

MCDONNELL THOMAS A  
 Form 4  
 May 05, 2006

**FORM 4**

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

OMB APPROVAL

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**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 \*  
 MCDONNELL THOMAS A

(Last) (First) (Middle)

KANSAS CITY SOUTHERN, PO  
 BOX 219335

(Street)

KANSAS CITY, MO 64121-9335

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

KANSAS CITY SOUTHERN [KSU]

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

05/04/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
|                                 |                                      |  |                                | (A) or (D)<br>Code V Amount (D) Price                             |   |  |  |
| Common Stock                    | 05/04/2006                           |  | A                              | 5,000 A \$ 0  | 60,307 <sup>(1)</sup>   | D  |  |
| Common Stock                    |                                      |  |                                |   | 500,000 <sup>(2)</sup>  | I  | By West Side Investments, Inc.             |

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

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**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 or Amount of Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|---|
| Option (Right to Buy) <sup>(3)</sup>       | \$ 11.54   |                                      |  |                                |   | 03/18/2004 03/17/2013                                    | Common Stock  | 20,000  |
| LSAR <sup>(3)</sup>                        | \$ 11.54   |                                      |  |                                |   | <u>(3)</u> <u>(3)</u>                                    | Common Stock  | 20,000  |
| Option (Right to Buy) <sup>(3)</sup>       | \$ 11.05   |                                      |  |                                |   | 05/01/2004 04/30/2013                                    | Common Stock  | 10,000  |
| LSAR <sup>(3)</sup>                        | \$ 11.05   |                                      |  |                                |   | <u>(3)</u> <u>(3)</u>                                    | Common Stock  | 10,000  |
| Option (Right to Buy) <sup>(3)</sup>       | \$ 13.8  |                                      |  |                                |   | 05/04/2005 05/05/2014                                    | Common Stock  | 10,000  |
| LSAR <sup>(3)</sup>                        | \$ 13.8  |                                      |  |                                |   | <u>(3)</u> <u>(3)</u>                                    | Common Stock  | 10,000  |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| MCDONNELL THOMAS A<br>KANSAS CITY SOUTHERN<br>PO BOX 219335<br>KANSAS CITY, MO 64121-9335 | X             |           |         |       |

## Signatures

Jay M. Nadlman,  
Attorney-In-Fact

05/05/2006

\*\*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) Includes 307 shares previously owned through the DST Systems, Inc. Employee Stock Ownership Plan.

West Side Investments, Inc. is a wholly owned subsidiary of DST Systems, Inc. The reporting person is a Director and President and

(2) CEO of DST Systems, Inc. The reporting person disclaims beneficial ownership of these securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such securities for purposes of Section 16 or for any other purpose.

Limited Stock Appreciation Rights ("LSARs") are granted in tandem with stock options. LSARs become exercisable only following a

(3) 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.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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