

Lawrence Larry M  
Form 4  
January 23, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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 \*  
Lawrence Larry M

2. Issuer Name and Ticker or Trading Symbol  
KANSAS CITY SOUTHERN [KSU]

5. Relationship of Reporting Person(s) to Issuer  
(Check all applicable)

(Last) (First) (Middle)  
KANSAS CITY SOUTHERN, PO BOX 219335  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
01/19/2006

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Sr. VP & Asst. to Chairman

KANSAS CITY, MO 64121-9335  
(City) (State) (Zip)

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

**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 (D) Price  |   |  |   |
| Common Stock                    | 01/19/2006                           |  | A                              | 5,210 A \$ 0  | 26,190  | D  |   |
| Common Stock                    |                                      |  |                                |   | 5,000   | I  | By Trust  |
| Common Stock                    |                                      |  |                                |   | 0.791   | I  | By ESOP (3)   |

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

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SEC 1474 (9-02)

number.

**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. Price of Underlying Securities (Instr. 3 and 4) |                            |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|----------------------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title  | Amount or Number of Shares |
| Option (Right to Buy) <sup>(1)</sup>       | \$ 12.575  |                                      |  |                                |   | 11/01/2002   | 10/31/2011  | Common Stock                                       | 15,000                     |
| LSAR <sup>(1)</sup>                        | \$ 12.575  |                                      |  |                                |   | <sup>(1)</sup>   | <sup>(1)</sup>  | Common Stock                                       | 15,000                     |
| Option (Right to Buy) <sup>(1)</sup>       | \$ 15.8  |                                      |  |                                |   | 05/01/2003   | 04/30/2012  | Common Stock                                       | 10,000                     |
| LSAR <sup>(1)</sup>                        | \$ 15.8  |                                      |  |                                |   | <sup>(1)</sup>   | <sup>(1)</sup>  | Common Stock                                       | 10,000                     |
| Option (Right to Buy) <sup>(1)</sup>       | \$ 11.2  |                                      |  |                                |   | 04/01/2008   | 03/31/2013  | Common Stock                                       | 15,000                     |
| LSAR <sup>(1)</sup>                        | \$ 11.2  |                                      |  |                                |   | <sup>(1)</sup>   | <sup>(1)</sup>  | Common Stock                                       | 15,000                     |
| Option (Right to Buy) <sup>(1)</sup>       | \$ 11.41   |                                      |  |                                |   | 04/30/2004   | 04/29/2013  | Common Stock                                       | 60,000                     |
| LSAR <sup>(1)</sup>                        | \$ 11.41   |                                      |  |                                |   | <sup>(1)</sup>   | <sup>(1)</sup>  | Common Stock                                       | 60,000                     |
| Option (Right to Buy) <sup>(1)</sup>       | \$ 14.6  |                                      |  |                                |   | 01/02/2005   | 01/01/2014  | Common Stock                                       | 6,000                      |
| LSAR <sup>(1)</sup>                        | \$ 14.6  |                                      |  |                                |   | <sup>(1)</sup>   | <sup>(1)</sup>  | Common Stock                                       | 6,000                      |
| Option (Right to Buy) <sup>(1)</sup>       | \$ 14.53   |                                      |  |                                |   | <sup>(2)</sup>   | 02/08/2014  | Common Stock                                       | 827                        |

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|   |          |            |            |            |              |        |
|---|----------|------------|------------|------------|--------------|--------|
| LSAR <sup>(1)</sup>                     | \$ 14.53 |            | <u>(1)</u> | <u>(1)</u> | Common Stock | 827    |
| Option<br>(Right to Buy) <sup>(1)</sup> | \$ 19.02 | 05/04/2006 |            | 05/03/2015 | Common Stock | 19,000 |
| LSAR <sup>(1)</sup>                     | \$ 19.02 |            | <u>(1)</u> | <u>(1)</u> | Common Stock | 19,000 |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |                            |       |
|---|---------------|-----------|----------------------------|-------|
|   | Director      | 10% Owner | Officer                    | Other |
| Lawrence Larry M<br>KANSAS CITY SOUTHERN<br>PO BOX 219335<br>KANSAS CITY, MO 64121-9335 |               |           | Sr. VP & Asst. to Chairman |       |

## Signatures

Julie D. Powell                      01/23/2006  
\*\*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).
- Limited Stock Appreciation Rights ("LSARs") are granted in tandem with stock options. LSARs become exercisable only following a
- (1) change-in-control of the Company in lieu of related options and are exercisable only for cash. LSARs terminate when the related options are exercised or terminated.
  - (2) These options become exercisable in installments: 165 on February 9, 2004, 165 on June 23, 2004, 166 on June 23, 2005 and 331 on June 23, 2006.
  - (3) .791 shares have accrued to my account under the KCS Employee Stock Ownership Plan.

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.