J.C. Penney names Apple retail exec as new CEO

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J.C. Penney Co. on Tuesday named Ron Johnson, who pioneered Apple Inc.'s retail stores, the department store chain's next CEO.

The appointment takes effect Nov. 1.

Johnson, 52, who had served for the past 11 years as senior vice president of retail at Apple Inc., will succeed Myron Ullman III, who has been CEO and chairman since December 2004.

Johnson will report to Ullman, who will become executive chairman. Johnson will also join J.C. Penney's board of directors in August.

During his 11 years at Apple, Johnson led Apple's retail stores, which have grown to 300 stores in the U.S. and abroad. He joined Apple after 15 years at Target Corp., where he was a key merchandising executive.

Johnson "is widely recognized and highly regarded in the retail industry for his creativity and innovation, his commitment to empowering employees to deliver an unparalleled customer experience, and to making stores exciting places where people love to shop," Ullman said in a statement.

J.C. Penney also said Johnson requested to make a personal investment of $50 million in the company through the purchase, at fair market value, of 7½ warrants on 7.257 million shares of Penney stock. The warrants cannot be sold or hedged for the first six years of their term and have a strike price of $29.92, the closing price of the stock on the business day before Johnson's commitment to purchase the warrants.

Penney's shares rose $4.04, or 13.4 percent, to $34.15 after the announcement.

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