

KANSAS CITY SOUTHERN
Form 4
January 14, 2008

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 *
ERDMAN WARREN K

(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)

01/10/2008

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

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 | (A) or (D) | Price |
| Common Stock | 01/10/2008 | | M | | 12,501 | A | \$ 1.7861 |
| Common Stock | 01/10/2008 | | F | | 4,240 | D | \$ 30.3 |
| Common Stock | | | | | | | 934.026 |
| | | | | | | I | Held by ESOP ⁽¹⁾ |

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

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number.

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 |
| Option (Right to Buy) ⁽²⁾ | \$ 1.7861 | 01/10/2008 | | M ⁽⁸⁾ | 12,501 | <u>(3)</u> | 01/27/2008 | Common Stock | 12,501 |
| Limited Right ⁽²⁾ | \$ 1.7861 | 01/10/2008 | | J ⁽⁸⁾ | 12,501 | <u>(2)</u> | <u>(2)</u> | Common Stock | 12,501 |
| Option (Right to Buy) ⁽²⁾ | \$ 2.6604 | | | | | 01/01/2000 | 11/16/2008 | Common Stock | 3,000 |
| LSAR ⁽²⁾ | \$ 2.6604 | | | | | <u>(2)</u> | <u>(2)</u> | Common Stock | 3,000 |
| Option (Right to Buy) ⁽²⁾ | \$ 2.6604 | | | | | <u>(4)</u> | 11/16/2008 | Common Stock | 87 |
| LSAR ⁽²⁾ | \$ 2.6604 | | | | | <u>(2)</u> | <u>(2)</u> | Common Stock | 87 |
| Option (Right to Buy) ⁽²⁾ | \$ 2.7665 | | | | | <u>(4)</u> | 01/25/2009 | Common Stock | 72 |
| LSAR ⁽²⁾ | \$ 2.7665 | | | | | <u>(2)</u> | <u>(2)</u> | Common Stock | 72 |
| Option (Right to Buy) ⁽²⁾ | \$ 5.1637 | | | | | <u>(5)</u> | 02/28/2010 | Common Stock | 71 |
| LSAR ⁽²⁾ | \$ 5.1637 | | | | | <u>(2)</u> | <u>(2)</u> | Common Stock | 71 |
| 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 |

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| | | | | | |
|---|----------|------------|------------|--------------|--------|
| Option (Right to Buy) ⁽²⁾ | \$ 5.75 | 07/13/2001 | 07/12/2010 | Common Stock | 77,000 |
| LSAR ⁽²⁾ | \$ 5.75 | <u>(2)</u> | <u>(2)</u> | Common Stock | 77,000 |
| Option (Right to Buy) ⁽²⁾ | \$ 14.34 | <u>(6)</u> | 02/26/2011 | Common Stock | 480 |
| LSAR ⁽²⁾ | \$ 14.34 | <u>(2)</u> | <u>(2)</u> | Common Stock | 480 |
| Option (Right to Buy) ⁽²⁾ | \$ 13.42 | 02/06/2002 | 02/05/2012 | Common Stock | 513 |
| LSAR ⁽²⁾ | \$ 13.42 | <u>(2)</u> | <u>(2)</u> | Common Stock | 513 |
| Option (Right to Buy) ⁽²⁾ | \$ 12.55 | 01/16/2003 | 01/15/2013 | Common Stock | 670 |
| LSAR ⁽²⁾ | \$ 12.55 | <u>(2)</u> | <u>(2)</u> | Common Stock | 670 |
| Option (Right to Buy) ⁽²⁾ | \$ 12.55 | 01/16/2008 | 01/15/2013 | Common Stock | 15,000 |
| LSAR ⁽²⁾ | \$ 12.55 | <u>(2)</u> | <u>(2)</u> | Common Stock | 15,000 |
| Option (Right to Buy) ⁽²⁾ | \$ 14.6 | 01/02/2005 | 01/01/2014 | Common Stock | 6,000 |
| LSAR ⁽²⁾ | \$ 14.6 | <u>(2)</u> | <u>(2)</u> | Common Stock | 6,000 |
| Option (Right to Buy) ⁽²⁾ | \$ 14.53 | 02/09/2004 | 02/08/2014 | Common Stock | 699 |
| LSAR ⁽²⁾ | \$ 14.53 | <u>(2)</u> | <u>(2)</u> | Common Stock | 699 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|--------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| ERDMAN WARREN K KANSAS CITY SOUTHERN | | | Executive Vice President | |

PO BOX 219335
KANSAS CITY, MO 64121-9335

Signatures

Brian P. Banks,
Attorney-in-fact

01/14/2008

__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).

(1) 934,026 shares have accrued to my account under the Company's employee stock ownership plan.

Limited Rights and Limited Stock Appreciation Rights ("LSARs") are granted in tandem with stock options. Limited Rights and LSARs become exercisable only following a change-in-control of the Company in lieu of related options and are exercisable only for cash. Limited Rights and LSARs terminate when the related options are exercised or terminated.

(3) Became exercisable when the KCS Common stock price reached defined benchmark levels that were maintained or exceeded for 30 consecutive trading days.

(4) These options became exercisable in installments: 25% on 06/23/99, 25% on 06/23/00 and 50% on 06/23/01.

(5) These options became exercisable in installments: 25% on 03/01/00, 25% on 06/23/00 and 50% on 06/23/01.

(6) 240 options became exercisable on 02/27/01 and 240 options became exercisable on 06/23/01.

(7) Includes 394 shares acquired on January 1, 2008 through the KCS Employee Stock Purchase Plan.

(8) Options exercised in rule 16b-3 exempt transaction. Limited Rights canceled with respect to such shares.

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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