

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><b>GERKENS HENRY H</b><br>_____<br>(Last) (First) (Middle)<br><b>13410 SUTTON PARK DRIVE SOUTH</b><br>_____<br>(Street)<br><b>JACKSONVILLE FL 32224</b><br>_____<br>(City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol<br><b>LANDSTAR SYSTEM INC [ LSTR ]</b> | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br><input checked="" type="checkbox"/> Director 10% Owner<br><input checked="" type="checkbox"/> Officer (give title below) Other (specify below)<br><b>President &amp; CEO</b> |
|  | 3. Date of Earliest Transaction (Month/Day/Year)<br><b>08/21/2006</b>              |  |
| 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                    | 08/21/2006                           |  | M <sup>(1)</sup>               |   | 19,200  | A          | \$8.556  | 148,608   | D  |   |
| Common Stock                    | 08/21/2006                           |  | M <sup>(1)</sup>               |   | 29,874  | A          | \$19.025 | 178,482   | D  |   |
| Common Stock                    | 08/21/2006                           |  | s <sup>(1)</sup>               |   | 100   | D          | \$43.11  | 178,382   | D  |   |
| Common Stock                    | 08/21/2006                           |  | s <sup>(1)</sup>               |   | 530   | D          | \$43.12  | 177,852   | D  |   |
| Common Stock                    | 08/21/2006                           |  | s <sup>(1)</sup>               |   | 1,644   | D          | \$43.13  | 176,208   | D  |   |
| Common Stock                    | 08/21/2006                           |  | s <sup>(1)</sup>               |   | 700   | D          | \$43.14  | 175,508   | D  |   |
| Common Stock                    | 08/21/2006                           |  | s <sup>(1)</sup>               |   | 100   | D          | \$43.15  | 175,408   | D  |   |
| Common Stock                    | 08/21/2006                           |  | s <sup>(1)</sup>               |   | 100   | D          | \$43.16  | 175,308   | D  |   |
| Common Stock                    | 08/21/2006                           |  | s <sup>(1)</sup>               |   | 100   | D          | \$43.18  | 175,208   | D  |   |
| Common Stock                    | 08/21/2006                           |  | s <sup>(1)</sup>               |   | 100   | D          | \$43.19  | 175,108   | D  |   |
| Common Stock                    | 08/21/2006                           |  | s <sup>(1)</sup>               |   | 500   | D          | \$43.2   | 174,608   | D  |   |
| Common Stock                    | 08/21/2006                           |  | s <sup>(1)</sup>               |   | 140   | D          | \$43.22  | 174,468   | D  |   |
| Common Stock                    | 08/21/2006                           |  | s <sup>(1)</sup>               |   | 700   | D          | \$43.23  | 173,768   | D  |   |
| Common Stock                    | 08/21/2006                           |  | s <sup>(1)</sup>               |   | 1,560   | D          | \$43.24  | 172,208   | D  |   |
| Common Stock                    | 08/21/2006                           |  | s <sup>(1)</sup>               |   | 1,240   | D          | \$43.25  | 170,968   | D  |   |
| Common Stock                    | 08/21/2006                           |  | s <sup>(1)</sup>               |   | 1,160   | D          | \$43.26  | 169,808   | D  |   |
| Common Stock                    | 08/21/2006                           |  | s <sup>(1)</sup>               |   | 100   | D          | \$43.28  | 169,708   | D  |   |
| Common Stock                    | 08/21/2006                           |  | s <sup>(1)</sup>               |   | 200   | D          | \$43.29  | 169,508   | D  |   |
| Common Stock                    | 08/21/2006                           |  | s <sup>(1)</sup>               |   | 200   | D          | \$43.3   | 169,308   | D  |   |
| Common Stock                    | 08/21/2006                           |  | s <sup>(1)</sup>               |   | 409   | D          | \$43.31  | 168,899   | D  |   |
| Common Stock                    | 08/21/2006                           |  | s <sup>(1)</sup>               |   | 400   | D          | \$43.32  | 168,499   | D  |   |
| Common Stock                    | 08/21/2006                           |  | s <sup>(1)</sup>               |   | 1,300   | D          | \$43.33  | 167,199   | D  |   |
| Common Stock                    | 08/21/2006                           |  | s <sup>(1)</sup>               |   | 791   | D          | \$43.34  | 166,408   | D  |   |
| Common Stock                    | 08/21/2006                           |  | s <sup>(1)</sup>               |   | 200   | D          | \$43.35  | 166,208   | D  |   |
| Common Stock                    | 08/21/2006                           |  | s <sup>(1)</sup>               |   | 400   | D          | \$43.37  | 165,808   | D  |   |
| Common Stock                    | 08/21/2006                           |  | s <sup>(1)</sup>               |   | 500   | D          | \$43.39  | 165,308   | D  |   |

**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                    | 08/21/2006                           |  | S <sup>(1)</sup>               |   | 1,000   | D          | \$43.4  | 164,308   | D  |   |
| Common Stock                    | 08/21/2006                           |  | S <sup>(1)</sup>               |   | 400   | D          | \$43.41 | 163,908   | 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) |   |     |        | 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)               | \$8.556  | 08/21/2006                           |  | M                              |   |     | 19,200 | 06/29/2006   | 06/29/2011      | Common Stock  | 19,200                                     | \$0  | 0   | D  |       |
| Stock Options (Right to buy)               | \$19.025   | 08/21/2006                           |  | M                              |   |     | 29,874 | 01/02/2006   | 01/02/2014      | Common Stock  | 29,874                                     | \$0  | 34,666  | D  |       |

**Explanation of Responses:**

1. The stock option exercises and sales of common stock reported on this Form 4 were effected pursuant to a rule 10b5-1 trading plan adopted by the reporting person.

James B. Gattoni, Attorney-in-fact 08/23/2006

\*\* 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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