KANSAS CITY SOUTHERN

Form 4 July 07, 2006

FORM 4

OMB APPROVAL

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

OMB Number: 3235-0287

January 31,

0.5

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

Expires: 2005
Estimated average burden hours per

Form 4 or Form 5 obligations

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

SECURITIES

response...

may continue. *See* Instruction 1(b).

(Print or Type Responses)

Common

Stock

1. Name and Ao NADLMAN	erson * 2. Issuer Symbol	2. Issuer Name and Ticker or Trading Symbol				5. Relationship of Reporting Person(s) to Issuer			
		KANSA	S CITY SO	OUTHE	RN [KS	U] (Ch	eck all applicable	e)	
(Last)	(First) (M	iddle) 3. Date of	Earliest Trans	saction					
		(Month/D	ay/Year)			Director	109	6 Owner	
KANSAS C	I, PO 07/06/20	07/06/2006				X Officer (give title Other (specify below)			
BOX 219335						below) President & Secre	atory		
						VICE I	resident & Secre	tai y	
	4. If Ame	4. If Amendment, Date Original				6. Individual or Joint/Group Filing(Check			
	Filed(Mon	Filed(Month/Day/Year)				Applicable Line)			
							X Form filed by One Reporting Person		
KANSAS C	9335					Form filed by More than One Reporting Person			
(City)	(State) (7:)							
(City)	(State) (Zip) Table	e I - Non-Der	rivative S	Securities A	Acquired, Disposed	of, or Beneficia	lly Owned	
1.Title of	2. Transaction Date	2A. Deemed	3.	4. Securit	ties	5. Amount of	6. Ownership	7. Nature of	
Security	(Month/Day/Year)	Execution Date, if	if TransactionAcquired (A) or		Securities	Securities Form: Direct Inc			
(Instr. 3)		any		e Disposed of (D)		Beneficially	(D) or	Beneficial	
		(Month/Day/Year)	(Instr. 8) ((Instr. 3,	4 and 5)	Owned	Indirect (I)	Ownership	
						Following	(Instr. 4)	(Instr. 4)	
					(A)	Reported Transaction(s)			
					or	(Instr. 3 and 4)			
			Code V	Amount	(D) Prio	ce (Instr. 5 tild 4)			
Common Stock	07/06/2006		D 7	7,210	D \$0	10,099	D		

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

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SEC 1474

(9-02)

5,772.272

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Held by

ESOP (1)

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$\label{thm:convertible} \begin{tabular}{ll} Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned \\ (e.g., puts, calls, warrants, options, convertible securities) \end{tabular}$

8. Pri Deriv Secur (Instr

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. Transactic Code (Instr. 8)	5. Dr.Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercis Expiration Dat (Month/Day/Y	e	7. Title and A Underlying S (Instr. 3 and	Securities	8 I S (
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Option (Right to Buy) (2)	\$ 5.75					07/13/2003	07/12/2010	Common Stock	15,400	
LSAR (2)	\$ 5.75					<u>(2)</u>	<u>(2)</u>	Common Stock	15,400	
Option (Right to Buy) (2)	\$ 5.75					07/13/2001	07/12/2010	Common Stock	27,000	
LSAR (2)	\$ 5.75					(2)	(2)	Common Stock	27,000	
Option (Right to Buy) (2)	\$ 14.6					01/02/2005	01/01/2014	Common Stock	8,000	
LSAR (2)	\$ 14.6					<u>(2)</u>	<u>(2)</u>	Common Stock	8,000	

Reporting Owners

Reporting Owner Name / Address				
	Director	10% Owner	Officer	Other

NADLMAN JAY M KANSAS CITY SOUTHERN PO BOX 219335 KANSAS CITY, MO 64121-9335

Vice President & Secretary

Signatures

Julie D. Powell, Attorney-in-fact 07/07/2006

**Signature of Reporting Person Date

Reporting Owners 2

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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) 5,772.272 shares have accrued to my account under the KCS employee stock ownership plan.
 - Limited Stock Appreciation Rights ("LSARs") are granted in tandem with stock options. LSARs become exercisable only following a
- (2) 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. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.