

KANSAS CITY SOUTHERN
Form 4
October 06, 2008

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 *
Arvidson Scott E

(Last) (First) (Middle)

KANSAS CITY SOUTHERN, PO
BOX 219335

(Street)

KANSAS CITY, MO 64121

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

KANSAS CITY SOUTHERN [KSU]

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

10/03/2008

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 & CIO

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) Code V Amount (D) Price			
Common Stock	10/03/2008		M	450 A \$ 2.6604	67,970 ⁽²⁾	D	
Common Stock					3,098.32	I	By ESOP ⁽³⁾
Common Stock					9,551.127	I	by 401(k) & P/S Plan ⁽⁴⁾

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. Amount or Number of Shares
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
Employee Stock Option (Right to Buy) ⁽⁵⁾	\$ 2.6604	10/03/2008		M ⁽¹⁾	450	11/17/1999	11/16/2008	Common Stock	450
LSAR ⁽⁵⁾	\$ 2.6604	10/03/2008		J ⁽¹⁾	450	⁽⁵⁾	⁽⁵⁾	Common Stock	450
Employee Stock Option (Right to Buy) ⁽⁵⁾	\$ 5.75					07/13/2003	07/12/2010	Common Stock	17,400
LSAR ⁽⁵⁾	\$ 5.75					⁽⁵⁾	⁽⁵⁾	Common Stock	17,400
Employee Stock Option (Right to Buy) ⁽⁵⁾	\$ 5.75					07/13/2001	07/12/2010	Common Stock	92,000
LSAR ⁽⁵⁾	\$ 5.75					⁽⁵⁾	⁽⁵⁾	Common Stock	92,000
Employee Stock Option (Right to Buy) ⁽⁵⁾	\$ 14.34					02/27/2001	02/26/2011	Common Stock	122
LSAR ⁽⁵⁾	\$ 14.34					⁽⁵⁾	⁽⁵⁾	Common Stock	122
	\$ 13.42					02/06/2002	02/05/2012		130

Employee Stock Option (Right to Buy) ⁽⁵⁾					Common Stock	
LSAR ⁽⁵⁾	\$ 13.42		<u>(5)</u>	<u>(5)</u>	Common Stock	130
Employee Stock Option (Right to Buy) ⁽⁵⁾	\$ 12.55	01/16/2003		01/15/2013	Common Stock	500
LSAR ⁽⁵⁾	\$ 12.55		<u>(5)</u>	<u>(5)</u>	Common Stock	500
Employee Stock Option (Right to Buy) ⁽⁵⁾	\$ 12.55	01/16/2008		01/15/2013	Common Stock	15,000
LSAR ⁽⁵⁾	\$ 12.55		<u>(5)</u>	<u>(5)</u>	Common Stock	15,000
Employee Stock Option (Right to Buy) ⁽⁵⁾	\$ 14.6	01/02/2005		01/01/2014	Common Stock	6,000
LSAR ⁽⁵⁾	\$ 14.6		<u>(5)</u>	<u>(5)</u>	Common Stock	6,000
Employee Stock Option (Right to Buy) ⁽⁵⁾	\$ 14.53	02/09/2004		02/08/2014	Common Stock	606
LSAR ⁽⁵⁾	\$ 14.53		<u>(5)</u>	<u>(5)</u>	Common Stock	606

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Arvidson Scott E KANSAS CITY SOUTHERN PO BOX 219335 KANSAS CITY, MO 64121			Executive Vice President & CIO	

Signatures

Brian P. Banks,
Attorney-in-fact

10/06/2008

__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) Options exercised in rule 16b-3 exempt transaction. LSARs canceled with respect to such shares.

(2) Includes 3,806 performance shares that were earned on February 28, 2008 when the KCS Compensation and Organization Committee determined that the 2007 performance goals were met. These performance shares will not vest until January 17, 2010 contingent upon continued employment by the reporting person through that date. With respect to these shares, the reporting person does not have the right to vote, receive, or be entitled to receive, cash or non-cash dividends or any other beneficial rights as a shareholder of the Company.

(3) 3,098.32 shares have accrued to the reporting person's account under the KCS Employee Stock Ownership Plan.

(4) 9,551.127 shares have accrued to the reporting person's account under the KCS 401(k) and Profit Sharing Plan.

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