

GILMAN ALAN B  
Form 4  
October 23, 2006

**FORM 4**

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

OMB APPROVAL

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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 \*  
GILMAN ALAN B

(Last) (First) (Middle)

500 CENTURY BLDG., 36 S.  
PENNSYLVANIA

(Street)

INDIANAPOLIS, IN 46204

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
(Month/Day/Year)  
10/20/2006

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)
				(A) or (D) Price			
Common Stock	10/20/2006		F	11,000 D	\$ 19.03 350,152	D	
Common Stock	10/20/2006		M	16,681 A	\$ 12.92 366,833	D	
Common Stock	10/23/2006		G	1,200 D	\$ 0 <sup>(3)</sup> 365,633	D	

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

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(9-02)

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 Amount of Underlying Security (Instr. 3 and 4)	Amount or Number of Shares
Option	\$ 17.14					08/04/2004 <sup>(1)</sup> 08/04/2009 <sup>(1)</sup>	Common Stock	25,000
Option	\$ 19.75					09/14/2005 <sup>(1)</sup> 09/14/2010 <sup>(1)</sup>	Common Stock	25,000
Option	\$ 12.92	10/20/2006		M	16,681	01/29/2002 01/29/2007	Common Stock	16,681
Option	\$ 15.1					06/21/2002 <sup>(1)</sup> 06/21/2007	Common Stock	25,000
Option	\$ 14.14					04/29/2003 <sup>(1)</sup> 04/29/2008	Common Stock	27,500
Option	\$ 14.93					07/02/2003 07/02/2008	Common Stock	10,000
Option	\$ 18.85					01/12/2004 01/12/2009	Common Stock	7,800
Option	\$ 17.14					05/06/2004 <sup>(1)</sup> 05/06/2009	Common Stock	27,500
Option	\$ 17.47					02/08/2007 <sup>(2)</sup> 02/08/2016	Common Stock	25,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GILMAN ALAN B 500 CENTURY BLDG. 36 S. PENNSYLVANIA INDIANAPOLIS, IN 46204	X			

## Signatures

David C. Milne Attorney  
in Fact

10/23/2006

\_\_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) The options granted to Mr. Gilman vest on a five-year graduated basis, with 20% vested immediately and an additional 20% vesting each anniversary of the date of grant thereafter.
  - (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 shares were given as a gift by Mr. Gilman. Accordingly, no price was paid or asked for them.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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