

BIGLARI HOLDINGS INC.  
Form 11-K  
June 28, 2012

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

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS  
AND SIMILAR PLANS PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

(Mark One):

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

For the fiscal year ended December 31, 2011

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 000-08445

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

The Steak n Shake 401(k) Savings Plan  
(formerly The Steak n Shake Company 401(k) Savings Plan)

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

BIGLARI HOLDINGS INC.  
17802 IH 10 West, Suite 400  
San Antonio, Texas 78257

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The Steak n Shake  
401(k) Savings Plan

Employer ID No.: 37-0684070  
Plan #: 001

Financial Statements as of December 31, 2011 and  
2010, and for the Year Ended December 31, 2011,  
Supplemental Schedule as of December 31, 2011,  
and Report of Independent Registered Public  
Accounting Firm

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THE STEAK N SHAKE 401(k) SAVINGS PLAN

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NOTE: Schedules not filed herewith are omitted because of the absence of the conditions under which they are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Participants and Plan Administrator of  
The Steak n Shake 401(k) Savings Plan  
Indianapolis, Indiana

We have audited the accompanying statements of net assets available for benefits of The Steak n Shake 401(k) Savings Plan (the "Plan") as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the year ended December 31, 2011 in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2011, is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This schedule is the responsibility of the Plan's management. Such schedule has been subjected to the auditing procedures applied in our audit of the basic 2011 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/ Deloitte & Touche LLP

Indianapolis, Illinois  
June 28, 2012

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## THE STEAK N SHAKE 401(k) SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
AS OF DECEMBER 31, 2011 AND 2010

|  | 2011                | 2010                |
|--|---------------------|---------------------|
| ASSETS:                                    |                     |                     |
| Investments — at fair value:               |                     |                     |
| Money market funds                         | \$7,103,644         | \$7,824,745         |
| Mutual funds                               | 12,385,499          | 14,220,732          |
| Common stock                               | 322,946             | 276,892             |
| <b>Total investments</b>                   | <b>19,812,089</b>   | <b>22,322,369</b>   |
| Receivables:                               |                     |                     |
| Notes receivable from participants         | 316,096             | 314,433             |
| Participant contributions                  | 109                 | -                   |
| Employer contributions                     | 22                  | -                   |
| <b>Total receivables</b>                   | <b>316,227</b>      | <b>314,433</b>      |
| <b>Total assets</b>                        | <b>20,128,316</b>   | <b>22,636,802</b>   |
| LIABILITIES — Excess contributions payable | 24,166              | 75,545              |
| <b>NET ASSETS AVAILABLE FOR BENEFITS</b>   | <b>\$20,104,150</b> | <b>\$22,561,257</b> |

See notes to financial statements.

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## THE STEAK N SHAKE 401(k) SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
FOR THE YEAR ENDED DECEMBER 31, 2011

## ADDITIONS:

## Contributions:

|  |                     |
|--|---------------------|
| Participant contributions                                    | \$1,426,582         |
| Employer contributions                                       | 190,990             |
| Rollovers  | 23,011              |
| <b>Total contributions</b>                                   | <b>1,640,583</b>    |
| <b>Investment income (loss):</b>                             |                     |
| Net appreciation (depreciation) in fair value of investments | (1,461,930 )        |
| Interest and dividends                                       | 290,370             |
| <b>Total investment income (loss)</b>                        | <b>(1,171,560 )</b> |
| Interest income on notes receivable from participants        | 14,270              |
| <b>Total additions</b>                                       | <b>483,293</b>      |

## DEDUCTIONS:

|                               |                  |
|-------------------------------|------------------|
| Benefits paid to participants | 2,814,654        |
| Administrative expenses       | 125,746          |
| <b>Total deductions</b>       | <b>2,940,400</b> |

**DECREASE IN NET ASSETS** (2,457,107 )

## NET ASSETS AVAILABLE FOR BENEFITS:

|                   |              |
|-------------------|--------------|
| Beginning of year | 22,561,257   |
| End of year       | \$20,104,150 |

See notes to financial statements.

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THE STEAK N SHAKE 401(K) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2011 AND 2010, AND FOR THE YEAR ENDED DECEMBER 31, 2011

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1. DESCRIPTION OF THE PLAN

The following description of The Steak n Shake 401(k) Savings Plan (the “Plan”) is provided for general information purposes only. Participants should refer to the Plan agreement for a more comprehensive description of the Plan’s provisions. The Plan was established effective September 28, 1953. The Plan was amended and restated as of March 15, 2010.

General — The Plan is a defined contribution plan covering substantially all employees of Steak n Shake Operations, Inc. (the “Company”) and its divisions, subsidiaries, or affiliated companies upon completing six months of service and attaining age 21. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The trustee of the Plan is TD Ameritrade Trust Company.

Contributions — Participants may make voluntary contributions up to 60% of their before-tax annual compensation, as defined in the Plan. The contributions are subject to certain limitations imposed by the Internal Revenue Code (the “Code” or “IRC”).

The Company may make a discretionary contribution from net profits of Steak n Shake Operations, Inc., as defined in the Plan agreement, in such amounts as may be determined by the Company’s Board of Directors. During 2011 the Company chose not to make a discretionary contribution from net profits. The Company may also make a discretionary matching contribution for participants that have met a service requirement of one year of service (1,000 hours). Discretionary matching contributions were made during 2011.

Participants direct the investment of their contributions into various investment options offered by the Plan, including Biglari Holdings Inc. common stock. Any Company discretionary contributions are allocated based on the participant’s investment options. All amounts in participant accounts are participant-directed.

Participants of the Plan may not contribute to or reallocate their funds to the Biglari Holdings Inc. common stock fund if, at the time of such transfer, Biglari Holdings Inc. common stock constitutes more than 50% of the participant’s account balance.

Rollovers from Other Qualified Employer Plans — The Plan allows for employees to transfer certain of their other qualified employer retirement plan assets to the Plan. These amounts are reflected in rollovers within the accompanying statement of changes in net assets available for benefits.

Participant Accounts — Individual accounts are maintained for each participant of the Plan. Each participant’s account is credited with the participant’s contribution and allocations of the Company’s discretionary contributions and Plan earnings, and charged with withdrawals and an allocation of Plan losses and administrative expenses. Allocations are based on participant’s earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.

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Vesting — Participants are immediately vested in their contributions plus actual earnings thereon. Participants are vested in employer discretionary contributions and any earnings thereon based on total years of service in accordance with the following schedule:

| Number of Years of Continuous Service | Vested Percentage |
|---------------------------------------|-------------------|
| Less than 2                           | -%                |
| 2                                     | 20                |
| 3                                     | 40                |
| 4                                     | 60                |
| 5                                     | 80                |
| 6 or more                             | 100               |

Payment of Benefits — On termination of service due to death, disability, or retirement, a participant will automatically become 100% vested in his or her account and may receive a lump-sum distribution equal to the value of the account. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution. If the amount payable under the Plan to any participant is less than or equal to \$1,000, the benefits will be paid as a lump-sum distribution. The Plan also offers voluntary withdrawals from rollover contributions and financial hardship withdrawals, subject to Plan provisions.

Forfeitures — Amounts forfeited by participants are first used to pay administrative expenses. Any remaining amounts are used to reduce future employer contributions payable under the Plan. As of December 31, 2011 and 2010, nonvested forfeited accounts totaled \$229 and \$28, respectively. During the year ended December 31, 2011, the Plan used forfeitures of \$31,266 to offset administrative expenses and reduce employer contributions.

Notes Receivable from Participants — The Plan allows for participant loans for hardship purposes. The outstanding loans are secured by the balance in the participants account and bear interest at a fixed rate. Interest rates range from 4.25% to 8.25% as of December 31, 2011. Principal and interest are paid through payroll deductions.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — The financial statements of the Plan have been prepared using the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America (GAAP).

Payment of Benefits — Benefit payments are recorded when paid.

Administrative Expenses — All expenses of operating the Plan are paid at the direction of the Plan sponsor from the assets of the Plan.

Excess Contributions Payable — The Plan is required to return contributions received during the Plan year in excess of the IRC limits.



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**Investment Valuation and Income Recognition** — Investments held by the Plan are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements. Purchases and sales of securities, including related gains and losses, are recorded on a trade-date basis. Interest income is recorded as earned and dividend income is recorded on the date of declaration.

**Risks and Uncertainties** — The Plan provides for investments in money market funds, mutual funds and common stock that, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the financial statements.

**Use of Estimates** — The preparation of the financial statements in conformity with GAAP requires Plan management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

**New Accounting Pronouncements** — In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2010-06, Fair Value Measurements and Disclosures, which amends Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, adding a new disclosure requirement to provide Level 3 activity of purchases, sales, issuances, and settlements on a gross basis. This requirement is effective for fiscal years beginning after December 15, 2010. The adoption in 2011 did not have any effect on the Plan's financial statements.

In May 2011, the FASB issued ASU No. 2011-04, Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs, which amends ASC 820. ASU 2011-04 also requires the categorization by level for items that are only required to be disclosed at fair value and information about transfers between Level 1 and Level 2. In addition, the ASU provides guidance on measuring the fair value of financial instruments managed within a portfolio and the application of premiums and discounts on fair value measurements. The ASU requires additional disclosure for Level 3 measurements regarding the sensitivity of fair value to changes in unobservable inputs and any interrelationships between those inputs. The new guidance is effective for reporting periods beginning after December 15, 2011. The adoption will not have a material effect on the statement of net assets available for benefits and statement of changes in net assets available for benefits. Plan management has not determined the impact on the disclosures in the financial statements.

### 3. INVESTMENTS

The Plan's investments that represented 5% or more of the Plan's net assets available for benefits as of December 31, 2011 and 2010, are stated below.

|                                       | 2011         | 2010         |
|---------------------------------------|--------------|--------------|
| Fidelity Retirement Money Market      | \$ 7,092,951 | \$ 7,767,772 |
| Longleaf Partners International Fund  | 1,131,838    | 1,514,060    |
| Third Avenue Value Fund Institutional | 3,446,945    | 4,782,022    |
| Vanguard Index Trust — 500 Portfolio  | 2,136,469    | 2,399,958    |
| Vanguard Target Retirement 2020 Fund  | 1,219,407    | 1,350,090    |
| Vanguard Target Retirement 2030 Fund  | 1,063,684    | *            |

\* Holding does not represent 5% or more of the Plan's net assets on this date.



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During the year ended December 31, 2011, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

|  |                 |
|--|-----------------|
| Mutual funds:  |                 |
| Balanced   | \$ (1,092,464 ) |
| Equity   | (319,846 )      |
| Fixed income   | (14,448 )       |
|  | (1,426,758 )    |
| Common stock   | (35,172 )       |
| Net appreciation (depreciation) in fair value of investments | \$ (1,461,930 ) |

#### 4. FAIR VALUE MEASUREMENTS

ASC 820, Fair Value Measurements and Disclosures, established a single authoritative definition of fair value, set a framework for measuring fair value, and requires additional disclosures about fair value measurements. In accordance with ASC 820, the Plan classifies its investments into Level 1, which refers to securities valued using quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The Plan's policy is to recognize significant transfers between levels at the actual date of the event.

##### Asset Valuation Techniques:

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes to the methodologies used at December 31, 2011 and 2010.

Mutual funds are valued at the net asset value (NAV) of the shares held by the Plan at year end.

The interest-bearing cash money market fund is valued at \$1.00 per share, its stated value at year end.

Biglari Holdings Inc. common stock, which is registered on the New York Stock Exchange, is valued at the last reported sales price on the last business day of the Plan year.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements at the reporting date.

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The following tables set forth by level within the fair value hierarchy a summary of the Plan's investments measured at fair value on a recurring basis at December 31, 2011 and 2010.

|                          | 2011                 |                     |             | Total                |
|--------------------------|----------------------|---------------------|-------------|----------------------|
|                          | Level 1              | Level 2             | Level 3     |                      |
| <b>Mutual funds:</b>     |                      |                     |             |                      |
| Balanced                 | \$ 8,854,717         | \$ -                | \$ -        | \$ 8,854,717         |
| Equity                   | 3,268,307            | -                   | -           | 3,268,307            |
| Fixed income             | 262,475              | -                   | -           | 262,475              |
|                          | 12,385,499           | -                   | -           | 12,385,499           |
| Money market funds       | -                    | 7,103,644           | -           | 7,103,644            |
| Common stock             | 322,946              | -                   | -           | 322,946              |
| <b>Total investments</b> | <b>\$ 12,708,445</b> | <b>\$ 7,103,644</b> | <b>\$ -</b> | <b>\$ 19,812,089</b> |
|                          | 2010                 |                     |             |                      |
|                          | Level 1              | Level 2             | Level 3     | Total                |
| <b>Mutual funds:</b>     |                      |                     |             |                      |
| Balanced                 | \$ 10,197,073        | \$ -                | \$ -        | \$ 10,197,073        |
| Equity                   | 3,914,018            | -                   | -           | 3,914,018            |
| Fixed income             | 109,641              | -                   | -           | 109,641              |
|                          | 14,220,732           | -                   | -           | 14,220,732           |
| Money market funds       | -                    | 7,824,745           | -           | 7,824,745            |
| Common stock             | 276,892              | -                   | -           | 276,892              |
| <b>Total investments</b> | <b>\$ 14,497,624</b> | <b>\$ 7,824,745</b> | <b>\$ -</b> | <b>\$ 22,322,369</b> |

For the year ended December 31, 2011, there were no significant transfers in or out of levels 1, 2, or 3.

#### 5. PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are shares of money market investments sponsored by TD Ameritrade Trust Company. TD Ameritrade Trust Company is the trustee of the Plan, and these transactions qualify as party-in-interest transactions.

At December 31, 2011 and 2010, the Plan held 877 and 675 shares, respectively, of Biglari Holdings Inc. common stock, with a cost basis of \$351,415 and \$228,270, respectively.

#### 6. PLAN TERMINATION

Although it has not expressed any intention to do so, the Company reserves the right under the Plan document to terminate the Plan at any time, subject to the provisions of ERISA. If the Plan is terminated, each participant would become fully vested and therefore, the balance in each participant's account would be nonforfeitable.



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7. TAX STATUS OF THE PLAN

The Company has received a favorable determination letter dated August 23, 2011, from the Internal Revenue Service stating that the Plan was designed in accordance with the applicable sections of the Internal Revenue Code. The Plan administrator believes that the Plan is currently designed and operated in compliance with the applicable requirements of the Code, and the Plan and related trust continue to be tax-exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by federal or state taxing authorities. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years 2007 and prior.

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SUPPLEMENTAL SCHEDULE

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## THE STEAK N SHAKE 401(k) SAVINGS PLAN

FORM 5500, SCHEDULE H, PART IV, LINE 4i — SCHEDULE OF ASSETS  
(HELD AT END OF YEAR)  
AS OF DECEMBER 31, 2011

EIN#: 37-0684070  
Plan #: 001

| Identity of Issuer, Borrower,<br>Lessor or Similar Party                 | Description of Investment<br>Including Maturity Date,<br>Rate of Interest, Collateral,<br>Par or Maturity Value                   | Fair<br>Value        |
|--|---|----------------------|
| Money market funds:  |   |                      |
| Fidelity Investments   | Fidelity Retirement Money Market  | \$ 7,092,951         |
| * TD Ameritrade  | TD Bank Institutional MMDA  | 402                  |
| * TD Ameritrade  | TD Bank USA MMDA  | 10,291               |
| Total money market funds   |   | 7,103,644            |
| Mutual funds:  |   |                      |
| Longleaf Partners  | Longleaf Partners International Fund  | 1,131,838            |
| Pimco  | Pimco Pacific Investment Short Term Instit.   | 198,873              |
| Third Avenue   | Third Avenue Focused Credit Fund  | 63,602               |
| Third Avenue   | Third Avenue Value Fund Institutional   | 3,446,945            |
| Vanguard   | Vanguard Index Trust — 500 Portfolio  | 2,136,469            |
| Vanguard   | Vanguard Target Retirement 2005 Fund  | 180,008              |
| Vanguard   | Vanguard Target Retirement 2010 Fund  | 450,874              |
| Vanguard   | Vanguard Target Retirement 2015 Fund  | 382,685              |
| Vanguard   | Vanguard Target Retirement 2020 Fund  | 1,219,407            |
| Vanguard   | Vanguard Target Retirement 2025 Fund  | 376,156              |
| Vanguard   | Vanguard Target Retirement 2030 Fund  | 1,063,684            |
| Vanguard   | Vanguard Target Retirement 2035 Fund  | 579,933              |
| Vanguard   | Vanguard Target Retirement 2040 Fund  | 826,051              |
| Vanguard   | Vanguard Target Retirement 2045 Fund  | 88,845               |
| Vanguard   | Vanguard Target Retirement 2050 Fund  | 240,129              |
| Total mutual funds   |   | 12,385,499           |
| Common stock — *Biglari Holdings Inc. Biglari Holdings Inc. Common Stock |   | 322,946              |
| Notes receivable from participants —                                     |   |                      |
| * Various plan participants  | Participant loans, with interest rates ranging<br>from 4.25% to 8.25% and maturing at<br>various dates through September 11, 2019 | 316,096              |
| <b>TOTAL ASSETS</b>  |   | <b>\$ 20,128,185</b> |

\* Denotes a party-in-interest





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SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

The Steak n Shake 401(k)  
Savings Plan

By: /s/ Bruce Lewis  
Bruce Lewis, on  
behalf of Steak n  
Shake Operations,  
Inc., the Plan  
Sponsor

Date: June 28, 2012

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INDEX TO EXHIBITS

| Exhibit No. | Description  |
|-------------|--|
| 23.1        | Consent of Independent Registered Public Accounting Firm |

