

KANSAS CITY SOUTHERN
Form 4
May 15, 2006

FORM 4

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

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
RUSS RONALD G

(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)

05/12/2006

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
X Officer (give title below) ____ Other (specify
below)

Executive Vice President & CFO

6. Individual or Joint/Group Filing(Check
Applicable Line)
X 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)
Common Stock	05/12/2006		D	38,961	D \$ 0	14,940	D
Common Stock					1.019	I	By ESOP (4)

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

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SEC 1474
(9-02)

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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. Pri Deriv Secur (Instr
				Code	V	(A)	(D)	
Option (Right to Buy) ⁽¹⁾	\$ 16.28					06/03/2003	08/11/2006	Common Stock
LSAR ⁽¹⁾	\$ 16.28					⁽¹⁾	⁽¹⁾	Common Stock
Option (Right to Buy) ⁽¹⁾	\$ 12.55					⁽²⁾	08/11/2006	Common Stock
LSAR ⁽¹⁾	\$ 12.55					⁽¹⁾	⁽¹⁾	Common Stock
Option (Right to Buy) ⁽¹⁾	\$ 14.6					01/02/2005	08/11/2006	Common Stock
LSAR ⁽¹⁾	\$ 14.6					⁽¹⁾	⁽¹⁾	Common Stock
Option (Right to Buy) ⁽¹⁾	\$ 14.53					⁽³⁾	08/11/2006	Common Stock
LSAR ⁽¹⁾	\$ 14.53					⁽¹⁾	⁽¹⁾	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
RUSS RONALD G KANSAS CITY SOUTHERN PO BOX 219335 KANSAS CITY, MO 64121-9335	Executive Vice President & CFO

Signatures

Ronald G. Russ

05/15/2006

__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

- (1) 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) These options became exercisable in installments: 738 on June 23, 2003, 738 on June 23, 2004 and 738 on June 23, 2005.
- (3) These options became exercisable in installments: 907 on February 9, 2004, 908 on June 23, 2004 and 908 on June 23, 2005.
- (4) 1,019 shares have accrued to my account under the KCS Employee Stock Ownership Plan.

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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