

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* <u>Kneller Michael K</u> _____ (Last) (First) (Middle) <u>13410 SUTTON PARK DRIVE SOUTH</u> _____ (Street) <u>JACKSONVILLE FL 32224</u> _____ (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>LANDSTAR SYSTEM INC [LSTR]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>VP General Counsel & Secy</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>09/07/2018</u>	
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	09/07/2018		M		17,708	A	\$41.8	52,856	D	
Common Stock	09/07/2018		M		19,077	A	\$51.99	71,933	D	
Common Stock	09/07/2018		F		23,019 ⁽¹⁾	D	\$122.96	48,914	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)	\$41.8	09/07/2018		M		17,708		(2)	02/03/2021	Common Stock	17,708	\$0	0	D	
Stock Options (Right to Buy)	\$51.99	09/07/2018		M		19,077		(3)	02/06/2022	Common Stock	19,077	\$0	0	D	

Explanation of Responses:

- Represents shares withheld to pay the exercise price and tax withholding obligations.
- Options became exercisable as to 4,250 on each of 02/03/2012, 02/03/2013 and 02/03/2014, 3,100 on 02/03/2015 and 1,858 on 02/03/2016.
- Options became exercisable as to 4,200 on each of 02/06/2013, 02/06/2014, 02/06/2015 and 02/06/2016, and 2,277 on 02/06/2017.

/s/ James P. Todd, attorney-in-fact 09/11/2018

** 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.

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