UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

TIMOTHY WORTHINGTON, WILLIAM SCHENDEN, MONET REID, JOSH BOESCH, CATHIE HAGLUND, LINDSEY HUGHES, PATRICIA SMITH, AMI BUBICA, ALEXIS BRONSON, STEFANIE ANGELICO, CODY KIRCHOFF, ROBERT BANACH, ROBERT NEDVED, ANTHONY RICKENBACKER, PAMELA GRIZZEL, KEITH AITKEN, BENJAMIN GIBSON, CHRISTINE CLEARY, and MYSHELLE DUNSTON, individually and on behalf of all others similarly situated, Plaintiffs, v. McDONALD'S USA, LLC, a Delaware limited liability company, and McDONALD'S CORPORATION, a Delaware corporation, Defendants.	Case No.: **CLASS ACTION** **JURY TRIAL DEMANDED**

CLASS ACTION COMPLAINT

Plaintiffs, Timothy Worthington, William Schenden, Monet Reid, Josh Boesch, Cathie Haglund, Lindsey Hughes, Patricia Smith, Ami Bubica, Alexis Bronson, Angelika Hyde, Stefanie Angelico, Cody Kirchoff, Robert Banach, Robert Nedved, Anthony Rickenbacker, Pamela Grizzel, Keith Aitken, Benjamin Gibson, Christine Cleary, and Myshelle Dunston (collectively, "Plaintiffs"), on behalf of themselves and all others similarly situated, bring this Class Action Complaint against Defendants McDonald's USA, LLC and McDonald's Corporation (taken together, "McDonald's" or "Defendants"), as follows:

I. INTRODUCTION

1. This lawsuit arises from Defendants' and their co-conspirator franchisees' unlawful horizontal agreement to raise, fix, maintain, and/or stabilize the prices of McDonald's menu items in the United States from at least as early as January 1, 2019 through the present ("Class Period").

2. To implement their price-fixing conspiracy, Defendants exchanged detailed, competitively sensitive, non-public information about prices, capacity, sales volume, supply, and demand for McDonald's menu items, in addition to other conduct alleged herein.

3. Moreover, an agreement to share and the sharing of competitively sensitive non-public information among horizontal competitors is itself an independent violation of Section 1 of the Sherman Act. Defendants' agreement to share and the sharing of confidential price, sales, supply, and demand data with their competitors is also an unlawful information exchange that demonstrates an effective enforcement mechanism of a price-fixing scheme.

4. The vehicle for this information exchange is a McDonald's-controlled pricing engine. Since at least 2019, McDonald's has owned and operated a centralized pricing engine that ingests data from millions of daily transactions across corporate and franchised McDonald's restaurants, including the confidential sales data of franchisees, and generates a recommended price for menu items at individual restaurants. This pricing engine was intended to, and did, learn and adapt without following explicit instructions, by using algorithms and statistical models to analyze and draw inferences from patterns in data in order to set prices.

5. Using the nonpublic data of competing McDonald's restaurants, the pricing engine estimates how much each restaurant's likely customers are willing to pay and tells each franchisee how sensitive its likely customers are to prices. Critically, the algorithm is programmed with rules tying one restaurant's price increases to whether other McDonald's restaurants have already raised prices on the same item. In this way, each restaurant's pricing is made dependent on its competitors' pricing rather than set independently.

6. Prior to January 2026, McDonald's had, in various ways, exerted pressure to

implement and enforce agreement among franchisees to use the algorithm to price menu items. That pressure was effective because McDonald's has significant leverage over its franchisees, who make sizable investments in their restaurants and stand to lose those investments if they do not remain in the good graces of the franchisor. Franchisees' authorization to continue operating their stores, expand the number of stores they operate, and ultimately renew their stores at the expiration of the franchise agreement is dependent on their level of compliance with McDonald's-mandated business policies, practices, and procedures.

7. Beginning in January 2026, McDonald's went further and formally required its franchisees to use the company's approved pricing consultant and tools. To enforce this agreement, McDonald's tracks franchisee deviations from the engine's recommendations in detail, follows up with franchisees who do not use it, and tells its investors that "pricing non-compliance" factors into the company's decision about whether franchisees may be considered for renewal or expansion of their franchises. McDonald's thus ensures implementation and enforcement of the illegal price-fixing agreement among its co-conspirator franchisees.

8. That McDonald's routes this exchange through a centralized algorithm rather than through direct communications among franchisees does not change the analysis. Just as the antitrust laws do not allow competitors to exchange competitively sensitive information directly in an effort to stabilize or control industry pricing, they also prohibit the use of an intermediary to do the same. Simply put, McDonald's cannot use an intermediary to shield the information exchange from antitrust liability.

9. Absent an agreement, it would have been contrary to the economic self-interest of the individual restaurants under McDonald's ownership and its co-conspirator franchisees to share such competitively sensitive information with horizontal competitors. The reciprocal and mutual agreement, and sharing of such information, facilitated and maintained a price-fixing conspiracy and reassured McDonald's and its co-conspiring counterparts that each would adhere to the conspiracy. The ubiquitous sharing of such information, as in this case, served an important monitoring and enforcement mechanism for the cartel.

10. As a result of Defendants' conspiracy, prices for McDonald's menu items reached all-time highs during the Class Period. Among the victims of the conspiracy are U.S. consumers who paid more for McDonald's menu items during the Class Period than they would have paid in a competitive market. Plaintiffs and the Class members paid more for McDonald's food than they would have paid in a market in which true competition prevailed and franchisees set their prices independently. They bring this action for treble damages, injunctive relief, and attorneys' fees.

II. JURISDICTION, VENUE AND INTERSTATE COMMERCE

11. This action is brought under Sections 4 and 16 of the Clayton Act, 15 U.S.C. §§ 15 and 26, to recover treble damages and the costs of this suit, including reasonable attorneys' fees, against Defendants for the injuries sustained by Plaintiff by virtue of Defendants' violations of Section 1 of the Sherman Act, 15 U.S.C. § 1, and to enjoin further violations. The Court has subject matter jurisdiction under Sections 4 and 16 of the Clayton Act, 15 U.S.C. §§ 15 and 26, under Section 4 of the Sherman Act, 15 U.S.C. § 4, and under 28 U.S.C. §§ 1331, 1332 and 1337 to prevent and restrain the Defendants from violating Section 1 of the Sherman Act, 15 U.S.C. § 1.

12. Venue is proper in this judicial district under Sections 4, 12, and 16 of the Clayton Act, 15 U.S.C. §§ 15, 22, and 26, and under 28 U.S.C. § 1391(b)(2), (c)(2). McDonald's transacts or has transacted business in this district and has its principal place of business here. Based on information and belief, a substantial part of the events that gave rise to this action occurred here-namely, the decision to implement the price-fixing strategy and enforce the agreement with its franchisees.

13. This Court has personal jurisdiction over each Defendant because each Defendant transacted business, maintained substantial contacts, and is located and/or committed unlawful conduct in this District. Defendants' unlawful scheme was directed at, and had the intended effect of causing injury to persons residing in, located in, or doing business in this District.

14. McDonald's is in the business of selling food to consumers primarily through independently owned and operated franchise restaurants. These restaurants are in each state in the

United States, and McDonald's has substantial business activities with each franchised restaurant, including entering into a contractual franchise agreement with the owner or owners of the franchise.

15. McDonald's also sells food to consumers through its own company-owned stores. These restaurants are owned by McDonald's operating companies ("MOCs"), which are indirect or direct subsidiaries of Defendant McDonald's Corporation. During the Class Period, MOCs have operated McDonald's restaurants in more than 35 U.S. states and territories, including Illinois. McDonald's owns, operates, and engages in substantial business activities through the MOC restaurants.

16. McDonald's engages in substantial activities at issue in this Complaint that are in the flow of and substantially affect interstate commerce.

III. PARTIES

17. Plaintiff Timothy Worthington is a resident of Phoenix, Arizona. During the Class Period, Plaintiff purchased menu items at various McDonald's restaurants in various locations, including but not limited to Phoenix, Arizona and paid supracompetitive prices as a result of the conduct alleged in this Complaint.

18. Plaintiff Alexis Bronson is a resident of Oakland, California. During the Class Period, Plaintiff purchased menu items at various McDonald's restaurants in various locations, including but not limited to Oakland, California and paid supracompetitive prices as a result of the conduct alleged in this Complaint.

19. Plaintiff William Schenden is a resident of Boca Raton, Florida. During the Class Period, Plaintiff purchased menu items at various McDonald's restaurants in various locations, including but not limited to Boca Raton, Florida and Fort Lauderdale, Florida and paid supracompetitive prices as a result of the conduct alleged in this Complaint.

20. Plaintiff Ami Bubica is a resident of Joliet, Illinois. During the Class Period, Plaintiff purchased menu items at various McDonald's restaurants in various locations, including

but not limited to Joliet, Illinois, and New Lenox, Illinois, and paid supracompetitive prices as a result of the conduct alleged in this Complaint.

21. Plaintiff Patricia Smith is a resident of Louisville, Kentucky. During the Class Period, Plaintiff purchased menu items at various McDonald's restaurants in various locations, including but not limited to Louisville, Kentucky and paid supracompetitive prices as a result of the conduct alleged in this Complaint.

22. Plaintiff Stefanie Angelico is a resident of Slidell, Louisiana. During the Class Period, Plaintiff purchased menu items at various McDonald's restaurants in various locations, including but not limited to Cypress, Texas, Houston, Texas, Katy, Texas, and Slidell, Louisiana and paid supracompetitive prices as a result of the conduct alleged in this Complaint.

23. Plaintiff Monet Reid is a resident of Hyattsville, Maryland. During the Class Period, Plaintiff purchased menu items at various McDonald's restaurants in various locations, including but not limited to Hyattsville, Maryland and Silver Spring, Maryland and paid supracompetitive prices as a result of the conduct alleged in this Complaint.

24. Plaintiff Cody Kirchoff is a resident of Hubbard Lake, Michigan. During the Class Period, Plaintiff purchased menu items at various McDonald's restaurants in various locations, including but not limited to Alpena, Michigan and paid supracompetitive prices as a result of the conduct alleged in this Complaint.

25. Plaintiff Robert Banach is a resident of West Point, Mississippi. During the Class Period, Plaintiff purchased menu items at various McDonald's restaurants in various locations, including but not limited to West Point, Mississippi and paid supracompetitive prices as a result of the conduct alleged in this Complaint.

26. Plaintiff Robert Nedved is a resident of Kansas City, Missouri. During the Class Period, Plaintiff purchased menu items at various McDonald's restaurants in various locations, including but not limited to Kansas City, Missouri and paid supracompetitive prices as a result of the conduct alleged in this Complaint.

27. Plaintiff Anthony Rickenbacker is a resident of Brooklyn, New York. During the

Class Period, Plaintiff purchased menu items at various McDonald's restaurants in various locations, including but not limited to Brooklyn, New York and paid supracompetitive prices as a result of the conduct alleged in this Complaint.

28. Plaintiff Pamela Grizzel is a resident of Siolam, North Carolina. During the Class Period, Plaintiff purchased menu items at various McDonald's restaurants in various locations, including but not limited to Mount Airy, North Carolina and Pilot Mountain, North Carolina, and paid supracompetitive prices as a result of the conduct alleged in this Complaint.

29. Plaintiff Keith Aitken is a resident of Levittown, Pennsylvania. During the Class Period, Plaintiff purchased menu items at various McDonald's restaurants in various locations, including but not limited to Bristol, Pennsylvania and Levittown, Pennsylvania and paid supracompetitive prices as a result of the conduct alleged in this Complaint.

30. Plaintiff Benjamin Gibson is a resident of Lyndhurst, Ohio. During the Class Period, Plaintiff purchased menu items at various McDonald's restaurants in various locations, including but not limited to Cleveland, Ohio and paid supracompetitive prices as a result of the conduct alleged in this Complaint.

31. Plaintiff Christine Cleary is a resident of Choctaw, Oklahoma. During the Class Period, Plaintiff purchased menu items at various McDonald's restaurants in various locations, including but not limited to Choctaw, Oklahoma and paid supracompetitive prices as a result of the conduct alleged in this Complaint.

32. Plaintiff Josh Boesch is a resident of Chapin, South Carolina. During the Class Period, Plaintiff purchased menu items at various McDonald's restaurants in various locations, including but not limited to West Columbia, South Carolina and Lexington, South Carolina and paid supracompetitive prices as a result of the conduct alleged in this Complaint.

33. Plaintiff Cathie Haglund is a resident of Houston, Texas. During the Class Period, Plaintiff purchased menu items at various McDonald's restaurants in various locations, including but not limited to Houston, Texas and Sugarland, Texas and paid supracompetitive prices as a result of the conduct alleged in this Complaint.

34. Plaintiff Lindsey Hughes is a resident of Vancouver, Washington. During the Class Period, Plaintiff purchased menu items at various McDonald's restaurants in various locations, including but not limited to Vancouver, Washington, Salem, Oregon, Portland, Oregon, and Dallas, Oregon and paid supracompetitive prices as a result of the conduct alleged in this Complaint.

35. Plaintiff Myshelle Dunston is a resident of Brooklyn, New York. During the Class Period, Plaintiff purchased menu items at various McDonald's restaurants in various locations, including but not limited to Flushing, New York and paid supracompetitive prices as a result of the conduct alleged in this Complaint.

36. Defendant McDonald's USA, LLC is a Delaware limited liability company with its principal place of business in Chicago, Illinois. McDonald's USA, LLC is a wholly-owned subsidiary of its parent and predecessor, McDonald's Corporation, which is a Delaware corporation with its principal place of business in Chicago, Illinois.

37. McDonald's is one of the world's largest restaurant chains, serving approximately 69 million customers daily in more than 100 countries across approximately 45,356 outlets. McDonald's primarily sells hamburgers, cheeseburgers, chicken products, French fries, breakfast items, soft drinks, milkshakes, wraps, and desserts.

38. A McDonald's restaurant is operated by either a franchisee or, in the case of company-operated stores, as a MOC. McDonald's revenues come from the rent, royalties, and fees paid by the franchisees, as well as from sales in the MOC restaurants.

39. Currently, McDonald's has franchised approximately 95 percent of its U.S. restaurants, while the remainder are owned and operated by the company. Most McDonald's franchisees are subject to a standard 20-year franchise license agreement.

40. Any existing McDonald's franchise agreement entered into (and not later amended or superseded) prior to approximately 2005 is an agreement in which McDonald's Corporation is the franchisor. Any existing McDonald's franchise agreement entered into since approximately 2005 is an agreement in which McDonald's USA, LLC is the franchisor.

41. Each franchise is operated by an entity that is a separate legal entity from McDonald's USA, LLC and McDonald's Corporation. Each franchise is an independently owned and independently managed business.

42. Franchisees are informed and McDonald's discloses that franchisees may face competition from other franchisees, new franchisees, and new McDonald's restaurants owned and operated by McDonald's itself.

43. McDonald's license agreements and operator's lease agreements provide that franchisees are independent of McDonald's and are responsible for all obligations and liabilities of their respective businesses and are responsible for the day-to-day operations of the businesses.

44. Various other corporations and persons not made defendants in this Complaint, including McDonald's franchisees and the McDonald's operating companies that operate company-owned restaurants, participated as co-conspirators in the violations alleged and performed acts and made statements in furtherance of the violations alleged. Defendants' agents, including their vendors, officers, employees, or other representatives, ordered, authorized, or performed the acts alleged in this Complaint on Defendants' behalf in the normal course of their duties as Defendants' agents engaged to manage and operate Defendants' business or affairs. Defendants are jointly and severally liable for the acts of their coconspirators, whether named or not named as defendants in this Complaint.

IV. FACTUAL ALLEGATIONS

A. Defendants Unlawfully Agreed to and Did Raise, Fix, Maintain, or Stabilize Prices of McDonald's Menu Items in the United States.

> "Genuine competitors do not make daily, weekly, and monthly reports of the minutest details of their business to their rivals . . . ."
>
> —*American Column & Lumber Co. v. United States*, 257 U.S. 377, 410 (1921)

45. Defendants engaged in a systematic and deliberate scheme to exchange competitively sensitive, non-public information with their co-conspirator franchisees to suppress

competition and maintain artificially high prices for McDonald's menu item in the United States. Through a network of coordinated exchanges facilitated and implemented by McDonald's, McDonald's and its co-conspirators shared and received current pricing and forward-looking price strategies. These exchanges were neither anonymized nor publicly accessible, serving only the agreed conspiratorial purposes of the Defendants and members of the conspiracy. There is no economically rational reason for Defendants and their co-conspirators to share such information in the absence of an agreement.

46. This information was shared for the purpose of enabling Defendants to effectuate their agreement to artificially affect prices and avoid competing with their franchisees. The information sharing scheme is a plus factor that supports the existence of a *per se* unlawful conspiracy to raise, fix, maintain, and/or stabilize prices of McDonalds' menu prices during the Class Period.

47. Defendants' public statements stand in stark contrast to this conduct. McDonald's publicly states that it does not set franchisees' restaurant menu prices. For instance, McDonald's asserts in regulatory filings that it is "primarily a franchisor and believes franchising is paramount to delivering great-tasting food, locally relevant customer experience and driving profitability." It notes that "[f]ranchising enables an individual to … maintain control over all … marketing and pricing decisions[.]"[1]

48. McDonald's has repeatedly held out to the public that franchisees, not McDonald's, set their own menu prices. On May 29, 2024, McDonald's USA President Joe Erlinger wrote in an open letter that "[o]ur franchisees (who own and operate more than 95% of all restaurants in the U.S.) set menu prices for their restaurants."[2]

49. More recently, at its September 23, 2026 Investor Day, Global CMO Morgan

[1] McDonald's Corporation Form 10-Q dated March 31, 2026, available at https://www.sec.gov/Archives/edgar/data/63908/000006390826000051/mcd-20260331.htm? (last viewed Oct. 2, 2026). [https://www.sec.gov/Archives/edgar/data/63908/000006390826000051/mcd-20260331.htm].

[2] Open letter from Joe Erlinger, President of McDonald's USA, "Providing meaningful value to our fans, with a side of facts" (May 29, 2024) https://corporate.mcdonalds.com/corpmcd/our-stories/article/providing-meaningful-value-to-our-fans-with-a-side-of-facts.html [https://corporate.mcdonalds.com/corpmcd/our-stories/article/providing-meaningful-value-to-our-fans-with-a-side-of-facts.html].

Flatley said that "[f]ranchisees retain control over independent pricing decisions."[3]

50. These statements confirm that franchisees and MOCs are supposed to be independent competitors. But for the price-fixing agreement alleged herein, (i) McDonald's and each of its franchisees would set menu prices in their respective individual economic self-interests, and (ii) McDonald's and each of its franchisees would compete with each other on the basis of menu pricing.

51. Notwithstanding these public statements, Defendants in fact engaged in a systematic and deliberate scheme to exchange competitively sensitive, non-public information to suppress competition and maintain artificially high prices for McDonald's menu items in the United States.

52. Specifically, McDonald's coordinated the sharing of nonpublic pricing information among horizontal competitor restaurants and pressured franchisees to set prices in accordance with its algorithmic pricing tool. The development, operation, and enforcement of that tool are described below.

53. McDonald's laid the foundation for its pricing tool through acquisition. In 2019, McDonald's acquired the artificial intelligence company Dynamic Yield for $300 million. Its acquisition of the company, called the "deal of the year," was described by then-CEO Steve Easterbrook in an October earnings call as an opportunity to "leverage knowledge of the customer and order patterns to provide a tailored experience in restaurants."[4]

54. Known and unknown third parties, reportedly including Deloitte and Tiger Analytics, assisted McDonald's in designing and implementing use of the McDonald's AI platform for gathering transaction data and recommending coordinated pricing across franchises and MOC restaurants. This pooled transaction data is nationwide in scope and purportedly accounts for consumers' willingness to pay.

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[3] https://stockanalysis.com/stocks/mcd/transcripts/746101-investor-day-2026/. [https://stockanalysis.com/stocks/mcd/transcripts/746101-investor-day-2026/].

[4] Julie Littman, "Deal of the Year: McDonald's Acquires Dynamic Yield," Restaurant Dive (Dec. 9, 2019), https://www.restaurantdive.com/news/deal-mcdonalds-acquires-dynamic-yield-restaurant-dive-awards/566467/ [https://www.restaurantdive.com/news/deal-mcdonalds-acquires-dynamic-yield-restaurant-dive-awards/566467/].

55. Upon information and belief and according to a Reuters article published on Sept. 29, 2026, McDonald's controls and directs the pricing tool. Sources told Reuters that Tiger Analytics runs the pricing tool, which McDonald's controls.[5] The reporting, based on numerous sources, supports that McDonald's applies heavy pressure to get franchisees to set prices in accordance with the tool, and uses as leverage its ability to decide not to renew a franchise agreement.

56. The pricing tool depends on a continuous flow of franchisee data, which McDonald's compels by agreement through its franchise terms. The most recent McDonald's Franchise Disclosure Document (FDD) requires franchisees to pool their data using a required and proprietary point-of-sale system owned by McDonald's: "The restaurant's transaction-level information generated by the POS, including sales, transactions, and product mix information, is stored on your server hardware and transmitted to McDonald's and held on its servers. McDonald's has independent access to this information and there are no contractual limits on its right to access such information. Franchisees must pay to use this required system.

57. This point-of-sale (POS) system, according to the Franchise Disclosure Document, is part of a McDonald's requirement that every new restaurant uses its Technology Platform. Each restaurant's "transaction-level information generated by the POS, including sales, transactions, and product mix information, is … transmitted to McDonald's," and "McDonald's has independent access to this information and there are no contractual limits on its right to access such information." The same is true of mobile app orders. Franchisees also submit monthly restaurant profit and loss statements. Franchisees may not disclose their sales data to anyone else without the approval of McDonald's. In other words, McDonald's is the only channel through which one franchisee's data can inform a rival's price.

58. McDonald's then monetizes and channels this pooled data through the pricing tool.

[5] Waylor Cunningham, "Inside McDonald's Push to Have AI Price Your Bag" Reuters (Sept. 29, 2026) https://www.reuters.com/business/inside-mcdonalds-push-have-ai-price-your-big-mac-2026-09-29/ [https://www.reuters.com/business/inside-mcdonalds-push-have-ai-price-your-big-mac-2026-09-29/].

The FDD also advises franchisees of an annual fee for use of its "Pricing Engine." McDonald's lists the fee as optional, but in fact, franchisees are expected to use it, as described below.

59. McDonald's has publicly admitted to using the tool to set pricing. In an investor presentation on September 23, 2026, McDonald's exec Morgan Flattley described the "menu pricing engine" as an "industry-leading tool" providing franchises with "pricing recommendations down to the restaurant and item level" "[i]nformed by insights from millions of transactions and a broad range of market data."

60. At the same event, McDonald's executive Brian Rice described the tool as "only as good as the data feeding it." McDonald's, he continued, has "built a standard restaurant data lake" capturing "billions of data points daily …" "[t]his creates an insurmountable advantage and a continuous learning loop that competitors can't replicate."

61. The rules governing the engine's recommendations further reveal its coordinating function. According to Reuters' reporting, the pricing tool specifically focuses on recommending increases on menu items that have not had a price increase in at least two years; increasing prices on items that have had recent price increases in at least 30 percent of stores (the "30% rule"); and excluding ice creams and drinks from price increases during summer months. McDonald's controlled the engine's rules and corporate targets, including the 30% rule.

62. In other words, under the 30% rule, whether a franchisee is told to raise a price depends on whether its competitors already did. That is the antithesis of independent pricing: each restaurant's price is keyed to its rivals' prices.

63. Although McDonald's claims its franchisees determine final pricing, by agreement, franchisees follow McDonald's recommendations. According to public reporting by Reuters, adherence is reportedly tracked, fed into internal reviews, and used to determine whether to renew (or expand) a franchisee's license agreement with the company. In addition, MOCs comply with the pricing tool and use nonpublic franchisee data to determine and set prices at corporate restaurants while competing with these same franchisee restaurants.

64. According to public reporting by Reuters, the McDonald's pricing tool measures

"customer willingness to pay in your area" and gives franchisees warnings if their prices are too low, noting, for example, "Your restaurant is showing MEDIUM SENSITIVITY to Price."

65. McDonald's itself recognizes the antitrust risk. The portal's terms warn that users "may be competitors of each other" and must comply with antitrust law, Reuters reports. Former FTC Commissioner William Kovacic told Reuters that this disclaimer was "an acknowledgment there's a potential problem."

66. Franchisees agree to and do adhere to the tool's recommendations because McDonald's controls their economic future. Franchisees rely on McDonald's for renewal of their franchise agreement and for any desired business growth. The agreement states that franchisees "have no right to renew or extend" the franchise agreement. In order to even be eligible to renew or grow their business with McDonald's, franchisees must minimally meet McDonald's National Franchising Standards as assessed by McDonald's at periodic business reviews.

67. McDonald's thus exercises significant leverage over its franchisees. As set forth in the Franchise Disclosure Document, franchisees must strictly adhere to "McDonald's standards and policies as they exist now and as they may be from time to time modified," and "comply with all business policies, practices, and procedures imposed by McDonald's." If McDonald's decides that its standards are breached, McDonald's can terminate the parties' franchise agreement. Franchisees invest considerable sums in the startup and operation of their restaurants, including a significant initial franchise fee and further initial investments estimated by McDonald's totaling up to or in excess of $1,000,000.

68. McDonald's used this leverage to pressure franchisees to adopt and adhere to its pricing tool, as the following examples illustrate.

69. According to Reuters, several franchisees were pushed to use the pricing tool and received calls from McDonald's when their menu pricing deviated from what was recommended. In February 2024, McDonald's executive Jeff Roth allegedly faulted franchisee George Michell for "not utilizing industry-standard advisors when setting his retail prices." First Amended Compl. at ¶ 140, *Michell et al. v. McDonald's Corp. et al.*, No. 24-cv-3442 (E.D.N.Y. Nov. 1, 2024).

70. Beginning in January 2026, this pressure became a formal requirement of the illegal conspiracy. As of January 2026, McDonald's "holistically assess[es]" franchisees' menu pricing. Under this assessment, franchisees are required to be "constructively engaging with McDonald's approved Pricing Consultant and Tools."[6]

71. To police compliance, according to Reuters, McDonald's explicitly and in detail "records franchisees' deviations from the recommendations."

72. McDonald's leadership has confirmed that deviations carry consequences. In an August 4, 2026 earnings call with investors, CEO Chris Kempczinski implied that the company would have conversations during its business reviews and in renewal and growth conversations with franchisees who deviate from recommended pricing. It's "kind of obvious what should happen out of that," he said, noting that those conversations "will be the things that get this fixed."[7]

73. There is no plausible, non-conspiratorial justification for McDonald's and the co-conspirator franchisees to use the pricing algorithm and/or other means to secretly share highly confidential and proprietary detailed information about their current and future prices or supply and demand. In a competitive market, such proprietary, competitively sensitive information would be a closely guarded secret. Accordingly, sharing such proprietary, competitively sensitive information would not be in the Defendants' and co-conspirators' economic self-interest in the absence of an agreement.

74. Defendants knew and intended that their private exchanges of competitively sensitive information about prices, supply, and demand would allow them to artificially raise, fix, maintain, or stabilize McDonald's menu prices above the levels they would have been absent the

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[6] Amelia Lucas, "McDonald's will assess if franchisees are offering value for customers under new standards" CNBC (Dec. 8, 2025) https://www.cnbc.com/2025/12/08/mcdonalds-value-franchising-standards.html [https://www.cnbc.com/2025/12/08/mcdonalds-value-franchising-standards.html.]; Waylor Cunningham, "Inside McDonald's Push to Have AI Price Your Bag" Reuters (Sept. 29, 2026) https://www.reuters.com/business/inside-mcdonalds-push-have-ai-price-your-big-mac-2026-09-29/ [https://www.reuters.com/business/inside-mcdonalds-push-have-ai-price-your-big-mac-2026-09-29/].

[7] Transcript of McDonald's Corp. R (MDO0.F) Q2 FY2026 Earnings Call, Yahoo! Finance (Aug. 4, 2026), https://finance.yahoo.com/quote/MDO0.F/earnings/MDO0.F-Q2-2026-earnings_call-662377.html [https://finance.yahoo.com/quote/MDO0.F/earnings/MDO0.F-Q2-2026-earnings_call-662377.html].

anticompetitive conduct alleged herein.

B. Plaintiffs and the Class were harmed.

75. The McDonald's price-fixing scheme achieved its intended effect: it raised prices for consumers at McDonald's restaurants.

76. These price increases were not the product of independent decisions by competing restaurants. Rather, they were coordinated decisions based on pooled nonpublic data used anticompetitively to increase revenues over time, as McDonald's own statements and financial results confirm.

77. In a September 23, 2026 investor presentation, McDonald's CEO Chris Kempczinski described "deploying AI enabled tools at scale" as a means to "strengthen restaurant economics and unlock restaurant level efficiency."[8]

78. The timing of the price increases tracks the deployment of the pricing tool. The company's May 29, 2024 fact sheet states that average menu prices rose approximately 40 percent between 2019 and 2024, aligning with the time period during which McDonald's deployed the pricing tool. Although McDonald's told consumers that the price increase was attributable to costs,[9] that explanation does not account for the role of the pricing tool.

79. McDonald's financial results reflect the same pattern. In fiscal year 2019, according to its 10-K filing that year, McDonald's sales were up 5 percent while guest counts fell 1.9 percent.[10] Rising sales amid declining customer traffic indicates that revenue growth was driven by higher prices rather than increased demand

[8] Investor Day 2026 (Sept. 24, 2026) https://www.youtube.com/watch?v=3p0Ur4Pzer8.
[9] U.S. Pricing: Myths v. Facts, McDonald's (May 29, 2024), available at https://corporate.mcdonalds.com/content/dam/sites/corp/nfl/pdf/McDUS%20Pricing%20Myths%20vs%20Facts%20052924.pdf
[10] McDonald's 2019 Corporation From 10-K dated February 26, 2020, available at https://www.sec.gov/Archives/edgar/data/63908/000006390820000022/mcd-12312019x10k.htm. [https://www.sec.gov/Archives/edgar/data/63908/000006390820000022/mcd-12312019x10k.htm].

80. That menu pricing contributed to a jump in profits for McDonald's is confirmed in the company's fiscal year 2022 and 2023 10-Ks, which both credit as a driver of profits the company's "strategic menu price increases."[11]

81. Even where McDonald's strategic menu pricing resulted in lower prices, the overall aim was to increase Defendants' profits and advantage in the marketplace by leveraging independent restaurants' nonpublic sales data across competitors within its system.

82. McDonald's executives have confirmed that the pricing program is designed to drive financial results. For example, in the August 4, 2026 earnings call, CEO Chris Kempczinski noted that "with those folks that are not complying" with pricing, "as you would imagine, their business results are a lot softer ... It starts with an education piece to show when you execute the program as designed, here's what that performance looks like compared to those who didn't. There's quite a difference, let's just say, between the two of those."[12]

83. Similarly, in the September 23, 2026 Investor Day presentation, McDonald's CFO Ian Borden told investors that "capabilities such as AI-enabled revenue management" would "help increase average check over time."[13]

V. CLASS ACTION ALLEGATIONS

84. This Action is properly maintainable as a class action pursuant to Federal Rule of Civil Procedure 23. Plaintiffs bring this class action on behalf of themselves and all other similarly situated individuals. The nationwide class Plaintiffs seek to represent is defined as follows: "All persons in the United States who purchased menu items at any McDonald's-branded restaurant."

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[11] McDonald's 2022 Corporation From 10-K dated February 24, 2023, available at https://www.sec.gov/Archives/edgar/data/63908/000006390823000012/mcd-20221231.htm [https://www.sec.gov/Archives/edgar/data/63908/000006390823000012/mcd-20221231.htm]; McDonald's 2023 Corporation From 10-K dated February 22, 2024, available at https://www.sec.gov/Archives/edgar/data/63908/000006390824000072/mcd-20231231.htm [https://www.sec.gov/Archives/edgar/data/63908/000006390824000072/mcd-20231231.htm]

[12] Yahoo Finance, "McDonald's Corporation (MCD) Q2 FY2026 earnings call transcript" (Aug. 4, 2026) https://finance.yahoo.com/quote/MCD/earnings/MCD-Q2-2026-earnings_call-662377.html [https://finance.yahoo.com/quote/MCD/earnings/MCD-Q2-2026-earnings_call-662377.html].

[13] Investor Day 2026 (Sept. 24, 2026) https://www.youtube.com/watch?v=3p0Ur4Pzer8

85. Excluded from the Class are Defendants and Defendant's subsidiaries, affiliates, officers and directors, and any entity in which Defendants have a controlling interest; and all judges assigned to hear any aspect of this litigation as well as their immediate family members.

86. *Numerosity.* The Class is so numerous that joinder would be impracticable.

87. *Commonality.* There are questions of law and fact common to the Class, which predominate over any questions affecting only individual Class members. These common questions of law and fact include, without limitation:

i. Whether Defendants engaged in unlawful contracts, combinations, and/or conspiracies in restraint of trade and commerce;

ii. Whether Defendants' conduct constituted unfair competition;

iii. Whether Defendants' conduct constituted unlawful, unfair, and fraudulent business acts and practices;

iv. Whether Defendants violated the Sherman Antitrust Act, 15 U.S.C. §§ 1, et seq.;

v. Whether Plaintiffs and Class Members are entitled to damages, restitution, equitable relief, and/or other relief; and

vi. The amount and nature of such relief to be awarded to Plaintiff and the Class.

88. *Typicality.* Plaintiffs' claims are typical of those of other Class members because Plaintiffs, like every other Class member, were harmed by way of the anticompetitive conduct alleged herein. Plaintiffs, like all other Class members, were injured by Defendants' uniform conduct. Plaintiffs are advancing the same claims and legal theories on behalf of themselves and all other Class members, such that there are no defenses unique to Plaintiffs. The claims of Plaintiffs and those of the other Class members arise from the same operative facts and are based on the same legal theories.

89. *Adequacy of Representation*. Plaintiffs will fairly and adequately represent and protect the interests of the Class members in that they have no disabling or disqualifying conflicts of interest that would be antagonistic to those of the other members of the Class. The damages and

infringement of rights that Plaintiffs suffered are typical of other Class members, and Plaintiffs seek no relief that is antagonistic or adverse to the members of the Class. Plaintiffs have retained counsel experienced in antitrust class action litigation, and Plaintiffs intend to prosecute this action vigorously.

90. *Predominance*. The issues in this action are appropriate for certification because such claims present only particular, common issues, the resolution of which would advance the disposition of this matter and the parties' interests therein.

91. *Superiority of Class Action*. A class action is superior to other available methods for the fair and efficient adjudication of this controversy, as the pursuit of numerous individual lawsuits would not be economically feasible for individual Class members, and certification as a class action will preserve judicial resources by allowing the Class's common issues to be adjudicated in a single forum, avoiding the need for duplicative hearings and discovery in individual actions that are based on an identical set of facts. In addition, without a class action, it is likely that many members of the Class will remain unaware of the claims they may possess.

92. The litigation of the claims brought herein is manageable. Defendants' uniform conduct, the consistent provisions of the relevant laws and the ascertainable identities of Class members demonstrate that there would be no significant manageability problems with prosecuting this lawsuit as a class action.

93. Adequate notice can be given to Class members directly using information maintained in the parties' records, as well as through advertising and other well-accepted means.

COUNT I

VIOLATIONS OF SECTION 1 OF THE SHERMAN ACT
15 U.S.C. § 1, et seq.
(By Plaintiffs on Behalf of the Nationwide Class)

94. Plaintiffs reallege and repeat each and every allegation set forth above as if fully realleged and set forth herein.

95. Beginning no later than 2019 and continuing to the present, Defendants and their

co-conspirators entered into a continuing contract, combination, or conspiracy to fix, raise, maintain, and stabilize the prices of menu items sold at McDonald's restaurants in the United States by agreeing to price through a common algorithm using pooled competitor data and to adhere to its outputs.

96. The agreement among horizontal competitors, orchestrated by McDonald's, is unlawful *per se*. Franchisees and MOCs compete with one another in the sale of menu items, and their agreement to delegate pricing to a common algorithm that conditions each restaurant's prices on its competitors' prices is a horizontal price-fixing agreement.

97. As a direct and proximate result, Plaintiffs and Class members paid supracompetitive prices and were injured.

98. Plaintiffs and Class members are entitled to treble damages, costs, and attorneys' fees under 15 U.S.C. § 15, and to injunctive relief under 15 U.S.C. § 26.

COUNT II

VIOLATION OF SECTION 1 OF THE SHERMAN ACT, 15 U.S.C. § 1
(Unlawful Exchange of Competitively Sensitive Information)
(By Plaintiffs on Behalf of the Class)

99. Plaintiffs reallege and repeat each and every allegation from the foregoing paragraphs as if fully realleged and set forth herein.

100. Defendants agreed to and did exchange, through the pricing engine, franchisees' current, granular, nonpublic sales and pricing information, and agreed to use that information to generate each franchisee's prices.

101. This data exchange was not a freestanding sharing of nonpublic information, but the mechanism through which Defendants and their co-conspirators fixed prices. Each participant contributed its current, granular, nonpublic, store and item-level sales and pricing data to a common engine. Each did so knowing that its direct competitors—other franchisees and MOCs—were contributing their data to the same engine and receiving prices generated from the pooled data. Each agreed to use the engine's outputs to set its own prices rather than pricing independently.

The engine applied rules, such as the 30% rule, that conditioned one restaurant's price increases on increases at competing restaurants.

102. The exchange was therefore an agreement among horizontal competitors to fix, raise, and stabilize prices, and it is unlawful *per se*.

103. Because the restraint is unlawful *per se*, Plaintiffs need not define a relevant market or allege market power.

104. Plaintiffs and Class members are entitled to treble damages, costs, and attorneys' fees under 15 U.S.C. § 15, and to injunctive relief under 15 U.S.C. § 26.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully request that the Court:

A. Certify the Class, appoint Plaintiffs as the Class's representatives, and their Counsel as Class Counsel;

B. Declare, find, adjudge and decree that the agreement of Defendants is unlawful and violates the federal antitrust laws and, therefore, must either result in a permanent divestiture or is enjoined;

C. Award to Plaintiffs the costs of their suit, including reasonable attorneys' fees;

D. Award to Plaintiffs and the Class their damages, in the amount to be determined by a jury, inclusive of treble damages as provided by the antitrust laws;

E. Grant to Plaintiffs and the Class any such and other relief to which they may be entitled and which this Court deems just and proper.

JURY TRIAL DEMANDED

Plaintiffs demand a trial by jury on all claims so triable under Federal Rule of Civil Procedure Rule 38(b).

DATED: October 27, 2026

Respectfully Submitted,

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