

# **EXHIBIT B**

# The Steak n Shake Company

February 3, 2009

Mr. Alan Varnson  
The Varnson Group, LLC,  
554 W. Main St. Bldg. A Suite 300,  
Buford, GA 30518

**RE: Notice of Contract Termination**

Dear Mr. Varnson:

Please allow this letter to serve as the Notice of Termination contemplated by Section VIII of the Agreement for Advertising Services between the Varnson Group, LLC ("Varnson Group") and Steak n Shake Enterprises, Inc. ("Steak n Shake") dated November 1, 2008 (the "Agreement"). Pursuant to Section VIII of the Agreement, this notice will provide Varnson Group with 90 days notice that Steak n Shake has elected to terminate the Agreement. As this Notice is being deposited in the United States Mail, postage prepaid, on February 4, 2009, the termination will be effective May 5, 2009.

Also pursuant to Section VIII, attached you will find a list of all Services which we believe to be outstanding, along with a brief description of how we desire the Services to be handled from the point of termination forward.

We have appreciated some of Varnson Group's work, particularly its radio and television production services. Accordingly, we invite Varnson Group to engage with us to work out a modification of the Agreement. We would anticipate that any modification would enable Varnson Group to perform the Services that suit its skills and staffing most appropriately, including radio and television production. With Varnson Group focused on that work we would have others provide the other Services required for our marketing efforts, and regarding which they are best suited.

Finally, we have noted that some of the Services provided by Varnson Group were not handled appropriately, and some actions in which Varnson Group engaged could constitute a breach of the Agreement. We have not yet explored any details regarding those issues and hope that our negotiations can ensure Varnson Group's continued involvement without the need to discuss these matters more fully. Notwithstanding that hope, please do not construe this letter as waiving any rights Steak n Shake has under the Agreement.

Please let me know if you care to discuss continuing Varnson Group's relationship with Steak n Shake on the terms suggested above.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Flaniken', with a long horizontal flourish extending to the right.

Jim Flaniken,  
Vice President, Marketing  
The Steak n Shake Company

cc: Sardar Biglari  
Doug Willard  
David Milne

Varnson Transition Planning			TASK	COMPLETION DATE NO LATER THAN
PROJECT				
Franchise Support				
ISM			Provide ongoing manpower/communication/support	5-May-2009
Corp Promotional Support				
Media Creative/Planning/Buying				
TV Creative			Develop TV Creative	5-May-2009
Broadcast Q1 Media Buy			Complete and Steward Buy	5-May-2009
Q1 Radio Endorsement Buys			Complete and Steward Buy	5-May-2009
Menu Development / Printing				
ISM				
Manpower / communication			Provide ongoing manpower/communication/support	5-May-2009
Advertising Assets				
Advertising Library Transfer from Varnson to SNS			Identify complete SNS physical and digital asset library	5-May-2009
including but not limited to			Transfer all requested materials to Steak n Shake and specified agencies	5-May-2009
current finished spots reel				
total spots reel				
food reel				
elements reel (graphic, sounds, music, etc)				
logo (digitized, animation, all forms)				
still photography (food, elements, art)				
Other				
Web Site			Build new SNS Website	15-Mar-2009
			Coordinate sourcing of functional department content for web site	15-Mar-2009
			Build online ordering functionality for SNS website	15-Mar-2009
			Manage Value Vault on Steak n Shake web site	5-May-2009
			Manage and fulfill any promotional activities through Steak n Shake web site	5-May-2009