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* Holding does not represent 5% or more of the Plan's net assets on this date.

** Represents a party in interest to the Plan.

During the year ended December 31, 2010, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) increased in value as follows:

Mutual funds:	
Balanced	\$ 890,191
Equity	681,020
Fixed income	36,215
Real estate	24,143
	1,631,569
Money Market	232
Common stock	50,487
Net appreciation in fair value of investments	\$ 1,682,288

4. FAIR VALUE MEASUREMENTS

ASC 820, Fair Value Measurements and Disclosures, established a single authoritative definition of fair value, set a framework for measuring fair value, and requires additional disclosures about fair value measurements. In accordance with ASC 820, the Plan classifies its investments into Level 1, which refers to securities valued using quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

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The Plan's policy is to recognize significant transfers between levels at the actual date of the event.

The following tables set forth by level within the fair value hierarchy a summary of the Plan's investments measured at fair value on a recurring basis at December 31, 2010 and 2009.

	2010			Total
	Level 1	Level 2	Level 3	
Mutual funds:				
Balanced	\$ 10,197,073	\$ -	\$ -	\$ 10,197,073
Equity	3,914,018			3,914,018
Fixed income	109,641			109,641
	14,220,732	-	-	14,220,732
Money market funds		7,824,745		7,824,745
Common stock	276,892			276,892
Total investments	\$ 14,497,624	\$ 7,824,745	\$ -	\$ 22,322,369

	2009			Total
	Level 1	Level 2	Level 3	
Mutual funds:				
Balanced	\$ 7,019,329	\$ -	\$ -	\$ 7,019,329
Equity	7,245,785			7,245,785
Fixed income	2,278,273			2,278,273
Real estate	1,785,486			1,785,486
	18,328,873	-	-	18,328,873
Money market funds		5,317,377		5,317,377
Total investments	\$ 18,328,873	\$ 5,317,377	\$ -	\$ 23,646,250

For the year ended December 31, 2010, there were no significant transfers in or out of levels 1, 2, or 3.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes to the methodologies used at December 31, 2010 and 2009.

Mutual funds are valued at the net asset value (NAV) of the shares held by the Plan at year end.

The interest-bearing cash money market fund is valued at \$1.00 per share, its stated value at year end.

Biglari Holdings Inc. common stock, which is registered on the New York Stock Exchange, is valued at the last reported sales price on the last business day of the Plan year.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate

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and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements at the reporting date.

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5. PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are shares of money market investments sponsored by affiliates of Fidelity Management Trust Company and TD Ameritrade Trust Company. Fidelity Management Trust Company was trustee of the Plan through March 2010 and TD Ameritrade Trust Company is the current trustee of the Plan. Therefore, these transactions qualify as party-in-interest transactions.

At December 31, 2010, the Plan held 675 shares of Biglari Holdings Inc. common stock with a cost basis of \$228,270.

6. PLAN TERMINATION

Although it has not expressed any intention to do so, the Company reserves the right under the Plan document to terminate the Plan at any time, subject to the provisions of ERISA. If the Plan is terminated, each participant would become fully vested and therefore, the balance in each participant's account would be non-forfeitable.

7. TAX STATUS OF THE PLAN

The Company has received a favorable determination letter dated December 7, 2005, from the Internal Revenue Service stating that the Plan was designed in accordance with the applicable sections of the Internal Revenue Code. The Plan has been amended since receiving the determination letter, and a request for a new determination letter has been filed. However, the Plan administrator believes that the Plan is currently designed and operated in compliance with the applicable requirements of the Code, and the Plan and related trust continue to be tax-exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by federal or state taxing authorities. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2006.

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SUPPLEMENTAL SCHEDULE

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THE STEAK N SHAKE
401(k) SAVINGS PLAN

FORM 5500, SCHEDULE H, PART IV, LINE 4i — SCHEDULE OF ASSETS

(HELD AT END OF YEAR)
AS OF DECEMBER 31, 2010

EIN#: 37-0684070
Plan #: 001

Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Fair Value
Money Market Funds:		
* Fidelity Investments	Fidelity Retirement Money Market	\$7,767,772
* TD Ameritrade	TD Bank Institutional MMDA	164
* TD Ameritrade	TD Bank USA MMDA	56,809
Total money market funds		7,824,745
Mutual Funds:		
Longleaf Partners	Longleaf Partners International Fund	1,514,060
Pimco	Pimco Pacific Investment Short Term Instit.	44,248
Third Avenue	Third Avenue Focused Credit Fund	65,393
Third Avenue	Third Avenue Value Fund Institutional	4,782,022
Vanguard	Vanguard Index Trust - 500 Portfolio	2,399,958
Vanguard	Vanguard Target Retirement 2005 Fund	186,990
Vanguard	Vanguard Target Retirement 2010 Fund	514,766
Vanguard	Vanguard Target Retirement 2015 Fund	210,088
Vanguard	Vanguard Target Retirement 2020 Fund	1,350,090
Vanguard	Vanguard Target Retirement 2025 Fund	346,971
Vanguard	Vanguard Target Retirement 2030 Fund	1,115,666
Vanguard	Vanguard Target Retirement 2035 Fund	489,643
Vanguard	Vanguard Target Retirement 2040 Fund	968,172
Vanguard	Vanguard Target Retirement 2045 Fund	52,791
Vanguard	Vanguard Target Retirement 2050 Fund	179,874
Total mutual funds		14,220,732
Common Stock —		
*Biglari Holdings Inc.	Biglari Holdings Inc. Common Stock	276,892
Notes receivable from participants —		
* Various plan participants	Participant loans, with interest rates ranging from 4.25% to 8.25% and maturing at various dates through September 11, 2019	314,433
TOTAL ASSETS		\$22,636,802

* Denotes a party-in-interest

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SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

The Steak n Shake 401(k)
Savings Plan

By: /s/ Duane Geiger
Duane Geiger, on
behalf of Steak n
Shake Operations,
Inc., the Plan
Sponsor

Date: June 29, 2011

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INDEX TO EXHIBITS

Exhibit No.	Description
23.1	Consent of Independent Registered Public Accounting Firm