

Derry John E
 Form 4
 January 07, 2011

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 *
 Derry John E

2. Issuer Name and Ticker or Trading Symbol
 KANSAS CITY SOUTHERN [KSU]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 KANSAS CITY SOUTHERN, PO BOX 219335
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 01/06/2011

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Sr. VP - Human Resources

KANSAS CITY, MO 64121-9335
 (City) (State) (Zip)

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

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)
				(A) or (D)	Price		
Common Stock	01/06/2011		F	249	\$ 50.42	D	

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

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SEC 1474 (9-02)

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

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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. Amount or Number of Shares
Employee Stock Option (Right to Buy) ⁽¹⁾	\$ 39.53					03/28/2013 03/27/2018	Common Stock	200
LSAR ⁽¹⁾	\$ 39.53					⁽¹⁾ ⁽¹⁾	Common Stock	200
Employee Stock Option (Right to Buy)	\$ 35.41					03/01/2013 ⁽²⁾ 02/29/2020	Common Stock	3,800

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Derry John E KANSAS CITY SOUTHERN PO BOX 219335 KANSAS CITY, MO 64121-9335			Sr. VP - Human Resources	

Signatures

Brian P. Banks,
Attorney-in-fact

01/07/2011

**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.

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- Prior to March 1, 2013, this option may become exercisable in 1/3 increments if the daily closing price of Kansas City Southern's common stock on the New York Stock Exchange is greater than or equal to \$38.95, \$42.85, and \$47.14, respectively, for at least 30
- (2) consecutive trading days. The first target was met and 1,267 of these options became exercisable on November 19, 2010. The second target was met and 1,267 of these options became exercisable on December 8, 2010. The third target was met and 1,266 of these options became exercisable on January 7, 2011.

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.