

Upchurch Michael W  
 Form 4  
 December 27, 2010

**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 \*  
 Upchurch Michael W

(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)  
 12/21/2010

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)  
 EVP & Chief Financial Officer

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 (A) or (D) Price			
Common Stock	12/21/2010		M	9,134 A \$ 35.41	47,398	D	
Common Stock	12/21/2010		F	7,586 (1) D \$ 47.49	39,812	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)

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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)	Amount or Number of Shares
Employee Stock Option (Right to Buy) <sup>(2)</sup>	\$ 39.53					03/28/2013 03/27/2018	Common Stock	2,500
LSAR <sup>(2)</sup>	\$ 39.53					<sup>(2)</sup> <sup>(2)</sup>	Common Stock	2,500
Employee Stock Option (Right to Buy)	\$ 35.41	12/21/2010		M	9,134	03/01/2013 <sup>(3)</sup> 02/29/2020	Common Stock	13,700

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Upchurch Michael W KANSAS CITY SOUTHERN PO BOX 219335 KANSAS CITY, MO 64121-9335			EVP & Chief Financial Officer	

## Signatures

Brian P. Banks,  
Attorney-in-fact

12/27/2010

        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) Of these shares, 6,810 shares were surrendered to pay the exercise price and 776 shares were withheld to pay taxes on the reporting person's employee stock option exercise.

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- Limited Stock Appreciation Rights ("LSARs") are granted in tandem with stock options. LSARs become exercisable only following a
- (2) 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.

- 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
- (3) consecutive trading days. The first target was met and 4,567 of these options became exercisable on November 19, 2010. The second target was met and 4,567 of these options became exercisable on December 8, 2010.

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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