

Lawrence Larry M
Form 4
February 27, 2009

FORM 4

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person *
Lawrence Larry M

2. Issuer Name and Ticker or Trading Symbol
KANSAS CITY SOUTHERN [KSU]

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)

(Last) (First) (Middle)
KANSAS CITY SOUTHERN, PO BOX 219335
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
02/26/2009

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Exec. VP & Asst. to Chairman

KANSAS CITY, MO 64121-9335
(City) (State) (Zip)

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

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (D) Price			
Common Stock	02/26/2009		A	6,683 (1) A \$ 0	69,740 (2)	D	
Common Stock	02/26/2009		A	1,834 A \$ 0	71,574 (2)	D	
Common Stock					10.899	I	By ESOP (3)
Common Stock					7,938.445	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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(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)	8. Price or Value of Underlying Securities (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option (Right to Buy) ⁽⁵⁾	\$ 12.575					11/01/2002	10/31/2011	Common Stock	15,000
LSAR ⁽⁵⁾	\$ 12.575					⁽⁵⁾	⁽⁵⁾	Common Stock	15,000
Option (Right to Buy) ⁽⁵⁾	\$ 15.8					05/01/2003	04/30/2012	Common Stock	10,000
LSAR ⁽⁵⁾	\$ 15.8					⁽⁵⁾	⁽⁵⁾	Common Stock	10,000
Option (Right to Buy) ⁽⁵⁾	\$ 11.2					04/01/2008	03/31/2013	Common Stock	15,000
LSAR ⁽⁵⁾	\$ 11.2					⁽⁵⁾	⁽⁵⁾	Common Stock	15,000
Option (Right to Buy) ⁽⁵⁾	\$ 14.6					01/02/2005	01/01/2014	Common Stock	6,000
LSAR ⁽⁵⁾	\$ 14.6					⁽⁵⁾	⁽⁵⁾	Common Stock	6,000
Option (Right to Buy) ⁽⁵⁾	\$ 14.53					⁽⁶⁾	02/08/2014	Common Stock	827
LSAR ⁽⁵⁾	\$ 14.53					⁽⁵⁾	⁽⁵⁾	Common Stock	827

Option (Right to Buy) ⁽⁵⁾	\$ 19.02	05/04/2006	05/03/2015	Common Stock	19,000
LSAR ⁽⁵⁾	\$ 19.02	<u>(5)</u>	<u>(5)</u>	Common Stock	19,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Lawrence Larry M KANSAS CITY SOUTHERN PO BOX 219335 KANSAS CITY, MO 64121-9335			Exec. VP & Asst. to Chairman	

Signatures

Brian P. Banks,
Attorney-in-fact

02/27/2009

 **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).

- 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.
- (2) Includes 13,695 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 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 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) 10,899 shares have accrued to the reporting person's account under the KCS Employee Stock Ownership Plan.
- (4) A total of 7,938,445 shares have accrued to the reporting person's account under the Company's 401(k) and Profit Sharing Plan.
- (5) 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.
- (6) These options become exercisable in installments: 165 on February 9, 2004, 165 on June 23, 2004, 166 on June 23, 2005 and 331 on June 23, 2006.

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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