

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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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

(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)
 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)
 Exec. VP & Asst. to Chairman

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 (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 | ⁽⁵⁾ | ⁽⁵⁾ | 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).
- (1) 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 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. 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.