UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
CORPORATION FINANCE

March 28, 2025

Ning Chiu
Davis Polk & Wardwell LLP

Re: McDonald's Corporation (the "Company")
Incoming letter dated January 17, 2025

Dear Ning Chiu:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by the National Center for Public Policy Research for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Proposal requests that the board conduct an assessment to determine if adding Bitcoin to the Company's treasury is in the best long-term interests of shareholders.

There appears to be some basis for your view that the Company may exclude the Proposal under Rule 14a-8(i)(7). In our view, the Proposal relates to the Company's ordinary business operations. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on Rule 14a-8(i)(7).

Copies of all of the correspondence on which this response is based will be made available on our website at https://www.sec.gov/corpfin/2024-2025-shareholder-proposals-no-action.

Sincerely,

Rule 14a-8 Review Team

cc: Ethan Peck
National Center for Public Policy Research

Davis Polk

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, NY 10017
davispolk.com

January 17, 2025

VIA ELECTRONIC SUBMISSION

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Ladies and Gentlemen:

On behalf of McDonald's Corporation, a Delaware corporation (the "**Company**"), and in accordance with Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), we are filing this letter with respect to the shareholder proposal (the "**Proposal**") submitted by the National Center for Public Policy Research (the "**Proponent**") for inclusion in the proxy materials the Company intends to distribute in connection with its 2025 Annual Meeting of Shareholders (the "**2025 Proxy Materials**"). The Proposal is attached hereto as Exhibit A.

We hereby request confirmation that the Staff of the Division of Corporation Finance (the "**Staff**") will not recommend any enforcement action if, in reliance on Rule 14a-8, the Company omits the Proposal from the 2025 Proxy Materials.

In accordance with relevant Staff guidance, we are submitting this letter and its attachments to the Staff through the Staff's online Shareholder Proposal Form. In accordance with Rule 14a-8(j), we are simultaneously sending a copy of this letter and its attachments to the Proponent as notice of the Company's intent to omit the Proposal from the 2025 Proxy Materials. This letter constitutes the Company's statement of the reasons it deems the omission of the Proposal to be proper. We have been advised by the Company as to the factual matters set forth herein.

THE PROPOSAL

The Proposal states:

> RESOLVED: Shareholders request that the Board conduct an assessment to determine if adding Bitcoin to the Company's treasury is in the best long-term interests of shareholders.

REASONS FOR EXCLUSION OF THE PROPOSAL

The Company believes that the Proposal may be properly omitted from the 2025 Proxy Materials pursuant to Rule 14a-8(i)(7) because the Proposal deals with matters related to the Company's ordinary business operations.

The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because the Proposal Deals with Matters Related to the Company's Ordinary Business Operations.

Rule 14a-8(i)(7) allows a company to omit a shareholder proposal from its proxy materials if such proposal deals with a matter relating to the company's ordinary business operations. The general policy underlying the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting." *See* Exchange Act Release No. 34-40018 (May 21, 1998) (the "**1998 Release**"). The 1998 Release also identified two central considerations that underlie this policy: (i) that "[c]ertain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight" and (ii) the "degree to which the proposal seeks to 'micromanage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." *See* Staff Legal Bulletin No. 14L (Nov. 3, 2021) ("**SLB 14L**"). As demonstrated below, the Proposal implicates the first consideration.

A. The Proposal Relates to the Company's Investment Decisions.

With respect to the first policy consideration, the Staff has repeatedly determined that proposals focused on a company's own general finance matters and policies can be excluded pursuant to Rule 14a-8(i)(7) as relating to the company's ordinary business operations. *See, e.g.*, *Texas Pacific Land Corp.* (Sept. 18, 2024) (proposal requesting that the board commission a third-party report to determine the feasibility and potential benefits of engaging with recognized options exchanges to initiate the listing of options on company stock); and *General Electric Company* (Jan. 30, 1990) (proposal requesting that the company discontinue "Program Trading" under existing rules).

In particular, the Staff has concurred that proposals that impose on a company's determination of its own investment strategies is a matter that relates to the conduct of a company's ordinary business operations. In *Western Union Company* (Mar. 6, 2009), the Staff concurred on the exclusion of a proposal requesting a report on the company's policies on investment in the communities in which it does business, separate from and beyond any philanthropic or charitable efforts, with a view to incorporating criteria to work with local stakeholders and organizations to identify community needs, and to develop long-term reinvestment that reflects those needs. In its response, the Staff noted that investment decisions relate to a company's ordinary business operations. *See also General Dynamics Corp.* (Mar. 23, 2000) (proposal requesting that the issuer obtain precious metals without relinquishing its current cash and mineral resources was excludable as ordinary business); *Sempra Energy* (Feb. 7, 2000) (proposal seeking to mandate utility investments was excludable as ordinary business with the Staff response noting that the proposal related to investment and operational decisions); *California Real Estate Investment Trust* (July 6, 1988) (proposal requesting the company adopt a policy of purchasing triple net leased commercial and industrial real estate, and avoiding equity-related loans, was excludable as ordinary business with the Staff response noting that the proposal related to the company's determination of investment strategies).

Similarly, the Proposal relates to the Company's own investment strategies by requesting that the Board assess whether to add Bitcoin to the Company's treasury, and the supporting statement recommends that the Company include Bitcoin in order to diversify its balance sheet. Determining how the company makes

its own investments is fundamental to management's ability to oversee a company's financial condition. These decisions involve a wide array of business considerations, both long-term and short-term, and on a micro and macro level. Management may evaluate, among other factors, changing market conditions, risks and returns on alternative investments, and the availability and cost of alternative financing. Weighing these considerations is inherently the type of ordinary business determinations that Rule 14a-8(i)(7) was intended to address. The determination of how to diversify the Company's own investment portfolio can properly be made only by management, to whom these routine business decisions have been properly delegated by shareholders. The management of investments is clearly highly complex and is "so fundamental to management's ability to run a company on a day-to-day basis that [it] could not, as a practical matter, be subject to direct shareholder oversight." 1998 Release.

B. The Proposal Does Not Raise Significant Social Policy Issues That Transcend the Company's Ordinary Business Operations.

In the 1998 Release, the Commission expressed that while proposals relating to ordinary business matters "but focusing on sufficiently significant social policy issues generally would not be excludable" under Rule 14a-8(i)(7), the Staff has indicated that proposals that relate to both ordinary business matters and significant social policy issues may be excludable if the proposals do not "transcend the day-to-day business matters." SLB 14L states that in making a determination on whether a proposal raises a significant social policy issue, the Staff will "focus on the social policy significance of the issue that is the subject of the shareholder proposal" and "consider whether the proposal raises issues with a broad societal impact, such that they transcend the ordinary business of the company."

Given that the Proposal is focused solely on how the Company should manage its own investment strategies, the Proposal does not raise a social policy issue.

CONCLUSION

Because the Proposal relates to the ordinary business operations of the Company, the Company believes that the Proposal may be excluded from its 2025 Proxy Materials pursuant to Rule 14a-8(i)(7).

Respectfully yours,

Ning Chiu

Attachment

cc w/ att: Jeffrey Pochowicz, McDonald's Corporation

Ethan Peck, National Center for Public Policy Research

Exhibit A

Proposal

Bitcoin Treasury Assessment

Supporting Statement:

McDonald's is widely considered – including by former CFO and President Harry Sonneborn – a real estate company that happens to sell burgers.[1] And for good reason: as of September 30, 2024, 46%, or $25.8 billion, of the Company's $56.2 billion of total assets is property.[2] Additionally, in defiance of the norms of most other S&P 500 companies, McDonald's is prudent enough not to hold any US government or foreign government bonds on its balance sheet[3] (since bond yields are lower than the true inflation rate[4]). And only 2.2%, or $1.2 billion, of the Company's total assets is cash and cash equivalents.[5]

In short, McDonald's seems to have long ago understood what many other corporations have yet to: that a company's value, especially during inflationary times, is measured not only by how profitable its primary business is, but also by how wisely it invests its assets and protects its profits from debasement.

While, in this regard, McDonald's has been a step ahead of many others, its current strategy alone likely won't hold up in the 21st century. Real estate has been a much more reliable store of value than cash and bonds, but won't appreciate over time nearly as much as Bitcoin will and it's not liquid like Bitcoin is. As more and more companies add Bitcoin to their balance sheets, if McDonald's doesn't follow suit, it will fall behind where it once led.

McDonald's should – and perhaps has a fiduciary duty to – consider adding assets to its treasury that appreciate enough to negate the debasement of its cash and outpace the appreciation of its real estate.

As of December 9, 2024, the price of Bitcoin increased by 119% over the previous year[6] and 1,252% over the past 5 years.[7]

MicroStrategy – which holds Bitcoin on its balance sheet – has had its stock outperform McDonald's stock by 2,360% over the past 5 years.[8] And they're not alone. Institutional and corporate Bitcoin adoption is becoming more commonplace: more public companies such as Tesla and Block have added Bitcoin to their balance sheets;[9] McDonald's second largest institutional shareholder, BlackRock, offers its clients a Bitcoin ETF; and the US government may form a Bitcoin strategic reserve in 2025.[10]

Though Bitcoin is currently a volatile asset, companies have a responsibility to serve shareholders'

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[1] https://www.wallstreetsurvivor.com/mcdonalds-beyond-the-burger/

[2] https://d18rn0p25nwr6d.cloudfront.net/CIK-0000063908/3accd283-9ef6-475d-8001-f6e28bb64327.pdf

[3] *Id.*

[4] https://ycharts.com/indicators/5_year_treasury_rate; https://ycharts.com/indicators/10_year_treasury_rate; https://ycharts.com/indicators/moodys_seasoned_aaa_corporate_bond_yield; https://www.marketwatch.com/story/true-inflation-may-have-peaked-in-late-2022-at-18-and-still-hovers-around-8-cc89ea6b

[5] https://d18rn0p25nwr6d.cloudfront.net/CIK-0000063908/3accd283-9ef6-475d-8001-f6e28bb64327.pdf

[6] https://www.google.com/finance/quote/BTC-USD?window=1Y

[7] https://www.google.com/finance/quote/BTC-USD?window=5Y

[8] https://www.google.com/finance/quote/MSTR:NASDAQ?window=5Y; https://www.google.com/finance/quote/ MCD:NYSE?window=5Y

[9] https://x.com/HODL15Capital/status/1864785674362069024

[10] https://www.washingtonexaminer.com/policy/finance-and-economy/3237933/lummis-renewed-push-strategic- bitcoin-reserve/

long-term interests in addition to their short term-interests. Diversifying the balance sheet by including *some* Bitcoin solves this problem without taking on too much short- term risk from volatility. At minimum, McDonald's should evaluate the benefits of adding some Bitcoin to its treasury.

Resolved: Shareholders request that the Board conduct an assessment to determine if adding Bitcoin to the Company's treasury is in the best long-term interests of shareholders.

January 31, 2025

Via Online Shareholder Proposal Form

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, NE
Washington, DC 20549

Re: No-Action Request from McDonald's Corporation Regarding a Shareholder Proposal by the National Center for Public Policy Research ("Proponent" or "NCPPR")

Ladies and Gentlemen:

This correspondence is in response to the letter of Ning Chiu on behalf of McDonald's Corporation (the "Company") dated January 17, 2025, requesting that your office (the "Commission" or "Staff") take no action if the Company omits Proponent's shareholder proposal (the "Proposal") from its 2025 proxy materials for its 2025 annual shareholder meeting. The following analysis of the Company's arguments makes clear that no basis exists for permitting the Company to exclude the Proposal.

I. The Proposal Does Not Impermissibly Deal with Matters Related to the Company's Ordinary Business Operations

It cannot be the case that every shareholder proposal dealing with investment decisions impermissibly implicates ordinary business, because *every* decision a company makes (other than charitable contributions) may be fairly characterized as an investment decision. Cf. Merriam-Webster (defining "investment" as "the outlay of money … for … profit").[1] Accordingly, prior no-action letters should not be read as supporting such a broad exclusion.

The Company implicitly acknowledges this when it frames the relevant Staff precedent and current issue as asking whether the proposal "impose[s] on a company's determination of its own investment strategies." This standard is in accord with the 1998, which asks whether the task

[1] https://www.merriam-webster.com/dictionary/investment

requested by the proposal is "so fundamental to management's ability to run a company on a day-today basis that [it] could not, as a practical matter, be subject to direct shareholder oversight."

Here, the Proposal merely requests that the Company "conduct an assessment to determine if adding Bitcoin to the Company's treasury is in the best long-term interests of shareholders." This certainly cannot be read as *imposing* any investment strategy on management. Nor is it impracticable for shareholders to make an informed decision on such a broad question involving such a widely discussed matter. See *Bitcoin's Surge in Media Coverage: What the Latest Trends Reveal* ("25 percent of stories that were leading financial news sections were related to Bitcoin").[2] Cf. 1998 Release (noting exclusion is appropriate when "it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting").

In addition, not a single one of the fundamental management tasks identified by the Company is in any way transferred to shareholder oversight by the Proposal. Rather, they all remain squarely in management's hands as part of its oversight of *how* to conduct the assessment. The shareholders, on the other hand, merely vote on *whether* to conduct the assessment, which is for practical purposes even less restrictive than the imposition of targets or timeliness the Staff has previously approved. See SLB 14L ("we would not concur in the exclusion of … proposals that suggest targets or timelines so long as the proposals afford discretion to management as to how to achieve such goals").

II. The Proposal Raises Significant Social Policy Issues That Transcend the Company's Ordinary Business Operations.

The Company argues that: "Given that the Proposal is focused solely on how the Company should manage its own investment strategies, the Proposal does not raise a social policy issue." What this argument misses is that in this case, the Proposal *is* a significant social policy issue that transcends the Company's ordinary business. The proof of that is the fact that the same proposal, which was first submitted to Microsoft a few months ago, was perhaps the most viral shareholder proposal in history. (As just one example of this, Michael Saylor's supporting statement generated over 3.6 million views on X.[3]) That mere fact by itself should be enough to completely dispel the claim that the Proposal "does not raise a social policy issue." However, the subsequent paragraphs will further unpack the social significance of Bitcoin and the Proposal.

First, Bitcoin itself is a significant social issue – it is daily the subject of all forms of media (and has been for years), it was a significant part of President Trump's campaign and changes to policies related to Bitcoin are already the focus of some of his first actions as President, and over 100 million people, including 22% of Americans, own Bitcoin.[4]

Second, corporate Bitcoin adoption specifically or, even more specifically, this Proposal, is on its own a significant social issue. The proof of that is the fact that the same proposal, which was first

[2] https://bnonews.com/index.php/2024/09/bitcoins-surge-in-media-coverage-what-the-latest-trends-reveal/
[3] https://x.com/saylor/status/1863323760511627565
[4] https://bitbo.io/how-many-users/

submitted to Microsoft a few months ago,[5] was perhaps the most viral shareholder proposal in history. Does massive public interest, resulting in millions of views and the subject of hundreds of articles and podcasts, not constitute social significance? That mere fact by itself should be enough to completely dispel the claim that this proposal "does not raise a social policy issue." Because not only does the Proposal raise a significant social issue, the Proposal *is* a significant social issue.

While the argument should end there, here are a few additional reasons why Bitcoin is a significant social policy issue, and why corporate Bitcoin adoption, specifically, is too:

In the first week of his presidency, President Trump issued an Executive Order on Bitcoin, "to promote United States leadership in digital assets and financial technology while protecting economic liberty."[6]

In addition to that, Senator Lummis, who introduced the BITCOIN Act "to establish a Strategic Bitcoin reserve,"[7] was recently named as the Chair of the Senate Banking Subcommittee on Digital Assets.[8] This is relevant because the Proposal explicitly makes mention of the fact that "the US government may form a Bitcoin strategic reserve in 2025," and already, in the few weeks since the Proposal was submitted, significant steps have been taken to advance that effort.

Also since the Proposal was submitted, the SEC rescinded SAB 121.[9] This has a significant impact on corporate Bitcoin adoption because it permits institutions to more easily custody Bitcoin for clients and will make permit banks to more easily custody Bitcoin, which will drastically increase the financial integration of Bitcoin.[10] And this is relevant to the Proposal because the Proposal is a) directly about corporate Bitcoin adoption and b) explicitly mentions, in defense of McDonald's potentially adding Bitcoin to its treasury, that "Institutional and corporate Bitcoin adoption is becoming more commonplace." The repeal of SAB 121 absolutely will increase institutional and corporate Bitcoin adoption even further, and moves the world closer in the direction of widespread corporate Bitcoin adoption, including, potentially, at McDonald's.

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[5] https://view.officeapps.live.com/op/view.aspx?src=https://cdn-dynmedia-1.microsoft.com/is/content/microsoftcorp/2024_Proxy_Statement

[6] https://www.whitehouse.gov/presidential-actions/2025/01/strengthening-american-leadership-in-digital-financial-technology/

[7] https://www.lummis.senate.gov/press-releases/lummis-introduces-strategic-bitcoin-reserve-legislation/

[8] https://x.com/SenLummis/status/1882454483852255605

[9] https://www.sec.gov/rules-regulations/staff-guidance/staff-accounting-bulletins/staff-accounting-bulletin-122; https://bitcoinmagazine.com/business/sec-rescinds-sab-121-permitting-banks-to-custody-bitcoin

[10] https://bitcoinmagazine.com/markets/preston-pysh-explains-why-sab-121-beats-a-strategic-bitcoin-reserve

The issues raised in the Proposal are so socially significant, that they are already more significant today – due to the policy changes made in the last few days – than they were a few weeks ago when the Proposal was submitted.

Regarding the social significance of Bitcoin itself, a very common saying among Bitcoiners is "fix the money, fix the world." The concept is simple: when the money is broken, corrupt and can be tampered with by politicians and bureaucrats, like many people believe the US dollar is, that impacts every person who uses and saves in that money.

Bitcoin fixes that in a number of ways, but mainly, by removing the need for a trusted third-party intermediary and by operating in a completely decentralized fashion, such that Bitcoin is able to ensure that the money supply is fixed and cannot be tampered with. Bitcoin allows people to store and protect their hard-earned savings without worrying if it will lose value over time or be confiscated.

Inflation has many serious social and political ramifications. Look no further than countries whose currencies have completely collapsed, like Venzuela or Lebanon, for example. While inflation of the US dollar is not nearly as bad as some other currencies, it is still very much a serious problem that impacts each and every American, and therefore American society more broadly.

As the most inflation-resistant money in history, Bitcoin has the potential to improve all of the problems that arise from or are impacted by inflation.

There's also the issue that fiat currency is not permissionless and censorship-resistant like Bitcoin is. Debanking, for example, is a serious and growing problem. So too is the threat of the implementation of a CCP style social credit system. Therefore, the possibility of not being able to use your own money because of your political opinion is a very real and rising concern. Bitcoin fixes that too.

There's also the issue of government spending. When governments can just "print" money, it doesn't require the same level of public approval in order to fund their its endeavors. And what the government funds is definitely considered a significant social policy issue. Bitcoin has the potential to completely revamp the relationship between government spending and public approval of government spending.

Because Bitcoin has the potential to address all of those problems (and many more) that are prominent in fiat currency systems, furthering Bitcoin adoption addresses many significant social policy issues at once.

And while the Proposal does not expressly tackle each one of those problems individually, what it does do is attempt to advance Bitcoin adoption (which would address all those issues) by attempting to advance Bitcoin adoption at the corporate level. Additionally, just like individuals do, corporations, including McDonald's, suffer or can potentially suffer from the ills of inflation and the many other problems arising from fiat currencies.

So, asking the Company to take the first step towards Bitcoin adoption – which would be to assess if the Company should buy some Bitcoin (which is exactly what the Proposal requests) – is a completely rational request, touching on many significant social policy issues.

III. Conclusion

In conclusion, the arguments presented by the Company for excluding the Proposal are not convincing. The Proposal should accordingly be included in the proxy materials for the 2025 annual meeting.

A copy of this correspondence has been timely provided to the Company. If I can provide additional materials to address any queries the Commission may have with respect to this letter, please do not hesitate to call me at (202) 507-6398 or email me at spadfield@nationalcenter.org.

Rule 14a-8(k) and Section E of Staff Legal Bulletin No. 14D (Nov. 7, 2008) provide that companies are required to send proponents a copy of any correspondence that they elect to submit to the Commission or the Staff. Accordingly, we remind the Company that if it were to submit correspondence to the Commission or the Staff or individual members thereof with respect to our Proposal or this proceeding, a copy of that correspondence should concurrently be furnished to us.

Sincerely,

Stefan Padfield
Executive Director
Free Enterprise Project
National Center for Public Policy Research

cc: Ning Chiu