

LANHAM CHARLES E
Form 4
August 22, 2006

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
LANHAM CHARLES E

(Last) (First) (Middle)
7564 SILVERPINE CT.
(Street)

INDIANAPOLIS, IN 46250

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
STEAK & SHAKE CO [SNS]

3. Date of Earliest Transaction
(Month/Day/Year)
08/18/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
Common Stock					30,928	I	See Footnote (1)
Common Stock					21,750	I	See Footnote (2)
Common Stock	08/18/2006		M		5,000	A	\$ 9.99
					326,802	D	

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

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number.

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
Option	\$ 18.26					02/09/2005 ⁽⁴⁾ 11/17/2009 ⁽⁴⁾	Common Stock	5,000
Option	\$ 9.97					11/13/2002 ⁽⁴⁾ 11/13/2007 ⁽⁴⁾	Common Stock	5,000
Option	\$ 17.98					11/12/2003 ⁽⁴⁾ 11/12/2008	Common Stock	5,000
Option	\$ 19.22					11/08/2006 ⁽³⁾ 11/08/2010	Common Stock	5,000
Option	\$ 9.99	08/18/2006		M	5,000	10/08/2001 ⁽⁴⁾ 10/08/2006	Common Stock	5,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LANHAM CHARLES E 7564 SILVERPINE CT. INDIANAPOLIS, IN 46250	X			

Signatures

David C. Milne, Attorney
in Fact 08/22/2006

__Signature of Reporting Person Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) These shares are held by Mr. Lanham's spouse.

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- (2) These shares are held by Hartford Heritage, L.L.C., a limited liability company of which Mr. Lanham is a Managing Member. Mr. Lanham disclaims any beneficial interest in these shares except to the extent of his pecuniary interest therein.
- (3) These Options vest at a rate of 25% on the first anniversary of grant and 25% per year thereafter until fully vested.
- (4) These options vest 20% on the date of grant and 20% each anniversary thereafter.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.