rely on forward-looking statements when making investment decisions. Any forward-looking statement made by the Company in this Current Report on Form 8-K is based only on information currently available to it and speaks only as of the date on which such statement is made. The Company does not undertake to update these forward-looking statements as of any future date

Item 9.01. Financial Statements and Exhibits.

(d) Exhibit 99.1 [Cleansing Material](#)

Exhibit 104 Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

J. C. PENNEY COMPANY, INC.

By: /s/ Bill Wafford
Bill Wafford
Executive Vice President, Chief Financial Officer

Date: November 10, 2020

Sixth Updated DIP Budget
(US \$ MM)

A / F Fiscal Month Fiscal Week	5 4																13-Weeks 1-Nov thru 30-Jan
	F	F	F	F	F	F	F	F	F	F	F	F	F	Nov	Dec	4	
Year	Nov 40	Nov 41	Nov 42	Nov 43	Nov 44	Dec 45	Dec 46	Dec 47	Dec 48	Jan 49	Jan 50	Jan 51	Jan 52	FY20	FY20	FY20	
Week	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	FY20	
Ending	7-Nov	14-Nov	21-Nov	28-Nov	5-Dec	12-Dec	19-Dec	26-Dec	2-Jan	9-Jan	16-Jan	23-Jan	30-Jan	5-Dec	2-Jan	30-Jan	
<i>Net Sales</i>	\$ 127	\$ 134	\$ 154	\$ 290	\$ 242	\$ 273	\$ 316	\$ 275	\$ 115	\$ 90	\$ 89	\$ 99	\$ 96	\$ 948	\$ 979	\$ 374	\$ 2,300
Collections & Disbursements																	
Cash Receipts																	
1 Sales Receipts	\$ 123	\$ 135	\$ 152	\$ 255	\$ 281	\$ 264	\$ 309	\$ 292	\$ 160	\$ 101	\$ 92	\$ 99	\$ 103	\$ 946	\$ 1,025	\$ 395	\$ 2,365
2 Other Receipts	8	8	21	6	6	14	16	28	17	5	6	95	6	50	75	113	238
Total Collections	\$ 131	\$ 144	\$ 173	\$ 262	\$ 287	\$ 278	\$ 324	\$ 320	\$ 178	\$ 106	\$ 98	\$ 194	\$ 109	\$ 996	\$ 1,100	\$ 507	\$ 2,603
Operating Disbursements																	
3 Domestic Merchandise Vendor	\$ (34)	\$ (62)	\$ (71)	\$ (63)	\$ (39)	\$ (36)	\$ (45)	\$ (43)	\$ (39)	\$ (41)	\$ (38)	\$ (59)	\$ (54)	(269)	(163)	(193)	(625)
4 Import Merchandise Vendor	(10)	(25)	(24)	(18)	(19)	(22)	(20)	(18)	(17)	(17)	(16)	(16)	(13)	(95)	(77)	(63)	(235)
5 Sales, Use, and Other Taxes	(2)	(16)	(54)	(0)	(1)	(9)	(23)	(21)	(3)	(2)	(15)	(14)	(16)	(72)	(55)	(46)	(174)
6 Freight, Duty, and Broker	(8)	(9)	(27)	(9)	(9)	(8)	(8)	(26)	(8)	(6)	(6)	(22)	(7)	(62)	(49)	(41)	(152)
7 Payroll and Benefits	(19)	(37)	(23)	(25)	(36)	(31)	(33)	(28)	(33)	(25)	(34)	(22)	(54)	(140)	(126)	(135)	(401)
8 Occupancy	(19)	(10)	(12)	(10)	(15)	(16)	(7)	(13)	(14)	(14)	(9)	(10)	(28)	(66)	(49)	(60)	(174)
9 Non-Marketing Operating (NFR)	(9)	(25)	(18)	(12)	(11)	(18)	(19)	(20)	(12)	(16)	(15)	(15)	(9)	(75)	(70)	(55)	(200)
10 Marketing	(6)	(25)	(11)	(7)	(7)	(7)	(7)	(10)	(7)	(5)	(3)	(2)	(2)	(55)	(30)	(13)	(98)
11 Other	—	—	—	—	—	—	—	—	—	—	—	—	(8)	—	—	(8)	(8)
Total Operating Disbursements	\$ (107)	\$ (209)	\$ (238)	\$ (143)	\$ (136)	\$ (147)	\$ (162)	\$ (178)	\$ (133)	\$ (126)	\$ (137)	\$ (160)	\$ (191)	\$ (834)	\$ (619)	\$ (614)	\$ (2,067)
Non-Operating Disbursements																	
12 Debt Service and Fees	\$ (16)	\$ (1)	\$ (1)	\$ (1)	\$ (11)	\$ (1)	\$ (1)	\$ (1)	\$ (48)	\$ (1)	\$ (1)	\$ (1)	\$ (1)	(28)	(49)	(2)	(79)
13 Restructuring Professionals	—	(6)	(1)	(2)	(6)	(2)	(6)	(3)	(6)	(2)	(12)	(2)	(7)	(16)	(17)	(23)	(56)
14 Other Non-Operating	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(4)	(3)	(4)	(12)
Total Non-Operating Disbursements	\$ (16)	\$ (8)	\$ (2)	\$ (4)	\$ (18)	\$ (3)	\$ (7)	\$ (4)	\$ (55)	\$ (4)	\$ (13)	\$ (4)	\$ (8)	\$ (48)	\$ (70)	\$ (29)	\$ (146)
Net Cash Flow	\$ 7	\$ (73)	\$ (68)	\$ 115	\$ 133	\$ 128	\$ 156	\$ 138	\$ (10)	\$ (24)	\$ (52)	\$ 31	\$ (90)	\$ 114	\$ 412	\$ (136)	\$ 390
Liquidity																	
Short Term Investments Position																	
15 Book Cash - Beginning	\$ 732	\$ 739	\$ 666	\$ 598	\$ 713	\$ 846	\$ 974	\$ 1,129	\$ 1,267	\$ 1,257	\$ 1,233	\$ 1,181	\$ 1,212	\$ 732	\$ 846	\$ 1,257	\$ 732
16 Plus: Net Cash Flow	7	(73)	(68)	115	133	128	156	138	(10)	(24)	(52)	31	(90)	114	412	(136)	390
17 Plus: Revolver Draw/(Paydown)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
18 Plus: DIP/Escrow Cash Draw	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
19 Plus: Treasury Transfers	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Short Term Investments - Ending	\$ 739	\$ 666	\$ 598	\$ 713	\$ 846	\$ 974	\$ 1,129	\$ 1,267	\$ 1,257	\$ 1,233	\$ 1,181	\$ 1,212	\$ 1,122	\$ 846	\$ 1,257	\$ 1,122	\$ 1,122
20 DIP/Escrow Cash	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225
21 Prof Fee Carveout Escrow	(78)	(78)	(79)	(79)	(85)	(85)	(90)	(90)	(90)	(90)	(100)	(100)	(100)	(85)	(90)	(100)	(100)
22 Posted ABL Cash Collateral / Cash Collateral L/C	(174)	(142)	(123)	(94)	(91)	(225)	(308)	(349)	(430)	(543)	(585)	(582)	(590)	(91)	(430)	(590)	(590)
23 Funded Reserve Account	(12)	(27)	(27)	(27)	(27)	(27)	(27)	(27)	(27)	(27)	(27)	(27)	(27)	(27)	(27)	(27)	(27)
Total Short Term Investments and Escrowed Funds	\$ 701	\$ 644	\$ 593	\$ 738	\$ 867	\$ 861	\$ 928	\$ 1,025	\$ 934	\$ 798	\$ 695	\$ 728	\$ 630	\$ 867	\$ 934	\$ 630	\$ 630
Intra-Month Minimum																	
Minimum	\$ 593	\$ 593	\$ 593	\$ 593	\$ 593	\$ 861	\$ 861	\$ 861	\$ 861	\$ 630	\$ 630	\$ 630	\$ 630	\$ 593	\$ 861	\$ 630	\$ 593
Pre-Petition ABL Borrowing Base and Availability																	
24 Effective Borrowing Base	\$ 1,325	\$ 1,360	\$ 1,380	\$ 1,412	\$ 1,414	\$ 1,269	\$ 1,180	\$ 1,136	\$ 1,048	\$ 926	\$ 881	\$ 884	\$ 875	\$ 1,414	\$ 1,048	\$ 875	\$ 875

Variance Report
(US \$ MM)

Variance Report(1)	Week Beginning Week(s) Ending	1 Week From: 11-Oct to 17-Oct				4 Weeks From: 20-Sep to 17-Oct			
		Budget	Actual	Budget	Variance	Budget	Actual	Budget	Variance
		11-Oct 17-Oct	11-Oct 17-Oct	\$	%	20-Sep 17-Oct	20-Sep 17-Oct	\$	%
<i>Net Sales</i>		\$ 135.7	\$ 131.6	\$ (4.1)	-3.1%	\$ 503.5	\$ 516.7	\$ 13.2	2.6%
Collections & Disbursements									
<u>Cash Receipts</u>									
1 Sales Receipts		\$ 143.7	\$ 143.2	\$ (0.5)	-0.3%	\$ 528.7	\$ 576.4	\$ 47.6	9.0%
2 Other Receipts		2.4	2.0	(0.4)	-16.0%	96.7	84.4	(12.3)	-12.7%
Total Collections		\$ 146.1	\$ 145.2	\$ (0.8)	-0.6%	\$ 625.5	\$ 660.8	\$ 35.3	5.6%
<u>Operating Disbursements</u>									
3 Domestic Merchandise Vendor		\$ (34.3)	\$ (49.4)	\$ (15.2)	-44.3%	\$ (209.9)	\$ (243.1)	\$ (33.2)	-15.8%
4 Import Merchandise Vendor		(23.9)	(36.2)	(12.4)	-51.7%	(164.8)	(117.3)	47.5	28.8%
5 Sales, Use, and Other Taxes		(2.6)	(19.3)	(16.7)	-631.0%	(27.8)	(35.4)	(7.6)	-27.4%
6 Freight, Duty, and Broker		(8.2)	(7.1)	1.1	14.0%	(47.8)	(34.9)	12.8	26.9%
7 Payroll and Benefits		(39.4)	(40.9)	(1.4)	-3.7%	(123.1)	(118.6)	4.5	3.7%
8 Occupancy		(8.8)	(7.6)	1.1	12.8%	(55.7)	(46.1)	9.6	17.3%
9 Non-Marketing Operating (NFR)		(18.9)	(12.4)	6.5	34.2%	(66.2)	(72.1)	(5.9)	-8.9%
10 Marketing		(3.4)	(15.7)	(12.3)	-361.0%	(12.5)	(31.6)	(19.1)	-152.5%
11 Other		—	(0.1)	(0.1)	0.0%	—	(0.3)	(0.3)	0.0%
Total Operating Disbursements		\$(139.5)	\$(188.8)	\$(49.4)	-35.4%	\$(707.7)	\$(699.4)	\$ 8.4	1.2%
<u>Non-Operating Disbursements</u>									
12 Debt Service and Fees		\$ (0.5)	\$ (0.5)	\$ —	0.0%	\$ (31.3)	\$ (34.4)	\$ (3.1)	-9.9%
13 Restructuring Professionals		(4.1)	(9.4)	(5.3)	-130.7%	(20.4)	(18.9)	1.4	7.0%
14 Other Non-Operating		(0.5)	(3.8)	(3.3)	-625.2%	(4.5)	(4.6)	(0.1)	-2.2%
Total Non-Operating Disbursements		\$ (5.1)	\$ (13.7)	\$(8.6)	-168.5%	\$(56.2)	\$(58.0)	\$(1.8)	-3.1%
Net Cash Flow		\$ 1.5	\$(57.3)	\$(58.8)	3847.7%	\$(138.4)	\$(96.5)	\$ 41.9	30.3%

Notes:

(1) This variance report reflects measurements against the Third Updated DIP Budget

Variance Report
(US \$ MM)

Variance Report(1)	Week Beginning Week(s) Ending	1 Week From: 25-Oct to 31-Oct				4 Weeks From: 4-Oct to 31-Oct			
		Budget 25-Oct 31-Oct	Actual 25-Oct 31-Oct	Budget \$	Variance %	Budget 4-Oct 31-Oct	Actual 4-Oct 31-Oct	Budget \$	Variance %
<i>Net Sales</i>		\$ 118.9	\$ 105.4	\$(13.5)	-11.4%	\$ 499.5	\$ 474.6	\$(24.9)	-5.0%
Collections & Disbursements									
Cash Receipts									
1	Sales Receipts	\$ 129.1	\$ 122.0	\$ (7.1)	-5.5%	\$ 520.1	\$ 545.6	\$ 25.5	4.9%
2	Other Receipts	4.6	2.9	(1.7)	-36.8%	38.2	12.2	(26.0)	-68.0%
	Total Collections	\$ 133.7	\$ 124.9	\$ (8.8)	-6.6%	\$ 558.3	\$ 557.8	\$ (0.5)	-0.1%
Operating Disbursements									
3	Domestic Merchandise Vendor	\$ (64.5)	\$ (49.7)	\$ 14.8	22.9%	\$(234.7)	\$(198.7)	\$ 36.1	15.4%
4	Import Merchandise Vendor	(20.7)	(26.2)	(5.4)	-26.1%	(95.1)	(111.9)	(16.9)	-17.8%
5	Sales, Use, and Other Taxes	(8.1)	(6.0)	2.1	25.7%	(29.5)	(34.6)	(5.0)	-17.1%
6	Freight, Duty, and Broker	(8.7)	(6.6)	2.2	24.9%	(46.4)	(41.9)	4.5	9.7%
7	Payroll and Benefits	(37.7)	(41.2)	(3.5)	-9.2%	(121.1)	(122.5)	(1.4)	-1.2%
8	Occupancy	(13.4)	(16.0)	(2.6)	-19.7%	(33.6)	(46.0)	(12.4)	-36.8%
9	Non-Marketing Operating (NFR)	(9.6)	(11.7)	(2.1)	-21.3%	(57.7)	(55.1)	2.6	4.5%
10	Marketing	(6.9)	(6.0)	0.9	13.4%	(30.6)	(34.3)	(3.7)	-12.2%
11	Other	—	(0.2)	(0.2)	0.0%	—	(0.5)	(0.5)	0.0%
	Total Operating Disbursements	\$(169.7)	\$(163.5)	\$ 6.2	3.6%	\$(648.7)	\$(645.5)	\$ 3.2	0.5%
Non-Operating Disbursements									
12	Debt Service and Fees	\$ (10.6)	\$ (10.3)	\$ 0.3	3.1%	\$ (32.2)	\$ (33.5)	\$ (1.2)	-3.9%
13	Restructuring Professionals	(7.1)	(9.4)	(2.3)	-32.2%	(24.5)	(27.3)	(2.8)	-11.5%
14	Other Non-Operating	(0.7)	(0.2)	0.4	65.3%	(2.8)	(4.1)	(1.4)	-49.8%
	Total Non-Operating Disbursements	\$ (18.4)	\$ (19.9)	\$ (1.5)	-8.3%	\$ (59.5)	\$ (64.9)	\$ (5.4)	-9.2%
	Net Cash Flow	\$ (54.4)	\$ (58.5)	\$ (4.1)	7.6%	\$(149.9)	\$(152.6)	\$ (2.7)	1.8%

Notes:

(1) This variance report reflects measurements against the Fifth Updated DIP Budget

Covenant Testing
(US \$ MM)

Variance Report(1)	Test%	4 Weeks From: 4-Oct to 31-Oct		Variance to Budget %	Threshold Test
		Budget 4-Oct 31-Oct	Actual 4-Oct 31-Oct		
Cash Flow Tests					
1) Actual Receipts					Test
1 Sales Receipts		\$ 520.1	\$ 545.6		
2 Other Receipts		38.2	12.2		
Total Receipts	85.0%	\$ 558.3	\$ 557.8	99.9%	Pass
2) Actual Disbs. to Merchandise Vendors					Test
3 Domestic Merchandise Vendor		\$ (234.7)	\$ (198.7)		
4 Import Merchandise Vendor		(95.1)	(111.9)		
Total Merchandise Vendor Disbursements	110.0%	\$ (329.8)	\$ (310.6)	94.2%	Pass
3) Actual Disbursements (excl. Pro Fees)					
3 Domestic Merchandise Vendor		\$ (234.7)	\$ (198.7)		
4 Import Merchandise Vendor		(95.1)	(111.9)		
5 Sales, Use, and Other Taxes		(29.5)	(34.6)		
6 Freight, Duty, and Broker		(46.4)	(41.9)		
7 Payroll and Benefits		(121.1)	(122.5)		
8 Occupancy		(33.6)	(46.0)		
9 Non-Marketing Operating (NFR)		(57.7)	(55.1)		
10 Marketing		(30.6)	(34.3)		
11 Other		—	(0.5)		
Operating Disbursements		\$(648.7)	\$(645.5)		
10 Debt Service and Fees		(32.2)	(33.5)		Test
11 Other Non-Operating		(2.8)	(4.1)		
Non-Operating Disbursements		\$ (35.0)	\$ (37.6)		
Total Disbursements (excl. Pro Fees)	112.5%	\$ (683.6)	\$ (683.1)	99.9%	Pass

Notes:

(1) This variance report reflects measurements against the Fifth Updated DIP Budget

Covenant Testing
(US \$ MM)

Variance Report ⁽¹⁾	Test%	Fifth Updated DIP Budget				Total	Actuals				Total
		10-Oct	17-Oct	24-Oct	31-Oct		10-Oct	Weekly Build Up 17-Oct	24-Oct	31-Oct	
Cash Flow Tests											
1) Actual Receipts											
1 Sales Receipts		\$ 125.1	\$ 135.8	\$ 130.1	\$ 129.1	\$ 520.1	\$ 142.6	\$ 143.2	\$ 137.7	\$ 122.0	\$ 545.6
2 Other Receipts		22.0	7.9	3.7	4.6	38.2	6.7	2.0	0.6	2.9	12.2
Total Receipts	85.0%	\$ 147.1	\$ 143.6	\$ 133.8	\$ 133.7	\$ 558.3	\$ 149.3	\$ 145.2	\$ 138.3	\$ 124.9	\$ 557.8
2) Actual Disbs. to Merchandise Vendors											
3 Domestic Merchandise Vendor		\$ (61.0)	\$ (53.3)	\$ (56.0)	\$ (64.5)	\$(234.7)	\$ (56.7)	\$ (49.4)	\$ (42.9)	\$ (49.7)	\$(198.7)
4 Import Merchandise Vendor		(21.9)	(26.9)	(25.5)	(20.7)	(95.1)	(23.1)	(36.2)	(26.5)	(26.2)	(111.9)
Total Merchandise Vendor Disbursements	110.0%	\$ (83.0)	\$ (80.2)	\$ (81.4)	\$ (85.2)	\$(329.8)	\$ (79.7)	\$ (85.7)	\$ (69.3)	\$ (75.9)	\$(310.6)
3) Actual Disbursements (excl. Pro Fees)											
3 Domestic Merchandise Vendor		\$ (61.0)	\$ (53.3)	\$ (56.0)	\$ (64.5)	\$(234.7)	\$ (56.7)	\$ (49.4)	\$ (42.9)	\$ (49.7)	\$(198.7)
4 Import Merchandise Vendor		(21.9)	(26.9)	(25.5)	(20.7)	(95.1)	(23.1)	(36.2)	(26.5)	(26.2)	(111.9)
5 Sales, Use, and Other Taxes		(2.3)	(13.0)	(6.2)	(8.1)	(29.5)	(2.8)	(19.3)	(6.4)	(6.0)	(34.6)
6 Freight, Duty, and Broker		(7.6)	(7.5)	(22.5)	(8.7)	(46.4)	(7.0)	(7.1)	(21.3)	(6.6)	(41.9)
7 Payroll and Benefits		(15.5)	(40.7)	(27.1)	(37.7)	(121.1)	(19.2)	(40.9)	(21.3)	(41.2)	(122.5)
8 Occupancy		(5.2)	(8.2)	(6.8)	(13.4)	(33.6)	(6.9)	(7.6)	(15.5)	(16.0)	(46.0)
9 Non-Marketing Operating (NFR)		(16.9)	(14.6)	(16.5)	(9.6)	(57.7)	(15.9)	(12.4)	(15.1)	(11.7)	(55.1)
10 Marketing		(5.1)	(13.3)	(5.3)	(6.9)	(30.6)	(6.7)	(15.7)	(6.0)	(6.0)	(34.3)
11 Other		—	—	—	—	—	(0.1)	(0.1)	(0.1)	(0.2)	(0.5)
Operating Disbursements		\$(135.6)	\$(177.6)	\$(165.9)	\$(169.7)	\$(648.7)	\$(138.2)	\$(188.8)	\$(155.0)	\$(163.5)	\$(645.5)
10 Debt Service and Fees		(20.6)	(0.5)	(0.5)	(10.6)	(32.2)	(22.2)	(0.5)	(0.5)	(10.3)	(33.5)
11 Other Non-Operating		(0.7)	(0.7)	(0.7)	(0.7)	(2.8)	(0.0)	(3.8)	(0.1)	(0.2)	(4.1)
Non-Operating Disbursements		\$ (21.3)	\$ (1.2)	\$ (1.2)	\$ (11.3)	\$ (35.0)	\$ (22.2)	\$ (4.3)	\$ (0.6)	\$ (10.5)	\$ (37.6)
Total Disbursements (excl. Pro Fees)	112.5%	\$(156.9)	\$(178.8)	\$(167.1)	\$(180.9)	\$(683.6)	\$(160.4)	\$(193.1)	\$(155.5)	\$(174.0)	\$(683.1)

Notes:

(1) This variance report reflects measurements against the Fifth Updated DIP Budget

Book Cash Report
(USD \$)

Consolidated Book Cash Accounts		Book Cash Balance
		31-Oct-20
Debtor Accounts		
1	Short Term Investment	\$ 476,177,270
2	Escrows	12,602,744
3	International (incl. non-Debtors)	12,845,184
4	Store Accounts	4,187,451
5	Other Operating Accounts	269,296,782
6	Other Domestic non-Debtor Accounts	4,460,436
7	Cash on Hand (In Stores)	26,243,378
8	Cash In Transit	7,824,555
Total Holdings and Subsidiaries Book Cash		\$ 813,637,800
<i>Test Threshold</i>		<i>\$ 50,000,000</i>
Minimum Required Book Cash		Pass

Allocation of Disbursements Report
(US \$)

	4 Weeks From Week Ending: 12-Sep to 03-Oct	
Disbursement Type	Retail	Total
Tradeweave (International Merchandise)	\$103,350,531	\$103,350,531
Oracle 11i (Domestic Merchandise)	271,939,678	271,939,678
Payroll & Benefits	111,791,766	114,893,901
Oracle R12 (NFR)	151,876,064	156,121,848
Treasury	69,762,542	93,137,619
Other	<u>1,387,767</u>	<u>1,720,654</u>
Total Disbursements	\$710,108,348	\$741,164,232

Note: Total disbursements of \$741.2 million includes \$8.7 million of disbursements allocated to encumbered real estate, \$18.2 million of disbursements allocated to unencumbered real estate and \$4.1 million of disbursements allocated to intellectual property.

ABL Monthly Borrowing Base
For the period ended October 3, 2020

A.	Available Credit Card Receivables	\$ 28,476,593	
B.	Available Inventory	\$1,400,363,911	
C.	Availability Reserves	\$ 141,369,100	
D.	Borrowing Base (A+B-C)	\$1,287,471,404	
	Lower of:		
	Borrowing Base	\$1,287,471,404	
	Revolving Commitment	\$2,350,000,000	
E.			\$1,287,471,404
	Revolving Credit Outstandings:		
	Revolving Loans	\$1,265,290,212	
	Standby Letters of Credit	\$ 134,077,679	
	Commercial Letters of Credit	\$ 0	
F.	Total Revolving Credit Outstandings		\$1,399,367,892
G.			-
	Facility Availability (E-F)		\$ 111,896,488
H.	Minimum Excess Availability (7.5% of E up to \$200,000,000)		\$ 96,560,355
I.			-
	Facility Availability After Minimum Excess Availability Covenant (G-H)		<u>\$ 208,456,843</u>

ABL Weekly Borrowing Base
For the period ended October 31, 2020

A.	Available Credit Card Receivables	\$ 19,377,187	
B.	Available Inventory	\$1,482,603,194	
C.	Availability Reserves	\$ 140,317,861	
D.	Borrowing Base (A+B-C)	\$1,361,662,520	
	Lower of:		
	Borrowing Base	\$1,361,662,520	
	Revolving Commitment	\$2,350,000,000	
E.			\$1,361,662,520
	Revolving Credit Outstandings:		
	Revolving Loans	\$1,270,662,138	
	Standby Letters of Credit	\$ 123,889,363	
	Commercial Letters of Credit	\$ 0	
F.	Total Revolving Credit Outstandings		\$1,394,551,501
G.			-
	Facility Availability (E-F)		\$ 32,888,981
H.	Minimum Excess Availability (7.5% of E up to \$200,000,000)		\$ 102,124,689
I.			-
	Facility Availability After Minimum Excess Availability Covenant (G-H)		<u>\$ 135,013,670</u>

Lease Restructuring Savings Summary

	<i>Store</i> <i>Count</i>	<i>FY 2020</i> <i>Savings</i>	<i>FY 2021</i> <i>Savings</i>	<i>FY 2022</i> <i>Savings</i>	<i>FY 2023+</i> <i>Savings</i>	<i>Total</i> <i>Term</i> <i>Reduction</i> <i>Savings</i>	<i>Total Rent</i> <i>Abatement</i>	<i>Total</i> <i>Rent</i> <i>Deferral</i>	<i>Total</i> <i>Debtor</i> <i>Cure</i>	<i>Total Cure</i> <i>Waiver</i>	<i>Total</i> <i>Cure</i> <i>Deferral</i>	<i>Total Deal</i> <i>Savings (not</i> <i>incl. Cure)</i>
Approved - JCP & Lenders	157	\$33,672,464	\$24,780,936	\$20,717,692	\$35,156,179	\$ 0	\$15,828,875	\$ 0	\$4,358,764	\$4,249,584	\$ 0	\$114,327,271
Approved by Company	23	\$ 5,271,626	\$ 4,141,845	\$ 3,593,825	\$ 6,327,727	\$ 0	\$ 2,686,692	\$ 0	\$ 645,576	\$ 645,577	\$ 0	\$ 19,335,022
Pending Approval by Company	—	—	—	—	—	—	—	—	—	—	—	—
Negotiations Ongoing	269	—	—	—	—	—	—	—	—	—	—	—
No Deal Possible	0	—	—	—	—	—	—	—	—	—	—	—
TOTALS (Approved & Submitted)	180	\$38,944,090	\$28,922,781	\$24,311,517	\$41,483,905	\$ 0	\$18,515,567	\$ 0	\$5,004,340	\$4,895,161	\$ 0	\$133,662,293

Forecasted Performance Summary

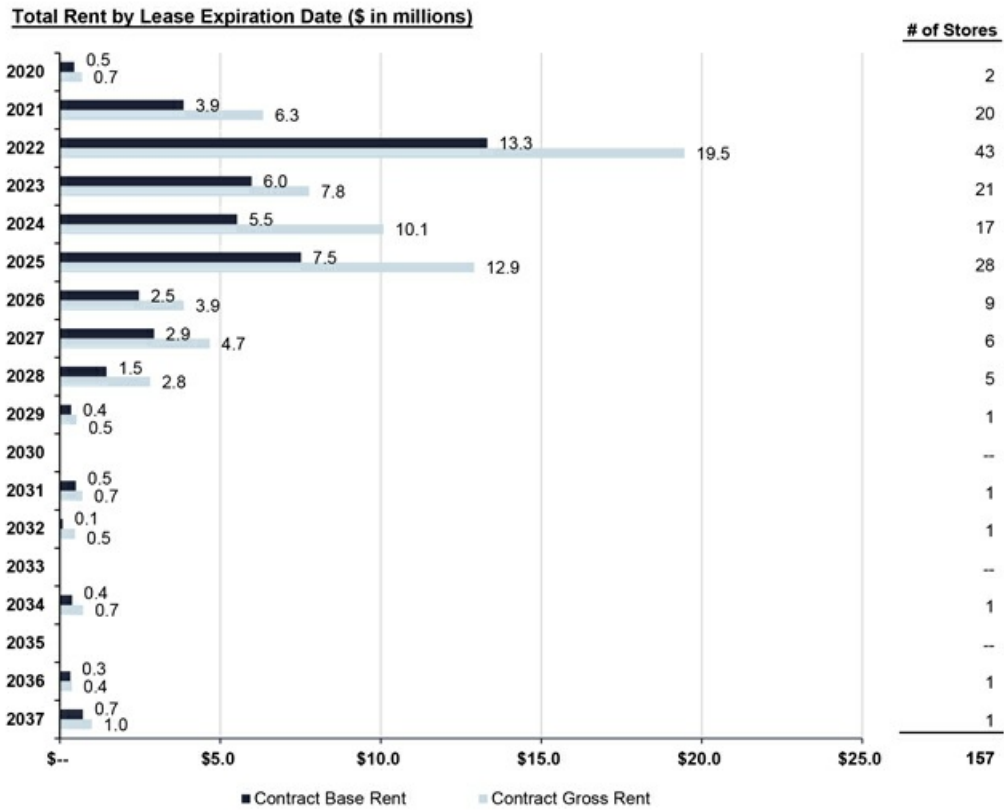
	<i>Store</i> <i>Count</i>	<i>FY 2020</i> <i>Sales</i>	<i>FY 2021</i> <i>Sales</i>	<i>FY 2022</i> <i>Sales</i>	<i>FY 2020</i> <i>Unallocated</i> <i>Store</i> <i>Contribution</i> <i>Profit</i>	<i>FY 2021</i> <i>Unallocated</i> <i>Store</i> <i>Contribution</i> <i>Profit</i>	<i>FY 2022</i> <i>Unallocated</i> <i>Store</i> <i>Contribution</i> <i>Profit</i>	<i>FY 2020</i> <i>Unallocated</i> <i>Store</i> <i>Contribution</i> <i>Margin</i> <i>(Mean)</i>	<i>FY 2020</i> <i>Unallocated</i> <i>Store</i> <i>Contribution</i> <i>Margin</i> <i>(Median)</i>	<i>FY 2021</i> <i>Unallocated</i> <i>Store</i> <i>Contribution</i> <i>Margin</i> <i>(Mean)</i>	<i>FY 2021</i> <i>Unallocated</i> <i>Store</i> <i>Contribution</i> <i>Margin</i> <i>(Median)</i>
Approved - Lease Restructuring Approved by Company and Lenders	157	\$875,138,339	\$1,419,187,686	\$1,415,208,636	\$19,592,382	\$115,911,577	\$171,811,263	-2.11%	-1.87%	7.72%	8.77%
Approved - Lease Restructuring Approved by Company Only	23	\$146,356,954	\$ 243,193,453	\$ 247,984,550	\$ 562,338	\$ 23,608,790	\$ 32,973,591	-0.66%	0.22%	9.60%	9.69%

Forecasted Performance with Lease Restructuring Summary

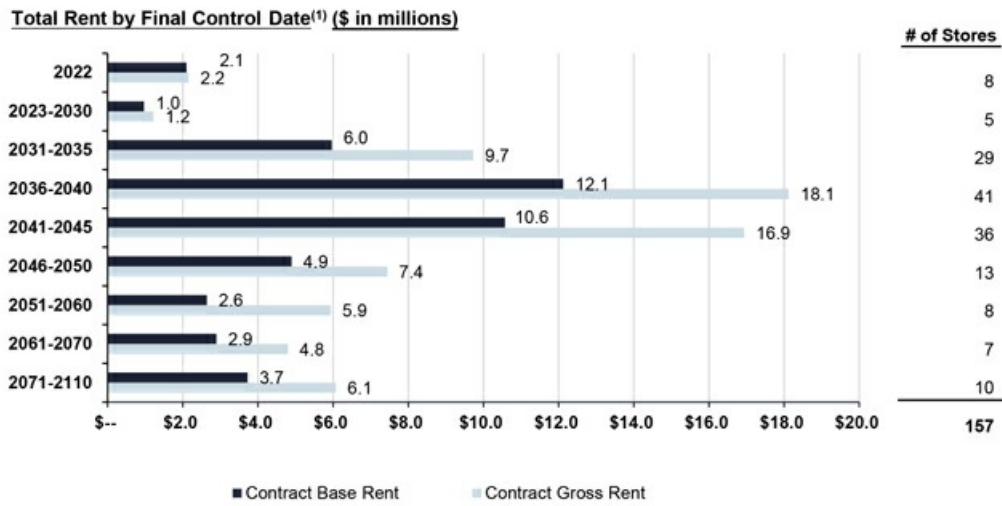
	<i>Store</i> <i>Count</i>	<i>FY 2020</i> <i>Sales</i>	<i>FY 2021</i> <i>Sales</i>	<i>FY 2022</i> <i>Sales</i>	<i>FY 2020</i> <i>Unallocated</i> <i>Store</i> <i>Contribution</i> <i>Profit</i>	<i>FY 2021</i> <i>Unallocated</i> <i>Store</i> <i>Contribution</i> <i>Profit</i>	<i>FY 2022</i> <i>Unallocated</i> <i>Store</i> <i>Contribution</i> <i>Profit</i>	<i>FY 2020</i> <i>Unallocated</i> <i>Store</i> <i>Contribution</i> <i>Margin</i> <i>(Mean)</i>	<i>FY 2020</i> <i>Unallocated</i> <i>Store</i> <i>Contribution</i> <i>Margin</i> <i>(Median)</i>	<i>FY 2021</i> <i>Unallocated</i> <i>Store</i> <i>Contribution</i> <i>Margin</i> <i>(Mean)</i>	<i>FY 2021</i> <i>Unallocated</i> <i>Store</i> <i>Contribution</i> <i>Margin</i> <i>(Median)</i>
Approved - Lease Restructuring Approved by Company and Lenders	157	\$875,138,339	\$1,419,187,686	\$1,415,208,636	\$14,080,082	\$140,692,513	\$192,528,955	1.87%	1.94%	10.37%	10.26%
Approved - Lease Restructuring Approved by Company Only	23	\$146,356,954	\$ 243,193,453	\$ 247,984,550	\$ 4,709,288	\$ 27,750,635	\$ 36,567,416	3.21%	2.75%	11.49%	11.24%

Note: Tables above reflect information as of November 3, 2020

**SUMMARY - LEASE RESTRUCTURINGS APPROVED BY COMPANY AND LENDERS
(AS OF NOVEMBER 3, 2020)**

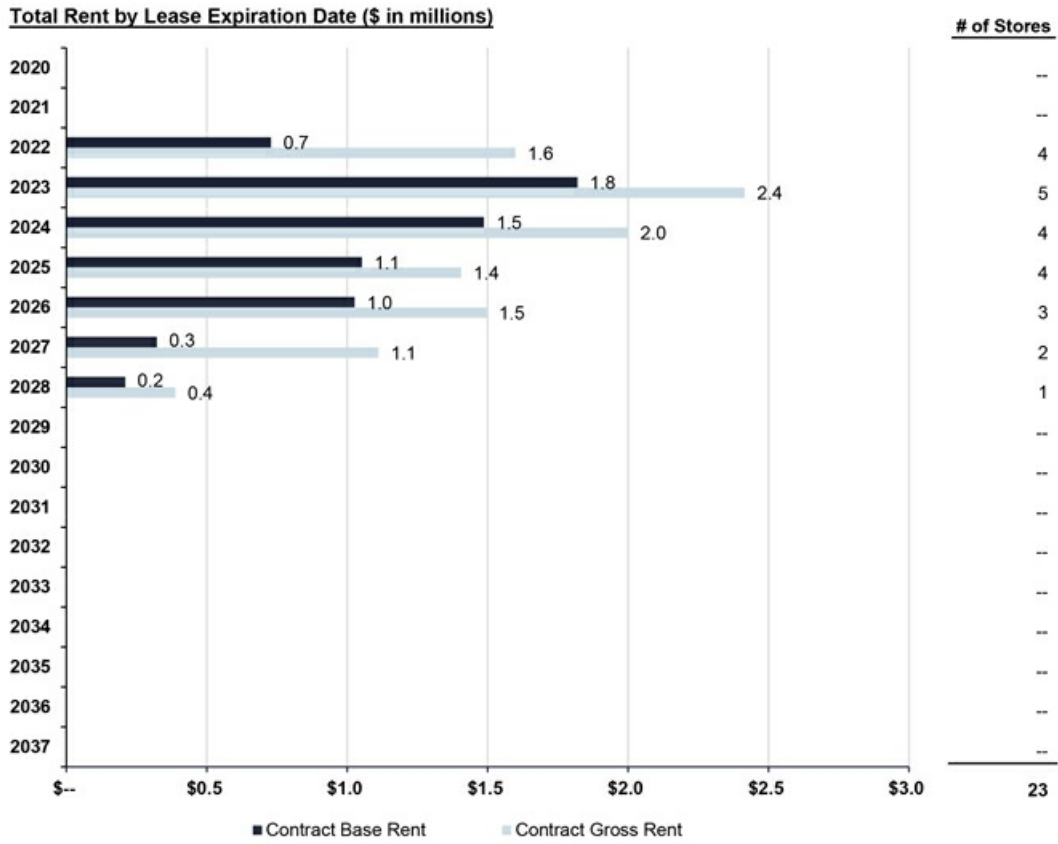


**SUMMARY - LEASE RESTRUCTURINGS APPROVED BY COMPANY AND LENDERS
(AS OF NOVEMBER 3, 2020)**

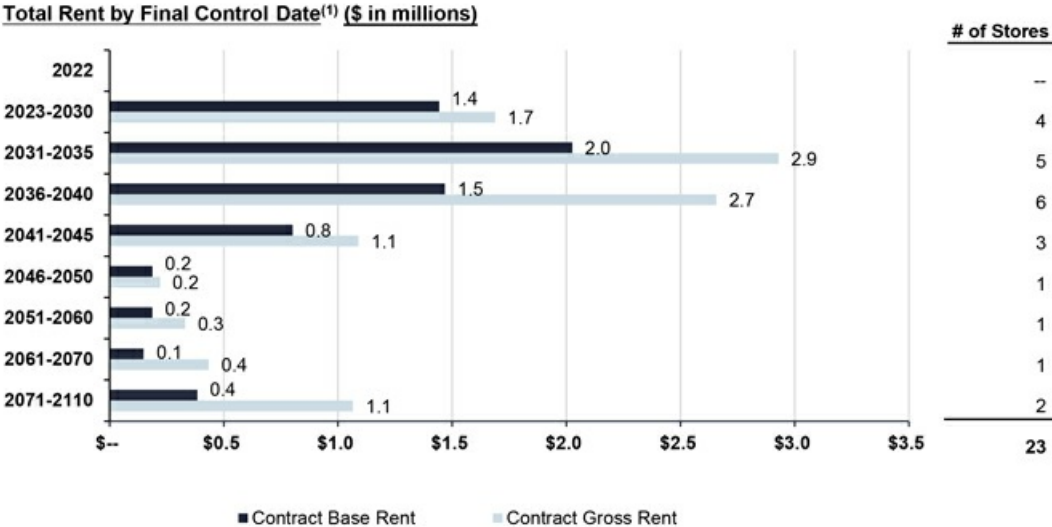


(1) Final Control Date represents exercise of all available extension options.

**SUMMARY - LEASE RESTRUCTURINGS APPROVED BY COMPANY ONLY
(AS OF NOVEMBER 3, 2020)**



**SUMMARY - LEASE RESTRUCTURINGS APPROVED BY COMPANY ONLY
(AS OF NOVEMBER 3, 2020)**



(1) Final Control Date represents exercise of all available extension options.