

Arnett Charles E.  
Form 3  
April 21, 2008

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

OMB APPROVAL

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**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 \*

Arnett Charles E.  
(Last) (First) (Middle)

2. Date of Event Requiring Statement

(Month/Day/Year)  
04/15/2008

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

4. Relationship of Reporting Person(s) to Issuer

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

C/O THE LION FUND,  
L.P., 9311 SAN PEDRO  
AVENUE, SUITE 1440

(Street)

(Check all applicable)

Director  10% Owner  
 Officer  Other  
(give title below) (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

SAN ANTONIO, TX 78216

(City) (State) (Zip)

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

1. Title of Security (Instr. 4)

Common Stock, par value \$.50

2. Amount of Securities Beneficially Owned (Instr. 4)

81,903

3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)

D (1) (2) A

4. Nature of Indirect Beneficial Ownership (Instr. 5)

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

SEC 1473 (7-02)

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

1. Title of Derivative Security (Instr. 4)

2. Date Exercisable and Expiration Date (Month/Day/Year)

3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)

4. Conversion or Exercise Price of Derivative

5. Ownership Form of Derivative Security:

6. Nature of Indirect Beneficial Ownership (Instr. 5)

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Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Security	Direct (D) or Indirect (I) (Instr. 5)
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## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Arnett Charles E. C/O THE LION FUND, L.P. 9311 SAN PEDRO AVENUE, SUITE 1440 SAN ANTONIO, TX 78216	^	^ X	^	^
Arnett Virginia C/O THE LION FUND, L.P. 9311 SAN PEDRO AVENUE, SUITE 1440 SAN ANTONIO, TX 78216	^	^ X	^	^

## Signatures

By: /s/ Sardar Biglari, as Attorney in Fact for Charles E. Arnett 04/21/2008

\_\_Signature of Reporting Person Date

By: /s/ Sardar Biglari, as Attorney in Fact for Virginia Arnett 04/21/2008

\_\_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).
- (1) Held by the Reporting Persons through the Charles E. Arnett Revocable Living Trust, of which the Reporting Persons are co-trustees.  
As members of a "group" for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, the Reporting Persons may be deemed to beneficially own 3,135,427 shares, or approximately 11.0%, of the Issuer's Common Stock owned in the aggregate by the members of the Section 13(d) group. The Reporting Persons disclaim beneficial ownership of the shares of the Issuer's Common Stock owned by the other members of the Section 13(d) group except to the extent of their pecuniary interest therein.
- (2)

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.