

LONE STAR STEAKHOUSE & SALOON INC  
 Form 4  
 May 31, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN 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 \*  
 AARON GERALD T

2. Issuer Name and Ticker or Trading Symbol  
 LONE STAR STEAKHOUSE & SALOON INC [STAR]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 224 EAST DOUGLAS, SUITE 700  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 05/26/2006

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 Senior Vice President, Counsel

WICHITA, KS 672023413

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------|
|                                 |                                      |                                                    | Code                           | V                                                                 | Amount                                                                                        | (A) or (D)                                               | Price                                                 |
| Common Stock                    | 05/26/2006                           |                                                    | M                              |                                                                   | 10,000                                                                                        | A                                                        | \$ 8.4687<br>(1) 72,707                               |
| Common Stock                    | 05/26/2006                           |                                                    | S                              |                                                                   | 10,000                                                                                        | D                                                        | \$ 26.2764 62,707                                     |
| Common Stock                    | 05/30/2006                           |                                                    | M                              |                                                                   | 10,000                                                                                        | A                                                        | \$ 8.4687<br>(1) 72,707                               |
| Common Stock                    | 05/30/2006                           |                                                    | S                              |                                                                   | 10,000                                                                                        | D                                                        | \$ 26.0757 62,707                                     |

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

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.

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(9-02)

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

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|-------------------------------|
| Stock Option (right to buy)                | \$ 8.4687 <sup>(1)</sup>                               | 05/26/2006                           |                                                    | M                              | 10,000                                                                                  | <sup>(2)</sup> 01/03/2007                                | Common Stock                                                  | 10,000                        |
| Stock Option (right to buy)                | \$ 8.4687 <sup>(1)</sup>                               | 05/30/2006                           |                                                    | M                              | 10,000                                                                                  | <sup>(2)</sup> 01/03/2007                                | Common Stock                                                  | 10,000                        |

## Reporting Owners

| Reporting Owner Name / Address                                         | Relationships |           |                                   |       |
|------------------------------------------------------------------------|---------------|-----------|-----------------------------------|-------|
|                                                                        | Director      | 10% Owner | Officer                           | Other |
| AARON GERALD T<br>224 EAST DOUGLAS, SUITE 700<br>WICHITA, KS 672023413 |               |           | Senior Vice President,<br>Counsel |       |

## Signatures

/s/ Aaron,  
Gerald T. 05/31/2006

\*\*Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(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) The Form 4 filing software only allows for numbers to be expressed up to four decimal places. The actual exercise price of the stock options is \$8.46875.
- (2)

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One third of the options became exercisable on January 3, 1998. One third of the options became exercisable on January 3, 1999. The remainder of the options became exercisable on January 3, 2000.

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.