

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

Check this box if no longer
subject to Section 16. Form 4 or
Form 5 obligations may continue.
See Instruction 1(b).

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

1. Name and Address of Reporting Person* Jay M. Nadlman Kansas City Southern PO Box 219335 Kansas City MO 64121-9335	2. Issuer Name and Ticker or Trading Symbol Kansas City Southern [KSU]	5. Relationship of Reporting Person(s) to Issuer (check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) Vice President & Secretary
	3. Date of Earliest Transaction Required to be Reported (Month/Day/Year) 07/06/2006	
	4. If amendment, Date Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> 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 (mm/dd/yy)	2A. Deemed Execution Date, if any (mm/dd/yy)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, & 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, & 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	07/06/2006		D		7,210	D	\$0	10,099	D	
Common Stock								5,772.272	I	Held by ESOP (1)

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

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

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.

Form 4 (cont.)

Name and Address of Reporting Person
 Jay M. Nadlman
 Kansas City Southern
 PO Box 219335
 Kansas City MO 64121-9335

Issuer Name and Ticker or Trading Symbol
 Kansas City Southern [KSU]

Period Of Report
 07/06/2006

**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 (mm/dd/yy)	3A. Deemed Execution Date, if any (mm/dd/yy)	4. Transaction Code (Instr. 8)		5. No. of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, & 5)		6. Date Exercisable and Expiration Date (mm/dd/yy)		7. Title and Amount of Underlying Securities (Instr. 3 & 4)		8. Price of Derivative Security (Instr. 5)	9. No. of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, & 4)	10. Ownership Form of Derivative Securities: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Option (Right to Buy) (2)	\$5.75							07/13/2003	07/12/2010	Common Stock	15,400		15,400	D	
LSAR (2)	\$5.75							(2)	(2)	Common Stock	15,400		15,400	D	
Option (Right to Buy) (2)	\$5.75							07/13/2001	07/12/2010	Common Stock	27,000		27,000	D	
LSAR (2)	\$5.75							(2)	(2)	Common Stock	27,000		27,000	D	
Option (Right to Buy) (2)	\$14.60							01/02/2005	01/01/2014	Common Stock	8,000		8,000	D	
LSAR (2)	\$14.60							(2)	(2)	Common Stock	8,000		8,000	D	

Explanation of Responses:

(1) - 5,772.272 shares have accrued to my account under the KCS employee stock ownership plan.

(2) - 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.

By: Julie D. Powell, Attorney-in-fact
 **Signature of Reporting Person

7/7/2006
 Date

**Intentional misstatements or omissions of facts constitute Federal Criminal Violations.

See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

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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