

Lawrence Larry M  
Form 4  
January 23, 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 \*  
Lawrence Larry M

(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)

01/19/2006

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)  
Sr. VP & Asst. to Chairman

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 (A) or (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 (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 KANSAS CITY SOUTHERN PO BOX 219335 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.