Upchurch Michael W Form 4 December 27, 2010

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

OMB 3235-0287

**OMB APPROVAL** 

Number:

Expires:

January 31, 2005

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response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5

obligations may continue. See Instruction

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(b).

Common

Stock

12/21/2010

(Print or Type Responses)

1. Name and Address of Reporting Person * Upchurch Michael W			2. Issuer Name <b>and</b> Ticker or Trading Symbol					5. Relationship of Reporting Person(s) to Issuer			
		]	KANSA	S CITY	SOUTH	ERN	[KSU]	(Chec	ck all applicable	2)	
(Last)	(First)	Middle)	3. Date of	Earliest Tr	ansaction				**		
KANSAS CITY SOUTHERN, PO BOX 219335			(Month/Day/Year) 12/21/2010					Director _X_ Officer (give below)	e title Other below)	Owner er (specify	
			4 70 4						nief Financial O		
(Street)			4. If Amendment, Date Original					6. Individual or Joint/Group Filing(Check			
		1	Filea(Mont	th/Day/Year	)			Applicable Line) _X_ Form filed by One Reporting Person			
KANSAS CITY, MO 64121-9335								Form filed by More than One Reporting Person			
(City)	(State)	(Zip)	Table	I - Non-D	erivative	Secur	ities Acq	uired, Disposed of	f, or Beneficial	ly Owned	
1.Title of Security (Month/Day/Year)  2. Transaction Date 2A. Deemed Execution Date, if any (Month/Day/Year)		3. 4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8)			d of (D)	5. Amount of Securities Form: Direct Indirect Beneficially (D) or Beneficial Owned Indirect (I) Ownership Following (Instr. 4) (Instr. 4) Reported Transaction(s)					
				Code V	Amount	or (D)	Price	(Instr. 3 and 4)			
Common Stock	12/21/2010			M	9,134	A	\$ 35.41	47,398	D		

7,586

D

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

F

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D

39,812

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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. Transacti Code (Instr. 8)	5. Number on Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisab Expiration Date (Month/Day/Year		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amoun or Number of Share
Employee Stock Option (Right to Buy) (2)	\$ 39.53					03/28/2013	03/27/2018	Common Stock	2,500
LSAR (2)	\$ 39.53					(2)	(2)	Common Stock	2,500
Employee Stock Option (Right to Buy)	\$ 35.41	12/21/2010		M	9,134	03/01/2013(3)	02/29/2020	Common Stock	13,70

# **Reporting Owners**

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

\*\*Signature of Reporting Person

## **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.

Reporting Owners 2

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- 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.
- 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 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. 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.