

KCS Holdings I, Inc.  
Form S-4  
May 18, 2016  
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As filed with the Securities and Exchange Commission on May 17, 2016.

Registration Statement No. 333-

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM S-4**

**REGISTRATION STATEMENT**

*Under*

***THE SECURITIES ACT OF 1933***

**KANSAS CITY SOUTHERN\***

**(Exact name of registrant as specified in its charter)**

**\*And the Guarantors listed below**

**Delaware**  
**(State or other jurisdiction of**  
**incorporation or organization)**

**4011**  
**(Primary Standard Industrial**  
**Classification Code Number)**

**44-0663509**  
**(I.R.S. Employer**  
**Identification No.)**

**427 West 12th Street**

**Kansas City, Missouri 64105**

**816-983-1303**

**(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)**

*Copies to:*

**William J. Wochner, Esq.**

**Kansas City Southern**

**427 West 12th Street**

**Kansas City, Missouri 64105**

**816-983-1324**

**Gary Kashar**

**Andrew Weisberg**

**White & Case LLP**

**1155 Avenue of the Americas**

**New York, New York 10036**

**(212) 819-8200**

**Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.**

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
 Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company   
 If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

**CALCULATION OF REGISTRATION FEE**

Title of Each Class of Securities to be Registered	Amount to Be Registered	Proposed	Proposed	Amount of Registration Fee
		Maximum Offering Price Per Unit <sup>(1)</sup>	Maximum Aggregate Offering Price <sup>(1)</sup>	
Floating Rate Senior Notes due 2016	\$244,820,000	100%	\$244,820,000	\$24,654
Guarantees of Floating Rate Senior Notes due 2016	(2)	(2)	(2)	(2)
2.35% Senior Notes due 2020	\$257,346,000	100%	\$257,346,000	\$25,915
Guarantees of 2.35% Senior Notes due 2020	(2)	(2)	(2)	(2)
3.00% Senior Notes due 2023	\$439,123,000	100%	\$439,123,000	\$44,220
Guarantees of 3.00% Senior Notes due 2023	(2)	(2)	(2)	(2)
3.85% Senior Notes due 2023	\$199,224,000	100%	\$199,224,000	\$20,062
Guarantees of 3.85% Senior Notes due 2023	(2)	(2)	(2)	(2)
4.30% Senior Notes due 2043	\$448,651,000	100%	\$448,651,000	\$45,180
Guarantees of 4.30% Senior Notes due 2043	(2)	(2)	(2)	(2)
4.95% Senior Notes due 2045	\$499,165,000	100%	\$499,165,000	\$50,266
Guarantees of 4.95% Senior Notes due 2045	(2)	(2)	(2)	(2)
Total	\$2,088,329,000	N/A	\$2,088,329,000	\$210,297

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(f) promulgated under the Securities Act of 1933, as amended.

(2)

No separate consideration will be received for the guarantees of each series of notes being registered hereby. In accordance with Rule 457(n) promulgated under the Securities Act of 1933, as amended, no registration fee is payable with respect to the guarantees.

**The registrants hereby amend this registration statement on such date or dates as may be necessary to delay its effective date until the registrants shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to Section 8(a), may determine.**

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<b>Name of Additional Registrant*</b>	<b>State or Other Jurisdiction of Incorporation or Formation</b>	<b>I.R.S. Employer Identification Number</b>
The Kansas City Southern Railway Company	Missouri	44-6000758
Gateway Eastern Railway Company	Illinois	37-1301047
The Kansas City Northern Railway Company	Delaware	43-1773503
Trans-Serve, Inc.	Delaware	43-0865086
KCS Holdings I, Inc.	Delaware	26-1816530
KCS Ventures I, Inc.	Delaware	26-1816446
Southern Development Company	Missouri	44-6005843
Southern Industrial Services, Inc.	Delaware	36-3499535
Veals, Inc.	Delaware	43-0811880
Pabtex, Inc.	Delaware	43-1915233

\* The address, including zip code, and telephone number, including area code, of each registrant's principal executive offices is c/o Kansas City Southern, 427 West 12th Street, Kansas City, Missouri, 64105, Telephone (816) 983-1303.

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**The information in this prospectus is not complete and may be changed. We may not exchange the outstanding notes until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted. We are not making offers to exchange outstanding notes in any jurisdiction where the exchange offers are not permitted, and will not accept surrenders for exchange from holders in any such jurisdiction.**

**SUBJECT TO COMPLETION, DATED MAY 17, 2016****Prospectus****Kansas City Southern****Offers to Exchange**

**up to the amount of each series of the Exchange Notes specified below and the related guarantees,**

**which have been registered under the Securities Act of 1933, as amended,**

**for**

**any and all of its unregistered**

**Outstanding Notes of the series specified below and the related guarantees**

<b>Series of Outstanding Notes to be Exchanged</b>	<b>Principal Amount Outstanding of Outstanding Notes</b>	<b>CUSIP Nos.</b>	<b>Series of Exchange Notes to be Issued</b>	<b>Maximum Principal Amount of Exchange Notes to be Issued</b>
Floating Rate Senior Notes due 2016	\$ 244,820,000	485170 AM6 U24468 AD9	Floating Rate Senior Notes due 2016	\$ 244,820,000
2.35% Senior Notes due 2020	\$ 257,346,000	485170 AN4 U24468 AE7 485170 AZ7	2.35% Senior Notes due 2020	\$ 257,346,000
3.00% Senior Notes due 2023	\$ 439,123,000	485170 AP9	3.00% Senior Notes due 2023	\$ 439,123,000

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		U24468 AF4		
3.85% Senior Notes due 2023	\$ 199,224,000	485170 AK0	3.85% Senior Notes due 2023	\$ 199,224,000
		U24468 AA5		
		485170 AY0		
		U24468 AG2		
4.30% Senior Notes due 2043	\$ 448,651,000	485170 AJ3	4.30% Senior Notes due 2043	\$ 448,651,000
		U24468 AB3		
		485170 AX2		
4.95% Senior Notes due 2045	\$ 499,165,000	485170 AL8	4.95% Senior Notes due 2045	\$ 499,165,000
		U24468 AC1		
		485170 AW4		

Kansas City Southern ( KCS ) is offering to exchange, upon the terms and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal (the Exchange Offers ): (i) up to \$244,820,000 in aggregate principal amount of our new Floating Rate Senior Notes due 2016 (the 2016 Exchange Notes ), which have been registered under the Securities Act of 1933, as amended (the Securities Act ), for any and all of our outstanding unregistered Floating Rate Senior Notes due 2016 (the Outstanding 2016 Notes ), (ii) up to \$257,346,000 in aggregate principal amount of our new 2.35% Senior Notes due 2020 (the 2020 Exchange Notes ), which have been registered under the Securities Act, for any and all of our outstanding unregistered 2.35% Senior Notes due 2020 (the Outstanding 2020 Notes ), (iii) up to \$439,123,000 in aggregate principal amount of our new 3.00% Senior Notes due 2023 (the 3.00% 2023 Exchange Notes ), which have been registered under the Securities Act, for any and all of our outstanding unregistered 3.00% Senior Notes due 2023 (the Outstanding 3.00% 2023 Notes ), (iv) up to \$199,224,000 in aggregate principal amount of our new 3.85% Senior Notes due 2023 (the 3.85% 2023 Exchange Notes ), which have been registered under the Securities Act, for any and all of our outstanding unregistered 3.85% Senior Notes due 2023 (the Outstanding 3.85% 2023 Notes ), (v) up to \$448,651,000 in aggregate principal amount of our new 4.30% Senior Notes due 2043 (the 2043 Exchange Notes ), which have been registered under the Securities Act, for any and all of our outstanding unregistered 4.30% Senior Notes due 2043 (the Outstanding 2043 Notes ) and (vi) up to \$499,165,000 in aggregate principal amount of our new 4.95% Senior Notes due 2045 (the 2045 Exchange Notes and, together with the 2016 Exchange Notes, the 2020 Exchange Notes, the 3.00% 2023 Exchange Notes, the 3.85% 2023 Exchange Notes and the 2043 Exchange Notes, the Exchange Notes ), which have been registered under the Securities Act, for any and all of our outstanding unregistered 4.95% Senior Notes due 2045 (the Outstanding 2045 Notes and, together with the Outstanding 2016 Notes, the Outstanding 2020 Notes, the Outstanding 3.00% 2023 Notes, the Outstanding 3.85% 2023 Notes and the Outstanding 2043 Notes, the Outstanding Notes ); and, the Outstanding Notes, together with the Exchange Notes, the Notes ).

Upon completion of the Exchange Offers, with respect to each series of Exchange Notes to be issued in the applicable Exchange Offer, KCS may redeem any related Outstanding Notes that are not exchanged in the applicable Exchange Offer in an amount up to 2% of the original aggregate principal amount of such Outstanding Notes at a redemption price of 100% of their principal amount plus accrued interest to but not including the redemption date.

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**The Exchange Offers**

We hereby offer to exchange all Outstanding Notes that are validly tendered and not validly withdrawn for an equal principal amount of applicable Exchange Notes which we have registered under the Securities Act.

The Exchange Offers will expire at 11:59 p.m., New York City time, on \_\_\_\_\_, 2016 (the Expiration Date), unless extended by us.

You may withdraw tenders of Outstanding Notes at any time prior to the Expiration Date of the applicable Exchange Offer.

The terms of each series of Exchange Notes are identical in all material respects to the terms of the applicable series of Outstanding Notes, except that the Exchange Notes have been registered under the Securities Act and the transfer restrictions and registration rights relating to the Outstanding Notes do not apply to the Exchange Notes.

The exchange of Outstanding Notes for Exchange Notes will not be a taxable transaction for U.S. federal income tax purposes. You should see the discussion in the section entitled "Material Federal Income Tax Considerations" for more information.

Outstanding Notes that are not exchanged will remain outstanding, but will not have further registration rights.

We will not receive any proceeds from the Exchange Offers.

Each broker-dealer that receives Exchange Notes for its own account in exchange for Outstanding Notes, where such Outstanding Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. See "Plan of Distribution."

**See Risk Factors beginning on page 13 of this prospectus for a discussion of risks you should consider before participating in the Exchange Offers.**

**Neither the Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved the notes to be distributed in the Exchange Offers, nor have any of these organizations determined that this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**



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The date of this prospectus is \_\_\_\_\_, 2016.

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**ABOUT THIS PROSPECTUS**

In this prospectus, unless the context requires otherwise, references to KCS, we or the Issuer mean Kansas City Southern and its consolidated subsidiaries, and references to the Exchange Note Guarantors refer to each of KCS's current and future domestic subsidiaries that guarantee the Notes.

We have not authorized anyone to provide you with information other than that contained in this prospectus. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are making the Exchange Offers only in jurisdictions where such offers are permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front cover of this prospectus or the date of the document incorporated herein by reference.

This prospectus incorporates by reference important business and financial information about KCS from documents filed with the SEC that have not been included herein or delivered herewith. This information is available without charge at the public reference room maintained by the SEC, located at 100 F Street, NE, Washington, D.C. 20549, and copies of all or any part of the registration statement, of which this prospectus forms a part, may be obtained from the SEC on the payment of the fees prescribed by the SEC. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. This information is also available without charge at the website that the SEC maintains at [www.sec.gov](http://www.sec.gov). In addition, you may request copies of the documents incorporated by reference in this prospectus from us, without charge, by written or oral request directed to Kansas City Southern, Attention: Corporate Secretary, 427 West 12th Street, Kansas City, Missouri 64105, telephone (888) 800-3690, or on our website at [www.KCSouthern.com](http://www.KCSouthern.com). The information contained on or that can be accessed through our website (other than the specified SEC filings incorporated by reference in this prospectus) is not incorporated in, and is not a part of, this prospectus, and you should not rely on any such information in connection with your decision to exchange your Outstanding Notes for Exchange Notes. **To obtain timely delivery of documents or information, we must receive your request no later than five business days before the Expiration Date of the Exchange Offers.**

Each broker-dealer that receives Exchange Notes for its own account pursuant to the Exchange Offers must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Notes received in exchange for Outstanding Notes where such Outstanding Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. KCS has agreed that, starting on the Expiration Date and ending on the close of business 180 days after the Expiration Date, it will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

**We have not provided guaranteed delivery provisions in connection with the Exchange Offers. You must tender your Outstanding Notes in accordance with the procedures set forth herein.**

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**CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS**

This prospectus, including the documents incorporated by reference herein, contains forward-looking statements that are not based upon historical information and involve risks and uncertainties. You can identify these forward-looking statements by the use of such verbs as expects, anticipates, believes or similar verbs or conjugations of such verbs. Such forward-looking statements are based upon information currently available to KCS's management and KCS's management's perception thereof as of the date of this prospectus. However, such statements are dependent on and, therefore, can be influenced by, a number of external variables over which KCS's management has little or no control, including:

the outcome of claims and litigation, including those related to environmental contamination, personal injuries, and property damage;

changes in legislation and regulations or revisions of controlling authority;

the adverse impact of any termination or revocation of Kansas City Southern de México, S.A. de C.V.'s (KCSM) Concession by the Mexican government;

natural events such as severe weather, fire, floods, hurricanes, earthquakes or other disruptions to KCS's operating systems, structures and equipment or the ability of customers to produce or deliver their products and the lack of adequate insurance for such catastrophic losses;

United States, Mexican and global economic, political and social conditions;

the effects of the North American Free Trade Agreement, or NAFTA, on the level of trade among the United States, Mexico and Canada;

the level of trade between the United States and Asia or Mexico;

the effects of fluctuations in the peso-dollar exchange rate;

the effects of adverse general economic conditions affecting customer demand and the industries and geographic areas that produce and consume the commodities KCS carries;

the dependence on the stability, availability and security of the information technology systems to operate its business;

the effect of demand for KCS's services exceeding network capacity or traffic congestion on operating efficiencies and service reliability;

uncertainties regarding the litigation KCS faces and any future claims and litigation;

the impact of competition, including competition from other rail carriers, trucking companies and maritime shippers in the United States and Mexico;

KCS's reliance on agreements with other railroads and third parties to successfully implement its business strategy, operations and growth and expansion plans, including the strategy to convert customers from using trucking services to rail transportation services;

compliance with environmental regulations;

disruption in fuel supplies, changes in fuel prices and KCS's ability to recapture its costs of fuel from customers;

material adverse changes in economic and industry conditions, including the availability of short and long-term financing, both within the United States and Mexico and globally;

market and regulatory responses to climate change;

changes in labor costs and labor difficulties, including strikes and work stoppages affecting either operations or customers' abilities to deliver goods for shipment;

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KCS's reliance on certain key suppliers of core rail equipment;

availability of qualified personnel;

acts of terrorism, war or other acts of violence or crime or risk of such activities;

fluctuations in the market price for KCS's common stock; and

other factors described or incorporated by reference in this prospectus.

You are strongly encouraged to consider these factors when evaluating forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the timing when, or by which, such performance or results will be achieved. As a result, actual outcomes or results could materially differ from those indicated in forward-looking statements. We are not under any obligation, and we expressly disclaim any obligation, to update or alter any forward-looking statements.

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**INCORPORATION BY REFERENCE**

We are incorporating by reference specified documents that KCS files with the SEC, which means that we can disclose important information to you by referring you to those documents that are considered part of this prospectus. We incorporate by reference into this prospectus the documents listed below that have previously been filed, and any future filings KCS makes with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), prior to the Expiration Date. Notwithstanding the above, we are not incorporating any documents or information deemed to have been furnished rather than filed in accordance with SEC rules.

KCS's Annual Report on Form 10-K for the fiscal year ended December 31, 2015;

KCS's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2016;

KCS's Current Reports on Form 8-K filed on February 25, 2016, March 1, 2016, March 15, 2016, May 10, 2016 and May 17, 2016; and

KCS's Definitive Proxy Statement filed on April 5, 2016.

Any statement contained in a document incorporated or deemed to be incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or any other subsequently filed document that is deemed to be incorporated by reference into this prospectus modifies or supersedes the statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

Any person, including any beneficial owner, to whom this prospectus is delivered may request copies of this prospectus and any of the documents incorporated by reference in this prospectus, without charge, by written or oral request directed to Kansas City Southern, Attention: Corporate Secretary, 427 West 12th Street, Kansas City, Missouri 64105, telephone (888) 800-3690, or on our website at [www.KCSouthern.com](http://www.KCSouthern.com), or from the SEC through the SEC's website at the web address provided in the section entitled "Where You Can Find More Information." Documents incorporated by reference are available without charge, excluding any exhibits to those documents unless the exhibit is specifically incorporated by reference into those documents.

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**SUMMARY**

*This summary highlights information about KCS and the Exchange Offers. Because it is a summary, it does not contain all the information that you should consider before tendering Outstanding Notes for exchange and KCS urges you to read this entire prospectus carefully, including the Risk Factors section and the information and documents incorporated by reference herein, including KCS's financial statements and notes thereto, before deciding to tender Outstanding Notes for exchange.*

**Our Company**

KCS, a Delaware corporation, is a holding company with domestic and international rail operations in North America that are strategically focused on the growing north/south freight corridor connecting key commercial and industrial markets in the central United States with major industrial cities in Mexico. KCS had approximately 6,670 employees on December 31, 2015.

KCS controls and owns all of the stock of The Kansas City Southern Railway Company ( KCSR ), a U.S. Class I railroad founded in 1887. KCSR serves a ten-state region in the midwest and southeast regions of the United States and has the shortest north/south rail route between Kansas City, Missouri and several key ports along the Gulf of Mexico in Alabama, Louisiana, Mississippi, and Texas.

KCS controls and owns all of the stock of KCSM. Through its 50-year concession from the Mexican government (the Concession ), which could expire in 2047 unless extended, KCSM operates a key commercial corridor of the Mexican railroad system and has as its core route the most strategic portion of the shortest, most direct rail passageway between Mexico City and Laredo, Texas. Laredo is a principal international gateway through which a substantial portion of rail and truck traffic between the United States and Mexico crosses the border. KCSM serves most of Mexico's principal industrial cities and three of its major seaports. KCSM's rail lines provide exclusive rail access to the United States and Mexico border crossing at Nuevo Laredo, Tamaulipas, the largest rail freight interchange point between the United States and Mexico. Under the Concession, KCSM has the right to control and operate the southern half of the rail bridge at Laredo, Texas, which spans the Rio Grande River between the United States and Mexico. KCS also controls and owns the northern half of this bridge through its ownership of Mexrail, Inc. ( Mexrail ).

KCSM also provides exclusive rail access to the Port of Lazaro Cardenas on the Pacific Ocean. The Mexican government is developing the port at Lazaro Cardenas principally to serve Mexican markets and as an alternative to the U.S. west coast ports for Asian and South American traffic bound for North America.

KCS wholly owns Mexrail which, in turn, wholly owns The Texas Mexican Railway Company ( Tex-Mex ). Tex-Mex owns a 157-mile rail line extending from Laredo, Texas to the port city of Corpus Christi, Texas, which connects the operations of KCSR with KCSM.

The KCS coordinated rail network (KCSR, KCSM and Tex-Mex) comprises approximately 6,600 route miles extending from the midwest and southeast portions of the United States south into Mexico and connects with all other Class I railroads, providing shippers with an effective alternative to other railroad routes and giving direct access to Mexico and the southeast and southwest United States through alternate interchange hubs.

Panama Canal Railway Company, an unconsolidated joint venture company owned equally by KCS and Mi-Jack Products, Inc., was awarded a concession from the Republic of Panama to reconstruct and operate the Panama Canal Railway, a 47-mile railroad located adjacent to the Panama Canal that provides international container shipping companies with a railway transportation alternative to the Panama Canal. The concession was awarded in 1998 for an



initial term of 25 years with an automatic renewal for an additional 25-year term. The Panama Canal Railway is a north-south railroad traversing the Isthmus of Panama between the Atlantic and Pacific Oceans.

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Other subsidiaries and affiliates of KCS include the following:

Meridian Speedway, LLC ( MSLLC ), a seventy percent-owned consolidated affiliate that owns the former KCSR rail line between Meridian, Mississippi and Shreveport, Louisiana, which is the portion of the rail line between Dallas, Texas and Meridian known as the Meridian Speedway. Norfolk Southern Corporation, through its wholly-owned subsidiary, The Alabama Great Southern Railroad Company, owns the remaining thirty percent of MSLLC;

KCSM Servicios, S.A. de C.V., a wholly-owned and consolidated affiliate that provides employee services to KCSM;

Ferrocarril y Terminal del Valle de México, S.A. de C.V., a twenty-five percent-owned unconsolidated affiliate that provides railroad services as well as ancillary services in the greater Mexico City area; and

PTC-220, LLC, a fourteen percent-owned unconsolidated affiliate that holds the licenses to large blocks of radio spectrum and other assets for the deployment of positive train control.

## **Recent Developments**

On May 16, 2016, KCS issued \$250.0 million in aggregate principal amount of 3.125% Senior Notes due 2026 pursuant to KCS's shelf registration statement filed with the SEC. KCS intends to use the proceeds from the offering for (i) the repayment at maturity of KCS's Floating Rate Senior Notes due 2016 (\$244.8 million outstanding as of March 31, 2016) and KCSM's Floating Rate Senior Notes due 2016 (\$5.2 million outstanding as of March 31, 2016) and (ii) general corporate purposes, including the repayment of outstanding commercial paper issued by KCS.

## **Our Corporate Information**

Our principal executive offices are located at: 427 West 12th Street, Kansas City, Missouri 64105. Our telephone number is (816) 983-1303 and we have a website accessible at [www.KCSouthern.com](http://www.KCSouthern.com). The information posted on our website is not incorporated into this prospectus and is not part of this prospectus.

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**SUMMARY DESCRIPTION OF THE EXCHANGE OFFERS**

*The following summary is provided solely for your convenience. This summary is not intended to be complete. You should read the full text and more specific details contained elsewhere in this prospectus. For a more detailed description of the Exchange Notes, see Description of Exchange Notes.*

Exchange Offers

We are conducting the Exchange Offers in accordance with the registration rights agreement, dated as of December 9, 2015, among KCS, the Guarantors, and Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. LLC, as dealer managers and solicitations agents (the Dealer Managers ) (the Registration Rights Agreement ), that was executed when the Outstanding Notes were issued in a transaction conducted in reliance upon the exemptions from registration provided by Rule 144A and Regulation S promulgated under the Securities Act. Accordingly, we are offering to issue:

- (i) up to \$244,820,000 in aggregate principal amount of 2016 Exchange Notes in exchange for a like principal amount of the Outstanding 2016 Notes;
- (ii) up to \$257,346,000 in aggregate principal amount of 2020 Exchange Notes in exchange for a like principal amount of the Outstanding 2020 Notes to satisfy our obligations under the Registration Rights Agreement;
- (iii) up to \$439,123,000 in aggregate principal amount of 3.00% 2023 Exchange Notes in exchange for a like principal amount of the Outstanding 3.00% 2023 Notes to satisfy our obligations under the Registration Rights Agreement;
- (iv) up to \$199,224,000 in aggregate principal amount of 3.85% 2023 Exchange Notes in exchange for a like principal amount of the Outstanding 3.85% 2023 Notes to satisfy our obligations under the Registration Rights Agreement;
- (v) up to \$448,651,000 in aggregate principal amount of 2043 Exchange Notes in exchange for a like principal amount of the Outstanding 2043 Notes to satisfy our obligations under the Registration Rights Agreement; and

(vi) up to \$499,165,000 in aggregate principal amount of 2045 Exchange Notes in exchange for a like principal amount of the Outstanding 2045 Notes to satisfy our obligations under the Registration Rights Agreement.

Expiration Date

The Exchange Offers will expire on the Expiration Date, unless extended by us in our sole discretion. We may extend any of the Exchange Offers without extending any of the other Exchange Offers.

Withdrawal; Non-Acceptance

You may withdraw any Outstanding Notes tendered in the Exchange Offers at any time prior to the applicable Expiration Date. If we decide for any reason not to accept any Outstanding Notes tendered

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for exchange, the Outstanding Notes will be returned to the registered holder at our expense promptly after the applicable Expiration Date or termination of the applicable Exchange Offer. In the case of the Outstanding Notes tendered by book-entry transfer into the Exchange Agent's (as defined below) account at The Depository Trust Company (DTC), any withdrawn or unaccepted Outstanding Notes will be credited to the tendering holder's account at DTC. For further information regarding the withdrawal of tendered Outstanding Notes, see the sections entitled "The Exchange Offers Terms of the Exchange Offers; Period for Tendering Outstanding Notes" and the "The Exchange Offers Withdrawal Rights."

Conditions to the Exchange Offers

Each of the Exchange Offers is subject to customary conditions, including the following:

the Exchange Offer does not violate applicable law or any applicable interpretations of the staff of the SEC;

the Outstanding Notes are validly tendered in accordance with the applicable Exchange Offer;

no action or proceeding would impair our ability to proceed with the Exchange Offer; and

any governmental approval has been obtained that we believe, in our sole discretion, is necessary for the completion of the Exchange Offer as outlined in this prospectus.

Procedures for Tendering the Outstanding Notes

You must do one of the following on or prior to the Expiration Date to participate in the Exchange Offers:

tender your Outstanding Notes by sending the certificates for your Outstanding Notes, in proper form for transfer, a properly completed and duly executed letter of transmittal, with any required signature guarantees, and all other documents required by the letter of transmittal, to U.S. Bank National Association, as exchange agent (the Exchange Agent), at one of the addresses listed below in the section entitled "The Exchange Offers Exchange Agent"; or

tender your Outstanding Notes by using the book-entry transfer procedures described below and transmitting a properly completed and duly executed letter of transmittal, with any required signature guarantees, or an Agent's Message (as defined below) instead of the letter of transmittal, to the Exchange Agent. In order for a book-entry transfer to constitute a valid tender of your Outstanding Notes in the applicable Exchange Offer, the Exchange Agent must receive a confirmation of book-entry transfer of your Outstanding Notes into its account at DTC prior to the Expiration Date. For more information regarding the use of book-entry transfer procedures, including a description of the required Agent's Message, see the discussion below in the section entitled "The Exchange Offers Book-Entry Transfers."

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We have not provided guaranteed delivery provisions in connection with the Exchange Offers. You must tender your Outstanding Notes in accordance with the procedures set forth in the section entitled "The Exchange Offers - Procedures for Tendering Outstanding Notes."

**Special Procedures for Beneficial Owners** If you are a beneficial owner whose Outstanding Notes are registered in the name of the broker, dealer, commercial bank, trust company or other nominee and you wish to tender your Outstanding Notes in the Exchange Offers, you should promptly contact the person in whose name the Outstanding Notes are registered and instruct that person to tender on your behalf. If you wish to tender in the Exchange Offers on your own behalf, prior to completing and executing the letter of transmittal (or any Agent's Message in lieu thereof) and delivering your Outstanding Notes, you must either make appropriate arrangements to register ownership of the Outstanding Notes in your name or obtain a properly completed bond power from the person in whose name the Outstanding Notes are registered.

**Material Federal Income Tax Considerations** The exchange of the Outstanding Notes for Exchange Notes in the Exchange Offers will not be a taxable transaction for United States federal income tax purposes. See the discussion in the section entitled "Material Federal Income Tax Considerations" for more information regarding the tax consequences to you of the Exchange Offers.

**Use of Proceeds** We will not receive any proceeds from the Exchange Offers.

**Exchange Agent** U.S. Bank National Association is the Exchange Agent for the Exchange Offers. You can find the address and telephone number of the Exchange Agent below in the section entitled "The Exchange Offers - Exchange Agent."

**Resales** Based on interpretations by the staff of the SEC, as set forth in no-action letters issued to third parties, we believe that the Exchange Notes you receive in the Exchange Offers may be offered for resale, resold or otherwise transferred without compliance with the registration and prospectus delivery provisions of the Securities Act. However, you will not be able to freely transfer the Exchange Notes if:

you are our affiliate, as defined in Rule 405 under the Securities Act;

you are not acquiring the Exchange Notes in the applicable Exchange Offer in the ordinary course of your business; or

you are engaged in or intend to engage in, or have an arrangement or understanding with any person to participate in, the distribution, as defined in the Securities Act, of the Exchange Notes you will receive in the applicable Exchange Offer.



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If any of the statements above apply to you, you cannot rely on the position of the SEC staff described above and you must, therefore, comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale of the Exchange Notes, unless an exemption from these requirements is available to you. In that case, if you transfer any Exchange Notes without delivering a prospectus that meets the requirements of the Securities Act or without an exemption from registration of your Exchange Notes from those requirements, you may incur liability under the Securities Act. We will not assume or indemnify you against that liability. In addition, the SEC has not considered the Exchange Offers in the context of its interpretive letters and we cannot be sure that the staff of the SEC would make a similar determination with respect to the Exchange Offers as in such other circumstances.

Broker-Dealer

Each broker-dealer that receives Exchange Notes for its own account in exchange for Outstanding Notes, where such Outstanding Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. See Plan of Distribution.

Consequences of Not Exchanging  
Outstanding Notes

If you do not exchange Outstanding Notes for Exchange Notes, you will not be able to offer, sell or otherwise transfer your Outstanding Notes except:

in compliance with the registration requirements of the Securities Act and any other applicable securities laws;

pursuant to an exemption from the securities laws; or

in a transaction not subject to the securities laws.

Outstanding Notes that remain outstanding after completion of the Exchange Offers will continue to bear a legend reflecting these restrictions on transfer. In addition, upon completion of the Exchange Offers, you will not be entitled to any rights to have the resale of Outstanding Notes registered under the Securities Act, and we currently do not intend to register under the Securities Act the resale of any Outstanding Notes that remain outstanding after the completion of the Exchange Offers. The transfer restrictions and the availability of Exchange Notes that are freely tradable could adversely affect the trading

market for your Outstanding Notes.

Upon completion of the Exchange Offers, with respect to each series of Exchange Notes to be issued in the applicable Exchange Offer, KCS may redeem any related Outstanding Notes that are not exchanged in the applicable Exchange Offer in an amount up to 2% of the original aggregate principal amount of such Outstanding Notes at a redemption price of 100% of their principal amount plus accrued interest to but not including the redemption date.

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**SUMMARY DESCRIPTION OF THE EXCHANGE NOTES**

*The terms of the Exchange Notes and those of the Outstanding Notes are substantially identical, except that the transfer restrictions and registration rights relating to the Outstanding Notes do not apply to the Exchange Notes. For a more detailed description of the Exchange Notes, see the sections entitled Description of Exchange Notes.*

Issuer	Kansas City Southern
Securities Offered	<p>Up to \$244,820,000 aggregate principal amount of Floating Rate Senior Notes due 2016;</p> <p>Up to \$257,346,000 aggregate principal amount of 2.35% Senior Notes due 2020;</p> <p>Up to \$439,123,000 aggregate principal amount of 3.00% Senior Notes due 2023;</p> <p>Up to \$199,224,000 aggregate principal amount of 3.85% Senior Notes due 2023;</p> <p>Up to \$448,651,000 aggregate principal amount of 4.30% Senior Notes due 2043; and</p> <p>Up to \$499,165,000 aggregate principal amount of 4.95% Senior Notes due 2045.</p>
Maturity Dates	<p>The 2016 Exchange Notes will mature on October 28, 2016.</p> <p>The 2020 Exchange Notes will mature on May 15, 2020.</p> <p>The 3.00% 2023 Exchange Notes will mature on May 15, 2023.</p> <p>The 3.85% 2023 Exchange Notes will mature on November 15, 2023.</p> <p>The 2043 Exchange Notes will mature on May 15, 2043.</p>

The 2045 Exchange Notes will mature on August 15, 2045.

Interest Rate and Payment Dates

The 2016 Exchange Notes will have a floating interest rate equal to the three-month U.S. dollar LIBOR plus 70 basis points per annum, payable in cash on July 28, 2016 and October 28, 2016.

The 2020 Exchange Notes will have an interest rate of 2.35% per annum, payable in cash on May 15 and November 15 of each year, beginning on November 15, 2016.

The 3.00% 2023 Exchange Notes will have an interest rate of 3.00% per annum, payable in cash on May 15 and November 15 of each year, beginning on November 15, 2016.

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The 3.85% 2023 Exchange Notes will have an interest rate of 3.85% per annum, payable in cash on May 15 and November 15 of each year, beginning on November 15, 2016.

The 2043 Exchange Notes will have an interest rate of 4.30% per annum, payable in cash on May 15 and November 15 of each year, beginning on November 15, 2016.

The 2045 Exchange Notes will have an interest rate of 4.95% per annum, payable in cash on February 15 and August 15 of each year, beginning on August 15, 2016.

Interest on the Exchange Notes of a series will accrue from the most recent date on which interest has been paid on the corresponding series of Outstanding Notes or, if no interest has been paid, from and including the date of issuance of the corresponding series of Outstanding Notes.

Exchange Note Guarantees

The Exchange Notes will be unconditionally guaranteed, jointly and severally, on an unsecured senior basis (each, an Exchange Note Guarantee), by each of KCS's current and future domestic subsidiaries (collectively, the Exchange Note Guarantors) that from time to time guarantee the \$800.0 million revolving credit facility of KCS (the KCS Revolving Credit Facility) or any other debt of KCS or any of KCS's significant subsidiaries that is an Exchange Note Guarantor. See Description of Exchange Notes Exchange Note Guarantees. The Exchange Notes will not be guaranteed by KCSM or any other current or future foreign subsidiary of KCS.

Ranking

The Exchange Notes (i) will be KCS's unsecured senior obligations, (ii) will rank *pari passu* in right of payment with all of KCS's existing and future senior indebtedness, (iii) will be senior in right of payment to all of KCS's future subordinated indebtedness, (iv) will be effectively subordinated to KCS's secured indebtedness, to the extent of the value of the assets securing such indebtedness and (v) will be structurally subordinated to all liabilities of KCS's subsidiaries that are not Exchange Note Guarantors.

The Exchange Note Guarantees (i) will be unsecured senior indebtedness of the applicable Exchange Note Guarantor, (ii) will rank *pari passu* in right of payment with all existing and future senior indebtedness of such Exchange Note Guarantor, (iii) will be senior in right of payment to all future subordinated obligations of such Exchange Note Guarantor, (iv)

will be effectively subordinated to the secured indebtedness of the applicable Exchange Note Guarantor, if any, to the extent of the value of the assets securing such secured indebtedness and (v) will be structurally subordinated to all liabilities of the applicable Exchange Note Guarantor's subsidiaries that are not Exchange Note Guarantors. See Description of Exchange Notes Ranking.

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As of March 31, 2016, KCS and its subsidiaries had (a) \$746.0 million of availability under the KCS Revolving Credit Facility and (b) total indebtedness of \$2,368.6 million, consisting of (i) \$2,171.6 million of senior indebtedness of KCS and the Exchange Note Guarantors, of which \$54.5 million was secured indebtedness and (ii) \$197.0 million of senior indebtedness of subsidiaries of KCS that are not Exchange Note Guarantors. In addition, on May 16, 2016, KCS issued \$250.0 million in aggregate principal amount of 3.125% Senior Notes due 2026.

**Optional Redemption**

KCS may redeem some or all of the Exchange Notes (other than the 2016 Exchange Notes) at any time and from time to time at the prices described under the heading **Description of Exchange Notes Optional Redemption**.

In addition, upon completion of the Exchange Offers, with respect to each series of Exchange Notes to be issued in the applicable Exchange Offer, KCS may redeem any related Outstanding Notes that are not exchanged in the applicable Exchange Offer in an amount up to 2% of the original aggregate principal amount of such Outstanding Notes at a redemption price of 100% of their principal amount plus accrued interest to but not including the redemption date.

**Change of Control Repurchase Event**

Upon a Change of Control Repurchase Event (as defined under **Description of Exchange Notes Certain Definitions**), KCS will be required to make an offer to repurchase each series of Exchange Notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to, but excluding the date of repurchase. See **Description of Exchange Notes Covenants Change of Control Repurchase Event**.

**Covenants**

Each series of Exchange Notes will be issued as a separate series under a base indenture dated December 9, 2015, as supplemented by a separate supplemental indenture, which will contain covenants with respect to, among other things:

the creation of liens by KCS or any of KCS's significant subsidiaries that is an Exchange Note Guarantor;

the incurrence of indebtedness by subsidiaries of KCS that are not Exchange Note Guarantors; and

the merger, consolidation or sale of all or substantially all of KCS's or any Exchange Notes Guarantors' property and assets.

These covenants are subject to a number of important qualifications and exceptions. See "Description of Exchange Notes Covenants."

Denominations

The Exchange Notes will be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

Governing Law

The base indenture and the supplemental indentures are, and the Exchange Notes will be, governed by New York law.



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Taxation	For a summary of the U.S. federal income tax consequences of an investment in the Exchange Notes, see <b>Material Federal Income Tax Considerations</b> .
No Public Trading Market	The Exchange Notes are a new issue of securities, and there is currently no established trading market for the Exchange Notes. We do not intend to list the Exchange Notes offered hereby on any national securities exchange or to arrange for quotation on any automated dealer quotation systems. We cannot assure you that an active trading market for the Exchange Notes will develop.
Risk Factors	Tendering your Outstanding Notes in the Exchange Offers involves risks. You should carefully consider the information in the section entitled <b>Risk Factors</b> in this prospectus.

**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA**

The following table sets forth KCS's selected historical consolidated financial information. The selected historical consolidated financial information as of and for the three months ended March 31, 2016 and 2015 is unaudited and has been derived from KCS's unaudited historical consolidated financial statements and related notes included in KCS's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, which is incorporated by reference into this prospectus. The selected historical consolidated financial information as of December 31, 2015 and 2014 and for the years ended December 31, 2015, 2014 and 2013 has been derived from KCS's historical consolidated financial statements, which have been audited by KPMG LLP and are included in KCS's 2015 Annual Report on Form 10-K, which is incorporated by reference into this prospectus. The selected historical consolidated financial information as of December 31, 2013, 2012 and 2011 and for the years ended December 31, 2012 and 2011 has been derived from our audited financial statements that are not included or incorporated by reference into this prospectus.

This information is only a summary. You should read the data set forth in the table below in conjunction with the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" in KCS's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2016 and KCS's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, which are incorporated by reference in this prospectus, and KCS's consolidated financial statements which are incorporated by reference in this prospectus.

	As of and For the Year Ended December 31,					As of and For the Three Months Ended March 31,	
	2015	2014	2013	2012	2011	2016	2015
	<i>(in millions, except per share amount)</i>						
<b>Earnings From Continuing Operations</b>							
Revenues	\$ 2,418.8	\$ 2,577.1	\$ 2,369.3	\$ 2,238.6	\$ 2,098.3	\$ 562.7	\$ 603.1
Operating expenses <sup>(i)(ii)(iii)</sup>	1,615.0	1,768.0	1,630.7	1,522.7	1,486.7	374.8	424.9
Operating income	\$ 803.8	\$ 809.1	\$ 738.6	\$ 715.9	\$ 611.6	\$ 187.9	\$ 178.2
Net income <sup>(iv)</sup>	\$ 485.3	\$ 504.3	\$ 353.3	\$ 379.4	\$ 331.9	\$ 108.1	\$ 101.2
Earnings per common share:							
Basic	\$ 4.41	\$ 4.56	\$ 3.19	\$ 3.44	\$ 3.04	\$ 1.00	\$ 0.91
Diluted	4.40	4.55	3.18	3.43	3.00	0.99	0.91
<b>Financial Position</b>							
Total assets <sup>(v)(vi)</sup>	\$ 8,341.0	\$ 7,976.4	\$ 7,283.7	\$ 6,284.7	\$ 5,933.2	\$ 8,316.0	\$ 7,842.8
Total long-term debt obligations, including current portion and short-term borrowings	2,401.1	2,301.4	2,168.8	1,588.7	1,618.6	2,368.6	2,087.7
Total stockholders' equity	3,914.3	3,755.5	3,370.6	3,096.6	2,764.5	3,941.4	3,829.5
Total equity	4,224.7	4,064.1	3,676.6	3,400.7	3,058.7	4,252.1	4,138.5
<b>Other Data Per Common Share</b>							
Cash dividends declared per common share	\$ 1.32	\$ 1.12	\$ 0.86	\$ 0.78	\$	\$ 0.33	\$ 0.33

- (i) During 2015 and 2014, the Company recognized pre-tax lease termination costs of \$9.6 million and \$38.3 million, respectively, within operating expenses due to the early termination of certain operating leases and the related purchase of equipment. During the three months ended March 31, 2015, the Company recognized \$9.6 million of pre-tax lease termination costs.
- (ii) During 2012, the Company recognized a pre-tax gain of \$43.0 million within operating expenses for the elimination of a deferred statutory profit sharing liability as a result of the organizational restructuring during the period.

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- (iii) During 2011, the Company recognized a pre-tax gain of \$25.6 million within operating expenses for insurance recoveries related to 2010 hurricane damage.
- (iv) During 2015, 2014, 2013, 2012 and 2011, the Company recognized pre-tax debt retirement and exchange costs of \$7.6 million, \$6.6 million, \$119.2 million, \$20.1 million and \$38.7 million, respectively, related to debt restructuring activities that occurred during the periods.
- (v) During the fourth quarter of 2015, the Company adopted new accounting guidance regarding the classification of debt issuance costs related to a recognized debt liability as a direct deduction from the carrying amount of that debt liability. For the years ended December 31, 2014, 2013, 2012 and 2011, the Company reclassified \$14.5 million, \$20.1 million, \$19.1 million, and \$20.5 million, respectively, from total assets to total long-term debt obligations. For the three months ended March 31, 2015, the Company reclassified \$14.0 million from total assets to total long-term debt obligations.
- (vi) During the fourth quarter of 2015, the Company adopted new accounting guidance regarding the presentation of deferred tax assets and liabilities as non-current in a classified balance sheet. For the years ended December 31, 2014, 2013, 2012 and 2011, the Company reclassified \$100.1 million, \$131.6 million, \$92.1 million, and \$191.4 million, respectively, from total assets to noncurrent liabilities. For the three months ended March 31, 2015, the Company reclassified \$83.8 million from total assets to noncurrent liabilities.

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**RISK FACTORS**

*Before participating in the Exchange Offers, you should carefully consider the risk factors described below and in KCS's periodic reports filed with the SEC, together with all of the other information included in this prospectus and the other information that KCS has incorporated by reference. The risks described below and in the documents incorporated by reference herein are not the only ones KCS is facing. Additional risks not currently known to KCS or that KCS currently deems immaterial may also impair KCS's business. See Cautionary Note Regarding Forward-Looking Statements. Any of the risks described below or in the documents incorporated by reference herein, as well as other risks and uncertainties, could harm KCS's business and financial results and cause the value of KCS's securities to decline, which in turn could cause you to lose all or a part of your investment.*

**Risks Related to the Exchange Offers and Holding the Exchange Notes**

***Failure to comply with restrictive covenants in KCS's Revolving Credit Facility and other contractual arrangements could accelerate KCS's repayment obligations under our debt.***

The KCS Revolving Credit Facility contains a number of restrictive covenants, and any additional financing arrangements KCS enters into may contain additional restrictive covenants. These covenants restrict or prohibit many actions, including, but not limited to, the ability of KCS and certain of its subsidiaries to incur debt, create or suffer to exist liens, make investments, engage in transactions with affiliates, sell certain assets and engage in mergers and consolidations or in sale-leaseback transactions. Failure to maintain compliance with the covenants contained in these financial agreements could constitute a default which could result in the termination of the commitments and the acceleration of any amounts outstanding under such agreements.

***KCS's credit ratings may not reflect all risks of your investment in the Exchange Notes.***

The Exchange Notes are rated as investment grade by three nationally recognized statistical rating organizations. These credit ratings are limited in scope, and do not address all material risks relating to an investment in the Exchange Notes, but rather reflect only the view of each rating agency at the time the rating is issued. An explanation of the significance of such rating may be obtained from such rating agency. There can be no assurance that such credit ratings will remain in effect for any given period of time or that a rating will not be lowered, suspended or withdrawn entirely by the applicable rating agencies if, in such rating agency's judgment, circumstances so warrant. Agency credit ratings are not a recommendation to buy, sell or hold any security. Each agency's rating should be evaluated independently of any other agency's rating. Actual or anticipated changes or downgrades in KCS's credit ratings, including any announcement that its ratings are under further review for a downgrade, could affect the market value of the Exchange Notes and increase our corporate borrowing costs.

***Holders who fail to exchange their Outstanding Notes will continue to be subject to restrictions on transfer and may have reduced liquidity after the Exchange Offers.***

If you do not exchange your Outstanding Notes for Exchange Notes in the Exchange Offers, you will continue to be subject to the restrictions on transfer applicable to the Outstanding Notes. The restrictions on transfer of your Outstanding Notes arise because KCS issued the Outstanding Notes under exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. In general, you may only offer or sell the Outstanding Notes if they are registered under the Securities Act and applicable state securities laws or are offered and sold under an exemption from these requirements. After the completion of the Exchange Offers, KCS will not be under any obligation to, and does not plan to, register the Outstanding Notes under the Securities Act.

In addition, KCS has not conditioned the Exchange Offers on receipt of any minimum or maximum principal amount of Outstanding Notes. As Outstanding Notes are tendered and accepted in the Exchange Offers, the principal amount of remaining Outstanding Notes will decrease. This decrease could reduce the liquidity of

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the trading market for the Outstanding Notes. Furthermore, upon completion of the applicable Exchange Offer with respect to a series of Notes as described herein, KCS may redeem Outstanding Notes of such series which are not exchanged in the applicable Exchange Offer in an amount up to 2% of the original aggregate principal amount of such series of Outstanding Notes issued at a redemption price of 100% of their principal amount plus accrued interest to but excluding the redemption date, which could further reduce the liquidity of the trading market for the Outstanding Notes. KCS cannot assure you of the liquidity, or even the continuation, of the trading market for the Outstanding Notes following the Exchange Offers.

***You must comply with the Exchange Offer procedures to receive Exchange Notes.***

Holders are responsible for complying with all the Exchange Offer procedures. The issuance of Exchange Notes in exchange for Outstanding Notes will only occur upon completion of the procedures described in this prospectus under

The Exchange Offers. Therefore, holders of Outstanding Notes who wish to exchange them for Exchange Notes should allow sufficient time for timely completion of the exchange procedures. Neither KCS nor the Exchange Agent is obligated to extend the Exchange Offers or notify you of any failure to follow the proper procedures or waive any defect if you fail to follow the proper procedures.

***If you are a broker-dealer, your ability to transfer the Exchange Notes may be restricted.***

A broker-dealer that purchased Outstanding Notes for its own account as part of market-making or trading activities must comply with the prospectus delivery requirements of the Securities Act when it resells the Exchange Notes. KCS's obligation to make this prospectus available to broker-dealers is limited, and, as a result, KCS cannot guarantee that a proper prospectus will be available to broker-dealers wishing to resell their Exchange Notes. See Plan of Distribution.

***There is no public market for the Exchange Notes, a market may not develop, and you may have to hold your Exchange Notes to maturity.***

The Exchange Notes are a new issue of securities and there is no existing trading market for the Exchange Notes. Although the Dealer Managers in the offering of the Outstanding Notes have informed KCS that they intend to make a market in the Exchange Notes, they have no obligation to do so and may discontinue making a market at any time without notice. Accordingly, no assurance can be given that a liquid market will develop for the Exchange Notes, that you will be able to sell your Exchange Notes at a particular time or that the prices that you receive when you sell the Exchange Notes will be favorable.

There can be no assurance that an active trading market for the Exchange Notes will ever develop or be maintained. The liquidity of any market for the Exchange Notes and the prices at which the Exchange Notes will trade, if a trading market develops, will depend on a number of factors, including:

the number of holders of Exchange Notes;

KCS's operating performance and financial condition;

KCS's ability to complete the offers to exchange the Outstanding Notes;

the market for similar securities;

the interest of securities dealers in making a market in the Exchange Notes; and

prevailing interest rates.

***KCS may not be able to purchase the Exchange Notes upon the occurrence of a Change of Control Repurchase Event.***

Upon the occurrence of a Change of Control Repurchase Event (as defined below), KCS will be required to offer to purchase all of the Exchange Notes then outstanding at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest. If a Change of Control Repurchase Event were to occur, KCS



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may not have sufficient funds to pay the purchase price for the outstanding Exchange Notes tendered, and expects that it would require third-party financing; however, KCS may not be able to obtain such financing on favorable terms, if at all. In addition, the occurrence of a Change of Control Repurchase Event may result in an event of default under, or require KCS to purchase, KCS's other existing or future senior indebtedness. Moreover, the exercise by the holders of their right to require KCS to purchase the Exchange Notes could cause a default under its existing or future senior indebtedness, even if the occurrence of a Change of Control Repurchase Event itself does not, due to the financial effect of such purchase on KCS and its subsidiaries. KCS's failure to purchase tendered Exchange Notes at a time when the purchase is required by the indentures would constitute an event of default under the indentures, which, in turn, may constitute an event of default under future debt. See Description of Exchange Notes Covenants Change of Control Repurchase Event.

***The provisions in the indentures that will govern the Exchange Notes relating to change of control transactions will not necessarily protect you in the event of a highly leveraged transaction.***

The provisions in the indentures will not necessarily afford you protection in the event of a highly leveraged transaction that may adversely affect you, including a reorganization, restructuring, merger or other similar transaction involving KCS or its subsidiaries. These transactions may not involve a change in voting power or beneficial ownership or, even if they do, may not involve a change of the magnitude required under the definition of Change of Control Repurchase Event in the indentures to trigger these provisions. Except as described under Description of Exchange Notes Change of Control Repurchase Event, the indentures do not contain provisions that permit the holders of the Exchange Notes to require KCS to purchase the Exchange Notes in the event of a takeover, recapitalization or similar transaction. Finally, the provisions under the indentures relative to KCS's obligation to make an offer to purchase the Exchange Notes as a result of a Change of Control Repurchase Event may be waived or modified with the written consent of the holders of a majority in principal amount of the applicable series of Exchange Notes; accordingly, you may not be able to require the purchase of your Exchange Notes upon a Change of Control Repurchase Event even if you have not consented to the waiver of such obligation.

***The Exchange Notes and the Exchange Note Guarantees will be effectively subordinated to the secured obligations of KCS and the Exchange Note Guarantors.***

The Exchange Notes and the Exchange Note Guarantees will be KCS's and the Exchange Note Guarantors', respectively, unsecured obligations. KCS and the Exchange Note Guarantors may incur other debt, which may be substantial in amount, and which may in certain circumstances be secured. As of March 31, 2016, KCS and the Exchange Note Guarantors had \$54.5 million of secured indebtedness and capital lease obligations. Because the Exchange Notes and the Exchange Note Guarantees will be unsecured obligations, your right of repayment may be compromised in the following situations:

KCS or the Exchange Note Guarantors enter into bankruptcy, liquidation, reorganization, or other winding-up;

there is a default in payment under any secured debt of KCS or an Exchange Note Guarantor; or

there is an acceleration of any secured debt.

If any of these events occurs, the secured lenders could foreclose on assets of KCS or an Exchange Note Guarantor in which they have been granted a security interest, in each case to your exclusion, even if an event of default exists under the indentures relating to the Exchange Notes at such time. As a result, upon the occurrence of any of these events, there may not be sufficient funds to pay amounts due on the Exchange Notes.

***Servicing KCS's indebtedness will require a significant amount of cash. KCS's ability to generate cash depends on a variety of factors, many of which are beyond its control.***

KCS's ability to make payments on its indebtedness, including the Exchange Notes, will depend on KCS's ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial,

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competitive and other factors that are beyond KCS's control. KCS's business may not be able to generate sufficient cash flow from operations and future borrowings may not be available to it in an amount sufficient to enable KCS to pay its indebtedness, including the Exchange Notes, or to fund its other liquidity needs. KCS may need to refinance all or a portion of its indebtedness on or before maturity. However, KCS may not be able to complete such refinancing on commercially reasonable terms or at all.

***KCS is a holding company, and its ability to make any required payment on the Exchange Notes is dependent on the operations of, and the distribution of funds from, its subsidiaries.***

The issuer of the Exchange Notes, KCS, is a holding company, and its subsidiaries will conduct substantially all of its operations and own all of its operating assets. Therefore, KCS will depend on dividends and other distributions from its subsidiaries to generate the funds necessary to meet its obligations, including its required obligations under the Exchange Notes. Moreover, each of KCS's subsidiaries is a legally distinct entity and, other than those of its subsidiaries that are the Exchange Note Guarantors, have no obligation to pay amounts due pursuant to the Exchange Notes or to make any of their funds or other assets available for these payments.

***Only some of KCS's subsidiaries will guarantee the Exchange Notes. Your right to receive payments on the Exchange Notes could be adversely affected if any of KCS's subsidiaries that are not Exchange Note Guarantors declare bankruptcy, liquidate or reorganize.***

Not all of KCS's subsidiaries will guarantee the Exchange Notes, and those subsidiaries may incur debt and other liabilities to the extent permitted by the indentures governing the Exchange Notes. Accordingly, the Exchange Notes will be effectively subordinated to the prior payment of debts and other liabilities (including trade payables) of KCS's subsidiaries that are not Exchange Note Guarantors. In the event of a bankruptcy, liquidation or reorganization of any of KCS's subsidiaries that are not Exchange Note Guarantors, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to KCS. As of and for the three months ended March 31, 2016, the subsidiaries of KCS that are not Exchange Note Guarantors had approximately \$525.9 million of total liabilities (including trade payables and excluding intercompany payables), and approximately 49% of KCS's consolidated assets (excluding intercompany receivables and investments in consolidated subsidiaries) and generated approximately 53% and 65%, respectively, of KCS's consolidated revenues and operating income (excluding intercompany revenue and expenses).

***The amount of interest payable on the 2016 Exchange Notes will be set only once per period based on the three-month LIBOR on the interest determination date, which rate may fluctuate substantially.***

In the past, the level of the three-month LIBOR has experienced significant fluctuations. Any historical upward or downward trend in the three-month LIBOR is not an indication that the three-month LIBOR is more or less likely to increase or decrease at any time during a floating rate interest period, and you should not take the historical levels of the three-month LIBOR as an indication of its future performance. In addition, although the actual three-month LIBOR on an interest payment date or at other times during an interest period may be higher than the three-month LIBOR on the applicable interest determination date, you will not benefit from the three-month LIBOR at any time other than on the interest determination date for such interest period. As a result, changes in the three-month LIBOR may not result in a comparable change in the market value of the 2016 Exchange Notes.

In addition, because the interest rate on the 2016 Exchange Notes will be a floating rate, you will be exposed to risks not associated with a conventional fixed-rate debt instrument. These risks include fluctuation of the three-month LIBOR (and hence, the interest rate) and the possibility that for any given interest payment period you may receive a lesser amount of interest than for one or more other interest payment periods. We have no control over the factors that

may affect market interest rates, including geopolitical conditions and economic,

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financial, political, regulatory, agricultural, judicial or other events that affect the markets generally and that are important in determining the existence, magnitude, and longevity of these risks and their results. Also, the floating interest rate for the 2016 Exchange Notes may be less than the floating rate payable on a similar debt instrument of the same maturity issued by an issuer of comparable creditworthiness.

***Changes to LIBOR may adversely affect holders of the 2016 Exchange Notes.***

Beginning in 2008, various concerns have been raised with respect to the calculation of LIBOR across a range of maturities and currencies. A number of the British Bankers Association (the BBA) member banks have entered into settlements with their regulators and law enforcement agencies with respect to alleged manipulation of LIBOR, and investigations were instigated by regulators and governmental authorities in various jurisdictions (including in the United States, United Kingdom, European Union, Japan and Canada). If manipulation of LIBOR or another inter-bank lending rate occurred, it may have resulted in that rate being artificially lower (or higher) than it otherwise would have been.

In September 2012, the U.K. government published the results of its review of LIBOR (commonly referred to as the Wheatley Review). The Wheatley Review made a number of recommendations for changes with respect to LIBOR including the introduction of statutory regulation of LIBOR, the transfer of responsibility for LIBOR from the BBA to an independent administrator, changes to the method of compilation of lending rates and new regulatory oversight and enforcement mechanisms for rate-setting. Based on the Wheatley Review, final rules for the regulation and supervision of LIBOR by the Financial Conduct Authority (the FCA) were published and came into effect on April 2, 2013 (the FCA Rules). In particular, the FCA Rules include requirements that (1) an independent LIBOR administrator monitor and survey LIBOR submissions to identify breaches of practice standards and/or potentially manipulative behavior and (2) firms submitting data to LIBOR establish and maintain a clear conflicts of interest policy and appropriate systems and controls.

On September 18, 2013, the European Commission released proposals that could result in additional regulation of LIBOR and other benchmarks if adopted by the European Parliament and the member states.

It is not possible to predict the effect of the FCA Rules, any changes in the methods pursuant to which the LIBOR rates are determined and any other reforms to LIBOR that will be enacted in the U.K., the European Union and elsewhere, which may adversely affect the trading market for LIBOR-based securities. In addition, any changes announced by the FCA, the BBA or any other successor governance or oversight body, or future changes adopted by such body of the European Union, in the method pursuant to which the LIBOR rates are determined may result in a sudden or prolonged decrease or increase in the reported LIBOR rates. If that were to occur, the level of interest payments on and the trading value of the 2016 Exchange Notes may be adversely affected. Further, uncertainty as to the extent and manner in which the Wheatley Review recommendations will continue to be adopted and the European Commission proposals may be adopted and the timing of such changes may adversely affect the current trading market for LIBOR-based securities and the value of your 2016 Exchange Notes.

***The indebtedness represented by the Exchange Notes and the Exchange Note Guarantees may be unenforceable due to voidable transfer statutes.***

KCS believes that the indebtedness represented by the Exchange Notes and the Exchange Note Guarantees is being incurred for proper purposes, in good faith, and not to hinder, delay, or defraud any entity to which it is, or will become on or after the consummation of the Exchange Offers, indebted. Based on present forecasts, asset valuations and other financial information, KCS and the Exchange Note Guarantors are, and after the consummation of the Exchange Offers, will be, solvent and will have reasonably sufficient capital for carrying on the current and

contemplated businesses of KCS and the Exchange Note Guarantors and will be able to pay debts of KCS and the Exchange Note Guarantors as they come due. Notwithstanding this belief, however, under federal or state voidable transfer laws, if a court of competent jurisdiction in a suit by an unpaid creditor or

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representative of creditors (such as a trustee in bankruptcy or a debtor-in-possession) were to find that KCS or the Exchange Note Guarantors did not receive fair consideration (or reasonably equivalent value) for issuing the Exchange Notes or the Exchange Note Guarantees or for any indebtedness refinanced by the Exchange Notes and at the time of the issuance of that indebtedness or those Exchange Note Guarantees, KCS or the Exchange Note Guarantors were insolvent, were rendered insolvent by reason of that incurrence, were engaged in a business or transaction for which KCS's or the Exchange Note Guarantors' remaining assets constituted unreasonably small capital, intended to incur, or believed that KCS or the Exchange Note Guarantors would incur, debts beyond any of their ability to pay such debts as they became due, or that any of KCS or the Exchange Notes Guarantors intended to hinder, delay or defraud its creditors, then that court could, among other things, (i) void all or a portion of KCS's obligations to the holders of the Exchange Notes or the Exchange Note Guarantors' obligations under the Exchange Note Guarantees, (ii) subordinate all or a portion of the payments made to holders of the Exchange Notes (or the Exchange Note Guarantees) to KCS's (or the Exchange Note Guarantors') other existing and future indebtedness to a greater extent than would otherwise be the case, the effect of which would be to entitle those other creditors to be paid in full before any payment could be made on the Exchange Notes. The measure of insolvency for purposes of the foregoing will vary depending upon the law of the relevant jurisdiction. Generally, however, a company would be considered insolvent for purposes of the foregoing if the sum of that company's debts was greater than all of that company's assets at a fair valuation, or if the present fair saleable value of that company's assets was less than the amount that would be required to pay the probable liability on its existing debts as they become absolute and due. There can be no assurance as to what standards a court would apply to determine whether KCS or the Exchange Note Guarantors were solvent at the relevant time, or whether, whatever standard was applied, the Exchange Note Guarantees would not be voided on any of the grounds set forth above.

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**USE OF PROCEEDS**

We will not receive any proceeds from the Exchange Offers. Any Outstanding Notes that are validly tendered and exchanged pursuant to the Exchange Offers will be retired and cancelled. Accordingly, issuance of the Exchange Notes will not result in any change in our capitalization.



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The following table presents our ratio of earnings to fixed charges for the historical periods indicated.

	<b>For the Three</b>	<b>For the Year Ended December 31,</b>				
	<b>Months Ended</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
	<b>March 31,</b>					
	<b>2016</b>					
Ratio of earnings to fixed charges <sup>(1)</sup>	6.6	7.4	8.2	5.6	5.5	3.7

- (1) For purposes of computing the ratio of earnings to fixed charges, earnings represent pretax income from continuing operations, excluding equity in earnings of affiliates, plus interest expense, portion of rents representative of an appropriate interest factor and distributed income of equity investments. Fixed charges consist of interest expense, capitalized interest and the portion of rents representative of an appropriate interest factor.

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**THE EXCHANGE OFFERS**

**Terms of the Exchange Offers; Period for Tendering Outstanding Notes**

Subject to terms and conditions detailed in this prospectus, we will accept for exchange Outstanding Notes that are validly tendered on or prior to the Expiration Date with respect to the applicable Exchange Offer and not validly withdrawn as permitted below. The term *Expiration Date* means the latest time and date to which the applicable Exchange Offer is extended. This prospectus, together with the letter of transmittal, is first being sent on or about the date hereof, to all holders of Outstanding Notes known to us.

We expressly reserve the right, at any time, to extend the period of time during which any or all of the Exchange Offers are open, and delay acceptance for exchange of the applicable Outstanding Notes, by giving oral or written notice of such extension to the holders thereof as described below. During any such extension, all applicable Outstanding Notes previously tendered will remain subject to the applicable Exchange Offer and may be accepted for exchange by us. Any Outstanding Notes not accepted for exchange for any reason will be returned without expense to the tendering holder promptly after the Expiration Date or termination of the applicable Exchange Offer, as applicable.

Outstanding Notes tendered in the Exchange Offers must be in denominations of principal amount of \$2,000 and integral multiples of \$1,000 in excess thereof; *provided* that the untendered portion of an Outstanding Note or the portion thereof not accepted for exchange must be in a principal amount of \$2,000 or an integral multiple of \$1,000 in excess thereof.

We expressly reserve the right to amend or terminate any or all of the Exchange Offers, and not to accept for exchange any of the applicable Outstanding Notes, upon the occurrence of any of the conditions of the Exchange Offers specified in the section entitled *Summary Description of the Exchange Offers* *Conditions to the Exchange Offers* ; *provided, however*, that if we amend an Exchange Offer to make a material change, including the waiver of a material condition, we will extend the applicable Exchange Offer, if necessary, to keep such Exchange Offer open for at least five business days after such amendment or waiver is published, sent or given to the holders of the Outstanding Notes. We will give oral or written notice of any extension, amendment, non-acceptance or termination to the holders of the Outstanding Notes as promptly as practicable. Such notice, in the case of any extension, will be issued by means of a press release or other public announcement no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date for such offer.

**Procedures for Tendering Outstanding Notes**

The tender to us of Outstanding Notes by you as set forth below and our acceptance of the Outstanding Notes will constitute a binding agreement between us and you upon the terms and subject to the conditions set forth in this prospectus and in the accompanying letter of transmittal. Except as set forth below, to tender Outstanding Notes for exchange pursuant to the Exchange Offers, you must transmit a properly completed and duly executed letter of transmittal, including all other documents required by such letter of transmittal or, in the case of a book-entry transfer, an Agent's Message in lieu of such letter of transmittal, to the Exchange Agent at the address set forth in the section entitled *Exchange Agent* on or prior to the Expiration Date. In addition, either:

certificates for such Outstanding Notes must be received by the Exchange Agent along with the letter of transmittal; or

a timely confirmation of a book-entry transfer (a Book-Entry Confirmation ) of such Outstanding Notes, if such procedure is available, into the Exchange Agent's account at DTC pursuant to the procedure for book-entry transfer must be received by the Exchange Agent, prior to the Expiration Date, with the letter of transmittal or an Agent's Message in lieu of such letter of transmittal.

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The term Agent's Message means a message, transmitted by DTC to and received by the Exchange Agent and forming a part of a Book-Entry Confirmation, which states that DTC has received an express acknowledgment from the tendering participant stating that such participant has received and agrees to be bound by the letter of transmittal and that we may enforce such letter of transmittal against such participant.

The method of delivery of Outstanding Notes, letters of transmittal and all other required documents is at your election and risk. If such delivery is by mail, it is recommended that you use registered mail, properly insured, with return receipt requested. In all cases, you should allow sufficient time to assure timely delivery. No letter of transmittal or Outstanding Notes should be sent to us.

Signatures on a letter of transmittal or a notice of withdrawal, as the case may be, must be guaranteed unless the Outstanding Notes surrendered for exchange are tendered:

by a holder of the Outstanding Notes who has not completed the box entitled Special Issuance Instructions or Special Delivery Instructions on the letter of transmittal; or

for the account of an Eligible Institution (as defined below).

In the event that signatures on a letter of transmittal or a notice of withdrawal are required to be guaranteed, such guarantees must be by a firm which is a member of the Securities Transfer Agent Medallion Program, the Stock Exchanges Medallion Program or the New York Stock Exchange Medallion Program (each such entity being hereinafter referred to as an Eligible Institution). If Outstanding Notes are registered in the name of a person other than the signer of the letter of transmittal, the Outstanding Notes surrendered for exchange must be endorsed by, or be accompanied by a written instrument or instruments of transfer or exchange, in satisfactory form as we determine in our sole discretion, duly executed by the registered holders with the signature thereon guaranteed by an Eligible Institution.

We, in our sole discretion, will make a final and binding determination on all questions as to the validity, form, eligibility (including time of receipt) and acceptance of Outstanding Notes tendered for exchange. We reserve the absolute right to reject any and all tenders of any particular Outstanding Note not validly tendered or to not accept any particular Outstanding Note which acceptance might, in our judgment or our counsel's, be unlawful. We also reserve the absolute right to waive any defects or irregularities or conditions of the Exchange Offers as to any particular Outstanding Note either before or after the Expiration Date (including the right to waive the ineligibility of any holder who seeks to tender Outstanding Notes in the Exchange Offers). Our interpretation of the term and conditions of the Exchange Offers as to any particular Outstanding Note either before or after the Expiration Date (including the letter of transmittal and the instructions thereto) will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of Outstanding Notes for exchange must be cured within such time as we shall determine. We are not, nor is the Exchange Agent or any other person, under any duty to notify you of any defect or irregularity with respect to your tender of Outstanding Notes for exchange, and no one will be liable for failing to provide such notification.

If the letter of transmittal is signed by a person or persons other than the registered holder or holders of Outstanding Notes, such Outstanding Notes must be endorsed or accompanied by powers of attorney signed exactly as the name(s) of the registered holder(s) that appear on the Outstanding Notes.

If the letter of transmittal or any Outstanding Notes or powers of attorney are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing. Unless waived by us or the Exchange Agent, proper evidence satisfactory to us of their authority to so act must be submitted with the letter of transmittal.

By tendering Outstanding Notes, you represent to us that, among other things, the Exchange Notes acquired pursuant to the Exchange Offers are being obtained in the ordinary course of business of the person receiving such Exchange Notes, whether or not such person is the holder and that neither the holder nor such other person

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has any arrangement or understanding with any person, to participate in the distribution of the Exchange Notes. In the case of a holder that is not a broker-dealer, that holder, by tendering, will also represent to us that the holder is not engaged in, and does not intend to engage in, a distribution of the Exchange Notes.

However, any purchaser of Outstanding Notes who is our affiliate, who intends to participate in the Exchange Offers for the purpose of distributing the Exchange Notes or a broker-dealer that acquired Outstanding Notes in a transaction other than as part of its trading or market-making activities and who has arranged or has an understanding with any person to participate in the distribution of the Outstanding Notes:

cannot rely on the applicable interpretations of the staff of the SEC; and

must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

Each broker-dealer that receives Exchange Notes for its own account in exchange for Outstanding Notes, where such Outstanding Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. See Plan of Distribution. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act.

**Acceptance of Outstanding Notes for Exchange; Delivery of Exchange Notes**

Upon satisfaction or waiver of all of the conditions to the Exchange Offers, we will accept, promptly after the Expiration Date, all Outstanding Notes validly tendered and will issue the Exchange Notes promptly after the Expiration Date. See Summary Description of the Exchange Offers Conditions to the Exchange Offers. For purposes of the Exchange Offers, we will be deemed to have accepted validly tendered Outstanding Notes for exchange if and when we give oral (confirmed in writing) or written notice to the Exchange Agent.

The holder of each Outstanding Note accepted for exchange will receive an Exchange Note in the amount equal to the surrendered Outstanding Note. Holders of Exchange Notes will receive interest accruing from the most recent date to which interest has been paid on the Outstanding Notes, unless the record date for the first interest payment date after the consummation of the Exchange Offers preceded such date of consummation, in which case the interest payable on such interest payment date will be paid to the holders of the Outstanding Notes.

In all cases, issuance of Exchange Notes for Outstanding Notes that are accepted for exchange will be made only after timely receipt by the Exchange Agent of:

certificates for Outstanding Notes or a timely Book-Entry Confirmation of such Outstanding Notes into the Exchange Agent's account at DTC;

a properly completed and duly executed letter of transmittal or an Agent's Message in lieu thereof; and

all other required documents.

If any tendered Outstanding Notes are not accepted for any reason set forth in the terms and conditions of the Exchange Offers or if Outstanding Notes are submitted for a greater principal amount than the holder desires to exchange, such unaccepted or non-exchanged Outstanding Notes will be returned without expense to the tendering holder (or, in the case of Outstanding Notes tendered by book-entry transfer into the Exchange Agent's account at DTC pursuant to the book-entry procedures described below, such non-exchanged Outstanding Notes will be credited to an account maintained with DTC promptly after the Expiration Date or termination of the applicable Exchange Offer) promptly after the Expiration Date or termination of the applicable Exchange Offer, as applicable.

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**Book-Entry Transfers**

For purposes of the Exchange Offers, the Exchange Agent will request that an account be established with respect to the Outstanding Notes at DTC within two business days after the date of this prospectus, unless the Exchange Agent has already established an account with DTC suitable for the Exchange Offers. Any financial institution that is a participant in DTC may make book-entry delivery of Outstanding Notes by causing DTC to transfer such Outstanding Notes into the Exchange Agent's account at DTC in accordance with DTC's procedures for transfer. Although delivery of Outstanding Notes may be effected through book-entry transfer at DTC, the letter of transmittal or facsimile thereof or an Agent's Message in lieu thereof, with any required signature guarantees and any other required documents, must, in any case, be transmitted to and received by the Exchange Agent at the address set forth in the section entitled Exchange Agent on or prior to the Expiration Date.

**Withdrawal Rights**

You may validly withdraw your tender of Outstanding Notes at any time prior to the Expiration Date. To be effective, a written notice of withdrawal must be received by the Exchange Agent at one of the addresses set forth in the section entitled Exchange Agent. This notice must specify:

the name of the person having tendered the Outstanding Notes to be withdrawn;

the Outstanding Notes to be withdrawn (including the principal amount of such Outstanding Notes); and

where certificates for Outstanding Notes have been transmitted, the name in which such Outstanding Notes are registered, if different from that of the withdrawing holder.

If certificates for Outstanding Notes have been delivered or otherwise identified to the Exchange Agent, then, prior to the release of such certificates, the withdrawing holder must also submit the serial numbers of the particular certificates to be withdrawn and a signed notice of withdrawal with signatures guaranteed by an Eligible Institution, unless such holder is an Eligible Institution. If Outstanding Notes have been tendered pursuant to the procedure for book-entry transfer described above, any notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawn Outstanding Notes and otherwise comply with the procedures of DTC.

We, in our sole discretion, will make a final and binding determination on all questions as to the validity, form and eligibility (including time of receipt) of such notices. Any Outstanding Notes so withdrawn will be deemed not to have been validly tendered for exchange for purposes of the Exchange Offers. Any Outstanding Notes tendered for exchange but not exchanged for any reason will be returned to the holder without cost to such holder promptly after the Expiration Date (or, in the case of Outstanding Notes tendered by book-entry transfer into the Exchange Agent's account at DTC pursuant to the book-entry transfer procedures described above, such Outstanding Notes will be credited to an account maintained with DTC for the Outstanding Notes as soon as practicable after withdrawal, rejection of tender or termination of the applicable Exchange Offer) or termination of the applicable Exchange Offer, as applicable. Properly withdrawn Outstanding Notes may be retendered by following one of the procedures described in the section entitled Procedures for Tendering Outstanding Notes above at any time on or prior to the Expiration Date.





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**Exchange Agent**

U.S. Bank National Association will be appointed Exchange Agent for the Exchange Offers. Questions and requests for assistance and requests for additional copies of this prospectus or the letter of transmittal should be addressed to the Exchange Agent as follows:

**By Hand Delivery, Registered Mail or Overnight Carrier**

U.S. Bank National Association

Attn: Specialized Finance

111 Fillmore Avenue

St. Paul, MN 55107-1402

**Facsimile Transmission:**

(651) 466-7367

Confirm by Telephone:

(800) 934-6802

**For Information With Respect to the Exchange Offers, Call:**

the Exchange Agent at (800) 934-6802 or go to

[www.usbank.com/corp\\_trust/bondholder\\_contact.html](http://www.usbank.com/corp_trust/bondholder_contact.html)

**DELIVERY OF THE LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF SUCH LETTER OF TRANSMITTAL VIA FACSIMILE OTHER THAN AS SET FORTH ABOVE DOES NOT CONSTITUTE A VALID DELIVERY OF THE LETTER OF TRANSMITTAL.**

**Fees and Expenses**

We will pay the Exchange Agent customary fees for its services, reimburse the Exchange Agent for its reasonable out-of-pocket expenses incurred in connection with the provision of these services and pay other registration expenses, including fees and expenses of the trustee under the indenture relating to the Exchange Notes, filing fees, blue sky fees and printing and distribution expenses. We will not make any payment to brokers, dealers or others soliciting acceptances of the Exchange Offers.

Additional solicitation may be made by telephone, facsimile or in person by our and our affiliates' officers and regular employees.

**Accounting Treatment**

We will record the Exchange Notes at the same carrying value as the Outstanding Notes, as reflected in our accounting records on the date of the exchange. Accordingly, we will not recognize any gain or loss for accounting purposes. The expenses of the Exchange Offers will be expensed as incurred.

**Consequences of Exchanging or Failing to Exchange Outstanding Notes**

Upon completion of the Exchange Offers, with respect to each series of Exchange Notes to be issued in the applicable Exchange Offer, KCS may redeem any related Outstanding Notes that are not exchanged in the applicable Exchange Offer in an amount up to 2% of the original aggregate principal amount of such Outstanding Notes at a redemption price of 100% of their principal amount plus accrued interest to but no