

RUSS RONALD G  
Form 4  
January 23, 2006

**FORM 4**

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

OMB APPROVAL

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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 \*  
RUSS RONALD G

(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)  
Executive Vice President & CFO

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 Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
Common Stock	01/19/2006		A		17,257	A	\$ 0
Common Stock					53,901 <sup>(4)</sup>	D	
					1.019	I	By ESOP <sup>(5)</sup>

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

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SEC 1474  
(9-02)

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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. P. Der Sec (Ins	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option (Right to Buy) <sup>(1)</sup>	\$ 16.28					06/03/2003	06/02/2012	Common Stock	35,000
LSAR <sup>(1)</sup>	\$ 16.28					<u>(1)</u>	<u>(1)</u>	Common Stock	35,000
Option (Right to Buy) <sup>(1)</sup>	\$ 12.9					10/01/2007	09/30/2012	Common Stock	115,000
LSAR <sup>(1)</sup>	\$ 12.9					<u>(1)</u>	<u>(1)</u>	Common Stock	115,000
Option (Right to Buy) <sup>(1)</sup>	\$ 14.6					11/07/2007	11/06/2012	Common Stock	20,000
LSAR <sup>(1)</sup>	\$ 14.6					<u>(1)</u>	<u>(1)</u>	Common Stock	20,000
Option (Right to Buy) <sup>(1)</sup>	\$ 12.55					<u>(2)</u>	01/15/2013	Common Stock	3,686
LSAR <sup>(1)</sup>	\$ 12.55					<u>(1)</u>	<u>(1)</u>	Common Stock	3,686
Option (Right to Buy) <sup>(1)</sup>	\$ 12.55					01/16/2008	01/15/2013	Common Stock	45,000
LSAR <sup>(1)</sup>	\$ 12.55					<u>(1)</u>	<u>(1)</u>	Common Stock	45,000
Option (Right to Buy) <sup>(1)</sup>	\$ 14.6					01/02/2005	01/01/2014	Common Stock	40,000
LSAR <sup>(1)</sup>	\$ 14.6					<u>(1)</u>	<u>(1)</u>	Common Stock	40,000

Option (Right to Buy) <sup>(1)</sup>	\$ 14.53	<u>(3)</u>	02/08/2014	Common Stock	4,539
LSAR <sup>(1)</sup>	\$ 14.53	<u>(1)</u>	<u>(1)</u>	Common Stock	4,539

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
RUSS RONALD G KANSAS CITY SOUTHERN PO BOX 219335 KANSAS CITY, MO 64121-9335			Executive Vice President & CFO	

## Signatures

Ronald G. Russ                      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 are exercisable in installments: 738 on June 23, 2003, 738 on June 23, 2004, 738 on June 23, 2005 and 1,472 on June 23, 2006.
- (3) These options are exercisable in installments: 907 on February 9, 2004, 908 on June 23, 2004, 908 on June 23, 2005 and 1816 on June 23, 2006.
- (4) Includes 901 shares acquired on December 31, 2005 through the KCS Employee Stock Purchase Plan.
- (5) 1.019 shares have accrued to my account under the KCS Employee Stock Ownership Plan.

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