Lawrence Larry M Form 3 January 23, 2006

## FORM 3

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

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INITIAL STATEMENT OF 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 2. Date of Event Requiring 3. Issuer Name and Ticker or Trading Symbol Person \* Statement KANSAS CITY SOUTHERN [KSU] Lawrence Larry M (Month/Day/Year) 01/19/2006 (Last) (First) (Middle) 4. Relationship of Reporting 5. If Amendment, Date Original Person(s) to Issuer Filed(Month/Day/Year) KANSAS CITY (Check all applicable) SOUTHERN, PO BOX 219335 (Street) 6. Individual or Joint/Group 10% Owner Director \_X\_\_ Officer Other Filing(Check Applicable Line) (give title below) (specify below) \_X\_ Form filed by One Reporting Sr. VP & Asst. to Chairman Person **KANSAS** Form filed by More than One CITY. MOÂ 64121-9335 Reporting Person (City) (State) (Zip) Table I - Non-Derivative Securities Beneficially Owned 4. Nature of Indirect Beneficial 1. Title of Security 2. Amount of Securities Beneficially Owned Ownership Ownership (Instr. 4) Form: (Instr. 4) (Instr. 5) Direct (D) or Indirect (I) (Instr. 5) Â D Common Stock 20,980 Common Stock I By Trust 5,000 Common Stock 0.791 I By ESOP Reminder: Report on a separate line for each class of securities beneficially SEC 1473 (7-02) owned directly or indirectly. Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security 2. Date Exercisable and Ginstr. 4) 2. Date Exercisable and Expiration Date Governing Securities Underlying Conversion Ownership Beneficial

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|                           |                     |                    | Derivative Security (Instr. 4) |                                  | or Exercise<br>Price of | Form of Derivative                              | Ownership (Instr. 5) |
|---------------------------|---------------------|--------------------|--------------------------------|----------------------------------|-------------------------|---|----------------------|
|                           | Date<br>Exercisable | Expiration<br>Date | Title                          | Amount or<br>Number of<br>Shares | Derivative<br>Security  | Security: Direct (D) or Indirect (I) (Instr. 5) |                      |
| Option (Right to Buy) (1) | 11/01/2002          | 10/31/2011         | Common<br>Stock                | 15,000                           | \$ 12.575               | D   | Â                    |
| LSAR (1)                  | (1)                 | (1)                | Common<br>Stock                | 15,000                           | \$ 12.575               | D   | Â                    |
| Option (Right to Buy) (1) | 05/01/2003          | 04/30/2012         | Common<br>Stock                | 10,000                           | \$ 15.8                 | D   | Â                    |
| LSAR (1)                  | (1)                 | (1)                | Common<br>Stock                | 10,000                           | \$ 15.8                 | D   | Â                    |
| Option (Right to Buy) (1) | 04/01/2008          | 03/31/2013         | Common<br>Stock                | 15,000                           | \$ 11.2                 | D   | Â                    |
| LSAR (1)                  | (1)                 | (1)                | Common<br>Stock                | 15,000                           | \$ 11.2                 | D   | Â                    |
| Option (Right to Buy) (1) | 04/30/2004          | 04/29/2013         | Common<br>Stock                | 60,000                           | \$ 11.41                | D   | Â                    |
| LSAR (1)                  | (1)                 | (1)                | Common<br>Stock                | 60,000                           | \$ 11.41                | D   | Â                    |
| Option (Right to Buy) (1) | 01/02/2005          | 01/01/2014         | Common<br>Stock                | 6,000                            | \$ 14.6                 | D   | Â                    |
| LSAR (1)                  | (1)                 | (1)                | Common<br>Stock                | 6,000                            | \$ 14.6                 | D   | Â                    |
| Option (Right to Buy) (1) | (2)                 | 02/08/2014         | Common<br>Stock                | 827                              | \$ 14.53                | D   | Â                    |
| LSAR (1)                  | (1)                 | (1)                | Common<br>Stock                | 827                              | \$ 14.53                | D   | Â                    |
| Option (Right to Buy) (1) | 05/04/2006          | 05/03/2015         | Common<br>Stock                | 19,000                           | \$ 19.02                | D   | Â                    |
| LSAR (1)                  | (1)                 | (1)                | Common<br>Stock                | 19,000                           | \$ 19.02                | D   | Â                    |

# **Reporting Owners**

| Reporting Owner Name / Address | Relationships |           |                            |       |  |
|--------------------------------|---------------|-----------|----------------------------|-------|--|
| • 0                            | Director      | 10% Owner | Officer                    | Other |  |
| Lawrence Larry M               | Â             | Â         | Sr. VP & Asst. to Chairman | Â     |  |
| KANSAS CITY SOUTHERN           |               |           |                            |       |  |
| PO BOX 219335                  |               |           |                            |       |  |

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#### KANSAS CITY, MOÂ 64121-9335

## **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 5(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.
- 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.

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