

LANDSTAR SYSTEM INC

Form 4

October 31, 2006

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
STANLEY RONALD G

(Last) (First) (Middle)

**13410 SUTTON PARK DRIVE
SOUTH**

(Street)

JACKSONVILLE, FL 32224

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol

LANDSTAR SYSTEM INC [LSTR]

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

10/27/2006

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)

Vice President & COO

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price		
Common Stock	10/27/2006		M		6,560	A	\$ 8.1173	25,256	D
Common Stock	10/27/2006		M		8,000	A	\$ 14.6207	33,256	D
Common Stock	10/27/2006		M		2,400	A	\$ 32.13	35,656	D
Common Stock	10/27/2006		M		13,334	A	\$ 37.3088	48,990	D

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

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Options (Right to buy)	\$ 8.1173	10/27/2006		M		6,560		02/07/2006	02/07/2011	Common Stock	6,560
Stock Options (Right to buy)	\$ 14.6207	10/27/2006		M		8,000		01/02/2006	01/02/2013	Common Stock	8,000
Stock Options (Right to buy)	\$ 32.13	10/27/2006		M		2,400		01/27/2006	01/27/2015	Common Stock	2,400
Stock Options (Right to buy)	\$ 37.3088	10/27/2006		M		13,334		01/03/2006	01/03/2015	Common Stock	13,334

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
STANLEY RONALD G 13410 SUTTON PARK DRIVE SOUTH JACKSONVILLE, FL 32224	Vice President & COO

Signatures

James B. Gattoni,
Attorney-in-fact

10/31/2006

__Signature of Reporting Person

Date

Explanation of Responses:

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

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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