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Attorneys for People of the State of California
11 ex rel. Edmund G. Brown Jr., Attorney General of the
State of California

12 SUPERIOR COURT OF CALIFORNIA
13 COUNTY OF LOS ANGELES
14

<p>15 ENVIRONMENTAL WORLD WATCH, INC., in the public interest, 16 v. Plaintiff, 17 THE PROCTER & GAMBLE DISTRIBUTING 18 COMPANY, <i>et al.</i>, 19 Defendants.</p>	<p>Case No. BC 337618 (LEAD CASE) (Dismissed) NOTICE OF ENTRY OF CONSENT JUDGMENT AS TO DEFENDANT McDONALD'S CORPORATION</p>
<p>20 COUNCIL FOR EDUCATION AND RESEARCH ON TOXICS, 21 v. Plaintiff, 22 MCDONALD'S CORPORATION, <i>et al.</i> 23 Defendants. 24</p>	<p>Case No. BC280980 Dept.: 307 Judge: Hon. Wendell Mortimer, Jr. Trial Date: 3/18/08 Complaint Filed: 08/26/05</p>
<p>25 PEOPLE OF THE STATE OF CALIFORNIA, ex rel. EDMUND G. BROWN JR., Attorney General of the 26 State of California, 27 v. Plaintiff, 28 FRITO-LAY, <i>et al.</i> Defendants.</p>	<p>Case No. BC 338956 RELATED CASE</p>

1 TO ALL PARTIES AND THEIR COUNSEL:

2 PLEASE TAKE NOTICE that on December 11, 2007, the Court entered the following
3 Consent Judgment between plaintiffs People of the State of California and defendant
4 McDonald's Corporation, a true copy of which is attached as Exhibit A
5 December 12, 2007

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7

Respectfully submitted,

8

EDMUND G. BROWN JR.
Attorney General of the State of California

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JANET GAARD
Acting Chief Assistant Attorney General

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THEODORA BERGER
Senior Assistant Attorney General

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DENNIS A. RAGEN

12

LAURA J. ZUCKERMAN

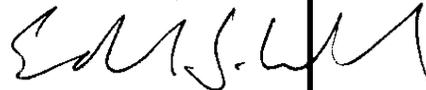
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MEGAN H. ACEVEDO

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DEBORAH R. SLON

Deputy Attorneys General



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EDWARD G. WEIL
Supervising Deputy Attorney General
Attorneys for People of the State of California

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EXHIBIT A

ORIGINAL FILED

DEC 11 2007

SUPERIOR COURT

1 EDMUND G. BROWN JR.
 Attorney General
 2 JANET GAARD
 Acting Chief Assistant Attorney General
 3 THEODORA BERGER
 Senior Assistant Attorney General
 4 EDWARD G. WEIL (Ca. Bar No. 88302)
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 Attorneys for People of the State of California
 10 ex rel. Edmund G. Brown Jr., Attorney General of the
 11 State of California

12 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

13 FOR THE COUNTY OF LOS ANGELES

14 Case No.: BC 338956

15 PEOPLE OF THE STATE OF CALIFORNIA, ex rel.
 EDMUND G. BROWN JR., Attorney General of the
 16 State of California,

CONSENT JUDGMENT AS TO
 DEFENDANT McDONALD'S
 CORPORATION

17 Plaintiff,

Dept: 307

18 v.

Judge: Hon. Wendell Mortimer, Jr.

Trial Date: January 28, 2008

19 FRITO-LAY, INC., PEPSICO, INC., H.J. HEINZ,
 COMPANY, KETTLE FOODS, INC., KFC
 20 CORPORATION, LANCE, INC., THE PROCTER &
 GAMBLE DISTRIBUTING COMPANY, THE
 21 PROCTER & GAMBLE MANUFACTURING
 COMPANY, WENDY'S INTERNATIONAL, INC.,
 22 MCDONALD'S CORPORATION, BURGER KING
 23 CORPORATION and DOES 1 through 100,

Action Filed: August 26, 2005

24 Defendants.

25
26 **1. INTRODUCTION**

27 1.1. On August 26, 2005, the People of the State of California ("People"), filed a complaint
 28 for civil penalties and injunctive relief for violations of Proposition 65 and unlawful business

1 practices in the Superior Court for the County of Los Angeles. The People's Complaint alleges
2 that the Defendants failed to provide clear and reasonable warnings that ingestion of the Covered
3 Products (as defined in Paragraph 2.1), would result in exposure to acrylamide, a chemical known
4 to the State of California to cause cancer. The Complaint further alleges that under the Safe
5 Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code section 25249.6, also
6 known as "Proposition 65," businesses must provide persons with a "clear and reasonable warning"
7 before exposing individuals to these chemicals, and that the Defendants failed to do so. The
8 Complaint also alleges that these acts constitute unlawful acts in violation of the Unfair
9 Competition Law, pursuant to Business and Professions Code sections 17200 *et seq.*

10 1.2. McDonald's Corporation ("McDonald's"), is among the defendants named in the
11 complaint. McDonald's, together with its subsidiaries, is referred to below as "Settling
12 Defendant."

13 1.3. Settling Defendant is a group of corporations that employ more than 10 persons, or
14 employed ten or more persons at some time relevant to the allegations of the complaint, and which
15 manufactures, distributes and/or sells Covered Products in the State of California or has done so in
16 the past.

17 1.4. For purposes of this Consent Judgment only, the parties stipulate that this Court has
18 jurisdiction over the allegations of violations contained in the People's Complaint and personal
19 jurisdiction over Settling Defendant as to the acts alleged in the People's Complaint, that venue is
20 proper in the County of Los Angeles, and that this Court has jurisdiction to enter this Consent
21 Judgment as a full and final resolution of all claims which were or could have been raised in the
22 Complaint based on the facts alleged therein.

23 1.5 The People and Settling Defendant enter into this Consent Judgment as a full and final
24 settlement of all claims that were raised in the Complaint (except as specified in Paragraph 7.1),
25 arising out of the facts or conduct alleged therein. McDonald's has expressly waived its statute of
26 limitations defenses with respect to the claims alleged in the People's Complaint. By execution of
27 this Consent Judgment and agreeing to provide the relief and remedies specified herein, Settling
28 Defendant does not admit any violations of Proposition 65 or Business and Professions Code

1 sections 17200 *et seq.*, or any other law or legal duty. Except as expressly set forth herein, nothing
2 in this Consent Judgment shall prejudice, waive or impair any right, remedy, or defense the
3 Attorney General and Settling Defendant may have in any other or in future legal proceedings
4 unrelated to these proceedings. However, this paragraph shall not diminish or otherwise affect the
5 obligations, responsibilities, and duties of the parties under this Consent Judgment.

6 **2. INJUNCTIVE RELIEF; CLEAR AND REASONABLE WARNINGS**

7 2.1. Settling Defendant shall provide warnings in the manner required by this Consent
8 Judgment for all Covered Products sold at its restaurants located in the State of California.

9 "Covered Products" means all potato products containing acrylamide, including fried or baked
10 potato products, sold in restaurants owned and operated by Settling Defendant ("Company
11 Restaurants") or restaurants owned and operated by third parties pursuant to franchise or license
12 agreements with Settling Defendant ("Franchise Restaurants"), whether commonly called french
13 fries, curly fries, or potato wedges.

14 2.2 Warning message. The warning message provided, under any of the permitted warning
15 methods, shall be any one of the following:

16 a. **WARNING**

17 Chemicals known to cause cancer, or birth defects or other
18 reproductive harm may be present in foods or beverages sold or
19 served here. Cooked potatoes that have been browned, such as
20 french fries and baked potatoes, contain acrylamide, a chemical
21 known to the State of California to cause cancer.

22 Acrylamide is not added to our foods, but is created whenever
23 potatoes and certain other foods are browned.

24 The FDA has not advised people to stop eating baked or fried
25 potatoes. For more information see www.fda.gov.

26 b. **WARNING**

27 Chemicals known to cause cancer, or birth defects or other
28 reproductive harm may be present in foods or beverages sold or
served here. Cooked potatoes that have been browned, such as french
fries, hash browns and baked potatoes, contain acrylamide, a
chemical known to the State of California to cause cancer. Other
foods sold here, such as hamburger buns, biscuits and coffee also
contain acrylamide, but generally in lower concentrations than fried
potatoes.

1 Acrylamide is not added to our foods, but is created whenever
2 potatoes and certain other foods are browned.

3 The FDA has not advised people to stop eating baked
4 potatoes, fried potatoes, or other foods which contain acrylamide. For
5 more information see www.fda.gov.

6 c. Wherever the warning language in this Consent Judgment uses the phrase
7 "chemical known to the State of California to cause cancer," Settling Defendant, at its
8 option, may use either the phrase "chemical known to cause cancer" or "chemical that
9 causes cancer."

10 2.3. Warning Method. The warning shall be provided through any of the three methods set
11 forth in paragraphs 2.3.1, 2.3.2, or 2.3.3. Whichever warning method is used, any sign must be:

12 (a) located at or on the counter where food is purchased, on a wall either adjacent
13 and parallel to or clearly visible to consumers standing at the counter where food is purchased; or

14 (b) located or at any other place that is reasonably likely to be seen and read by
15 customers entering the restaurant to order food;

16 (c) not located at any of the following locations: On an entrance or exit door, on a
17 window, on a restroom door, in a restroom, in a hallway that leads only to restrooms, on a refuse
18 container.

19 2.3.1. Sign Warning: A warning set forth on a sign at least 10 inches high by 10 inches
20 wide, with the word "WARNING" centered three-quarters of an inch from the top of the sign in
21 ITC Garamond bold condensed type face all in one-inch capital letters. Three-sixteenths of an inch
22 from the base of the word "warning" shall be a line extending from left to right across the width of
23 the sign one-sixteenth of an inch in thickness. Centered one-half inch below the line shall be the
24 body of the warning message in ITC Garamond bold condensed type face. For the body of the
25 warning message, left and right margins of at least one-half of an inch, and a bottom margin of at
26 least one-half inch shall be observed. Larger signs shall bear substantially the same proportions of
27 type size and spacing to sign dimension as the sign 10 inches high by 10 inches wide.

28 2.3.2. Sign and Brochure Combination: A combination of a sign and brochure meeting the
following requirements:

1 warning may be provided within that sign or poster and accompanying materials if all of the
2 following requirements are satisfied:

- 3 (a) The sign or poster indicates that it describes the nutritional content of foods
4 served in the restaurant either by a title or heading using words such as
5 “nutrition facts”, “nutrition information,” or similar heading or title.
- 6 (b) The Proposition 65 warning is clearly visible to anyone reading the sign or
7 poster. It will be set off by a distinctive border, and the word “Warning”
8 shall be in print no smaller than other sectional headings in the sign or
9 poster.
- 10 (c) If the specific nutritional information about individual products is provided
11 on the sign itself, then the section 2.2 Proposition 65 warning shall be
12 provided on the sign unless there also is a brochure with specific nutritional
13 information, in which event, the Settling Defendant has the option to place
14 the section 2.3.2.2 warning on the sign or poster and a section 2.2 warning in
15 the brochure, provided, however, that if the Settling Defendant elects to
16 place the section 2.2 warning on the poster, if the brochure includes specific
17 nutritional information, the brochure also must include the section 2.2
18 warning. If the specific nutritional information about individual products is
19 only provided in a brochure, then the section 2.2 Proposition 65 warning set
20 forth above may be provided in the brochure only.
- 21 (d) Subject to subsection (c) above, the section 2.2 warning may be provided in
22 the brochure if (1) the brochure indicates that it describes the nutritional
23 content of foods served in the restaurant either by a title or heading using
24 words such as “nutrition facts”, “nutrition information,” or similar heading
25 or title; and (2) the Proposition 65 warning is set forth in type of at least the
26 same size and visibility as the nutritional information.

27 2.4 Settling Defendant may, but is not required to, submit signs and/or brochures for a
28 determination that it satisfies the requirements of this Consent Judgment. The sign

1 attached as Exhibit A to this Consent Judgment is deemed to satisfy the terms of this
2 Judgment regarding the content and appearance of warnings. No sign shall be
3 deemed to comply with this Consent Judgment unless it has been submitted to and
4 approved by the Attorney General.

5 2.5 Periodic Modification of Warning Message

6 2.5.1. The warning message may be modified, with the approval of the Attorney General,
7 to include other foods or beverages.

8 2.6 Implementation of Warning

9 2.6.1. Settling Defendant shall provide its own stores and all franchisees with sufficient
10 supply of signs, and, if that method of warning is selected, brochures, to meet the requirements of
11 this Consent Judgment.

12 2.6.2. Company Restaurants. Within 60 days of entry of this Consent Judgment, Settling
13 Defendant shall send a letter, in substantially the form and content set forth in Exhibit B, to its
14 Company Restaurants within the State of California, directing them to post the warning in the
15 manner described above. In addition, Settling Defendant shall include inspection for compliance
16 with these requirements in its existing inspection programs. Settling Defendant currently maintains
17 inspection, reporting and follow up programs that result in inspection of each of its Company
18 Restaurants in California at least every 6 months. Where inspection shows that a Company
19 Restaurant has not complied, Settling Defendant shall take all reasonably available steps to assure
20 compliance within 75 days.

21 2.6.3. Franchise Restaurants. Within 60 days of entry of this Consent Judgment, Settling
22 Defendant shall send a letter, in substantially the form and content set forth in Exhibit C, to its
23 Franchise Restaurants within the State of California, instructing them to post the warning in the
24 manner described above. This letter shall state that the franchisee is released from liability for past
25 violations and it is in compliance with future requirements with respect to sale of the Covered
26 Products only if the franchisee complies with the warning requirements. In addition, Settling
27 Defendant shall include inspection for compliance with these requirements in its existing
28 inspection, reporting and follow-up programs.

1 2.7. Nothing in this Consent Judgment requires that warnings be given for Covered
2 Products sold outside the State of California.

3 **3. PAYMENTS**

4 3.1.(a) Settling Defendant shall pay the following total amount of \$941,000, within thirty
5 days of entry of this Consent Judgment, as follows:

6 1. \$666,000 in civil penalties pursuant to Health and Safety Code section
7 25249.7(b).

8 2. \$275,000 to be used by the Attorney General for the enforcement of Proposition
9 65, as further set forth in Paragraph 3.1.(b).

10 (b) Funds paid pursuant to paragraph (a)(2) shall be placed in an interest-bearing Special
11 Deposit Fund established by the Attorney General. These funds, including any interest, shall be
12 used by the Attorney General, until all funds are exhausted, for the costs and expenses associated
13 with the enforcement and implementation of the Safe Drinking Water and Toxic Enforcement Act
14 of 1986 ("Proposition 65"), including investigations, enforcement actions, other litigation or
15 activities as determined by the Attorney General to be reasonably necessary to carry out his duties
16 and authority under Proposition 65. Such funding may be used for the costs of the Attorney
17 General's investigation, filing fees and other court costs, payment to expert witnesses and
18 technical consultants, purchase of equipment, travel, purchase of written materials, laboratory
19 testing, sample collection, or any other cost associated with the Attorney General's duties or
20 authority under Proposition 65. Funding placed in the Special Deposit Fund pursuant to this
21 paragraph, and any interest derived therefrom, shall solely and exclusively augment the budget of
22 the Attorney General's Office and in no manner shall supplant or cause any reduction of any
23 portion of the Attorney General's budget.

24 3.2. The payment pursuant to Paragraph 3.1(a)(2) and the payment of \$582,750 of the
25 \$666,000 payment required by Paragraph 3.1(a)(1) shall be made through the delivery of separate
26 checks payable to "California Department of Justice," to the attention of Edward G. Weil,
27 Supervising Deputy Attorney General, Department of Justice, 1515 Clay Street, 20th Floor,
28 Oakland, CA, 94612. Pursuant to Health and Safety Code section 25249.12(b), 25% of the civil

1 penalty payment is apportioned to the plaintiff. Of the \$166,500 plaintiff's share of the penalty
2 paid pursuant to this judgment, \$83,250 shall be paid to plaintiff Council for Education and
3 Research on Toxics. That payment shall be made by delivery of a check payable to Council for
4 Education and Research on Toxics, care of Raphael Metzger, Metzger Law Group, 401 East Ocean
5 Boulevard, Long Beach, California.

6 **4. MODIFICATION OF CONSENT JUDGMENT**

7 4.1. This Consent Judgment may be modified by written agreement of the Attorney
8 General and Settling Defendant, after noticed motion, and upon entry of a modified consent
9 judgment by the court thereon, or upon motion of the Attorney General or Settling Defendant as
10 provided by law and upon entry of a modified consent judgment by the court. Before filing an
11 application with the court for a modification to this Consent Judgment, Settling Defendant may
12 meet and confer with the Attorney General to determine whether the Attorney General will consent
13 to the proposed modification. If a proposed modification is agreed, then Settling Defendant and
14 the Attorney General will present the modification to the court by means of a stipulated
15 modification to the Consent Judgment.

16 4.2 If the Attorney General subsequently agrees in a settlement or judicially entered
17 injunction or consent judgment that the Covered Products or other potato products (as sold by other
18 companies) do not require a warning under Proposition 65 (based on the presence of acrylamide),
19 or that imposes an injunctive relief warning for Covered Products or other potato products different
20 from that imposed under this Consent Judgment; or if a court of competent jurisdiction renders a
21 final judgment, and the judgment becomes final, in a case brought by the Attorney General, that
22 Covered Products or other products do not require a warning under Proposition 65, or otherwise
23 imposes an injunctive relief warning different from that imposed by this Consent Judgment, then
24 Settling Defendant shall be entitled to seek to modify this Consent Judgment to eliminate or
25 modify the injunctive relief set forth in Paragraph 2, consistent with the Attorney General's
26 agreement or with the court judgment as described herein, and considering any differences between
27 the Covered Products and any other potato products addressed in another settlement or court
28 judgment. Settling Defendant shall not be entitled to and may not seek a modification of the

1 judgment simply because a court orders another company to use any "safe harbor" warning
2 methods set out in California Code of Regulations, title 22, section 12601, subdivision (b).

3 4.3 If a court of competent jurisdiction renders a final judgment, and the judgment
4 becomes final, in a case brought by the Attorney General or against the State of California, that
5 federal law precludes the Settling Defendant from providing the warnings set forth in this Consent
6 Judgment, Settling Defendant may seek to modify this Consent Judgment to bring the injunctive
7 relief imposed herein into compliance with federal law.

8 4.4 If an agency of the federal government, including, but not limited to the U.S. Food
9 and Drug Administration, states through any communication, regulation, or legally binding act, that
10 federal law precludes the Settling Defendant from providing all of the warnings set forth in this
11 Consent Judgment or the manner in which the warnings are given, Settling Defendant may seek to
12 modify this Consent Judgment to bring the warnings into compliance with federal law, but the
13 modification shall not be granted unless this Court concludes, in a final judgment or order, that
14 federal law precludes the Settling Defendant from providing the warnings set forth in this Consent
15 Judgment. A determination that the provision of some, but not all, forms of warning described in
16 section 2 above (e.g., warnings in conjunction with provision of nutritional information) is not
17 permitted shall not relieve Settling Defendant of the duty to provide one of the other warnings
18 described under this judgment for which such determination has not been made.

19 4.5 If Proposition 65 or its implementing regulations are changed from their terms as
20 they exist on the date of entry of judgment, the parties may seek modifications in the Consent
21 Judgment as follows:

22 a. If the change establishes that warnings for acrylamide in the Covered Products are not
23 required, Settling Defendant may seek a modification of this Consent Judgment to relieve it of the
24 duty to warn.

25 b. If the change establishes that the warnings provided by this Consent Judgment would not
26 comply with the law, either party may seek a modification of the Consent Judgment to conform the
27 judgment to the change in law.

28

1 c. If the change would provide a new form or manner of an optional or safe-harbor
2 warning, a Settling Defendant may seek a modification to provide a warning in the newly permitted
3 form, but the modification shall not be granted unless the court finds that the new warning would
4 not be materially less informative or likely to be seen, read, and understood than the warnings
5 provided under this Consent Judgment.

6 4.6 If a Settling Defendant corresponds in writing to an agency or branch of the United
7 States Government in connection with the application of Proposition 65 to Acrylamide in fried or
8 baked potato products, then, so long as such correspondence is not confidential and would be
9 retrievable by the Attorney General under the Freedom of Information Act, Settling Defendant
10 originating such communication shall provide the Attorney General with a copy of such
11 communication as soon as practicable, but not more than 10 days after sending or receiving the
12 correspondence; provided, however, that this section shall not apply to correspondence to or from
13 trade associations or other groups of which Settling Defendant is a member.

14 5. ENFORCEMENT

15 5.1. The People may, by motion or application for an order to show cause before this
16 Court, enforce the terms and conditions contained in this Consent Judgment. In any such
17 proceeding, the People may seek whatever fines, costs, penalties, or remedies are provided by law
18 for failure to comply with the Consent Judgment and where said violations of this Consent
19 Judgment constitute subsequent violations of Proposition 65 or other laws independent of the
20 Consent Judgment and/or those alleged in the Complaint, the People are not limited to enforcement
21 of the Consent Judgment, but may seek in another action, whatever fines, costs, penalties, or
22 remedies are provided for by law for failure to comply with Proposition 65 or other laws. In any
23 action brought by the People alleging subsequent violations of Proposition 65 or other laws,
24 Settling Defendant may assert any and all defenses that are available.

25 6. AUTHORITY TO STIPULATE TO CONSENT JUDGMENT

26 6.1. Each signatory to this Consent Judgment certifies that he or she is fully authorized by
27 the party he or she represents to stipulate to this Consent Judgment and to enter into and execute
28 the Consent Judgment on behalf of the party represented and legally to bind that party.

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7. CLAIMS COVERED

7.1. This Consent Judgment is a full, final, and binding resolution between the People and Settling Defendant, of any violation of Proposition 65, Business & Professions Code sections 17200 *et seq.*, or any other statutory or common law claims that have been or could have been asserted in the complaint against Settling Defendant for failure to provide clear and reasonable warnings of exposure to acrylamide from the use of the Covered Products, or any other claim based on the facts or conduct alleged in the Complaint, whether based on actions committed by Settling Defendant or by any entity to whom it distributes or sells Covered Products, and for any franchisee who sells or has sold Covered Products in the State of California, if that franchisee complies with Paragraph 2.6.3. As to Covered Products, compliance with the terms of this Consent Judgment resolves any issue now, in the past, and in the future concerning compliance by Settling Defendant, their parents, shareholders, divisions, subdivisions, subsidiaries, sister companies, affiliates, franchisees, cooperative members, and licensees; their distributors, wholesalers, and retailers who sell Covered Products; and the predecessors, successors, and assigns of any of them; with the requirements of Proposition 65.

8. RETENTION OF JURISDICTION

8.1. This Court shall retain jurisdiction of this matter to implement the Consent Judgment.

9. PROVISION OF NOTICE

9.1. When any party is entitled to receive any notice under this Consent Judgment, the notice shall be sent by overnight courier service to the person and address set forth in this Paragraph. Any party may modify the person and address to whom the notice is to be sent by sending each other party notice by certified mail, return receipt requested. Said change shall take effect for any notice mailed at least five days after the date the return receipt is signed by the party receiving the change.

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1 9.2. Notices shall be sent to the following when required:

2 For the Attorney General:

3 Edward G. Weil, Supervising Deputy Attorney General
4 1515 Clay St., 20th Flr.
5 Oakland, CA 94612
6 Telephone: (510) 622-2149
7 Facsimile: (510) 622-2270

8 9.3 Notices for the Settling Defendant shall be sent to:

9 For McDonald's:

10 Gary Roberts
11 John Walker
12 Sonnenschein Nath & Rosenthal LLP
13 601 South Figueroa, Suite 2500
14 Los Angeles, CA 90017
15 Telephone: 213 892-5005
16 Facsimile: 213 623-9924

Christina Conlin, Esq.
McDonald's Corporation
2915 Jorie Boulevard
Oak Brook, Illinois 60523
Telephone: 630 623-3043
Facsimile: 630 623-7370

17 Forrest A. Hainline, III
18 Goodwin Procter
19 101 California Street, Suite 1850
20 San Francisco, CA 94111
21 Telephone: 415 733-6065
22 Facsimile: 415 677-9041

23 **10. COURT APPROVAL**

24 10.1. This Consent Judgment shall be submitted to the Court for entry by noticed motion.
25 If this Consent Judgment is not approved by the Court, it shall be of no force or effect and may not
26 be used by the Attorney General or Settling Defendant for any purpose.

27 **11. ENTIRE AGREEMENT**

28 11.1 This Consent Judgment contains the sole and entire agreement and understanding of
the Parties with respect to the entire subject matter hereof, and any and all prior discussions,
negotiations, commitments and understandings related hereto. No representations, oral or
otherwise, express or implied, other than those contained herein have been made by any party
hereto. No other agreements not specifically referred to herein, oral or otherwise, shall be deemed
to exist or to bind any of the parties.

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12. EXECUTION IN COUNTERPARTS

12.1. The stipulations to this Consent Judgment may be executed in counterparts and by means of facsimile, which taken together shall be deemed to constitute one document.

IT IS SO STIPULATED:

Dated: *Nov 13, 2007*

EDMUND G. BROWN JR.
Attorney General
JANET GAARD
Acting Chief Assistant Attorney General
THEODORA BERGER
Assistant Attorney General
EDWARD G. WEIL
Supervising Deputy Attorney General
LAURA ZUCKERMAN
Deputy Attorney General

By: *Edward G. Weil*
Edward G. Weil
Deputy Attorney General
For Plaintiffs People of the State of California

Dated: *11-13-07*

SONNENSCHNEIN, NATH & ROSENTHAL
Gary Roberts
John Walker

By: *Gary Roberts* /gys
Gary Roberts
Attorney for Defendant McDonald's

Dated:

By: *[Signature]* ec
for Defendant McDonald's

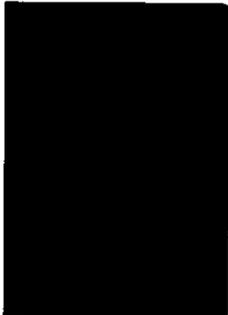
IT IS SO ORDERED, ADJUDGED, AND DECREED:

DEC 11 2007

WENDELL R. MORTIMER, JR.
Hon. Wendell Mortimer, Jr.
Judge of the Superior Court

EXHIBIT A

See what we're made of.



Nutrition Facts											% Daily Value					
	Serving Size	Calories	Total Fat (g)	Saturated Fat (g)	Trans Fat (g)	Cholesterol (mg)	Sodium (mg)	Total Carbohydrates (g)	Dietary Fiber (g)	Sugars (g)	Protein (g)	Vitamin A	Vitamin C	Calcium	Iron	
Beef																
Hamburger	100g	260	9	3.5	0.6	28	820	31	2	6	17	0	2	10	16	
Chesapeake	114g	300	12	6	0.6	40	750	38	2	6	16	6	2	20	16	
Double Chesapeake	196g	440	23	11	1.6	80	1160	64	2	7	25	10	2	28	20	
Quarter Pounder® with Cheese +	195g	570	26	12	1.6	80	1390	62	3	9	29	10	4	30	20	
Double Quarter Pounder® with Cheese +	376g	740	46	19	2.8	160	1790	100	3	9	29	10	4	30	20	
Big Mac®	214g	540	29	10	1.6	70	1240	45	3	6	25	8	1	20	15	
Big 'N' Tasty®	225g	490	24	8	1.6	70	720	37	3	6	24	8	1	15	25	
Big 'N' Tasty with Cheese	235g	510	26	11	1.6	65	660	35	3	6	27	10	1	20	25	
Fresh Files																
Small French Fries	74g	280	18	2.5	0.5	0	140	30	3	0	2	0	0	2	4	
Medium French Fries	114g	380	20	4	0	0	220	47	6	0	4	0	0	10	2	
Large French Fries	170g	670	30	6	0	0	350	70	7	0	6	0	0	18	2	
Ketchup Packet (1 pkt)	15g	18	0	0	0	0	110	0	0	2	0	2	0	0	0	
Chicken/Fish																
McChicken®	147g	360	16	3.5	1	40	790	40	1	5	14	0	2	10	16	
Premium Chicken Club Sandwich (toasted)	263g	660	38	9	1.6	60	1880	88	4	11	39	8	10	20	20	
Premium Chicken Club Sandwich (untoasted)	260g	670	21	7	0	100	1720	52	4	12	44	8	10	20	20	
Premium Chicken Ranch BLT Sandwich (toasted)	249g	690	29	6	1.6	20	1660	64	3	12	35	4	10	9	20	
Premium Chicken Ranch BLT Sandwich (untoasted)	245g	670	18	4	0	80	1520	52	3	13	40	13	4	10	20	
Premium Chicken Classic Sandwich (toasted)	228g	500	17	3	1.6	50	1380	51	3	10	27	4	10	10	20	
Premium Chicken Classic Sandwich (untoasted)	226g	470	10	2	0	70	1180	51	3	11	30	4	10	6	20	
Ranch Snack Wrap® (toasted)	111g	320	15	4.5	1	30	780	37	2	3	14	2	2	10	16	
Ranch Snack Wrap® (untoasted)	122g	320	10	4	0	45	780	29	2	3	18	2	2	10	16	
Honey Mustard Snack Wrap® (toasted)	117g	320	15	4.5	1	30	780	34	1	4	14	2	2	10	16	
Honey Mustard Snack Wrap® (untoasted)	124g	300	9	3.5	0	45	800	37	1	4	16	2	2	10	16	
Chicken McHotdog® (4 pieces)	64g	170	0	0	0	0	170	0	0	0	0	0	0	0	0	
Chicken McHotdogs (8 pieces)	94g	250	16	2	1.6	80	670	4	0	0	15	2	2	0	2	
Chicken McHotdogs (10 pieces)	160g	420	24	3	2.8	60	1120	26	0	0	26	4	2	2	6	
Barbecue Sauce (1 pint)	22g	90	0	0	0	0	280	12	0	10	0	0	0	0	0	
Hot Mustard Sauce (1 pint)	28g	60	0	0	0	0	5	280	18	2	8	1	0	0	0	
Sweet 'N Sour Sauce (1 pint)	28g	60	0	0	0	0	190	12	0	10	0	2	0	0	0	
Hot Sauce (1 pint)	14g	50	0	0	0	0	0	12	0	11	0	0	0	0	0	
Chicken Salsas (3 pint)	138g	380	20	3.5	2.5	55	980	29	0	0	29	0	4	2	4	
Chicken Salsas (1 pint)	61g	160	9	1.5	1.2	25	450	13	0	0	13	0	2	2	2	
Creamy Ranch Sauce (1 pint)	43g	90	0	0	0	0	100	2	0	0	0	0	0	0	0	
Cheesy Barbecue Sauce (1 pint)	43g	70	0	0	0	0	240	18	1	19	0	0	0	0	0	
Spicy Barbecue Sauce (1 pint)	43g	70	0	0	0	0	240	18	1	19	0	0	0	0	0	
Smoky Honey Mustard Sauce (1 pint)	43g	70	0	0	0	0	240	18	1	19	0	0	0	0	0	
Ketchup Packet (1 pint)	143g	380	18	4	1	30	690	39	2	5	19	2	0	0	0	
Salads																
Apple Sliced with Grilled Chicken	362g	300	10	1	0	55	890	38	5	12	32	130	20	18	16	
Apple Sliced with Grilled Chicken	365g	380	17	2.5	1.6	45	1080	38	5	12	32	130	20	18	16	
Apple Sliced without Chicken	249g	180	7	0.5	0	0	150	5	0	0	3	130	10	10	15	
Premium Bacon Ranch Salad with Grilled Chicken	321g	280	8	4	0	80	1010	10	0	0	0	0	0	15	10	
Premium Bacon Ranch Salad with Chicky Chicken	353g	360	16	5	1.5	70	1150	23	2	4	28	130	20	15	10	
Premium Bacon Ranch Salad without Chicken	282g	140	7	3.5	0	25	300	10	3	4	9	130	20	15	8	
Premium Caesar Salad with Grilled Chicken	311g	320	4	3	0	0	780	12	3	5	30	130	20	20	10	
Premium Caesar Salad with Grilled Chicken	313g	320	12	4	1.5	0	1050	29	4	4	18	150	20	10	10	
Premium Caesar Salad without Chicken	218g	90	4	2.5	0	10	180	9	3	4	9	150	20	20	8	
Side Salad	87g	30	0	0	0	0	10	4	1	2	1	45	25	2	4	
Swiss Style Fruit & Vegetable Salad	163g	210	0	0	0	0	90	21	2	25	4	0	0	0	0	
Newman's Own® Creamy Caesar Dressing (1 pint)	2.8 L	180	18	3.5	0	20	600	4	0	0	0	0	0	0	0	
Newman's Own Low Fat Balsamic Vinaigrette (1 pint)	1.5 L	90	4	0	0	0	700	4	0	0	0	0	0	0	0	
Newman's Own Ranch Dressing (1 pint)	2.8 L	170	15	2.5	0	20	580	9	0	4	1	0	0	0	0	
Newman's Own Low Fat French Dressing, Original Dressing (1 pint)	2.8 L	90	2.5	0	0	0	790	9	0	1	1	0	0	0	0	
Newman's Own Low Fat Sesame Ginger Dressing (1 pint)	1.5 L	90	3.5	0	0	0	740	10	0	10	1	0	0	0	0	
Butter Garlic Croutons (1 pint)	14g	60	1.5	0	0	0	140	10	0	2	0	0	0	0	0	
Breads																
Egg McMuffin®	139g	300	13	5	0	350	820	30	2	3	18	19	0	0	20	20
Sausage McMuffin®	114g	370	27	10	0	0	890	29	2	2	14	6	2	2	16	
Sausage McMuffin with Egg	154g	460	37	15	0	0	260	30	2	2	21	10	2	2	15	
Bacon, Egg & Cheese Biscuit (Handy Size Biscuit)	141g	440	25	3	6	245	1340	50	2	4	18	10	4	5	15	
Bacon, Egg & Cheese Biscuit (Large Size Biscuit)	141g	500	29	9	7	245	1470	42	2	4	18	10	0	0	15	
Breakfast Burrito with Egg (Regular Size Burrito)	191g	480	39	10	7	250	1240	42	2	2	17	6	0	0	8	
Breakfast Burrito with Egg (Large Size Burrito)	171g	560	39	10	7	250	1240	42	2	2	17	6	0	0	8	
Sausage Biscuit (Regular Size Biscuit)	109g	400	27	8	0	30	1010	32	2	2	11	0	0	0	0	
Sausage Biscuit (Large Size Biscuit)	124g	450	30	9	7	30	1340	38	3	2	11	0	0	0	6	
Bacon, Egg & Cheese McGriddle®	135g	340	31	6	0	345	1140	38	2	16	18	10	0	0	20	15
Sausage, Egg & Cheese McGriddle®	102g	380	32	12	0	215	1390	37	2	15	20	10	0	0	15	
Sausage McGriddle®	141g	420	32	8	0	35	1080	44	2	15	11	0	0	0	0	
Breakfast Burrito	111g	300	16	7	0.5	130	820	26	1	2	12	10	0	0	15	
Big Breakfast® Regular Size Burrito	320g	720	46	13	9	430	1550	48	3	3	27	18	4	4	15	
Big Breakfast® Large Size Burrito	375g	780	60	14	2	520	1640	54	4	3	27	18	4	4	15	
Delicious® Breakfast Sandwich & 2 eggs, no margarine	481g	1380	63	17	11	575	2180	163	6	49	29	15	4	25	40	
Delicious® Breakfast Sandwich & 2 eggs, margarine	488g	1380	67	18	13	575	2290	167	6	50	30	15	4	25	40	
McHotdog and Sausage wrap & 2 eggs, no margarine	294g	780	33	8	0	450	1060	106	3	46	16	2	0	15	16	
McHotdog and Sausage wrap & 2 eggs, margarine	308g	780	33	8	0	590	1380	106	3	46	15	15	2	0	15	
Scrambled Egg (2)	88g	170	11	5	0	0	0	0	0	0	0	0	0	0	0	
Hash Browns	63g	140	8	1.5	0	0	290	16	2	0	1	0	0	0	0	
Hotdogg® Sausage	60g	190	0	0	0	0	190	45	0	85	0	0	0	0	0	
Romano Sauce - Hot	14g	5	0	0	0	0	160	1	0	0	0	0	0	0	0	
Romano Sauce - Mild	14g	5	0	0	0	0	120	1	0	0	0	0	0	0	0	
Drinks																
Apple Pie (1 pint)	68g	95	0	0	0	0	0	8	0	0	0	0	0	0	4	0
Low Fat Creamed Pie (1 pint)	51g	70	0.2	0	0	0	0	26	10	0	0	0	0	0	0	
Fruit 'n Yogurt Parfait	142g	112	0	1	0	0	0	55	25	0	19	4	0	0	10	
Fruit 'n Yogurt Parfait	140g	180	2	1	0	0	0	85	21	1	21	4	0	0	10	
Vanilla Reduced Fat Ice Cream Cone	95g	160	3.5	2	0	0	15	80	24	0	18	4	0	0	10	
Strawberry Sundae	175g	280	4	4	0	25	35	40	1	45	6	10	4	20	20	

EXHIBIT B

EXHIBIT B

(For use if Settling Defendant elects to provide posters pursuant to Section 2.3.3)

**ACTION REQUIRED: THIS COMMUNICATION
APPLIES ONLY TO RESTAURANTS LOCATED IN
CALIFORNIA**

McDonald's Corporation has entered into a consent judgment with the Attorney General for the State of California regarding the presence of acrylamide in french fries sold at McDonald's restaurants in California.

Under the terms of this consent judgment, all McDonald's restaurants in California are required to post the enclosed nutritional poster. If you already have a nutritional poster up in the restaurant, you must immediately replace it with the updated version enclosed.

The poster must be located as follows:

- at or on the counter where food is purchased, OR
- on a wall either adjacent and parallel to the counter or clearly visible to consumers standing at the counter to order food; OR
- on a wall reasonably likely to be seen and read by customers entering the restaurant to order food.

The poster may not be located at any of the following locations:

- on an entrance or exit door;
- on a window;
- on a restroom door;
- in a restroom;
- in a hallway that leads only to restrooms; or
- on a refuse container.

Your compliance with this instruction is mandatory and will be checked as part of the QSC evaluations. You must continue to post the enclosed nutritional poster unless and until you receive written instructions from McDonald's to the contrary. If you need new posters or have any questions, such as appropriate poster locations for your specific restaurant, please contact _____.

Exhibit B

(For use if Settling Defendant elects to provide nutritional brochures pursuant to Section 2.3.3(c))

ACTION REQUIRED: THIS COMMUNICATION APPLIES ONLY TO RESTAURANTS LOCATED IN CALIFORNIA

McDonald's Corporation has entered into a consent judgment with the Attorney General for the State of California regarding the presence of acrylamide in french fries sold at McDonald's restaurants in California.

Under the terms of this consent judgment, all McDonald's restaurants in California are required to have the enclosed nutritional brochure and backsplash inserts. If you already have nutritional brochures and backsplash inserts in the restaurant, you must immediately replace them with the updated versions enclosed.

The brochures must be located as follows:

- at or on the counter where food is purchased, OR
- on a wall either adjacent and parallel to the counter or clearly visible to consumers standing at the counter to order food; OR
- on a wall reasonably likely to be seen and read by customers entering the restaurant to order food.

The brochures may not be located at any of the following locations:

- on an entrance or exit door;
- on a window;
- on a restroom door;
- in a restroom;
- in a hallway that leads only to restrooms; or
- on a refuse container.

Your compliance with this instruction is mandatory and will be checked as part of the QSC evaluations. You must continue to have the enclosed nutritional brochure and backsplash insert unless and until you receive written instructions from McDonald's to the contrary. If you need new brochures or backsplash inserts, or if you have any questions, such as appropriate poster locations for your specific restaurant, please contact

EXHIBIT C

EXHIBIT C

(For use if Settling Defendant elects to provide posters pursuant to Section 2.3.3)

**ACTION REQUIRED: THIS COMMUNICATION
APPLIES ONLY TO RESTAURANTS LOCATED IN
CALIFORNIA**

McDonald's Corporation has entered into a consent judgment with the Attorney General for the State of California regarding the presence of acrylamide in french fries sold at McDonald's restaurants in California.

Under the terms of this consent judgment, all McDonald's restaurants in California are required to post the enclosed nutritional poster. If you already have a nutritional poster up in the restaurant, you must immediately replace it with the updated version enclosed.

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The poster may not be located at any of the following locations:

- on an entrance or exit door;
- on a window;
- on a restroom door;
- in a restroom;
- in a hallway that leads only to restrooms; or
- on a refuse container.

Your compliance with this instruction is mandatory if you are to benefit from the protection in the consent judgment described below and will be checked as part of the QSC evaluations. You must continue to post the enclosed nutritional poster unless and until you receive written instructions from McDonald's to the contrary. If you need new posters or have any questions, such as appropriate poster locations for your specific restaurant, please contact _____.

IMPORTANT: ALTHOUGH YOU WERE NOT SUED BY THE CALIFORNIA ATTORNEY GENERAL OR THE PRIVATE PLAINTIFF, MCDONALD'S CORPORATION HAS OBTAINED A CONDITIONAL RELEASE ON YOUR BEHALF. FOR THAT RELEASE TO BE EFFECTIVE, YOU MUST COMPLY WITH THE TERMS OF THIS COMMUNICATION. IF YOU DO NOT, YOU RISK BEING SUED BY THE CALIFORNIA ATTORNEY GENERAL OR BY PRIVATE PARTIES IN CALIFORNIA ACTING IN HIS STEAD.

Exhibit C

(For use if Settling Defendant elects to provide nutritional brochures pursuant to Section 2.3.3(e))

ACTION REQUIRED: THIS COMMUNICATION APPLIES ONLY TO RESTAURANTS LOCATED IN CALIFORNIA

McDonald's Corporation has entered into a consent judgment with the Attorney General for the State of California regarding the presence of acrylamide in french fries sold at McDonald's restaurants in California.

Under the terms of this consent judgment, all McDonald's restaurants in California are required to have the enclosed nutritional brochures and backsplash inserts. If you already have nutritional brochures and backsplash inserts up in the restaurant, you must immediately replace them with the updated versions enclosed.

The brochures must be located as follows:

- at or on the counter where food is purchased, OR
- on a wall either adjacent and parallel to the counter or clearly visible to consumers standing at the counter to order food; OR
- on a wall reasonably likely to be seen and read by customers entering the restaurant to order food.

The brochures may not be located at any of the following locations:

- on an entrance or exit door;
- on a window;
- on a restroom door;
- in a restroom;
- in a hallway that leads only to restrooms; or
- on a refuse container.

Your compliance with this instruction is mandatory if you are to benefit from the protection in the consent judgment described below and will be checked as part of the QSC evaluations. You must continue to provide the enclosed nutritional brochures and backsplash inserts unless and until you receive written instructions from McDonald's to the contrary. If you need new brochures or backsplash inserts, or if you have any questions, such as appropriate brochure locations for your specific restaurant, please contact _____.

IMPORTANT: ALTHOUGH YOU WERE NOT SUED BY THE CALIFORNIA ATTORNEY GENERAL OR THE PRIVATE PLAINTIFF, MCDONALD'S CORPORATION HAS OBTAINED A CONDITIONAL RELEASE ON YOUR BEHALF. FOR THAT RELEASE TO BE EFFECTIVE, YOU MUST COMPLY WITH THE TERMS OF THIS COMMUNICATION. IF YOU DO NOT, YOU RISK BEING SUED BY THE CALIFORNIA ATTORNEY GENERAL OR BY PRIVATE PARTIES IN CALIFORNIA ACTING IN HIS STEAD.

DECLARATION OF SERVICE BY OVERNIGHT COURIER

Case Name: *Environmental World Watch v. Procter & Gamble*
Case No.: **Los Angeles County Superior Court No. BC337618 (Lead Case)**

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter; my business address is: P.O. Box 70550, Oakland, CA 94612-0550, addressed as follows:

On December 12, 2007, I served the attached:

NOTICE OF ENTRY OF CONSENT JUDGMENT AS TO DEFENDANT McDONALD'S CORPORATION

by placing a true copy thereof enclosed in a sealed envelope with **Federal Express** (with courtesy copy by electronic mail), addressed as follows:

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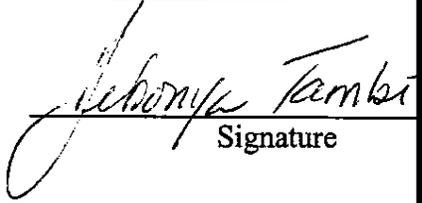
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I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on December 12, 2007, at Oakland, California.

YEBONYA TAMBI

Declarant



Signature