

ERDMAN WARREN K  
Form 4  
October 31, 2007

**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 \*  
ERDMAN WARREN K

(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)

10/29/2007

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)

Executive Vice President

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	(D)	Price
Common Stock	10/29/2007		A		10,000	A	\$ 0
Common Stock					934.026	I	
							Held by ESOP <sup>(1)</sup>

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

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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. Price or Value of Underlying Securities (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option (Right to Buy) <sup>(2)</sup>	\$ 1.7861					<sup>(3)</sup>	01/27/2008	Common Stock	12,501
Limited Right <sup>(2)</sup>	\$ 1.7861					<sup>(2)</sup>	<sup>(2)</sup>	Common Stock	12,501
Option (Right to Buy) <sup>(2)</sup>	\$ 2.6604					01/01/2000	11/16/2008	Common Stock	3,000
LSAR <sup>(2)</sup>	\$ 2.6604					<sup>(2)</sup>	<sup>(2)</sup>	Common Stock	3,000
Option (Right to Buy) <sup>(2)</sup>	\$ 2.6604					<sup>(4)</sup>	11/16/2008	Common Stock	87
LSAR <sup>(2)</sup>	\$ 2.6604					<sup>(2)</sup>	<sup>(2)</sup>	Common Stock	87
Option (Right to Buy) <sup>(2)</sup>	\$ 2.7665					<sup>(4)</sup>	01/25/2009	Common Stock	72
LSAR <sup>(2)</sup>	\$ 2.7665					<sup>(2)</sup>	<sup>(2)</sup>	Common Stock	72
Option (Right to Buy) <sup>(2)</sup>	\$ 5.1637					<sup>(5)</sup>	02/28/2010	Common Stock	71
LSAR <sup>(2)</sup>	\$ 5.1637					<sup>(2)</sup>	<sup>(2)</sup>	Common Stock	71
Option (Right to Buy) <sup>(2)</sup>	\$ 5.75					07/13/2003	07/12/2010	Common Stock	15,400
LSAR <sup>(2)</sup>	\$ 5.75					<sup>(2)</sup>	<sup>(2)</sup>		15,400

				Common Stock	
Option (Right to Buy) <u>(2)</u>	\$ 5.75	07/13/2001	07/12/2010	Common Stock	77,000
LSAR <u>(2)</u>	\$ 5.75	<u>(2)</u>	<u>(2)</u>	Common Stock	77,000
Option (Right to Buy) <u>(2)</u>	\$ 14.34	<u>(6)</u>	02/26/2011	Common Stock	480
LSAR <u>(2)</u>	\$ 14.34	<u>(2)</u>	<u>(2)</u>	Common Stock	480
Option (Right to Buy) <u>(2)</u>	\$ 13.42	02/06/2002	02/05/2012	Common Stock	513
LSAR <u>(2)</u>	\$ 13.42	<u>(2)</u>	<u>(2)</u>	Common Stock	513
Option (Right to Buy) <u>(2)</u>	\$ 12.55	01/16/2003	01/15/2013	Common Stock	670
LSAR <u>(2)</u>	\$ 12.55	<u>(2)</u>	<u>(2)</u>	Common Stock	670
Option (Right to Buy) <u>(2)</u>	\$ 12.55	01/16/2008	01/15/2013	Common Stock	15,000
LSAR <u>(2)</u>	\$ 12.55	<u>(2)</u>	<u>(2)</u>	Common Stock	15,000
Option (Right to Buy) <u>(2)</u>	\$ 14.6	01/02/2005	01/01/2014	Common Stock	6,000
LSAR <u>(2)</u>	\$ 14.6	<u>(2)</u>	<u>(2)</u>	Common Stock	6,000
Option (Right to Buy) <u>(2)</u>	\$ 14.53	02/09/2004	02/08/2014	Common Stock	699
LSAR <u>(2)</u>	\$ 14.53	<u>(2)</u>	<u>(2)</u>	Common Stock	699

## Reporting Owners

### Reporting Owner Name / Address

### Relationships

Director    10% Owner    Officer    Other

ERDMAN WARREN K  
KANSAS CITY SOUTHERN  
PO BOX 219335  
KANSAS CITY, MO 64121-9335

Executive Vice President

## Signatures

Brian P. Banks,  
Attorney-in-fact

10/31/2007

\_\_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) 934,026 shares have accrued to my account under the Company's employee stock ownership plan.

Limited Rights and Limited Stock Appreciation Rights ("LSARs") are granted in tandem with stock options. Limited Rights and LSARs

(2) become exercisable only following a change-in-control of the Company in lieu of related options and are exercisable only for cash. Limited Rights and LSARs terminate when the related options are exercised or terminated.

(3) Became exercisable when the KCS Common stock price reached defined benchmark levels that were maintained or exceeded for 30 consecutive trading days.

(4) These options became exercisable in installments: 25% on 06/23/99, 25% on 06/23/00 and 50% on 06/23/01.

(5) These options became exercisable in installments: 25% on 03/01/00, 25% on 06/23/00 and 50% on 06/23/01.

(6) 240 options became exercisable on 02/27/01 and 240 options became exercisable on 06/23/01.

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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