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| <b>OMB APPROVAL</b>                             |           |
| OMB Number:                                     | 3235-0287 |
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

|   |  |  |
|---|--|--|
| 1. Name and Address of Reporting Person*<br><u>Kneller Michael K</u><br><br>(Last) (First) (Middle)<br>13410 SUTTON PARK DRIVE SOUTH<br><br>(Street)<br>JACKSONVILLE FL 32224<br><br>(City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol<br><u>LANDSTAR SYSTEM INC [ LSTR ]</u> | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br><br>Director 10% Owner<br><input checked="" type="checkbox"/> Officer (give title below) Other (specify below)<br><u>VP General Counsel &amp; Secy</u> |
|   | 3. Date of Earliest Transaction (Month/Day/Year)<br>02/13/2018                     |  |
| 4. If Amendment, Date of Original Filed (Month/Day/Year)  |  |  |

**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                    | 02/13/2018                           |  | M                              |   | 1,400   | A          | \$37.07 | 29,683  | D  |   |
| Common Stock                    | 02/13/2018                           |  | M                              |   | 3,542   | A          | \$41.8  | 33,225  | D  |   |
| Common Stock                    | 02/13/2018                           |  | M                              |   | 1,923   | A          | \$51.99 | 35,148  | D  |   |

**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 Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |       |
|--|--|--------------------------------------|--|--------------------------------|---|--|-------|--|-----------------|---|--|--|---|--|-------|
|  |  |                                      |  | Code                           | V | (A)  | (D)   | Date Exercisable   | Expiration Date |   |  |  |   |  | Title |
| Stock Options (Right to Buy)               | \$37.07  | 02/13/2018                           |  | M                              |   |  | 1,400 | 01/29/2015   | 01/29/2020      | Common Stock  | 1,400                                      | \$0  | 0   | D  |       |
| Stock Options (Right to Buy)               | \$41.8   | 02/13/2018                           |  | M                              |   |  | 3,542 | (I)  | 02/03/2021      | Common Stock  | 3,542                                      | \$0  | 17,708  | D  |       |
| Stock Options (Right to Buy)               | \$51.99  | 02/13/2018                           |  | M                              |   |  | 1,923 | 02/06/2017   | 02/06/2022      | Common Stock  | 1,923                                      | \$0  | 19,077  | D  |       |

**Explanation of Responses:**

1. Options became exercisable as to 1,150 shares on 02/03/2015 and 2,392 shares on 02/03/2016.

/s/ James P. Todd, attorney-in-fact 02/15/2018

\*\* Signature of Reporting Person Date

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

\* 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.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.