

WALKER GARY  
Form 4  
February 16, 2007

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**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 \*  
**WALKER GARY**

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
**36 S. PENNSYLVANIA, SUITE 500**

3. Date of Earliest Transaction (Month/Day/Year)  
**02/15/2007**

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
**SVP**

(Street)

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

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

**INDIANAPOLIS, IN 46204**

(City) (State) (Zip)

**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 Indirect Beneficial Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common Stock					300	I	Held by Minor Children
Common Stock	02/16/2007		F	9,315 D \$ 17.83	49,192	D	
Common Stock	02/16/2007		M	11,000 A \$ 15.1	57,192	D	

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

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SEC 1474 (9-02)

displays a currently valid OMB control 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 Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Underlying Security (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title
Option	\$ 17.14					08/04/2004 <sup>(1)</sup>	08/04/2009 <sup>(1)</sup>	Common Stock		
Option	\$ 19.75					09/14/2005 <sup>(1)</sup>	09/14/2010 <sup>(1)</sup>	Common Stock		
option	\$ 17.47					02/08/2007 <sup>(2)</sup>	02/08/2017 <sup>(2)</sup>	common stock		
Option	\$ 17.17					09/29/2006 <sup>(3)</sup>	09/29/2011	Common Stock		
Option	\$ 17.72					02/06/2008 <sup>(2)</sup>	02/08/2017 <sup>(2)</sup>	Common Stock		
Option	\$ 15.1	02/16/2007		M	11,000	06/21/2002 <sup>(1)</sup>	06/21/2007 <sup>(1)</sup>	Common Stock		
Option	\$ 17.83	02/16/2007		A	9,315	02/16/2007 <sup>(3)</sup>	02/16/2012 <sup>(3)</sup>	Common Stock		

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WALKER GARY 36 S. PENNSYLVANIA SUITE 500 INDIANAPOLIS, IN 46204			SVP	

## Signatures

David C. Milne, Attorney  
in Fact 02/16/2007

\*\*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 options vest over a five year period, with 20% vesting on the date of grant and the remainder vesting each anniversary thereafter, at a rate of 20% each year.
- (2) These options vest over a five-year period, with 25% vesting on the first anniversary of the date of grant and the remainder vesting on subsequent anniversaries.
- (3) These are reload options granted under the Company's Employee Stock Option Plan in conjunction with shares Mr. Walker traded in to pay the exercise price on options. They are fully vested on the date of grant.

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.