

STEAK & SHAKE CO  
Form 8-K  
August 15, 2006

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

FORM 8-K

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) August 9, 2006

THE STEAK N SHAKE COMPANY  
(Exact name of registrant as specified in its charter)

INDIANA (State or other jurisdiction of incorporation or organization)	37-0684070 (I.R.S. Employer Identification No.)
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36 S. Pennsylvania Street, Suite 500  
Indianapolis, Indiana 46204  
(317) 633-4100  
(Address and telephone number  
of registrant's principal executive offices)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))



**Item 1.01. ENTRY INTO MATERIAL DEFINITIVE AGREEMENT**

**Board Compensation**

On August 9, 2006 the Board of Directors, upon recommendation of the Compensation Committee, raised the annual retainer paid to the Company's outside Directors by \$2,000. This change, which increases the annual retainer from \$20,000 to \$22,000, will take effect on October 1, 2006. The modification to the annual retainer was made in acknowledgement of the increased work required of directors of public companies, to ensure that the Company continues to be competitive relative to its peers, and to assist in attracting and retaining talented directors.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**THE STEAK N SHAKE COMPANY**

By: /s/ Jeffrey A. Blade

Jeffrey A. Blade,

Senior Vice President and Chief Financial Officer

Dated: August 15, 2006