

MCDONALDS CORP
Form 4
January 03, 2008

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
HERNANDEZ ENRIQUE JR

(Last) (First) (Middle)

INTER-CON SECURITY SYSTEMS, INC., 210 SOUTH DELACEY AVENUE

(Street)

PASADENA, CA 91105

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
MCDONALDS CORP [MCD]

3. Date of Earliest Transaction
(Month/Day/Year)
12/31/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| Common Stock | | | | (A) or (D) Price | 11,108 | D | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 3) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|
| Phantom Stock | (1) | 12/31/2007 | | A(2) | 2,139 | (3) (3) | Common Stock | 2,139 \$ 58 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| HERNANDEZ ENRIQUE JR INTER-CON SECURITY SYSTEMS, INC. 210 SOUTH DELACEY AVENUE PASADENA, CA 91105 | X | | | |

Signatures

/s/ Christopher Weber,
Attorney-in-fact

01/03/2008

 **Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Acquisition of phantom stock pursuant to Directors' Deferred Compensation Plan. The phantom stock converts to common stock on a one-for-one basis.
- (2) Acquisition of phantom stock pursuant to Directors' Deferred Compensation Plan in transaction exempt under Rule 16b-3(d)(1). Amount represents deferred compensation or dividends reinvested.
- (3) Payment of phantom stock may be deferred until the earlier of the director's retirement date or other termination from the Board or a specific future date pursuant to an election.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. T-INDENT: 0pt; DISPLAY: block; MARGIN-LEFT: 0pt; MARGIN-RIGHT: 0pt" align="justify">

Each participant's account is credited with the participant's contribution and an allocation of the Company's contributions and Plan earnings. Earnings are allocated from a particular fund based on the ratio of a participant's account invested in the fund to all participants' investments in that fund. Plan expenses are generally paid by the Company, which is the Plan Sponsor. Participant accounts are charged an administration fee related to their outstanding notes receivable.

Participants are responsible for investment decisions relating to the investment of assets in their account. The Trustee carries out all investing transactions on behalf of the participant.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 per cent of their vested account balance, reduced by the highest outstanding note balance in their account during the prior 12 month period. Note terms range from one to five years for general notes or up to 15 years for the purchase of a primary residence. The notes are secured by the balance in the participant's account and bear interest at a reasonable interest rate, as determined by the Plan Administrator, based on prevailing market interest rates at the time. Interest rates remain fixed throughout the duration of the term. Interest rates on notes outstanding at December 31, 2011 and 2010 ranged from 4.25 per cent to 9.25 per cent. Principal and interest are paid through payroll deductions.

A note receivable from a participant shall be considered in default if any scheduled repayment remains unpaid as of the last business day of the calendar quarter following the calendar quarter in which the note is initially considered past due. In the event of a default or termination of employment the entire outstanding note and accrued interest is considered to be a deemed distribution to the participant.

Investment in TransCanada Corporation

Stock of TransCanada Corporation (TransCanada), parent company of TCUSA, is available to participants in the Plan. Participants may elect to invest up to 10 per cent of their contributions in TransCanada stock.

Administrative Expenses

The Plan Administrator is responsible for filing all required reports on behalf of the Plan. The Company provides or pays for certain accounting, legal and management services on behalf of the Plan. The Company has not charged the Plan for these expenses or services. Loans and other transaction specific fees are charged to the accounts of participants electing such transaction. Certain investment related expenses are presented as a reduction of investment income.

Plan Termination

Although it has not expressed any intent to do so, with approval from its Board of Directors, the Company has the right under the Plan to discontinue contributions at any time and to terminate the Plan, subject to the provisions of ERISA. In the event of Plan termination, participants would become 100 per cent vested in their accounts.

NOTE 2: SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared on an accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date.

Net (Depreciation)/Appreciation in Fair Value of Investments consists of: (1) the unrealized gains or losses on investments held during the year and (2) the realized gains or losses recognized on the sale of investments during the year. Realized gains and losses from security transactions are reported on the average cost basis.

Purchases and sales of securities are recorded on a trade-date basis.

Notes Receivable from Participants

Notes Receivable from Participants includes the unpaid principal balance plus any accrued interest. Delinquent notes receivable from participants are recorded as a distribution based upon the terms of the plan document.

Payment of Benefits

Benefits are recorded when paid.

Recently Issued Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board issued Accounting Standards Update No. 2011-04, Fair Value Measurements (Topic 820), Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs (ASU 2011-04). ASU 2011-04 was issued to improve the comparability of fair value measurements presented and disclosed in financial statements prepared in accordance with U.S. generally accepted accounting principles and International Financial Reporting Standards. The guidance in ASU 2011-04 explains how to measure fair value, but does not require additional fair value measurements and is not intended to establish valuation standards or affect valuation practices outside of financial reporting. ASU 2011-04 will be effective for fiscal years and interim periods within those fiscal years beginning on or after December 15, 2011. The adoption of ASU 2011-04 is not expected to have a material impact on the Plan's financial statements.

NOTE 3: INVESTMENTS

The Plan invests in various investment securities, including common stock and mutual funds. Investment securities are exposed to various risks, such as counterparty credit risk, liquidity risk and market risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in value of these investments, it is reasonably possible that changes in the values of investment securities may occur in the near term and that such changes could materially affect participant account balances and the amounts reported in the financial statements.

The Plan's exposure to credit loss in the event of nonperformance of investments managed by the Trustee is limited to the carrying value of such instruments. The Plan's concentrations of credit risk, interest rate risk and market risk are dictated by the Plan's provisions as well as those of ERISA and the participants' investment preference.

Fair Value Hierarchy

The Plan's financial assets and liabilities recorded at fair value have been categorized into three categories based on a fair value hierarchy. In Level I, the fair value of assets and liabilities is determined by reference to quoted prices in active markets for identical assets and liabilities. In Level II, determination of the fair value of assets and liabilities includes valuations using inputs, other than quoted prices, for which all significant outputs are observable, directly or indirectly. This category includes fair value determined using valuation techniques, such as option pricing models and extrapolation using observable inputs. In Level III, determination of the fair value of assets and liabilities is based on inputs that are not readily observable and are significant to the overall fair value measurement. There were no Level II or Level III items or transfers between categories in 2011 or 2010. Financial assets measured at fair value on a recurring basis are classified in the Level I fair value category as follows.

| December 31 (thousands of dollars) | Quoted Prices in Active Markets (Level I) | |
|------------------------------------|---|--------|
| | 2011 | 2010 |
| Mutual funds | | |
| Balanced | \$10,286 | 10,220 |
| Money Market | 2,374 | 1,756 |
| Equity | 2,159 | 2,187 |
| Fixed Income | 2,153 | 2,317 |
| | 16,972 | 16,480 |
| Common stock and other | 422 | 313 |
| Investments at Fair Value | \$17,394 | 16,793 |

Significant Investments

The following is a summary of investments which represented five per cent or more of the Plan's Net Assets Available for Benefits:

| December 31 (thousands of dollars) | 2011 | 2010 |
|---|---------|-------|
| Fidelity Freedom® 2020 Fund | \$2,700 | 2,589 |
| Fidelity® Retirement Money Market Portfolio | 2,374 | 1,756 |
| Fidelity Freedom® 2015 Fund | 2,265 | 2,134 |
| Fidelity Freedom® 2025 Fund | 1,631 | 1,549 |
| Spartan® U.S. Bond Index Fund | 1,312 | 1,235 |
| Fidelity Freedom® 2035 Fund | 1,057 | 1,081 |
| Fidelity Freedom® 2010 Fund | 1,012 | 1,229 |
| Fidelity Freedom® 2030 Fund | 998 | 961 |
| Fidelity Freedom® Income Fund | * | 904 |

* Investment is less than five percent of net assets available for benefits in indicated year.

Net Increase in Fair Value of Investments

Net (Depreciation)/Appreciation in Fair Value of Investments by major category (including investments purchased, sold and held during the year) was as follows:

| Year ended December 31 (thousands of dollars) | 2011 | 2010 |
|--|---------|-------|
| Mutual funds | \$(564) | 1,220 |
| Common stock and other | 51 | 29 |
| Net (Depreciation)/Appreciation in Fair Value of Investments | \$(513) | 1,249 |

NOTE 4: INCOME TAXES

Effective December 15, 2009, the Plan was restated to a volume submitter plan. The Plan obtained its latest determination letter on October 4, 2011 in which the Internal Revenue Service stated that the Plan, as then designed was in compliance with the applicable requirements of the Code. The Plan Administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code. The Plan is exempt from federal income taxes. Accordingly, no provision for federal income taxes has been made in the accompanying financial statements.

The Plan Administrator has analyzed any income tax assets and liabilities of the Plan and has concluded that as of December 31, 2011 and 2010, there are no uncertain income tax positions taken or expected to be taken that would require recognition of a liability or asset, or disclosure in the financial statements. The Plan is subject to audits by taxing jurisdictions, however, there are currently no audits in progress for any tax periods. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2008.

NOTE 5: PARTY-IN-INTEREST AND RELATED PARTY TRANSACTIONS

Explanation of Responses:

Certain Plan investments are shares of mutual funds managed by an affiliate of Fidelity, the Trustee, therefore these investments qualify as party-in-interest transactions.

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In 2011, the Company incurred \$6,898 (2010 - \$10,689) of administrative expenses, as described in Note 1, on behalf of the Plan. The Company has not charged the Plan for these expenses and they are not reflected within these financial statements.

At December 31, 2011, Plan investments included \$420,944 (2010 - \$312,030) of TransCanada common stock and \$1,083 (2010 - \$1,093) in a TransCanada stock purchase account. Transactions involving these investments are permitted party-in-interest transactions.

NOTE 6: SUBSEQUENT EVENTS

We have evaluated significant events and transactions that occurred after the financial statement date and determined that there were no events or transactions that would require recognition or disclosure in the Plan's financial statements for the year ended December 31, 2011.

TRANSCANADA 401(K) AND SAVINGS LOCAL 1-2 PLAN

EIN #: 98-0460263

PLAN #: 006

SCHEDULE H, PART IV, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2011

| (a) | (b) Identity of Issue, Borrower, Lessor or Similar Party | (c) Description of Investment | (e) Current Value |
|-----|--|--|-------------------------|
| * | Fidelity Freedom® 2020 Fund | Mutual Fund | \$2,699,919 |
| * | Fidelity® Retirement Money Market Portfolio | Mutual Fund | 2,373,882 |
| * | Fidelity Freedom® 2015 Fund | Mutual Fund | 2,265,400 |
| * | Fidelity Freedom® 2025 Fund | Mutual Fund | 1,631,038 |
| * | Spartan® U.S. Bond Index Fund | Mutual Fund | 1,312,017 |
| * | Fidelity Freedom® 2035 Fund | Mutual Fund | 1,057,109 |
| * | Fidelity Freedom® 2010 Fund | Mutual Fund | 1,012,309 |
| * | Fidelity Freedom® 2030 Fund | Mutual Fund | 998,095 |
| | Artisan Mid Cap Value Fund | Mutual Fund | 785,799 |
| * | Fidelity Freedom® Income Fund | Mutual Fund | 698,902 |
| * | Spartan® 500 Index Fund | Mutual Fund | 557,400 |
| * | Fidelity Freedom® 2045 Fund | Mutual Fund | 255,567 |
| * | Fidelity Freedom® 2040 Fund | Mutual Fund | 220,568 |
| * | Fidelity® Export and Multinational | Mutual Fund | 148,391 |
| * | Fidelity® Inflation Protected Bond Fund | Mutual Fund | 142,144 |
| | RS Partners CL A | Mutual Fund | 140,453 |
| * | Fidelity® Dividend Growth Fund | Mutual Fund | 137,506 |
| * | Fidelity® International Discovery Fund | Mutual Fund | 136,743 |
| | Hartford Growth CL Y | Mutual Fund | 125,100 |
| * | Fidelity Freedom® 2000 Fund | Mutual Fund | 97,680 |
| * | Fidelity Freedom® 2050 Fund | Mutual Fund | 47,963 |
| | Baron Asset Fund | Mutual Fund | 44,300 |
| * | Fidelity® Equity-Income Fund | Mutual Fund | 37,259 |
| * | Fidelity® Fund | Mutual Fund | 25,227 |
| * | Fidelity® Growth Strategies Fund | Mutual Fund | 20,957 |
| | Total Mutual Funds | | 16,971,728 |
| * | TransCanada Corporation | Common Stock | 420,944 |
| * | TransCanada Stock Fund | Stock Purchase Account | 1,083 |
| * | Participant Loans | Interest rates ranging from 4.25% to 9.25% maturing through 2026 | 1,153,638 |

Explanation of Responses:

| | |
|-------------------|--------------|
| Total Assets Held | \$18,547,393 |
|-------------------|--------------|

* Represents a party-in-interest (Note 5).

See accompanying Report of Independent Registered Public Accounting Firm.

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan), have duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: June 26, 2012

TransCanada 401(k) and Savings Local 1-2 Plan

By: /s/ Jon A. Dobson
Jon A. Dobson
Member
Investment Committee
TransCanada USA Services Inc.

EXHIBIT INDEX

23.1 Consent of Independent Registered Public Accounting Firm