

Kansas City Northern Railway Co

Form 424B2

May 12, 2016

**Table of Contents**

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities Offered</b>	<b>Maximum Aggregate</b>	<b>Amount of</b>
	<b>Offering Price</b>	<b>Registration Fee<sup>(1)</sup></b>
3.125% Senior Notes due 2026	\$250,000,000	\$25,175

(1) Calculated in accordance with Rule 457(r) in accordance with the Securities Act of 1933, as amended.

**Table of Contents**

**Filed Pursuant to Rule 424(b)(2)  
Registration No. 333-200411**

**Prospectus Supplement**

**(To Prospectus Dated November 20, 2014)**

**\$250,000,000**

**Kansas City Southern**

**3.125% Senior Notes due 2026**

**Fully and unconditionally guaranteed by**

**certain of Kansas City Southern's domestic subsidiaries**

This is an offering of \$250,000,000 aggregate principal amount of our 3.125% Senior Notes due 2026 (the "Notes"). The Notes will mature on June 1, 2026. We will pay interest on the Notes semi-annually in arrears on each June 1 and December 1, commencing on December 1, 2016.

We may redeem some or all of the Notes at any time and from time to time at the prices described under the heading "Description of Notes—Optional Redemption." Upon the occurrence of a Change of Control Repurchase Event (as defined herein), we will be required to offer to repurchase the Notes from holders as described under the heading "Description of Notes—Covenants—Change of Control Repurchase Event."

The Notes will be our unsecured senior obligations and will rank equally in right of payment with our other existing and future senior indebtedness.

This prospectus supplement and the accompanying prospectus include additional information about the terms of the Notes.

**Investing in the Notes involves risks. See the "Risk Factors" section beginning on page S-5 of this prospectus supplement and page 2 of the accompanying prospectus.**

**Neither the Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved the Notes, nor have any of these organizations determined that this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

	<b>Per Note</b>	<b>Total for the Notes</b>
Public offering price <sup>(1)</sup>	99.487%	\$ 248,717,500
Underwriting discount	0.650%	\$ 1,625,000
Proceeds, before expenses, to Kansas City Southern	98.837%	\$ 247,092,500

(1) Plus accrued interest, if any, from May 16, 2016, if settlement occurs after that date.

We expect that the Notes will be ready for delivery in book-entry form only through the facilities of The Depository Trust Company ( DTC ) and its direct and indirect participants, including Euroclear Bank S.A./N.V. and Clearstream Banking S.A., on or about May 16, 2016.

***Joint Book-Running Managers***

**BofA Merrill Lynch**

**J.P. Morgan  
Citigroup**

**Morgan Stanley**

***Senior Co-Manager***

**Wells Fargo Securities**

***Co-Managers***

**SunTrust Robinson Humphrey**

**US Bancorp**

**The date of this prospectus supplement is May 11, 2016.**

**Table of Contents**

**TABLE OF CONTENTS**

**Prospectus Supplement**

	<b>Page</b>
<u>ABOUT THIS PROSPECTUS SUPPLEMENT</u>	S-ii
<u>SUMMARY</u>	S-1
<u>RISK FACTORS</u>	S-5
<u>CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	S-9
<u>USE OF PROCEEDS</u>	S-11
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	S-12
<u>DESCRIPTION OF NOTES</u>	S-13
<u>UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS</u>	S-27
<u>UNDERWRITING</u>	S-32
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	S-35
<u>INCORPORATION OF CERTAIN INFORMATION BY REFERENCE</u>	S-35
<u>LEGAL MATTERS</u>	S-35
<u>EXPERTS</u>	S-35

**Prospectus**

<u>ABOUT THIS PROSPECTUS</u>	1
<u>KANSAS CITY SOUTHERN</u>	2
<u>THE KANSAS CITY SOUTHERN RAILWAY COMPANY</u>	2
<u>RISK FACTORS</u>	2
<u>SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS</u>	2
<u>USE OF PROCEEDS</u>	3
<u>RATIO OF EARNINGS TO FIXED CHARGES AND COMBINED FIXED CHARGES AND PREFERENCE DIVIDENDS</u>	3
<u>DESCRIPTION OF COMMON STOCK AND PREFERRED STOCK</u>	3
<u>DESCRIPTION OF THE DEBT SECURITIES AND GUARANTEES</u>	7
<u>DESCRIPTION OF WARRANTS</u>	12
<u>DESCRIPTION OF STOCK PURCHASE CONTRACTS AND STOCK PURCHASE UNITS</u>	14
<u>PLAN OF DISTRIBUTION</u>	15
<u>LEGAL MATTERS</u>	15
<u>EXPERTS</u>	15
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	16
<u>INCORPORATION BY REFERENCE</u>	16

**Table of Contents**

**ABOUT THIS PROSPECTUS SUPPLEMENT**

You should carefully read this prospectus supplement, the accompanying prospectus and any related pricing supplement or free writing prospectus, together with the additional information incorporated by reference into this prospectus supplement as described below under the heading **Incorporation of Certain Information by Reference**, before making an investment in the Notes. In particular, you should review the information under the heading **Risk Factors** in this prospectus supplement and the accompanying prospectus. We take no responsibility for, and can provide no assurance as to the reliability of any information not contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus and any related pricing supplement or free writing prospectus required to be filed with the SEC. We have not, and the underwriters have not, authorized any person to provide you with different or additional information. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus and any related pricing supplement or free writing prospectus is accurate on any date subsequent to the date set forth on the front of such document or that any information we have incorporated by reference is correct on any date subsequent to the date of the document incorporated by reference, even though this prospectus supplement, the accompanying prospectus and any related pricing supplement or free writing prospectus is delivered or debt securities are sold on a later date.

Neither we nor the underwriters are making an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

*Unless we have indicated otherwise, references in this prospectus to **KCS** mean Kansas City Southern and references to the **Company**, **we**, **us**, **our**, and similar terms refer to KCS and our consolidated subsidiaries.*

**Table of Contents**

**SUMMARY**

*This summary highlights information about KCS and the offering of the Notes. Because it is a summary, it does not contain all the information that you should consider before investing in the Notes and KCS urges you to read this entire prospectus supplement carefully, including the Risk Factors section and the information and documents incorporated by reference herein, including KCS's financial statements and notes thereto, before deciding to invest in the Notes.*

**The Company**

KCS, a Delaware corporation, is a holding company with domestic and international rail operations in North America that are strategically focused on the growing north/south freight corridor connecting key commercial and industrial markets in the central United States with major industrial cities in Mexico. KCS had approximately 6,670 employees on December 31, 2015.

KCS controls and owns all of the stock of The Kansas City Southern Railway Company ( KCSR ), a U.S. Class I railroad founded in 1887. KCSR serves a ten-state region in the midwest and southeast regions of the United States and has the shortest north/south rail route between Kansas City, Missouri and several key ports along the Gulf of Mexico in Alabama, Louisiana, Mississippi, and Texas.

KCS controls and owns all of the stock of Kansas City Southern de México, S.A. de C.V. ( KCSM ). Through its 50-year concession from the Mexican government (the Concession ), which could expire in 2047 unless extended, KCSM operates a key commercial corridor of the Mexican railroad system and has as its core route the most strategic portion of the shortest, most direct rail passageway between Mexico City and Laredo, Texas. Laredo is a principal international gateway through which a substantial portion of rail and truck traffic between the United States and Mexico crosses the border. KCSM serves most of Mexico's principal industrial cities and three of its major seaports. KCSM's rail lines provide exclusive rail access to the United States and Mexico border crossing at Nuevo Laredo, Tamaulipas, the largest rail freight interchange point between the United States and Mexico. Under the Concession, KCSM has the right to control and operate the southern half of the rail bridge at Laredo, Texas, which spans the Rio Grande River between the United States and Mexico. KCS also controls and owns the northern half of this bridge through its ownership of Mexrail, Inc. ( Mexrail ).

KCSM also provides exclusive rail access to the Port of Lazaro Cardenas on the Pacific Ocean. The Mexican government is developing the port at Lazaro Cardenas principally to serve Mexican markets and as an alternative to the U.S. west coast ports for Asian and South American traffic bound for North America.

KCS wholly owns Mexrail which, in turn, wholly owns The Texas Mexican Railway Company ( Tex-Mex ). Tex-Mex owns a 157-mile rail line extending from Laredo, Texas to the port city of Corpus Christi, Texas, which connects the operations of KCSR with KCSM.

The KCS coordinated rail network (KCSR, KCSM, and Tex-Mex) comprises approximately 6,600 route miles extending from the midwest and southeast portions of the United States south into Mexico and connects with all other Class I railroads, providing shippers with an effective alternative to other railroad routes and giving direct access to Mexico and the southeast and southwest United States through alternate interchange hubs.

Panama Canal Railway Company, an unconsolidated joint venture company owned equally by KCS and Mi-Jack Products, Inc., was awarded a concession from the Republic of Panama to reconstruct and operate the Panama Canal Railway, a 47-mile railroad located adjacent to the Panama Canal that provides international container shipping

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companies with a railway transportation alternative to the Panama Canal. The concession was awarded in 1998 for an initial term of 25 years with an automatic renewal for an additional 25-year term. The Panama Canal Railway is a north-south railroad traversing the Isthmus of Panama between the Atlantic and Pacific Oceans.

S-1

**Table of Contents**

Other subsidiaries and affiliates of KCS include the following:

Meridian Speedway, LLC ( MSLLC ), a seventy percent-owned consolidated affiliate that owns the former KCSR rail line between Meridian, Mississippi and Shreveport, Louisiana, which is the portion of the rail line between Dallas, Texas and Meridian known as the Meridian Speedway. Norfolk Southern Corporation, through its wholly-owned subsidiary, The Alabama Great Southern Railroad Company, owns the remaining thirty percent of MSLLC;

KCSM Servicios, S.A. de C.V., a wholly-owned and consolidated affiliate that provides employee services to KCSM;

Ferrocarril y Terminal del Valle de México, S.A. de C.V., a twenty-five percent-owned unconsolidated affiliate that provides railroad services as well as ancillary services in the greater Mexico City area; and

PTC-220, LLC, a fourteen percent-owned unconsolidated affiliate that holds the licenses to large blocks of radio spectrum and other assets for the deployment of positive train control.

**Our Corporate Information**

Our principal executive offices are located at: 427 West 12th Street, Kansas City, Missouri 64105. Our telephone number is (816) 983-1303 and we have a website accessible at [www.KCSouthern.com](http://www.KCSouthern.com). The information posted on our website is not incorporated into this prospectus supplement or the accompanying prospectus and is not part of this prospectus supplement or the accompanying prospectus.



**Table of Contents**

**The Offering**

The summary below describes the principal terms of the Notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of Notes section of this prospectus supplement contains a more detailed description of the terms and conditions of the Notes.

Issuer	Kansas City Southern
Securities Offered	\$250,000,000 aggregate principal amount of 3.125% Senior Notes due 2026.
Maturity Date	The Notes will mature on June 1, 2026.
Interest Rate and Payment Dates	The Notes will have an interest rate of 3.125% per annum, payable in cash on June 1 and December 1 of each year, beginning on December 1, 2016.
Note Guarantees	The Notes will be unconditionally guaranteed, jointly and severally, on an unsecured senior basis (each, a Note Guarantee ), by each of KCS's current and future domestic subsidiaries (collectively, the Guarantors ) that from time to time guarantees KCS's \$800.0 million revolving credit facility (the KCS Revolving Credit Facility ) or any other debt of KCS or any of KCS's significant subsidiaries that is a Guarantor. See Description of Notes Note Guarantees. The Notes will not be guaranteed by KCSM or any other current or future foreign subsidiary of KCS.
Ranking	<p>The Notes (i) will be KCS's general unsecured senior obligations, (ii) will rank equally in right of payment with all existing and future senior indebtedness of KCS, (iii) will be senior in right of payment to all of KCS's future subordinated indebtedness, (iv) will be effectively subordinated to KCS's secured indebtedness, if any, to the extent of the value of the assets securing such indebtedness and (v) will be structurally subordinated to all liabilities of any of KCS's subsidiaries that are not Guarantors.</p> <p>Each Note Guarantee (i) will be a general unsecured senior obligation of the applicable Guarantor, (ii) will rank equally in right of payment with all existing and future senior indebtedness of such Guarantor, (iii) will be senior in right of payment to any future subordinated indebtedness of such Guarantor, (iv) will be effectively subordinated to any existing and</p>

future secured indebtedness of such Guarantor to the extent of the value of the assets securing such indebtedness and (v) will be structurally subordinated to all liabilities of the applicable Guarantor's subsidiaries that are not Guarantors. See Description of Notes Ranking.

As of March 31, 2016, KCS and its subsidiaries had (a) \$746.0 million of availability under the KCS Revolving Credit Facility and (b) total indebtedness of \$2,368.6 million, consisting of (i) \$2,171.6 million of senior indebtedness of KCS and the Guarantors, of which \$54.5 million was secured indebtedness and (ii) \$197.0 million of senior indebtedness of subsidiaries of KCS that are not Guarantors.

S-3

**Table of Contents**

Optional Redemption	KCS may redeem some or all of the Notes at any time and from time to time at the prices described under the heading Description of Notes Optional Redemption.
Change of Control Repurchase Event	Upon a Change of Control Repurchase Event (as defined under Description of Notes Certain Definitions ), KCS will be required to make an offer to each holder of the Notes to repurchase all or any part of that holder's Notes at a repurchase price in cash equal to 101% of their aggregate principal amount, plus accrued and unpaid interest, if any, to, but excluding, the date of repurchase. See Description of Notes Covenants Change of Control Repurchase Event.
Covenants	<p>The Notes will be issued under a base indenture, as supplemented by a supplemental indenture, which will contain covenants with respect to, among other things:</p> <p>the creation of liens by KCS or any of KCS's significant subsidiaries that is a Guarantor;</p> <p>the incurrence of indebtedness by subsidiaries of KCS that are not Guarantors; and</p> <p>the merger, consolidation or sale of all or substantially all of KCS's or any Guarantors' property and assets.</p> <p>These covenants are subject to a number of important qualifications and exceptions. See Description of Notes Covenants.</p>
Denominations	The Notes will be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.
Governing Law	The base indenture, the supplemental indenture and the Notes will be governed by New York law.
Taxation	For a summary of the U.S. federal income tax consequences of an investment in the Notes, see United States Federal Income Tax Considerations.

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Use of Proceeds	We intend to use the proceeds from this offering for (i) the repayment at maturity of the outstanding principal amount of KCSM's Floating Rate Senior Notes due 2016 and KCS's Floating Rate Senior Notes due 2016 and (ii) general corporate purposes, including the repayment of outstanding commercial paper issued by KCS.
Trustee, Registrar and Paying Agent	U.S. Bank National Association.
Risk Factors	In evaluating an investment in the Notes, prospective investors should carefully consider, along with the other information in this prospectus supplement and the information incorporated by reference herein, the specific factors set forth under "Risk Factors" for risks involved with an investment in the Notes.

S-4

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**Table of Contents**

**RISK FACTORS**

*Before making an investment in the Notes, you should carefully consider the risk factors described below and in KCS's periodic reports filed with the SEC, together with all of the other information included in this prospectus supplement and the other information that KCS has incorporated by reference. The risks described below and in the documents incorporated by reference herein are not the only ones KCS is facing. Additional risks not currently known to KCS or that KCS currently deems immaterial may also impair KCS's business. See Cautionary Note Regarding Forward-Looking Statements. Any of the risks described below or in the documents incorporated by reference herein, as well as other risks and uncertainties, could harm KCS's business and financial results and cause the value of KCS's securities to decline, which in turn could cause you to lose all or a part of your investment.*

***Failure to comply with restrictive covenants in KCS's Revolving Credit Facility, the indenture governing KCS's existing notes and other contractual arrangements could accelerate KCS's repayment obligations under our debt.***

The KCS Revolving Credit Facility and the indenture governing KCS's existing notes contain a number of restrictive covenants, and any additional financing arrangements KCS enters into may contain additional restrictive covenants. These covenants restrict or prohibit many actions, including, but not limited to, the ability of KCS and certain of its subsidiaries to incur debt, create or suffer to exist liens, make investments, engage in transactions with affiliates, sell certain assets and engage in mergers and consolidations or in sale-leaseback transactions. Failure to maintain compliance with the covenants contained in these financial agreements could constitute a default which could result in the termination of the commitments and the acceleration of any amounts outstanding under such agreements.

***KCS's credit ratings may not reflect all risks of your investment in the Notes.***

The Notes are rated as investment grade by three nationally recognized statistical rating organizations. These credit ratings are limited in scope, and do not address all material risks relating to an investment in the Notes, but rather reflect only the view of each rating agency at the time the rating is issued. An explanation of the significance of such rating may be obtained from such rating agency. There can be no assurance that such credit ratings will remain in effect for any given period of time or that a rating will not be lowered, suspended or withdrawn entirely by the applicable rating agencies if, in such rating agency's judgment, circumstances so warrant. Agency credit ratings are not a recommendation to buy, sell or hold any security. Each agency's rating should be evaluated independently of any other agency's rating. Actual or anticipated changes or downgrades in KCS's credit ratings, including any announcement that its ratings are under further review for a downgrade, could affect the market value of the Notes and increase our corporate borrowing costs.

***If an active trading market does not develop for the Notes you may not be able to resell them.***

Prior to this offering, there was no public market for the Notes. If no active trading market develops, you may not be able to resell your Notes at their fair market value or at all. Future trading prices of the Notes will depend on many factors, including, among other things, prevailing interest rates, our operating results and the market for similar securities. KCS has been informed by the underwriters that they currently intend to make a market in the Notes after this offering is completed. However, the underwriters may cease their market-making at any time.

***KCS may not be able to purchase the Notes upon the occurrence of a Change of Control Repurchase Event.***

Upon the occurrence of a Change of Control Repurchase Event, KCS will be required to offer to purchase all of the Notes then outstanding at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest. If a Change of Control Repurchase Event were to occur, KCS may not have sufficient funds

S-5

## **Table of Contents**

to pay the purchase price for the outstanding Notes tendered, and expects that it would require third-party financing; however, KCS may not be able to obtain such financing on favorable terms, if at all. In addition, the occurrence of a Change of Control Repurchase Event may result in an event of default under, or require KCS to purchase, KCS's other existing or future senior indebtedness. Moreover, the exercise by the holders of their right to require KCS to purchase the Notes could cause a default under its existing or future senior indebtedness, even if the occurrence of a Change of Control Repurchase Event itself does not, due to the financial effect of such purchase on KCS and its subsidiaries. KCS's failure to purchase tendered Notes at a time when the purchase is required by the Indenture would constitute an event of default under the Indenture, which, in turn, may constitute an event of default under future debt. See Description of Notes Covenants Change of Control Repurchase Event.

### ***The provisions in the Indenture relating to change of control transactions will not necessarily protect you in the event of a highly leveraged transaction.***

The provisions in the Indenture will not necessarily afford you protection in the event of a highly leveraged transaction that may adversely affect you, including a reorganization, restructuring, merger or other similar transaction involving KCS or its subsidiaries. These transactions may not involve a change in voting power or beneficial ownership or, even if they do, may not involve a change of the magnitude required under the definition of Change of Control Repurchase Event in the Indenture to trigger these provisions. Except as described under Description of Notes Change of Control Repurchase Event, the Indenture does not contain provisions that permit the holders of the Notes to require KCS to purchase the Notes in the event of a takeover, recapitalization or similar transaction. Finally, the provisions under the Indenture relative to KCS's obligation to make an offer to purchase the Notes as a result of a Change of Control Repurchase Event may be waived or modified with the written consent of the holders of a majority in principal amount of the Notes; accordingly, you may not be able to require the purchase of your Notes upon a Change of Control Repurchase Event even if you have not consented to the waiver of such obligation.

### ***The Notes and the Note Guarantees will be effectively subordinated to the secured obligations of KCS and the Guarantors.***

The Notes and the Note Guarantees will be unsecured obligations of KCS and the Guarantors, respectively. KCS and the Guarantors may incur other debt, which may be substantial in amount, and which may in certain circumstances be secured. As of March 31, 2016, KCS and the Guarantors had \$54.5 million of secured indebtedness and capital lease obligations. Because the Notes and the Note Guarantees will be unsecured obligations, your right of repayment may be compromised in the following situations:

KCS or the Guarantors enter into bankruptcy, liquidation, reorganization, or other winding-up;

there is a default in payment under any secured debt of KCS or a Guarantor; or

there is an acceleration of any secured debt.

If any of these events occurs, the secured lenders could foreclose on assets of KCS or a Guarantor in which they have been granted a security interest, in each case to your exclusion, even if an event of default exists under the Indenture at such time. As a result, upon the occurrence of any of these events, there may not be sufficient funds to pay amounts due on the Notes.

***Servicing KCS's indebtedness will require a significant amount of cash. KCS's ability to generate cash depends on a variety of factors, many of which are beyond its control.***

KCS's ability to make payments on its indebtedness, including the Notes, will depend on KCS's ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive and other factors that are beyond KCS's control. KCS's business may not be able to generate sufficient cash flow

S-6



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**Table of Contents**

from operations and future borrowings may not be available to it in an amount sufficient to enable KCS to pay its indebtedness, including the Notes, or to fund its other liquidity needs. KCS may need to refinance all or a portion of its indebtedness on or before maturity. However, KCS may not be able to complete such refinancing on commercially reasonable terms or at all.

***KCS is a holding company, and its ability to make any required payment on the Notes is dependent on the operations of, and the distribution of funds from, its subsidiaries.***

The issuer of the Notes, KCS, is a holding company, and its subsidiaries will conduct substantially all of its operations and own all of its operating assets. Therefore, KCS will depend on dividends and other distributions from its subsidiaries to generate the funds necessary to meet its obligations, including its required obligations under the Notes. Moreover, each of KCS's subsidiaries is a legally distinct entity and, other than those of its subsidiaries that are the Guarantors, has no obligation to pay amounts due pursuant to the Notes or to make any of their funds or other assets available for these payments.

***Only some of KCS's subsidiaries will guarantee the Notes. Your right to receive payments on the Notes could be adversely affected if any of KCS's subsidiaries that are not Guarantors declare bankruptcy, liquidate or reorganize.***

Not all of KCS's subsidiaries will guarantee the Notes, and those subsidiaries may incur debt and other liabilities, to the extent permitted by the Indenture. Accordingly, the Notes will be effectively subordinated to the prior payment of debts and other liabilities (including trade payables) of KCS's subsidiaries that are not Guarantors. In the event of a bankruptcy, liquidation or reorganization of any of KCS's subsidiaries that are not Guarantors, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to KCS. As of and for the three months ended March 31, 2016, without giving effect to the issuance of the Notes or the application of the proceeds therefrom, the subsidiaries of KCS that are not Guarantors had approximately \$525.9 million of total liabilities (including trade payables and excluding intercompany payables), and approximately 49% of KCS's consolidated assets (excluding intercompany receivables and investments in consolidated subsidiaries) and generated approximately 53% and 65%, respectively, of KCS's consolidated revenues and operating income (excluding intercompany revenue and expenses).

***The indebtedness represented by the Notes and the Note Guarantees may be unenforceable due to voidable transfer statutes.***

KCS believes that the indebtedness represented by the Notes and the Note Guarantees is being incurred for proper purposes, in good faith, and not to hinder, delay, or defraud any entity to which it is, or will become on or after the consummation of this offering, indebted. Based on present forecasts, asset valuations and other financial information, KCS and the Guarantors are, and after the consummation of this offering, will be, solvent and will have reasonably sufficient capital for carrying on the current and contemplated businesses of KCS and the Guarantors and will be able to pay debts of KCS and the Guarantors as they come due. Notwithstanding this belief, however, under federal or state voidable transfer laws, if a court of competent jurisdiction in a suit by an unpaid creditor or representative of creditors (such as a trustee in bankruptcy or a debtor-in-possession) were to find that KCS or the Guarantors did not receive fair consideration (or reasonably equivalent value) for issuing the Notes or the Note Guarantees and at the time of the issuance of that indebtedness or those Note Guarantees, KCS or the Guarantors were insolvent, were rendered insolvent by reason of that incurrence, were engaged in a business or transaction for which KCS's or the Guarantors remaining assets constituted unreasonably small capital, intended to incur, or believed that KCS or the Guarantors would incur, debts beyond any of their ability to pay such debts as they became due, or that any of KCS or the Guarantors intended to hinder, delay or defraud its creditors, then that court could, among other things, (i) void all or a

portion of KCS's obligations to the holders of the Notes or the Guarantors' obligations under the Note Guarantees,  
(ii) subordinate all or a portion of the payments made to holders of the Notes (or the Note Guarantees) to KCS's (or the Guarantors') other existing

S-7

**Table of Contents**

and future indebtedness to a greater extent than would otherwise be the case, the effect of which would be to entitle those other creditors to be paid in full before any payment could be made on the Notes. The measure of insolvency for purposes of the foregoing will vary depending upon the law of the relevant jurisdiction. Generally, however, a company would be considered insolvent for purposes of the foregoing if the sum of that company's debts was greater than all of that company's assets at a fair valuation, or if the present fair saleable value of that company's assets was less than the amount that would be required to pay the probable liability on its existing debts as they become absolute and due. There can be no assurance as to what standards a court would apply to determine whether KCS or the Guarantors were solvent at the relevant time, or whether, whatever standard was applied, the Note Guarantees would not be voided on any of the grounds set forth above.

S-8

**Table of Contents**

**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus supplement, including the documents incorporated by reference herein, contains forward-looking statements that are not based upon historical information and involve risks and uncertainties. You can identify these forward-looking statements by the use of such verbs as expects, anticipates, believes or similar verbs or conjugations of such verbs. Such forward-looking statements are based upon information currently available to KCS's management and KCS's management's perception thereof as of the date of this prospectus supplement. However, such statements are dependent on and, therefore, can be influenced by, a number of external variables over which KCS's management has little or no control, including:

the outcome of claims and litigation, including those related to environmental contamination, personal injuries and property damage;

changes in legislation and regulations or revisions of controlling authority;

the adverse impact of any termination or revocation of KCSM's Concession by the Mexican government;

natural events such as severe weather, fire, floods, hurricanes, earthquakes or other disruptions to the Company's operating systems, structures and equipment or the ability of customers to produce or deliver their products and the lack of adequate insurance for such catastrophic losses;

United States, Mexican and global economic, political and social conditions;

the effects of the North American Free Trade Agreement, or NAFTA, on the level of trade among the United States, Mexico and Canada;

the level of trade between the United States and Asia or Mexico;

the effects of fluctuations in the peso-dollar exchange rate;

the effects of adverse general economic conditions affecting customer demand and the industries and geographic areas that produce and consume the commodities KCS carries;

the dependence on the stability, availability and security of the information technology systems to operate its business;

the effect of demand for KCS's services exceeding network capacity or traffic congestion on operating efficiencies and service reliability;

uncertainties regarding the litigation KCS faces and any future claims and litigation;

the impact of competition, including competition from other rail carriers, trucking companies and maritime shippers in the United States and Mexico;

KCS's reliance on agreements with other railroads and third parties to successfully implement its business strategy, operations and growth and expansion plans, including the strategy to convert customers from using trucking services to rail transportation services;

compliance with environmental regulations;

disruption in fuel supplies, changes in fuel prices and the Company's ability to recapture its costs of fuel from customers;

material adverse changes in economic and industry conditions, including the availability of short and long-term financing, both within the United States and Mexico and globally;

market and regulatory responses to climate change;

changes in labor costs and labor difficulties, including strikes and work stoppages affecting either operations or customers' abilities to deliver goods for shipment;

KCS's reliance on certain key suppliers of core rail equipment;

**Table of Contents**

availability of qualified personnel;

acts of terrorism, war or other acts of violence or crime or risk of such activities;

fluctuations in the market price for the Company's common stock; and

other factors described in this prospectus, any prospectus supplement or free writing prospectus and documents incorporated by reference herein and therein.

You are strongly encouraged to consider these factors when evaluating forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the timing when, or by which, such performance or results will be achieved. As a result, actual outcomes or results could materially differ from those indicated in forward-looking statements. Moreover, forward-looking statements reflect the information only as of the date on which they are made. We are not under any obligation, and we expressly disclaim any obligation, to update or alter any forward-looking statements.

S-10

**Table of Contents**

**USE OF PROCEEDS**

We estimate that the net proceeds we will receive from this offering will be approximately \$246,342,500, after deducting the underwriting discount and estimated expenses of the offering payable by us. We intend to use the proceeds from this offering for (i) the repayment at maturity of KCS's Floating Rate Senior Notes due 2016 (\$244.8 million outstanding as of March 31, 2016) and KCSM's Floating Rate Senior Notes due 2016 (\$5.2 million outstanding as of March 31, 2016) and (ii) general corporate purposes, including the repayment of outstanding commercial paper issued by KCS. Each of KCS's Floating Rate Senior Notes due 2016 and KCSM's Floating Rate Senior Notes due 2016 has a floating interest rate equal to the three-month U.S. dollar LIBOR plus 70 basis points per annum and will mature on October 28, 2016. KCS's Floating Rate Senior Notes due 2016 to be repaid as described above were issued on December 9, 2015, in exchange for an equivalent principal amount of KCSM's Floating Rate Senior Notes due 2016 then outstanding.

S-11

**Table of Contents****RATIO OF EARNINGS TO FIXED CHARGES**

The following table presents our ratio of earnings to fixed charges for the historical periods indicated.

	<b>Three Months Ended March 31,</b>		<b>Years Ended December 31,</b>			
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Ratio of earnings to fixed charges <sup>(1)</sup>	6.6	7.4	8.2	5.6	5.5	3.7

- (1) For purposes of computing the ratio of earnings to fixed charges, earnings represent pretax income from continuing operations, excluding equity in earnings of affiliates, plus interest expense, portion of rents representative of an appropriate interest factor and distributed income of equity investments. Fixed charges consist of interest expense, capitalized interest and the portion of rents representative of an appropriate interest factor.



## **Table of Contents**

### **DESCRIPTION OF NOTES**

The Notes will be issued as a separate series under a base indenture, dated December 9, 2015 (the **Base Indenture** ), among KCS, as issuer, certain of its subsidiaries, as guarantors, and U.S. Bank National Association, as trustee, as supplemented by a separate supplemental indenture with respect to the Notes (the **Supplemental Indenture** ). In this description, unless otherwise specified, the word **Indenture** shall be deemed to refer to the Base Indenture, as supplemented by the Supplemental Indenture.

The following description is a summary of certain provisions of the Indenture, does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the Indenture, including those provisions made a part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (the **Trust Indenture Act** ). KCS and the Guarantors urge you to read the Indenture because it, and not this description, defines your rights as a holder of the Notes.

You can find the definitions of certain capitalized terms used in the following description under the subheading **Certain Definitions**. Defined terms used but not defined in this description under the subheading **Certain Definitions** have the meanings assigned to them in the Indenture. In this description, references to **KCS** refer only to Kansas City Southern and not any of its subsidiaries.

The registered holder of a Note will be treated as the owner of it for all purposes. Only registered holders will have rights under the Indenture.

### **Principal, Maturity and Interest**

In this offering, KCS will issue \$250.0 million in aggregate principal amount of Notes. The Notes will bear interest at 3.125% per annum, and will mature on June 1, 2026. Interest on the Notes will be payable semi-annually on June 1 and December 1 of each year, commencing on December 1, 2016, to the holders of record at the close of business on the immediately preceding May 15 and November 15.

Interest on the Notes will be computed on the basis of a 360-day year comprising twelve 30-day months. Interest on the Notes will accrue from the most recent date on which interest has been paid or, if no interest has been paid, from and including the date of issuance.

KCS may, without the consent of the holders, issue additional Notes ( **Additional Notes** ) having the same terms as the Notes, except for the public offering price and the issue date and, if applicable, the initial interest accrual date and the initial interest payment date. Any Additional Notes, together with the Notes, will constitute a single series of Notes and will vote together as one class on all matters with respect to the Notes; *provided, however*, that any Additional Notes that are not fungible with existing Notes for U.S. federal income tax purposes will have a separate CUSIP, ISIN and other identifying number from the existing Notes. Unless the context otherwise requires, for all purposes of the Indenture and this **Description of Notes**, references to the Notes include any Additional Notes actually issued.

### **Note Guarantees**

The Notes will be unconditionally Guaranteed, jointly and severally, on an unsecured senior basis, by each of KCS's current and future Domestic Subsidiaries that from time to time Guarantees the Credit Agreement or any other Debt of KCS or any of KCS's Significant Subsidiaries that is a Guarantor. The obligations of each Guarantor under its Note Guarantee will be limited as necessary to prevent that Note Guarantee from constituting a fraudulent conveyance under applicable law. See **Risk Factors** The indebtedness represented by the Notes and the Note Guarantees may be

unenforceable due to voidable transfer statutes. For the avoidance of doubt, KCSM and any other foreign Subsidiaries of KCS will not Guarantee the Notes. As of the Closing Date, all of the guarantors of the Credit Agreement will Guarantee the Notes.

S-13

## **Table of Contents**

The Note Guarantee of a Guarantor will be released:

- (1) in connection with any sale, disposition or transfer of all or substantially all of the assets of that Guarantor (including by way of merger or consolidation) to a Person that is not (either before or after giving effect to such transaction) KCS or a Guarantor;
- (2) in connection with any sale, disposition or transfer of all of the Capital Stock of that Guarantor to a Person that is not (either before or after giving effect to such transaction) KCS or a Guarantor;
- (3) upon the release or discharge of such Guarantors' Guarantee of the Credit Agreement or under the Debt that triggered such Guarantor's Note Guarantee;
- (4) upon the liquidation or dissolution of such Guarantor; *provided* that no Default or Event of Default shall occur as a result thereof or has occurred and is continuing; or
- (5) upon defeasance or satisfaction and discharge of the Indenture as provided below under the captions Legal Defeasance and Covenant Defeasance and Satisfaction and Discharge.

## **Ranking**

The Notes will be KCS's general unsecured senior obligations and will rank equally in right of payment with all existing and future senior indebtedness of KCS and senior in right of payment to all of KCS's future subordinated indebtedness. The Notes will be effectively subordinated to KCS's secured indebtedness, if any, to the extent of the value of the assets securing such indebtedness and will be structurally subordinated to all liabilities of any of KCS's subsidiaries that are not Guarantors.

Each Note Guarantee will be a general unsecured senior obligation of that Guarantor, will rank equally in right of payment with all existing and future senior indebtedness of that Guarantor and senior in right of payment to any future subordinated indebtedness of that Guarantor. Each Note Guarantee will be effectively subordinated to any existing and future secured indebtedness of that Guarantor to the extent of the value of any collateral securing such indebtedness.

As of March 31, 2016, KCS and its subsidiaries had (a) \$746.0 million of availability under the Credit Agreement and (b) total indebtedness of \$2,368.6 million, consisting of (i) \$2,171.6 million of senior indebtedness of KCS and the Guarantors, of which \$54.5 million was secured indebtedness and (ii) \$197.0 million of senior indebtedness of subsidiaries of KCS that are not Guarantors, and such subsidiaries had approximately 49% of KCS's consolidated assets (excluding intercompany receivables and investments in consolidated subsidiaries). Moreover, such subsidiaries represented approximately 53% of KCS's consolidated revenues for each of the fiscal year ended December 31, 2015 and the three months ended March 31, 2016.

## **Payments on the Notes**

Principal of, premium, if any, and interest on the Notes will be payable, and the Notes may be exchanged or transferred, at the office of the paying agent in The City of New York; provided that, at KCS's option, payment of interest may be made by check mailed to the holders at their addresses as they appear in the Notes register.

## **Optional Redemption**

### ***General***

Prior to March 1, 2026 (the date that is three months prior to the maturity date), the Notes will be redeemable in whole or in part at any time and from time to time, at KCS's option, at a redemption price equal to the greater of (i) 100% of the principal amount of the Notes to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the Notes to be redeemed (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the then-current Treasury Rate, plus 25 basis points, plus accrued interest to but excluding the redemption date.

## **Table of Contents**

On or after March 1, 2026 (the date that is three months prior to the maturity date), the Notes will be redeemable in whole or in part at any time and from time to time, at KCS's option, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed plus accrued interest to but excluding the redemption date.

### ***Selection and Notice***

If less than all of the Notes are to be redeemed at any time, the trustee will select the Notes to be redeemed in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed or, if the Notes are not listed on a national securities exchange, on a pro rata basis, by lot or by such other method as the trustee in its sole discretion shall deem to be fair and appropriate; provided that no Note of \$2,000 in principal amount or less shall be redeemed in part.

Notice of the redemption will be mailed to holders of the Notes to be redeemed by first-class mail at least 30 days but not more than 60 days prior to the redemption date, except that redemption notices may be mailed or delivered electronically more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of Notes or a satisfaction and discharge of the Indenture. Notices of redemption may not be conditional.

If any Note is to be redeemed in part only, the notice of redemption that relates to such Note shall state the portion of the principal amount of such Notes that is to be redeemed. A Note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original Note. On and after the redemption date, interest will cease to accrue on the Notes or portions of them called for redemption unless KCS defaults in making the applicable redemption price.

### ***Covenants***

#### ***Limitation on Secured Indebtedness and Indebtedness of Non-Guarantor Subsidiaries***

If KCS or any of KCS's Significant Subsidiaries that is a Guarantor creates or permits any lien of any kind upon (1) any stock, whether owned on the Closing Date or thereafter acquired, of any of KCS's Significant Subsidiaries that is a Guarantor or (2) any indebtedness, whether owned on the Closing Date or thereafter acquired, of KCS or any of KCS's Significant Subsidiaries that is a Guarantor, in each case, to secure any Debt (other than the Notes) of KCS, any of KCS's Subsidiaries or any other person, KCS will cause the outstanding Notes to be secured equally and ratably with that Debt, unless the aggregate principal amount of all such secured Debt then outstanding (together with any Debt outstanding under clauses (1), (3), (4) and (5) of the following paragraph) would not exceed 10.0% of KCS's Consolidated Net Assets. This provision does not restrict any other property of KCS or its Subsidiaries. Subject to the following paragraph, the Indenture will not prohibit the sale by KCS or any of its Subsidiaries of any stock or indebtedness of any Subsidiary, including any Significant Subsidiary.

In addition, KCS shall not permit any Subsidiary of KCS that is not a Guarantor to incur any Debt, except (1) Debt with a final maturity of not more than 365 days, (2) intercompany Debt owed to KCS or any of its Subsidiaries, (3) Debt of any joint venture to which KCS or any of its Subsidiaries is a party, (4) any Existing KCSM Notes and any Secured Debt of any Subsidiary of KCS that is not a Guarantor, in each case, outstanding on the Closing Date and (5) Debt not otherwise permitted by this paragraph in an aggregate principal amount, at any one time outstanding, not to exceed \$150.0 million less the aggregate principal amount of any Existing KCSM Notes outstanding at the time of such incurrence (but not less than \$0); provided that the limitations set forth in this paragraph shall not apply to Meridian Speedway, LLC.

#### ***Change of Control Repurchase Event***

If a Change of Control Repurchase Event occurs, KCS will be required to make an offer to each holder of the Notes to repurchase all or any part (equal to \$2,000 or an integral multiple of \$1,000 in excess thereof) of that

S-15

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**Table of Contents**

holder's Notes at a repurchase price in cash equal to 101% of the aggregate principal amount of the Notes repurchased plus accrued interest, if any, to, but excluding, the date of repurchase. Within 30 days following a Change of Control Repurchase Event or, at KCS's option, prior to a Change of Control, but after the public announcement of the Change of Control, KCS will mail a notice to each holder of the Notes, with a copy to the trustee, describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase the Notes on the payment date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed. The notice shall, if mailed prior to the date of consummation of the Change of Control, state that the offer to purchase is conditioned on a Change of Control Repurchase Event occurring on or prior to the payment date specified in the notice. KCS will comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Repurchase Event provisions of the Notes, KCS will comply with the applicable securities laws and regulations and will not be deemed to have breached KCS's obligations under the Change of Control Repurchase Event provisions of the Notes by virtue of such conflict.

On the repurchase date following a Change of Control Repurchase Event, KCS will, to the extent lawful:

- (1) accept for payment all Notes or portions of Notes properly tendered pursuant to KCS's offer;
- (2) deposit with the paying agent an amount equal to the aggregate purchase price in respect of all Notes or portions of Notes properly tendered; and
- (3) deliver or cause to be delivered to the trustee the Notes properly accepted, together with an officer's certificate stating the aggregate principal amount of Notes being purchased by KCS.

The paying agent will promptly mail to each holder of the Notes that are properly tendered the purchase price for the Notes, and the trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a new Note equal in principal amount to any unpurchased portion of any Notes surrendered; *provided* that each new Note will be in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

KCS will not be required to make an offer to repurchase the Notes upon a Change of Control Repurchase Event if (1) a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by KCS and such third party purchases all Notes properly tendered and not withdrawn under its offer or (2) notice of redemption for all outstanding Notes has been given pursuant to the Indenture as described above under the caption "Optional Redemption."

The Change of Control Repurchase Event feature of the Notes may in certain circumstances make more difficult or discourage a sale or takeover of KCS and, thus, the removal of incumbent management. KCS could, in the future, enter into certain transactions, including asset sales, acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control Repurchase Event under the Notes, but that could increase the amount of indebtedness outstanding at such time or otherwise affect KCS's capital structure or credit ratings on the Notes.

***Additional Guarantors***

KCS shall cause each Domestic Subsidiary that Guarantees the Credit Agreement or any other Debt of KCS or any of KCS's Significant Subsidiaries that is a Guarantor to become a Guarantor and execute a supplemental indenture and deliver an opinion of counsel satisfactory to the trustee within 30 days of becoming a guarantor of such Debt; *provided* that, for avoidance of doubt, none of KCSM or any other foreign Subsidiary of KCS shall be required to become a Guarantor.

S-16



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**Table of Contents**

***Reports***

Whether or not KCS is required to file reports with the SEC, KCS shall file with the SEC all such reports and other information when and as KCS would be required to file with the SEC by Sections 13(a) or 15(d) under the Exchange Act if KCS were subject thereto, unless the SEC does not permit such filings, in which case KCS shall provide such reports and other information to the trustee (within the same time periods that would be applicable if KCS were required and permitted to file reports with the SEC) and instruct the trustee to mail such reports and other information to holders of the Notes at their addresses set forth on the Notes register (or, in the case of Global Securities, delivered in accordance with the applicable procedures of DTC). KCS shall supply the trustee and each holder of Notes or shall supply to the trustee for forwarding to each such holder, without cost to such holder, copies of such reports and other information. Notwithstanding the foregoing sentence, the trustee and each holder of Notes shall be deemed to have been supplied the foregoing reports and other information at the time the trustee or such holder may electronically access such reports and other information by means of the SEC's homepage on the internet or at KCS's homepage on the internet.

***Merger, Consolidation or Sale of Assets***

Neither KCS nor any Guarantor will consolidate with, merge with or into, or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of its property and assets (as an entirety or substantially as an entirety in one transaction or a series of related transactions) to, any Person or permit any Person to merge with or into KCS or such Guarantor unless:

- (1) KCS or such Guarantor shall be the continuing Person, or the Person (if other than KCS or such Guarantor) formed by such consolidation or into which KCS or such Guarantor is merged or that acquired or leased such property and its assets shall be a corporation organized and validly existing under the laws of the United States of America, any state thereof or the District of Columbia (or in the case of a Guarantor, a corporation, partnership, limited liability company or similar entity organized and validly existing under the laws of the jurisdiction under which such Guarantor was organized) and shall expressly assume, by a supplemental indenture, executed and delivered to the trustee, in form reasonably satisfactory to the trustee, all of the obligations of KCS or such Guarantor under the Notes, the Note Guarantee and the Indenture, as applicable; *provided* that this clause (1) shall not apply with respect to a Guarantor whose Note Guarantee is released as described in the second paragraph under the caption "Note Guarantees";
- (2) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing; and
- (3) KCS delivers to the trustee an officer's certificate and an opinion of counsel, in each case stating that such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposition and such supplemental indenture complies with this covenant.

***Events of Default***

Each of the following is an Event of Default:

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- (1) default in the payment of principal of (or premium, if any, on) any Note when the same becomes due at maturity, upon acceleration, redemption or otherwise;
- (2) default in the payment of interest on any Note when due and such default continues for a period of 30 days;
- (3) default in the performance of any covenant of KCS or a Guarantor in the Indenture (other than a default specified in clause (1) or (2) above), and such default continues for a period of 90 days after written notice by the trustee or the holders of 25% or more in aggregate principal amount of the Notes;