

KANSAS CITY SOUTHERN
Form 4
October 06, 2008

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 *
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)

displays a currently valid OMB control 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. 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 | | ⁽⁵⁾ | ⁽⁵⁾ | 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 | | ⁽⁵⁾ | ⁽⁵⁾ | 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 | | ⁽⁵⁾ | ⁽⁵⁾ | 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 | | ⁽⁵⁾ | ⁽⁵⁾ | 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 | | ⁽⁵⁾ | ⁽⁵⁾ | 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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