

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>Stout L Kevin</u> _____ (Last) (First) (Middle) 13410 SUTTON PARK DRIVE SOUTH _____ (Street) JACKSONVILLE FL 32224 _____ (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, CFO and Asst Secretary</u> |
| | 3. Date of Earliest Transaction (Month/Day/Year) <u>11/10/2016</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 | 11/10/2016 | | M | | 1,895 | A | \$44.32 | 21,276 | D | |
| Common Stock | 11/10/2016 | | M | | 16,460 | A | \$41.57 | 37,736 | D | |
| Common Stock | 11/10/2016 | | F | | 13,323 ⁽¹⁾ | D | \$79.31 | 24,413 | D | |
| Common Stock | 11/10/2016 | | S | | 5,000 | D | \$79.3182 ⁽²⁾ | 19,413 | D | |
| Common Stock | 11/14/2016 | | M | | 2,619 | A | \$38.18 | 22,032 | D | |
| Common Stock | 11/14/2016 | | M | | 1,105 | A | \$44.32 | 23,137 | D | |
| Common Stock | 11/14/2016 | | M | | 3,540 | A | \$41.57 | 26,677 | 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) | \$44.32 | 11/10/2016 | | M | | | 1,895 | (3) | 02/01/2017 | Common Stock | 1,895 | \$0 | 1,105 | D | |
| Stock Options (Right to Buy) | \$41.57 | 11/10/2016 | | M | | | 16,460 | (4) | 01/02/2018 | Common Stock | 16,460 | \$0 | 3,540 | D | |
| Stock Options (Right to Buy) | \$38.18 | 11/14/2016 | | M | | | 2,619 | | 01/02/2012 01/02/2017 | Common Stock | 2,619 | \$0 | 0 | D | |
| Stock Options (Right to Buy) | \$44.32 | 11/14/2016 | | M | | | 1,105 | (5) | 02/01/2017 | Common Stock | 1,105 | \$0 | 0 | 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) | \$41.57 | 11/14/2016 | | M | | | 3,540 | (6) | 01/02/2018 | Common Stock | 3,540 | \$0 | 0 | D | |

Explanation of Responses:

1. Represents shares withheld to pay the exercise price and tax withholding obligations.
2. The price reported is the weighted average sales price for the transactions reported. The prices received ranged from \$79.275 to \$79.3556. The reporting person will provide to the issuer, a security holder of the issuer, or the SEC staff, upon request, full information regarding the number of shares sold at each price within the range.
3. Options became exercisable as to 600 shares on each of 02/01/2008 and 02/01/2009, 95 shares on 02/01/2010 and 600 shares on 02/01/2012.
4. Options became exercisable as to 4,000 shares on each of 01/02/2009 and 01/02/2010, 2,865 shares on 01/02/2011, 4,000 shares on 01/02/2012 and 1,595 shares on 01/02/2013.
5. Options became exercisable as to 505 shares on 02/01/2010 and 600 shares on 02/01/2011.
6. Options became exercisable as to 1,135 shares on 01/02/2011 and 2,405 shares on 01/02/2013.

/s/ James P. Todd, attorney-in-fact 11/14/2016

** 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.