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

FORM 10-K

☑ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED OCTOBER 1, 2017

COMMISSION FILE NUMBER 1-9390

JACK IN THE BOX INC.
(Exact name of registrant as specified in its charter)

Delaware	95-2698708
(State of Incorporation)	(I.R.S. Employer Identification No.)
9330 Balboa Avenue, San Diego, CA	92123
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (858) 571-2121

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $0.01 par value	The NASDAQ Stock Market LLC (NASDAQ Global Select Market)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.
Yes ☐ No ☑

Indicate by check mark if the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulations S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.
Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☑

The aggregate market value of the common stock held by non-affiliates of the registrant as of the last business day of the registrant's most recently completed second fiscal quarter, computed by reference to the closing price reported on the NASDAQ Global Select Market — Composite Transactions as of April 13, 2017, was approximately $2.9 billion.

Number of shares of common stock, $0.01 par value, outstanding as of the close of business on November 24, 2017 — 29,433,478.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement to be filed with the Securities and Exchange Commission in connection with the 2018 Annual Meeting of Stockholders are incorporated by reference into Part III hereof.

JACK IN THE BOX INC.

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FORWARD-LOOKING STATEMENTS

From time to time, we make oral and written forward-looking statements that reflect our current expectations regarding future results of operations, economic performance, financial condition and achievements of Jack in the Box Inc. (the “Company”). A forward-looking statement is neither a prediction nor a guarantee of future events or results. In some cases, forward-looking statements can be identified by words such as “anticipate,” “assume,” “believe,” “estimate,” “expect,” “forecast,” “goals,” “guidance,” “intend,” “plan,” “project,” “may,” “should,” “will,” “would,” and similar expressions. Certain forward-looking statements are included in this Form 10-K, principally in the sections captioned “Business,” “Legal Proceedings,” “Consolidated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” including statements regarding our strategic plans and operating strategies. Although we believe that the expectations reflected in our forward-looking statements are based on reasonable assumptions, such expectations and forward-looking statements may prove to be materially incorrect due to known and unknown risks and uncertainties.

In some cases, information regarding certain important factors that could cause our actual results to differ materially from any forward-looking statement appears together with such statement. In addition, the factors described under “Risk Factors” and “Discussion of Critical Accounting Estimates” in this Form 10-K, as well as other possible factors not listed, could cause our actual results, economic performance, financial condition or achievements to differ materially from those expressed in any forward-looking statements. As a result, investors should not place undue reliance on such forward-looking statements, which speak only as of the date of this report. The Company is under no obligation to update forward-looking statements, whether as a result of new information or otherwise.

PART I

ITEM 1. BUSINESS

The Company

Overview. Jack in the Box Inc., based in San Diego, California, operates and franchises 2,977 Jack in the Box® quick-service restaurants ("QSRs") and Qdoba Mexican Eats® ("Qdoba") fast-casual restaurants. References to the Company throughout this Annual Report on Form 10-K are made using the first person notations of "we," "us" and "our."

Jack in the Box. Jack in the Box opened its first restaurant in 1951, and has since become one of the nation's largest hamburger chains. Based on number of restaurants, our top 10 major markets comprise approximately 70% of the total system, and Jack in the Box is the second largest QSR hamburger chain in nine of those major markets. As of the end of our fiscal year on October 1, 2017, the Jack in the Box system included 2,251 restaurants in 21 states and Guam, of which 276 were company-operated and 1,975 were franchise-operated.

Through the execution of our refranchising strategy over the last five years, we have increased franchise ownership of the Jack in the Box system from 76% at the end of fiscal 2012 to 88% at the end of fiscal 2017. We plan to increase franchise ownership of the Jack in the Box system to approximately 95%. In fiscal 2017, our Jack in the Box franchisees independently developed 18 new franchise restaurants, and we expect the majority of Jack in the Box new unit growth will be through franchise restaurants.

Qdoba. In 2003, we expanded our competitive footprint beyond the hamburger segment of the QSR industry by acquiring Qdoba Restaurant Corporation, operator and franchisor of the fast-casual concept now known as Qdoba Mexican Eats. Qdoba is the second largest fast-casual Mexican food brand in the United States. As of October 1, 2017, the Qdoba system included 726 restaurants in 47 states, the District of Columbia and Canada, of which 385 were company-operated and 341 were franchise-operated.

Through new unit growth, acquisitions of franchised Qdoba restaurants in select markets, and the refranchising of Jack in the Box restaurants, Qdoba has become a more prominent part of our company restaurant operations. As of the end of fiscal 2017, Qdoba comprised approximately 58% of our total company-operated units as compared with approximately 37% at the end of fiscal 2012.

During 2017, we retained Morgan Stanley & Co. LLC to assist our Board of Directors in its evaluation of potential alternatives with respect to Qdoba, as well as other ways to enhance shareholder value. While substantial progress has been made on the evaluation, there can be no assurance that the evaluation process will result in any transaction or other specific course of action.

Restaurant Concepts

Jack in the Box. Jack in the Box restaurants offer a broad selection of distinctive products including classic burgers like our Jumbo Jack® burgers, and innovative new product lines such as Buttery Jack® burgers and our Brunchfast® menu. We also offer quality products such as breakfast sandwiches with freshly cracked eggs, and craveble favorites such as tacos and curly fries, along with specialty sandwiches, salads and real ice cream shakes, among other items. We allow our guests to customize their meals to their tastes and order any product when they want it, including breakfast items any time of day (or night). We are known for variety and innovation which has led to the development of four strong dayparts: breakfast, lunch, dinner and late-night.

The Jack in the Box restaurant chain was the first major hamburger chain to develop and expand the concept of drive-thru restaurants. In addition to drive-thru windows, most of our restaurants have seating capacities ranging from 20 to 100 people and are open 18-24 hours a day. Drive-thru sales currently account for approximately 73% of sales at company-operated restaurants. The average check in fiscal year 2017 was $7.71 for company-operated restaurants.

With a presence in only 21 states and one territory, we believe Jack in the Box is a brand with significant growth opportunities. In fiscal 2017, we continued to expand in existing markets. We opened two company-operated restaurants and franchisees opened 18 Jack in the Box restaurants during the year.

The following table summarizes the changes in the number of company-operated and franchise Jack in the Box restaurants over the past five years:

	Fiscal Year				
	2017	2016	2015	2014	2013
Company-operated restaurants:					
Beginning of period	417	413	431	465	547
New	2	4	2	1	6
Refranchised	(178)	(1)	(21)	(37)	(78)
Closed	(15)	—	(6)	(2)	(11)
Acquired from franchisees	50	1	7	4	1
End of period total	276	417	413	431	465
% of system	12%	18%	18%	19%	21%
Franchise restaurants:					
Beginning of period	1,838	1,836	1,819	1,786	1,703
New	18	12	16	11	11
Refranchised	178	1	21	37	78
Closed	(9)	(10)	(13)	(11)	(5)
Sold to company	(50)	(1)	(7)	(4)	(1)
End of period total	1,975	1,838	1,836	1,819	1,786
% of system	88%	82%	82%	81%	79%
System end of period total	2,251	2,255	2,249	2,250	2,251

Qdoba. Qdoba's menu features Mexican-themed food items including burritos, tacos, salads, and quesadillas. Guests can customize their meals by adding 3-cheese queso, guacamole, and a variety of sauces and salsas without paying an extra charge. Our new brand name and logos that debuted in fiscal 2016 modify the full name of our brand from Qdoba Mexican Grill® to Qdoba Mexican Eats to better reflect the flavors and variety our menu offers.

Our restaurants also offer a variety of catering options that can be tailored to feed groups of ten to several hundred people. While some of our restaurants serve breakfast, the majority generally operate from 10:30 a.m. to 10:00 p.m. Qdoba restaurants have a seating capacity that ranges from 60 to 80 people, and many locations include outdoor patio seating. In fiscal 2017, the average check for company-operated restaurants was $11.86, which excludes catering sales.

We currently estimate the long-term growth potential for Qdoba to be approximately 2,000 units across the United States. Our company-operated restaurants are generally located in larger market areas. Franchise development is more weighted towards traditional sites, but are also developed in non-traditional sites (airports, college campuses, etc.) or areas where local franchisees can operate more efficiently. During fiscal 2017, we opened 23 company-operated restaurants and franchisees opened 19 Qdoba restaurants, including 14 non-traditional sites.

The following table summarizes the changes in the number of company-operated and franchise Qdoba restaurants over the past five years:

	Fiscal Year				
	2017	2016	2015	2014	2013
Company-operated restaurants:					
Beginning of period	367	322	310	296	316
New	23	35	17	16	34
Refranchised	—	—	—	—	(3)
Closed	(5)	(4)	(5)	(2)	(64)
Acquired from franchisees	—	14	—	—	13
End of period total	385	367	322	310	296
% of system	53%	53%	49%	49%	48%
Franchise restaurants:					
Beginning of period	332	339	328	319	311
New	19	18	22	22	34
Refranchised	—	—	—	—	3
Closed	(10)	(11)	(11)	(13)	(16)
Sold to company	—	(14)	—	—	(13)
End of period total	341	332	339	328	319
% of system	47%	47%	51%	51%	52%
System end of period total	726	699	661	638	615

Site Selection and Design

Site selections for all new company-operated Jack in the Box and Qdoba restaurants are made after an economic analysis and a review of demographic data and other information relating to population density, traffic, competition, restaurant visibility and access, available parking, surrounding businesses and opportunities for market penetration. Restaurants developed by franchisees are built to brand specifications on sites we have reviewed.

Each of our brands have multiple restaurant models with different seating capacities to improve our flexibility in selecting locations for our restaurants. Management believes that this flexibility enables the Company to match the restaurant configuration with the specific economic, demographic, geographic or physical characteristics of a particular site.

Typical costs to develop a traditional Jack in the Box restaurant, excluding the land value, range from approximately $1.3 million to $2.4 million. The majority of our Jack in the Box restaurants are constructed on leased land or on land that we purchase and subsequently sell, along with the improvements, in sale and leaseback transactions. Upon completion of a sale and leaseback transaction, the Company's initial cash investment is reduced to the cost of equipment, which ranges from approximately $0.3 million to $0.5 million.

The majority of Qdoba restaurants are located in leased spaces ranging from conventional large-scale retail projects to smaller neighborhood retail strip centers as well as non-traditional locations such as airports, college campuses and food courts. Qdoba restaurant development costs generally range from approximately $0.8 million to $1.1 million depending on the type, square footage, geographic region, and if the location includes an expanded alcohol offering. In fiscal 2016, we finalized our new restaurant design and approved remodel designs for existing restaurants. In fiscal 2017, we began rolling out the new designs for remodels system-wide.

Franchising Program

Jack in the Box. The Jack in the Box franchise agreement generally provides for an initial franchise fee of $50,000 per restaurant for a 20-year term, royalty payments, and marketing fees at 5.0% of gross sales. Royalty rates, typically 5.0% of gross sales, can range from 2.5% to as high as 10.0% of gross sales, and some existing agreements provide for variable rates and/or royalty holidays. We may offer development agreements to franchisees for construction of one or more new restaurants over a defined period of time and in a defined geographic area. Developers may be required to pay fees for certain company-sourced new sites. Developers may lose their rights to future development if they do not maintain the required opening schedule. To stimulate growth we have offered a waiver of development fees for new sites, in addition to lower royalty rates or a development loan, to franchisees who open restaurants within a specified time frame.

In connection with the sale of a company-operated restaurant to a franchisee, we sell to the franchisee the restaurant equipment and the right to do business at that location for a specified term. The aggregate price is negotiated based upon the value of the restaurant as a going concern, which depends on various factors, including the sales and cash flows of the restaurant, as well as its location and history. In addition, the land and building are generally leased or subleased to the franchisee at a negotiated rent, typically equal to the greater of a minimum base rent or a percentage of gross sales. The franchisee is usually required to pay property taxes, insurance and ancillary costs, and is responsible for maintaining the restaurant.

Qdoba. Qdoba franchisees are generally charged an initial franchise fee of $30,000 per restaurant for a 10-year franchise term with a 10-year option to extend at a fee of $5,000, royalty payments, and marketing fees of approximately 1.3% of gross sales. We also require franchisees to spend a minimum of approximately 1.8% of gross sales on local marketing for their restaurants. Royalty rates are typically 5.0% of gross sales. We offer development agreements to franchisees for the construction of one or more new restaurants over a defined period of time and in a defined geographic area for a development fee, a portion of which may be credited against franchise fees due for restaurants when they are opened. If the developer does not maintain the required schedule of openings, they may forfeit such fees and lose their rights to future development. To enhance our traditional growth, we have offered agreements that provide lower royalty rates or a development loan to franchisees who open restaurants within a specified time frame. We continue to pursue non-traditional locations both through multi-location commitments and single unit franchise agreements. Currently, the non-traditional franchise agreements we offer provide for an initial franchise fee between $15,000 to $30,000, and a 6.0% royalty rate. To enhance our multi unit non-traditional growth, we may offer agreements that provide for lower fees.

Restaurant Management and Operations

Jack in the Box and Qdoba restaurants are operated by a company manager or franchise operator who is directly responsible for the operations of the restaurant, including product quality, service, food safety, cleanliness, inventory, cash control and the conduct and appearance of employees. We focus on attracting, selecting, engaging and retaining employees and franchisees who share our passion for creating long-lasting, successful restaurants.

At both brands, company-operated restaurant managers are supervised by district managers, who are overseen by directors of operations, who report to vice presidents of operations. Under our performance system, vice presidents are eligible for an annual incentive based on achievement of goals related to brand earnings and margin, and company-wide performance. Directors are eligible for an annual incentive based on achievement of goals related to brand region level sales, profit, and company-wide performance. District managers and restaurant managers are eligible for quarterly incentives based on growth in restaurant sales and profit and/or certain other operational performance standards.

Jack in the Box. Company restaurant managers are required to complete an extensive management training program involving a combination of in-restaurant instruction and on-the-job training in specially designated training restaurants. Restaurant managers and supervisory personnel train other restaurant employees in accordance with detailed procedures and guidelines using training aids available at each location.

Qdoba. The Qdoba Training System is used to provide employees with detailed training by position, from entry level to restaurant manager. Restaurant management are certified to train and develop team members through a series in-restaurant instruction and on the job training that focus on knowledge, skills and behaviors. The Qdoba Training System certifies achievement for our cooks and line servers who showcase excellence in their positions. Team members must have, or acquire, specific technical and behavioral skills to become certified in all positions.

Customer Satisfaction

Company-operated and franchise-operated restaurants devote significant resources toward offering quality food and excellent service at all of our restaurants. One tool we use to help us maintain a high level of customer satisfaction is our Voice of Guest program, which provides restaurant managers, district managers, and franchise operators with ongoing feedback from guests who complete a short guest satisfaction survey via an invitation typically provided on the register receipt. In these surveys, guests rate their satisfaction with key elements of their restaurant experience, including friendliness, food quality, cleanliness, speed of service and order accuracy. In 2017, the Jack in the Box and Qdoba systems received approximately 1.9 million and 0.3 million guest survey responses, respectively. Our Guest Relations Department receives feedback that guests provide via our website, and communicates that feedback to restaurant managers and franchise operators. We also collect guest feedback through social media and other resources.

Food Safety and Quality

Our "farm-to-fork" food safety and quality assurance programs are designed to maintain high standards for the food products and food preparation procedures used by our vendors and in our restaurants. We maintain product specifications for our ingredients and our Food Safety and Regulatory Compliance Department must approve all suppliers of food products to our restaurants. We use third-party and internal audits to review the food safety management programs of our vendors. We manage food safety in our restaurants through a comprehensive food safety management program that is based on the Food and Drug Administration ("FDA") Food Code requirements. The food safety management program includes employee training, ingredient testing, documented restaurant practices and attention to product safety at each stage of the food preparation cycle. In addition, our food safety management program uses American National Standards Institute certified food safety training programs to train our company and franchise restaurant management employees on food safety practices for our restaurants.

Supply Chain

In fiscal 2012, all of our Jack in the Box company-operated restaurants and approximately 90% of our Jack in the Box franchisees entered into a long-term contract with a third-party distributor. Under this contract, the distributor will provide distribution services through seven distribution centers in the continental United States to our Jack in the Box restaurants through August 2022. Beginning in June 2015, the remaining 10% of our Jack in the Box franchisees decided to use the services of the same third-party distributor under the same long-term contract.

In fiscal 2012, all of our Qdoba company-operated restaurants and approximately 90% of our Qdoba franchisees began utilizing the distribution services of another third-party distributor under a long-term contract, which ended in February 2017. Since December 2014, the remaining 10% of our Qdoba franchisees have utilized the same third-party distributor under the same long-term contract. In March 2017, all company-operated and franchise-operated restaurants entered into a five year distribution services agreement, which ends in February of 2022, with a consortium of four Qdoba regional distributors comprising 18 distribution centers in the United States and two distribution centers in Canada.

The primary commodities purchased by our restaurants are beef, poultry, pork, cheese and produce. Shrimp, avocados, rice, beans and tortillas are additional commodities purchased by Qdoba. We monitor and purchase commodities in order to minimize the impact of fluctuations in price and supply. Contracts are entered into and commodity market positions may be secured when we consider them to be advantageous. However, certain commodities remain subject to price fluctuations. Most, if not all essential food and beverage products are available, or can be made available, upon short notice from alternative qualified suppliers.

Information Systems

At our shared services corporate support center, we have centralized financial accounting systems, human resources and payroll systems, and a communications and network infrastructure that supports both Jack in the Box and Qdoba corporate functions. Our restaurant software allows for daily polling of sales, inventory and other data from the restaurants directly. Our company restaurants and traditional site franchise restaurants use standardized Windows-based touch screen point-of-sale ("POS") platforms. These platforms allow the restaurants to accept cash, credit cards and our re-loadable gift cards. Our Qdoba POS system is also enhanced with an integrated guest loyalty program as well as a takeout and delivery interface. The takeout and delivery interface is used to manage online and catering orders that are distributed to sites via a hosted online ordering website. Both brands offer distinct mobile applications that support order-ahead functionality and payment. Jack in the Box now offers mobile ordering in select locations. Qdoba allows for mobile and web ordering at all of its U.S. restaurants.

We have business intelligence systems that provide visibility to the key metrics in the operation of company and franchise restaurants. These systems play an integral role in accumulating and analyzing market information. Our company restaurants use labor scheduling systems to assist managers in managing labor hours based on forecasted sales volumes. We also have inventory management systems which enable timely and accurate deliveries of food and packaging to our restaurants. To support order accuracy and speed of service, our drive-thru Jack in the Box restaurants use color order confirmation screens.

Advertising and Promotion

Jack in the Box. At Jack in the Box, we build brand awareness through our marketing and advertising programs and activities. These activities are supported primarily by financial contributions to a marketing fund from all company and franchise restaurants based on a percentage of gross sales. Activities to advertise restaurant products, promote brand awareness and attract customers include, but are not limited to, system and regional campaigns on television, radio and print media, as well as digital and social media.

Qdoba. At Qdoba, our marketing and advertising programs are designed to build brand awareness, lift restaurant traffic, and increase brand advocacy. All company and franchise restaurants financially contribute a percentage of gross sales to fund the production and development of advertising assets, including but not limited to national and regional radio, print, and digital and social media. Advertising is created at the brand level and the system operators can utilize these assets, or tap into our in-house creative services group to create custom advertising that meets their particular communication objectives while adhering to brand standards. Additionally, the brand has launched an affinity and mobile platform designed to inspire, motivate and reward increased frequency among Qdoba guests.

Employees

At October 1, 2017, we had approximately 16,600 employees, of whom 15,900 were restaurant employees, 500 were corporate personnel, and 200 were field management or administrative personnel. Employees are paid on an hourly basis, except certain restaurant management, operations and corporate management, and administrative personnel. We employ both full- and part-time restaurant employees in order to provide the flexibility necessary during peak periods of restaurant operations. We have not experienced any significant work stoppages, and we support our employees, including part-time workers, by offering industry competitive wages and benefits.

Executive Officers

The following table sets forth the name, age, position and years with the Company of each person who is an executive officer of Jack in the Box Inc. as of October 1, 2017:

Name	Age	Positions	Years with the Company
Leonard A. Comma	48	Chairman of the Board and Chief Executive Officer	16
Mark H. Blankenship, Ph.D.	56	Executive Vice President, Chief People, Culture and Corporate Strategy Officer	20
Jerry P. Rebel	60	Executive Vice President and Chief Financial Officer	14
Phillip H. Rudolph	59	Executive Vice President, Chief Legal and Risk Officer and Corporate Secretary	10
Frances L. Allen	55	President, Jack in the Box Brand	3
Keith M. Guilbault	54	President, Qdoba Brand	13
Paul D. Melancon	61	Senior Vice President of Finance, Controller and Treasurer	12
Carol A. DiRaimo	56	Vice President, Chief Investor Relations and Corporate Communications Officer	9
Vanessa C. Fox	44	Vice President, Chief Development Officer	20
Dean C. Gordon	55	Vice President, Chief Supply Chain Officer	8
Raymond Pepper	56	Vice President and General Counsel	20
Iwona Alter	48	Vice President and Chief Marketing Officer, Jack in the Box Brand	11

The following sets forth the business experience of each executive officer for at least the last five years:

Mr. Comma has been Chairman of the Board and Chief Executive Officer since January 2014. From May 2012 until October 2014, he served as President, and from November 2010 through January 2014, as Chief Operating Officer. Mr. Comma served as Senior Vice President and Chief Operating Officer from February 2010 to November 2010, Vice President Operations Division II from February 2007 to February 2010, Regional Vice President of the Company's Southern California region from May 2006 to February 2007 and Director of Convenience-Store & Fuel Operations for the Company's proprietary chain of Quick Stuff convenience stores from August 2001 to May 2006. Mr. Comma has 25 years of retail and franchise experience.

Dr. Blankenship has been Executive Vice President, Chief People, Culture and Corporate Strategy Officer since November 2013. He was previously Senior Vice President and Chief Administrative Officer from October 2010 to November 2013, Vice President, Human Resources and Operational Services from October 2005 to October 2010 and Division Vice President, Human Resources from October 2001 to September 2005. Dr. Blankenship has 20 years of experience with the Company in various human resource and training positions.

Mr. Rebel has been Executive Vice President and Chief Financial Officer since October 2005. He was previously Senior Vice President and Chief Financial Officer from January 2005 to October 2005 and Vice President and Controller of the Company from September 2003 to January 2005. Prior to joining the Company in 2003, Mr. Rebel held senior level positions with Fleming Companies and CVS Corporation. He has more than 35 years of corporate finance experience. As the Company announced in April 2017, Mr. Rebel plans to retire as its Executive Vice President and Chief Financial Officer in 2018.

Mr. Rudolph has been Chief Legal and Risk Officer since October 2014, Executive Vice President since February 2010, and Corporate Secretary since November 2007. Before becoming Chief Legal and Risk Officer, he was General Counsel since November 2007. Prior to joining the Company, Mr. Rudolph was Vice President and General Counsel for Ethical Leadership Group. He was previously a partner in the Washington, D.C. office of Foley Hoag, LLP, and a Vice President at McDonald's Corporation where, among other roles, he served as U.S. and International General Counsel. Before joining McDonald's, Mr. Rudolph spent 15 years with the law firm of Gibson, Dunn & Crutcher, LLP, the last six of which he spent as a litigation partner in the firm's Washington, D.C. office. Mr. Rudolph has more than 30 years of legal experience.

Ms. Allen has served as President of the Jack in the Box brand since October 2014. She joined the Company with more than 30 years of branding and marketing experience, including senior leadership roles at such major organizations as Denny's, Dunkin' Brands, Sony Ericsson Mobile Communications, PepsiCo and Frito-Lay. From July 2010 to October 2014, Ms. Allen worked for Denny's Corp., most recently as its Chief Brand Officer and, previously, as its Chief Marketing Officer. From 2007 to 2009, she was Chief Marketing Officer of Dunkin' Donuts, from 2004 to 2007, she was Vice President of Marketing, North America at Sony Ericsson Mobile Communications, and from 1998 to 2004, she held several positions at PepsiCo, most recently as Vice President of Marketing. Prior to that, Ms. Allen served at Frito-Lay as Director of International Advertising, and worked for several advertising agencies.

Mr. Guilbault has served as President of Qdoba brand since June 2016 and Chief Executive Officer of Qdoba Restaurant Corporation since September 2017. From March 2016 to June 2016, he served as Chief Operating Officer of Qdoba. Prior to that, Mr. Guilbault held several positions with the Jack in the Box brand, including: Senior Vice President and Chief Marketing Officer from November 2013 to March 2016; Vice President of Menu & Innovation from October 2012 to November 2013; Vice President of Franchising from October 2010 to October 2012; Division Vice President of Operations Initiatives from February 2010 to October 2010; and Division Vice President of Brand Innovation & Regional Marketing from February 2006 to February 2010. He joined the Company in 2004 as a Regional Vice President in Central California. Including his service with Jack in the Box Inc., Mr. Guilbault has more than 16 years of experience in management positions with several companies, including Mobil Oil Corporation, Priceline WebHouse Club and Freemarkets, Inc.

Mr. Melancon has been Senior Vice President of Finance, Controller and Treasurer since November 2013. He was previously Vice President of Finance, Controller and Treasurer from September 2008 to November 2013 and Vice President and Controller from July 2005 to September 2008. Before joining the Company, Mr. Melancon held senior financial positions at several major companies, including Guess?, Inc., Hyper Entertainment, Inc. (a subsidiary of Sony Corporation of America) and Sears, Roebuck and Company. Mr. Melancon has more than 35 years of experience in accounting and finance, including 11 years with Price Waterhouse.

Ms. DiRaimo has been Vice President and Chief Investor Relations and Corporate Communications Officer since April 2017. She served as Vice President of Investor Relations and Corporate Communications from July 2008 to April 2017. Ms. DiRaimo previously spent 14 years at Applebee's International, Inc. where she held various positions including Vice President of Investor Relations from February 2004 to November 2007. Ms. DiRaimo has more than 30 years of corporate finance and public accounting experience, including positions with Gilbert/Robinson Restaurants, Inc. and Deloitte.

Ms. Fox has been Vice President and Chief Development Officer overseeing development for the Jack in the Box and Qdoba brands since June 2016, and the Jack in the Box brand since March 2014. Previously, she held numerous positions for the Jack in the Box brand, including: Division Vice President of Franchise Business Development since September 2013 and Division Vice President of Franchise Sales & Development since June 2011. From February 2011 to June 2011, she was Director of Franchise Business Development, and she previously had the same title in Franchise Sales since October 2010. Ms. Fox served in other capacities since joining the Company in 1997. Before joining Jack in the Box Inc., she was a licensed real estate agent and worked for several companies in the residential real estate industry. Ms. Fox has 25 years of real estate and development experience.

Mr. Gordon has been Vice President and Chief Supply Chain Officer since July 2017. He was previously Vice President of Supply Chain Services since October 2012, and Division Vice President of Purchasing from February 2009 to October 2012. Prior to joining the Company in February 2009, Mr. Gordon was Vice President of Supply Chain Management for Potbelly Sandwich Works from December 2005 to February 2009, and he held various positions with Applebee's International from August 2000 to December 2005, most recently as Executive Director of Procurement. Mr. Gordon also held a number of positions at Prandium, Inc., an operator of multiple restaurant concepts, from October 1994 to August 2000. Mr. Gordon has over 20 years of Supply Chain Management experience.

Mr. Pepper has been Vice President and General Counsel since September 2014. He was previously Vice President, Deputy General Counsel since September 2013, and Division Vice President, Deputy General Counsel from July 2009 to September 2013. Prior to that, Mr. Pepper held the positions of Division Vice President, Corporate Counsel from 2003 to 2009 and Director, Corporate Counsel from 1997 to 2003. Before joining the Company, Mr. Pepper spent 11 years with the law firm of Miller, Boyko and Bell, both as an associate and partner. Mr. Pepper has over 30 years of legal experience.

Ms. Alter has been Vice President and Chief Marketing Officer for the Jack in the Box brand since October 2016. From January 2014 to October 2016, she served as Vice President of Menu Strategy and Innovation. Ms. Alter was previously Division Vice President of Operations from 2011 to 2014, Director of Innovation from 2009 to 2011, and a Marketing Manager from 2005 to 2009. Ms. Alter has more than 20 years of experience in a variety of advertising, marketing and brand-management roles, both domestically and internationally.

Trademarks and Service Marks

The JACK IN THE BOX®, QDOBA MEXICAN EATS®, QDOBA MEXICAN GRILL® and QDOBA® names are of material importance to us, and each is a registered trademark and service mark in the United States and elsewhere. In addition, we have registered or applied to register numerous service marks and trade names for use in our businesses, including the Jack in the Box, Qdoba, and Qdoba Mexican Eats logos and design marks and various product names and designs.

Seasonality

Restaurant sales and profitability are subject to seasonal fluctuations because of factors such as vacation and holiday travel, seasonal weather conditions, and weather crises, all of which affect the public's dining habits.

Competition and Markets

The restaurant business is highly competitive and is affected by local and national economic conditions, including unemployment levels, population and socioeconomic trends, traffic patterns, local and national competitive changes, changes in consumer dining habits and preferences, and new information regarding diet, nutrition and health, all of which may affect consumer spending habits. Key elements of competition in the industry are the quality and innovation in the food products offered, price and perceived value, quality of service experience (including technological and other innovations), speed of service, personnel, advertising and other marketing efforts, name identification, restaurant location, and image and attractiveness of the facilities.

Each Jack in the Box and Qdoba restaurant competes directly and indirectly with a large number of national and regional restaurant chains, some of which have significantly greater financial resources, as well as with locally-owned and/or independent restaurants in the quick-service and the fast-casual segments, and other consumer options including grocery and specialty stores, catering and delivery services. In selling franchises, we compete with many other restaurant franchisors, some of whom have substantially greater financial resources.

Available Information

The Company's primary website can be found at www.jackinthebox.com. We make available free of charge at this website (under the caption "Investors — SEC Filings") all of our reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, including our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K, and amendments to those reports. These reports are made available on the website as soon as reasonably practicable after their filing with, or furnishing to, the Securities and Exchange Commission ("SEC"). You may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site (www.sec.gov) that contains our reports, proxy and information statements, and other information.

Regulation

Each restaurant is subject to regulation by federal agencies, as well as licensing and regulation by state and local health, sanitation, safety, fire, zoning, building, consumer protection, taxing and other agencies and departments. Restaurants are also subject to rules and regulations imposed by owners and/or operators of shopping centers, college campuses, airports, military bases or other locations where a restaurant is located. Difficulties or failures in obtaining and maintaining any required permits, licenses or approvals, or difficulties in complying with applicable rules and regulations, could result in restricted operations, closures of existing restaurants, delays or cancellations in the opening of new restaurants, increased cost of operations or the imposition of fines and other penalties.

We are subject to federal, state and local laws governing restaurant menu labeling, as well as to laws restricting the use of, or requiring disclosures about, certain ingredients used in food sold at our restaurants.

We are also subject to federal, state and international laws regulating the offer and sale of franchises, as well as judicial and administrative interpretations of such laws. Such laws impose registration and disclosure requirements on franchisors in the offer and sale of franchises, and may also apply substantive standards to the relationship between franchisor and franchisee, including limitations on the ability of franchisors to terminate franchises and alter franchise arrangements.

We are subject to the federal Fair Labor Standards Act and various state laws governing such matters as minimum wages, exempt status classification, overtime, breaks and other working conditions for company employees. Our franchisees are subject to these same laws. Many of our food service personnel are paid at rates set in relation to the federal and state minimum wage laws and, accordingly, changes in the minimum wage requirements may increase labor costs for us and our franchisees. Federal and state laws may also require us to provide paid and unpaid leave to our employees, or healthcare or other employee benefits, which could result in significant additional expense to us and our franchisees. We are also subject to federal immigration laws requiring compliance with work authorization documentation and verification procedures.

We are subject to certain guidelines under the Americans with Disabilities Act of 1990 and various state codes and regulations, which require restaurants to provide full and equal access to persons with physical disabilities.

We are also subject to various federal, state and local laws regulating the discharge of materials into the environment. The cost of complying with these laws increases the cost of operating existing restaurants and developing new restaurants. Additional costs relate primarily to the necessity of obtaining more land, landscaping, storm drainage control and the cost of more expensive equipment necessary to decrease the amount of effluent emitted into the air, ground and surface waters.

Some of our Qdoba restaurants sell alcoholic beverages, which require licensing. The regulations governing licensing may impose requirements on licensees including minimum age of employees, hours of operation, and advertising and handling of alcoholic beverages.

In addition to laws and regulations governing restaurant businesses directly, there are also regulations, such as the Food Safety Modernization Act, that govern the practices of food manufacturers and distributors, including our suppliers.

We have processes in place to monitor compliance with applicable laws and regulations governing our company operations.

ITEM 1A. RISK FACTORS

We caution you that our business and operations are subject to a number of risks and uncertainties. The factors listed below are important factors that could cause our actual results to differ materially from our historical results and from projections in the forward-looking statements contained in this report, in our other filings with the SEC, in our news releases and in oral statements by our representatives. However, other factors that we do not anticipate or that we do not consider significant based on currently available information may also have an adverse effect on our results.

Risks Related to Operating in the Restaurant Industry

Changes in consumer confidence and declines in general economic conditions could negatively impact our financial results.

The restaurant industry depends on consumer discretionary spending. We are impacted by consumer confidence, which is, in turn, influenced by general economic conditions and discretionary income levels. A material decline in consumer confidence or a decline in family “food away from home” spending could cause our financial results to decline. If economic conditions worsen, customer traffic could be adversely impacted if our customers choose to dine out less frequently or reduce the amount they spend on meals while dining out which could cause our average restaurant sales to decline. An economic downturn may be caused by a variety of factors, such as macro-economic shocks, increased unemployment rates, increased taxes, interest rates or other changes in government fiscal policy. High gasoline prices, increased healthcare costs, declining home prices, and political unrest, foreign or domestic, may potentially contribute to an economic downturn, as may regional or local events, including natural disasters or local regulation. The impact of these factors may be exacerbated by the geographic profile of our Jack in the Box brand. Specifically, nearly 70% of the restaurants in our Jack in the Box system are located in the states of California and Texas. Economic conditions, state and local laws, or government regulations affecting those states may therefore more greatly impact our results than would similar occurrences in other locations.

In addition, if economic conditions deteriorate or are uncertain for a prolonged period of time, or if our operating results decline unexpectedly, we may be required to record impairment charges, which will negatively impact our results of operations for the periods in which they are recorded. Due to the foregoing or other factors, results for any one quarter are not necessarily indicative of results to be expected for any other quarter or for a full fiscal year. These fluctuations may cause our operating results to be below the expectations of public market analysts and investors, and may adversely impact our stock price.