

KANSAS CITY SOUTHERN

Form 4

May 10, 2006

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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

## OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Brook James S

(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)

05/08/2006

4. If Amendment, Date Original  
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_ 10% Owner  
\_\_\_\_X\_\_\_\_ Officer (give title \_\_\_\_ Other (specify  
below) below)

Vice President & Comptroller

6. Individual or Joint/Group Filing(Check  
Applicable Line)  
\_\_\_\_X\_\_\_\_ 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<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) | 4. Securities Acquired<br>(A) or Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or<br>Indirect (I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|
| Common<br>Stock                       | 05/08/2006                              |                                                             | M                                    | V Amount (A) or (D) Price<br>10,000 A \$<br>16.59                       | 23,890                                                                                                             | D                                                                    |                                                                   |
| Common<br>Stock                       | 05/08/2006                              |                                                             | S                                    | 3,000 D \$<br>27.09                                                     | 20,890                                                                                                             | D                                                                    |                                                                   |
| Common<br>Stock                       | 05/08/2006                              |                                                             | S                                    | 4,000 D \$<br>27.13                                                     | 16,890                                                                                                             | D                                                                    |                                                                   |
| Common<br>Stock                       | 05/08/2006                              |                                                             | S                                    | 3,000 D \$ 27.2                                                         | 13,890                                                                                                             | D                                                                    |                                                                   |
| Common<br>Stock                       | 05/09/2006                              |                                                             | M                                    | 6,000 A \$<br>16.59                                                     | 19,890                                                                                                             | D                                                                    |                                                                   |

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|              |            |   |       |   |          |        |   |
|--------------|------------|---|-------|---|----------|--------|---|
| Common Stock | 05/09/2006 | S | 1,400 | D | \$ 27.15 | 18,490 | D |
| Common Stock | 05/09/2006 | S | 1,200 | D | \$ 27.16 | 17,290 | D |
| Common Stock | 05/09/2006 | S | 400   | D | \$ 27.18 | 16,890 | D |
| Common Stock | 05/09/2006 | S | 3,000 | D | \$ 27.3  | 13,890 | D |

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

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(9-02)

**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) |
|-----------------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|
|                                                     |                                                        |                                      |                                                    | Code                           | V (A) (D)                                                                               | Date Exercisable Expiration Date                         | Title Amount or Number of Shares                              |
| Employee Stock Option (right to buy) <sup>(1)</sup> | \$ 14.77                                               |                                      |                                                    |                                |                                                                                         | 09/28/2009 09/27/2014                                    | Common Stock 5,000                                            |
| LSAR <sup>(1)</sup>                                 | \$ 14.77                                               |                                      |                                                    |                                |                                                                                         | <sup>(1)</sup> <sup>(1)</sup>                            | Common Stock 5,000                                            |
| Employee Stock Option (right to buy) <sup>(1)</sup> | \$ 16.59                                               | 05/08/2006                           |                                                    | M <sup>(2)</sup>               | 10,000                                                                                  | 11/04/2005 11/03/2014                                    | Common Stock 10,000                                           |
| LSAR <sup>(1)</sup>                                 | \$ 16.59                                               | 05/08/2006                           |                                                    | J <sup>(2)</sup>               | 10,000                                                                                  | <sup>(1)</sup> <sup>(1)</sup>                            | Common Stock 10,000                                           |
| Employee Stock Option (right to                     | \$ 16.59                                               | 05/09/2006                           |                                                    | M <sup>(3)</sup>               | 6,000                                                                                   | 11/04/2005 11/03/2014                                    | Common Stock 6,000                                            |

buy) <sup>(1)</sup>

|                     |          |            |                  |       |                |                |              |       |
|---------------------|----------|------------|------------------|-------|----------------|----------------|--------------|-------|
| LSAR <sup>(1)</sup> | \$ 16.59 | 05/09/2006 | J <sup>(3)</sup> | 6,000 | <sup>(1)</sup> | <sup>(1)</sup> | Common Stock | 6,000 |
| Common Stock        | \$ 16.59 |            |                  |       | 11/04/2005     | 11/03/2014     | Common Stock | 4,000 |
| LSAR <sup>(1)</sup> | \$ 16.59 |            |                  |       | <sup>(1)</sup> | <sup>(1)</sup> | Common Stock | 4,000 |

## Reporting Owners

| Reporting Owner Name / Address                                                       | Relationships |           |                                 |       |
|--------------------------------------------------------------------------------------|---------------|-----------|---------------------------------|-------|
|                                                                                      | Director      | 10% Owner | Officer                         | Other |
| Brook James S<br>KANSAS CITY SOUTHERN<br>PO BOX 219335<br>KANSAS CITY, MO 64121-9335 |               |           | Vice President<br>& Comptroller |       |

## Signatures

Jay M. Nadlman,  
Attorney-in-fact

05/10/2006

                    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) Employee stock options exercised for 10,000 shares, limited stock appreciation rights cancelled with respect to such shares in Rule 16b-3 exempt transaction.
  - (3) Employee stock options exercised for 6,000 shares, limited stock appreciation rights cancelled with respect to such shares in Rule 16b-3 exempt transaction.

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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