KANSAS CITY SOUTHERN

Form 4 May 12, 2006

FORM 4

OMB APPROVAL

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

OMB 3235-0287

Check this box if no longer subject to Section 16.

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

response...

Form 4 or Form 5 obligations may continue. See Instruction

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person ** Brook James S			2. Issuer Name and Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer		
			KANSAS CITY SOUTHERN [KSU]	(Check all applicable)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction			
			(Month/Day/Year)	Director 10% Owner		
KANSAS CITY SOUTHERN, PO BOX 219335			05/10/2006	_X_ Officer (give title Other (specify		
				below) below) Vice President & Comptroller		
(Street)			4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check		
			Filed(Month/Day/Year)	Applicable Line)		
			·	_X_ Form filed by One Reporting Person		
KANSAS CITY, MO 64121-9335				Form filed by More than One Reporting Person		
(City)	(State)	(Zip)	Table I - Non-Derivative Securities Acq	uired, Disposed of, or Beneficially Owned		
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		Table	Table 1 - Non-Derivative Securities Acquired, Disposed of, or Deficiently Owned						
1.Title of	2. Transaction Date	2A. Deemed	3.	4. Securi	ties A	cquired	5. Amount of	6. Ownership	7. Nature of
Security	(Month/Day/Year)	Execution Date, if	Transactio	on(A) or D	ispose	d of (D)	Securities	Form: Direct	Indirect
(Instr. 3)		any	Code	(Instr. 3,	4 and	5)	Beneficially	(D) or	Beneficial
		(Month/Day/Year)	(Instr. 8)				Owned	Indirect (I)	Ownership
							Following	(Instr. 4)	(Instr. 4)
					(4)		Reported		
					(A)		Transaction(s)		
			Code V	Amount	or (D)	Price	(Instr. 3 and 4)		
C			Code v	Amount	(D)				
Common	05/10/2006		M	4,000	Α	\$	17,890	D	
Stock				,		16.59	.,		
Common									
	05/10/2006		S	4,000	D	\$ 27.6	13,890	D	
Stock									

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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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 opposed 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) (1)	\$ 14.77					09/28/2009	09/27/2014	Common Stock	5,000
LSAR (1)	\$ 14.77					<u>(1)</u>	<u>(1)</u>	Common Stock	5,000
Common Stock	\$ 16.59	05/10/2006		M(2)	4,000	11/04/2005	11/03/2014	Common Stock	4,000
LSAR (1)	\$ 16.59	05/10/2006		J(2)	4,000	<u>(1)</u>	<u>(1)</u>	Common Stock	4,000

Relationships

Reporting Owners

Reporting Owner Name / Address			•	
	Director	10% Owner	Officer	Othe

Brook James S

KANSAS CITY SOUTHERN
PO BOX 219335
KANSAS CITY, MO 64121-9335

Vice President
& Comptroller

Signatures

Jay M. Nadlman, Attorney-in-fact 05/12/2006

**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 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.

Reporting Owners 2

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(2) Employee stock options exercised for 4,000 shares, limited stock appreciation rights cancelled with respect to such shares in Rule 16b-3 exempt transaction.

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