

O'Malley Patrick J
 Form 4
 April 28, 2010

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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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

(Print or Type Responses)

1. Name and Address of Reporting Person *
 O'Malley Patrick J

(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)

04/26/2010

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

Co-Chief Operating Officer

6. Individual or Joint/Group Filing (Check Applicable Line)

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 or Price | | |
| Common Stock | 04/26/2010 | | M | | 1,328 A \$ 13.1075 | 11,728 | D |
| Common Stock | 04/26/2010 | | M | | 34,744 A \$ 19.025 | 46,472 | D |
| Common Stock | 04/26/2010 | | F | | 20,638 (1) D \$ 45.11 | 25,834 | D |
| Common Stock | 04/28/2010 | | S | | 15,434 D \$ 44.5507 (2) | 10,400 | D |

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

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SEC 1474
(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) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Stock Options (Right to Buy) | \$ 13.1075 | 04/26/2010 | | M | 1,328 | <u>(3)</u> 02/05/2013 | Common Stock | 1,328 |
| Stock Options (Right to Buy) | \$ 19.025 | 04/26/2010 | | M | 34,744 | 01/02/2009 01/02/2014 | Common Stock | 34,744 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| O'Malley Patrick J 13410 SUTTON PARK DRIVE SOUTH JACKSONVILLE, FL 32224 | | | Co-Chief Operating Officer | |

Signatures

/s/ L. Kevin Stout,
attorney-in-fact

04/28/2010

**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).
- (1) Represents shares withheld to pay the exercise price and tax withholding obligations for options exercised that were granted on 2/5/2003 and 1/2/2004.
- (2) The price reported is the weighted average sale price for the transactions reported. The prices received range from \$44.27 to \$44.78. The reporting person will provide to the issuer, a security holder of the issuer, or the SEC staff, upon request, full information regarding the

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number of shares sold at each price within the range.

- (3) Options became exercisable as to 664 shares on 2/5/2007 and 664 shares on 2/5/2008.

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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