LANHAM CHARLES E

Form 4

August 22, 2006

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB

OMB APPROVAL

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Check this box

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

(Print or Type Responses)

1(b).

(Last)

(City)

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

(First)

(Street)

(State)

2. Issuer Name and Ticker or Trading Symbol

STEAK & SHAKE CO [SNS]

5. Relationship of Reporting Person(s) to

(Check all applicable)

Issuer

(Middle)

(Zin)

3. Date of Earliest Transaction

(Month/Day/Year) 08/18/2006

_X__ Director Officer (give title

10% Owner Other (specify

7564 SILVERPINE CT.

4. If Amendment, Date Original

6. Individual or Joint/Group Filing(Check Applicable Line)

Filed(Month/Day/Year)

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

below)

INDIANAPOLIS. IN 46250

(City)	(State) (A	Table	e I - Non-D	erivative	Secur	ities Acc	quired, Disposed o	of, or Beneficial	ly 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)	(D) (Instr. 3,	4 and (A) or	od of 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)
Common Stock			Code v	Amount	(D)	Price	30,928	I	See Footnote (1)
Common Stock							21,750	I	See Fotnote (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. Transactic Code (Instr. 8)	5. Number on f Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Date		7. Title and Amount Underlying Securitie (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amour or Number of Shares
Option	\$ 18.26					02/09/2005(4)	11/17/2009(4)	Common Stock	5,00
Option	\$ 9.97					11/13/2002(4)	11/13/2007(4)	Common Stock	5,00
Option	\$ 17.98					11/12/2003(4)	11/12/2008	Common Stock	5,00
Option	\$ 19.22					11/08/2006(3)	11/08/2010	Common Stock	5,00
Option	\$ 9.99	08/18/2006		M	5,000	10/08/2001(4)	10/08/2006	Common Stock	5,00

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.

Reporting Owners 2

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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.