Shoener Arthur L Form 4 January 23, 2006

FORM 4

OMB APPROVAL

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

OMB 3235-0287 Number:

Check this box if no longer subject to Section 16.

Washington, D.C. 20549

January 31, Expires: 2005

Form 4 or Form 5 obligations may continue. STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Estimated average burden hours per response... 0.5

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 See Instruction

1(b).

(Print or Type Responses)

1. Name and A Shoener Art	Symbol	2. Issuer Name and Ticker or Trading Symbol KANSAS CITY SOUTHERN [KSU]				5. Relationship of Reporting Person(s) to Issuer					
(Last) KANSAS C BOX 21933	CITY SOUTHERN	(Month/I	3. Date of Earliest Transaction (Month/Day/Year) 01/19/2006			(Check all applicable) Director 10% OwnerX Officer (give title Other (specify below) Executive Vice President & COO					
IZ A NIC A C. C	(Street)	Filed(Mo	4. If Amendment, Date Original Filed(Month/Day/Year)				6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting				
	CITY, MO 64121-9						Person				
(City)	(State) ((Zip) Tab	le I - Non-D	erivative S	Securit	ties Acc	quired, Disposed of, or Beneficially Owned				
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)		Code	4. Securit on(A) or Dis (D) (Instr. 3, 4	sposed	of	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)			
Common Stock	01/19/2006		A	31,375	A	\$0	66,375	D			
Common Stock							1,356.096	I	By 401(k) & P/S Plan (2)		

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.

Edgar Filing: Shoener Arthur L - Form 4

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. Transacti Code (Instr. 8)	5. onNumber of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Expiration Da (Month/Day/Y e	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)	\$ 16.91					01/04/2010	01/03/2015	Common Stock	60,000	
LSAR (1)	\$ 16.91					<u>(1)</u>	<u>(1)</u>	Common Stock	60,000	

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Shoener Arthur L KANSAS CITY SOUTHERN PO BOX 219335 KANSAS CITY, MO 64121-9335

Executive Vice President & COO

Signatures

Julie D. Powell, Attorney-in-fact 01/23/2006

**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.
- (2) 1,356.096 shares have accrued to my account under the KCS 401(k) and Profit Sharing Plan.

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.

Reporting Owners 2