

Jack in the Box CEO Linda Lang retiring

By [Jonathan Horn \(/staff/jonathan-horn/\)](#) 1:25 p.m. Aug. 7, 2013 Updated 3:54 p.m.



[\(/photos/2013/aug/07/1077858/\)](#)

Jack in the Box in Santee — *Gia Di Matteo*

Jack in the Box Chief Executive Officer Linda Lang will retire on Jan. 1, the company announced Wednesday, as it reported a net loss for the quarter.

Lang, 55, who became CEO in 2005 after more than 20 years with the company, leaves in the midst of a corporate push to franchise more Jack in the Box restaurants and buy more Qdobas, fast-casual Mexican restaurants.

"I'm proud of my accomplishments and grateful for the tremendous support and commitment of our employees, franchisees and business partners who have worked so hard to achieve the transformation of our business," Lang said in a statement.

There are now 600 Qdobas in 45 states and Canada, but Jack in the Box closed 62 of the restaurants in the third quarter, resulting in pretax charges of \$36.7 million. Franchise ownership of Jack in the Box is 77 percent, up from 25 percent in 2005, when Lang took over. Analysts have described the 80-20 franchise to corporate-owned ratio as a sweet spot in the business.

But Nick Setyan, a senior analyst with Wedbush, said Lang's departure — given the transformation of the company — was a bit surprising.

"For her to kind of retire in the midst of all of that only heightens the uncertainty," he said. "Some of the fundamental performance, in my opinion at least, of Jack in the Box over the last few years has deteriorated, and so the market may not actually look at this unfavorably."

Company spokesman Brian Luscomb said Lang's leadership was key in Jack in the Box outperforming the industry in sales for the past four quarters.

"Under Linda's leadership, we've nearly completed the transformation of our business model," he said. "The company is on very solid footing."

Leonard Comma, 43, currently the company's president and chief operating officer, will succeed Lang as chief executive officer. Setyan said investors are familiar with Comma, who is responsible for most of the improvements to Jack in the Box over the past two years.

For the quarter ended July 7, Jack in the Box reported a loss of \$5.7 million, or 12 cents a share, compared with a profit of \$11.6 million, or 26 cents a share, a year earlier. Excluding restructuring charges and loss from refranchising, operating earnings were 41 cents a share, up from 39 cents.

Revenue declined 1.1 percent to \$350.3 million.

Lang's departure means that of San Diego's roughly 100 publicly traded companies, two have women as the chief executive officers. Debra Reed heads Sempra Energy, earning \$4.6 million in 2012, while Susan Salka leads AMN Health Care, earning \$1.97 million.

In 2012, Lang earned a little over \$4 million in salary, bonus and other compensation.

Denise Lee Yohn, brand consultant to restaurant and retail companies, said San Diego's largest sectors are not typically led by women.

"Because San Diego is so technology- and military-focused, you don't have that many categories where you might see more female leaders," she said. "Jack in the Box is one of the few regional consumer-facing companies so it made sense for them to have a female CEO, whereas in a technology firm, given the high ratio of men to women, it's less likely."

Lee Yohn said a typical CEO in the restaurant industry stays on the job between three and five years because of intense competition and the need to reignite investor faith.

Shares of Jack in the Box (Nasdaq: JACK) closed up 11 cents at \$40.49 on Wednesday before the company reported a loss for the third quarter. It traded around \$39.80 after hours.

The company did not make Lang or Comma available to the media.

Jack in the Box operates and franchises more than 2,200 namesake restaurants, as well as Qdoba through a subsidiary.

U-T staff writer Lori Weisberg contributed to this report

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