

Arvidson Scott E
Form 4
February 27, 2009

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)

02/26/2009

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 Ownership (Instr. 4)		
			Code	V	Amount or (D) Price				
Common Stock	02/26/2009		A		6,683 (1)	A	\$ 0 74,903 (2)	D	
Common Stock	02/26/2009		A		2,036	A	\$ 0 76,939 (2)	D	
Common Stock							3,116.085	I	By ESOP (3)
Common Stock							10,731.031	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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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. F	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy) ⁽⁵⁾	\$ 5.75					07/13/2003	07/12/2010	Common Stock	17,400
LSAR ⁽⁵⁾	\$ 5.75					<u>(5)</u>	<u>(5)</u>	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					<u>(5)</u>	<u>(5)</u>	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					<u>(5)</u>	<u>(5)</u>	Common Stock	122
Employee Stock Option (Right to Buy) ⁽⁵⁾	\$ 13.42					02/06/2002	02/05/2012	Common Stock	130

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).

These shares represent performance shares that were earned on February 26, 2009, when the KCS Compensation and Organization Committee determined the level at which the 2008 performance goals met. These performance shares will not vest until January 17, 2010

(1) 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 stockholder of the company.

Includes 250 shares acquired on January 1, 2009 through the KCS Employee Stock Purchase Plan and 10,489 performance shares that have been earned by the reporting person under KCS's 2007-2009 long-term incentive plan with respect to the 2007 and 2008

(2) performance periods. 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 performance 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) 3,116.085 shares have accrued to the reporting person's account under the KCS Employee Stock Ownership Plan.

(4) 10,731.031 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

(5) 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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