

Grafton Suzanne M
 Form 4
 January 24, 2018

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

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 *
 Grafton Suzanne M

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, 427
 W 12TH STREET
 (Street)

3. Date of Earliest Transaction
 (Month/Day/Year)
 01/23/2018

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 VP & Chief Accounting Officer

KANSAS CITY, MO 64105
 (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)
			Code	V	Amount	(D)	Price
Common Stock	01/23/2018		A		11 ⁽¹⁾	A	\$ 0
					10,490 ⁽¹⁾	D	

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)

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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	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)
Employee Stock Option (Right to Buy)	\$ 119.35					<u>(2)</u> 02/17/2025	Common Stock	394
Employee Stock Option (Right to Buy)	\$ 82.71					<u>(2)</u> 02/18/2026	Common Stock	914
Employee Stock Option (Right to Buy)	\$ 86.89					<u>(2)</u> 02/16/2027	Common Stock	859

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Grafton Suzanne M KANSAS CITY SOUTHERN 427 W 12TH STREET KANSAS CITY, MO 64105			VP & Chief Accounting Officer	

Signatures

Julie D. Powell 01/24/2018

**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).

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- 11 of these shares represent performance shares that were earned on January 23, 2018 when the KCS Compensation and Organization Committee determined that the performance goals were met. These performance shares will not vest until February 23, 2018 contingent upon continued employment by the reporting person through that date. Until these shares vest, the reporting person does not have the right to vote, receive, or be entitled to receive, cash or non-cash dividends or any other beneficial rights as a shareholder of the Company.
- (1)
 - (2) These options become exercisable in three equal installments beginning on the first anniversary of the date of grant.

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.