

STEAK & SHAKE CO  
Form 3  
December 31, 2007

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0104  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

**INITIAL STATEMENT OF 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 * |         | 2. Date of Event Requiring Statement | 3. Issuer Name <b>and</b> Ticker or Trading Symbol                               |  |
| LION FUND, L.P.                           |         | (Month/Day/Year)                     | STEAK & SHAKE CO [SNS]   |  |
| (Last)                                    | (First) | (Middle)                             | 4. Relationship of Reporting Person(s) to Issuer                                 | 5. If Amendment, Date Original Filed(Month/Day/Year) |
|   |         |                                      | (Check all applicable)   |  |
| 9311 SAN PEDRO AVENUE,<br>SUITE 1440,     |         |                                      | <input type="checkbox"/> Director  | <input checked="" type="checkbox"/> 10% Owner        |
| (Street)                                  |         |                                      | <input type="checkbox"/> Officer   | <input checked="" type="checkbox"/> Other            |
|   |         |                                      | (give title below) (specify below)   |  |
| SAN ANTONIO, TX 78216                     |         |                                      | See Footnote 2   |  |
| (City)                                    | (State) | (Zip)                                | 6. Individual or Joint/Group Filing(Check Applicable Line)                       |  |
|   |         |                                      | <input type="checkbox"/> Form filed by One Reporting Person                      |  |
|   |         |                                      | <input checked="" type="checkbox"/> Form filed by More than One Reporting Person |  |

**Table I - Non-Derivative Securities Beneficially Owned**

| 1. Title of Security<br>(Instr. 4) | 2. Amount of Securities Beneficially Owned<br>(Instr. 4) | 3. Ownership Form:<br>Direct (D)<br>or Indirect (I)<br>(Instr. 5) | 4. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|------------------------------------|--|---|--|
| Common Stock, par value \$.50      | 929,200  | D <u>(1)</u> <u>(2)</u>   | ^  |
| Common Stock, par value \$.50      | 6,300  | I <u>(1)</u> <u>(2)</u>   | By Philip L. Cooley <u>(3)</u>                           |
| Common Stock, par value \$.50      | 1,340,445  | I <u>(1)</u> <u>(2)</u>   | By Western Acquisitions L.P.                             |

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

SEC 1473 (7-02)

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security<br>(Instr. 4) | 2. Date Exercisable and Expiration Date<br>(Month/Day/Year) | 3. Title and Amount of Securities Underlying | 4. Conversion | 5. Ownership | 6. Nature of Indirect Beneficial |
|---|---|--|---------------|--------------|----------------------------------|
|---|---|--|---------------|--------------|----------------------------------|

Edgar Filing: STEAK & SHAKE CO - Form 3

|                             | Date Exercisable | Expiration Date | Derivative Security (Instr. 4)<br>Title | Amount or Number of Shares | or Exercise Price of Derivative Security | Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5) | Ownership (Instr. 5)     |
|-----------------------------|------------------|-----------------|---|----------------------------|--|--|--------------------------|
| Call Options (Right to Buy) | 07/25/2007       | 12/22/2007      | Common Stock, par value \$.50           | 20,000                     | \$ 15                                    | D <u>(1)</u> <u>(2)</u>  | Â                        |
| Call Options (Right to Buy) | 07/06/2007       | 12/22/2007      | Common Stock, par value \$.50           | 4,000                      | \$ 15                                    | I <u>(1)</u> <u>(2)</u>  | By Western Sizzlin Corp. |
| Call Options (Right to Buy) | 07/11/2007       | 12/22/2007      | Common Stock, par value \$.50           | 50,000                     | \$ 15                                    | I <u>(1)</u> <u>(2)</u>  | By Western Sizzlin Corp. |
| Call Options (Right to Buy) | 07/11/2007       | 12/22/2007      | Common Stock, par value \$.50           | 5,000                      | \$ 12.5                                  | I <u>(1)</u> <u>(2)</u>  | By Western Sizzlin Corp. |
| Call Options (Right to Buy) | 07/12/2007       | 12/22/2007      | Common Stock, par value \$.50           | 11,000                     | \$ 15                                    | I <u>(1)</u> <u>(2)</u>  | By Western Sizzlin Corp. |
| Call Options (Right to Buy) | 07/12/2007       | 12/22/2007      | Common Stock, par value \$.50           | 1,000                      | \$ 12.5                                  | I <u>(1)</u> <u>(2)</u>  | By Western Sizzlin Corp. |
| Call Options (Right to Buy) | 07/13/2007       | 12/22/2007      | Common Stock, par value \$.50           | 10,000                     | \$ 15                                    | I <u>(1)</u> <u>(2)</u>  | By Western Sizzlin Corp. |
| Call Options (Right to Buy) | 07/16/2007       | 12/22/2007      | Common Stock, par value \$.50           | 50,000                     | \$ 15                                    | I <u>(1)</u> <u>(2)</u>  | By Western Sizzlin Corp. |
| Call Options (Right to Buy) | 07/17/2007       | 12/22/2007      | Common Stock, par value \$.50           | 10,000                     | \$ 15                                    | I <u>(1)</u> <u>(2)</u>  | By Western Sizzlin Corp. |
| Call Options (Right to Buy) | 07/19/2007       | 12/22/2007      | Common Stock, par value \$.50           | 46,100                     | \$ 15                                    | I <u>(1)</u> <u>(2)</u>  | By Western Sizzlin Corp. |
| Call Options (Right to Buy) | 07/19/2007       | 12/22/2007      | Common Stock, par value \$.50           | 1,000                      | \$ 12.5                                  | I <u>(1)</u> <u>(2)</u>  | By Western Sizzlin Corp. |
| Call Options (Right to Buy) | 07/20/2007       | 12/22/2007      | Common Stock, par value \$.50           | 1,000                      | \$ 12.5                                  | I <u>(1)</u> <u>(2)</u>  | By Western Sizzlin Corp. |
| Call Options (Right to Buy) | 07/24/2007       | 12/22/2007      | Common Stock, par                       | 100,000                    | \$ 15                                    | I <u>(1)</u> <u>(2)</u>  | By Western Sizzlin Corp. |

Edgar Filing: STEAK & SHAKE CO - Form 3

|                             |            |            | value                         |         |         |                         |                          |
|-----------------------------|------------|------------|-------------------------------|---------|---------|-------------------------|--------------------------|
| Call Options (Right to Buy) | 07/24/2007 | 12/22/2007 | Common Stock, par value \$.50 | 20,000  | \$ 12.5 | I <u>(1)</u> <u>(2)</u> | By Western Sizzlin Corp. |
| Call Options (Right to Buy) | 07/10/2007 | 12/22/2007 | Common Stock, par value \$.50 | 190,000 | \$ 15   | I <u>(1)</u> <u>(2)</u> | By Western Sizzlin Corp. |
| Call Options (Right to Buy) | 07/25/2007 | 12/22/2007 | Common Stock, par value \$.50 | 50,000  | \$ 15   | I <u>(1)</u> <u>(2)</u> | By Western Sizzlin Corp. |
| Call Options (Right to Buy) | 07/31/2007 | 12/22/2007 | Common Stock, par value \$.50 | 5,000   | \$ 15   | I <u>(1)</u> <u>(2)</u> | By Western Sizzlin Corp. |
| Call Options (Right to Buy) | 07/31/2007 | 12/22/2007 | Common Stock, par value \$.50 | 6,000   | \$ 12.5 | I <u>(1)</u> <u>(2)</u> | By Western Sizzlin Corp. |
| Call Options (Right to Buy) | 07/18/2007 | 12/22/2007 | Common Stock, par value \$.50 | 1,000   | \$ 15   | I <u>(1)</u> <u>(2)</u> | By Western Sizzlin Corp. |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |                |
|---|---------------|-----------|---------|----------------|
|   | Director      | 10% Owner | Officer | Other          |
| LION FUND, L.P.<br>9311 SAN PEDRO AVENUE, SUITE 1440<br>SAN ANTONIO, TX 78216                                 | Â             | Â X       | Â       | See Footnote 2 |
| BIGLARI CAPITAL CORP.<br>C/O THE LION FUND L.P.<br>9311 SAN PEDRO AVENUE, SUITE 1440<br>SAN ANTONIO, TX 78216 | Â             | Â X       | Â       | See Footnote 2 |
| BIGLARI, SARDAR<br>C/O THE LION FUND L.P.<br>9311 SAN PEDRO AVENUE, SUITE 1440<br>SAN ANTONIO, TX 78216       | Â             | Â X       | Â       | See Footnote 2 |
| WESTERN SIZZLIN CORP<br>416 SOUTH JEFFERSON STREET, SUITE 600<br>ROANOKE, VA 24011                            | Â             | Â X       | Â       | See Footnote 2 |
| Western Acquisitions L.P.<br>416 SOUTH JEFFERSON STREET, SUITE 600<br>ROANOKE, VA 24011                       | Â             | Â X       | Â       | See Footnote 2 |
| Western Investments Inc.<br>416 SOUTH JEFFERSON STREET, SUITE 600<br>ROANOKE, VA 24011                        | Â             | Â X       | Â       | See Footnote 2 |

COOLEY PHILIP L  
 C/O TRINITY UNIVERSITY  
 ONE TRINITY PLACE  
 SAN ANTONIO, TX 78212

Â Â X Â See Footnote 2

## Signatures

|   |            |
|---|------------|
| By: The Lion Fund L.P., By: Biglari Capital Corp., General Partner, By: Sardar Biglari, Chief Executive Officer | 12/31/2007 |
| __Signature of Reporting Person   | Date       |
| By: By: Sardar Biglari, Chief Executive Officer   | 12/31/2007 |
| __Signature of Reporting Person   | Date       |
| /s/ Biglari, Sardar   | 12/31/2007 |
| __Signature of Reporting Person   | Date       |
| By: By: Sardar Biglari, Chief Executive Officer   | 12/31/2007 |
| __Signature of Reporting Person   | Date       |
| /s/ Western Acquisitions L.P.,  | 12/31/2007 |
| __Signature of Reporting Person   | Date       |
| By: Sardar Biglari, Chief Executive Officer   | 12/31/2007 |
| __Signature of Reporting Person   | Date       |
| By: By: Sardar Biglari, Attorney In Fact  | 12/31/2007 |
| __Signature of Reporting Person   | Date       |

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 5(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).  
 Each of the Reporting Persons may be deemed to beneficially own the securities of the Issuer reported in this Form 3 by virtue of being a  
 (1) member of a Section 13(d) group with respect to the securities of the Issuer. Each of the Reporting Persons disclaims beneficial ownership of the securities reported in this Form 3 except to the extent of his or its pecuniary interest therein.  
 On December 20, 2007, the aggregate beneficial ownership by the Reporting Persons of shares of common stock of the Issuer exceeded  
 (2) 10% of the outstanding shares. As a result of the expiration on December 22, 2007 of American-style call options owned by certain of the Reporting Persons, the aggregate beneficial ownership by the Reporting Persons of the shares is now less than 10% of the outstanding shares. Accordingly, the Reporting Persons are no longer subject to Section 16 of the Securities Exchange Act of 1934, as amended.  
 (3) Includes 2,000 shares held directly by Philip Cooley's spouse.

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.