

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
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | | (A) or (D) Code V Amount 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.

Persons who respond to the collection of information contained in this form are not required to respond unless the form

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 ⁽¹⁾ | 08/04/2009 ⁽¹⁾ | Common Stock | | |
| Option | \$ 19.75 | | | | | 09/14/2005 ⁽¹⁾ | 09/14/2010 ⁽¹⁾ | Common Stock | | |
| option | \$ 17.47 | | | | | 02/08/2007 ⁽²⁾ | 02/08/2017 ⁽²⁾ | common stock | | |
| Option | \$ 17.17 | | | | | 09/29/2006 ⁽³⁾ | 09/29/2011 | Common Stock | | |
| Option | \$ 17.72 | | | | | 02/06/2008 ⁽²⁾ | 02/08/2017 ⁽²⁾ | Common Stock | | |
| Option | \$ 15.1 | 02/16/2007 | | M | 11,000 | 06/21/2002 ⁽¹⁾ | 06/21/2007 ⁽¹⁾ | Common Stock | | |
| Option | \$ 17.83 | 02/16/2007 | | A | 9,315 | 02/16/2007 ⁽³⁾ | 02/16/2012 ⁽³⁾ | 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.