

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**OMB APPROVAL**

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**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>CROWE JEFFREY C</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>  3. Date of Earliest Transaction (Month/Day/Year) <u>07/24/2006</u>  4. If Amendment, Date of Original Filed (Month/Day/Year)	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)  6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person
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**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	07/24/2006		M		9,176	A	\$5.8594	92,492	D	
Common Stock	07/24/2006		M		36,644	A	\$8.1173	129,136	D	
Common Stock	07/24/2006		M		60,000	A	\$14.6207	189,136	D	
Common Stock	07/24/2006		S		400	D	\$43.03	188,736	D	
Common Stock	07/24/2006		S		700	D	\$43.04	188,036	D	
Common Stock	07/24/2006		S		18	D	\$43.05	188,018	D	
Common Stock	07/24/2006		S		237	D	\$43.06	187,781	D	
Common Stock	07/24/2006		S		100	D	\$43.07	187,681	D	
Common Stock	07/24/2006		S		645	D	\$43.08	187,036	D	
Common Stock	07/24/2006		S		100	D	\$43.1	186,936	D	
Common Stock	07/24/2006		S		400	D	\$43.11	186,536	D	
Common Stock	07/24/2006		S		300	D	\$43.12	186,236	D	
Common Stock	07/24/2006		S		400	D	\$43.14	185,836	D	
Common Stock	07/24/2006		S		1,850	D	\$43.15	183,986	D	
Common Stock	07/24/2006		S		1,000	D	\$43.16	182,986	D	
Common Stock	07/24/2006		S		209	D	\$43.17	182,777	D	
Common Stock	07/24/2006		S		365	D	\$43.18	182,412	D	
Common Stock	07/24/2006		S		259	D	\$43.19	182,153	D	
Common Stock	07/24/2006		S		968	D	\$43.2	181,185	D	
Common Stock	07/24/2006		S		1,814	D	\$43.21	179,371	D	
Common Stock	07/24/2006		S		2,592	D	\$43.22	176,779	D	
Common Stock	07/24/2006		S		1,407	D	\$43.23	175,372	D	
Common Stock	07/24/2006		S		4,005	D	\$43.24	171,367	D	
Common Stock	07/24/2006		S		6,507	D	\$43.25	164,860	D	
Common Stock	07/24/2006		S		1,690	D	\$43.26	163,170	D	
Common Stock	07/24/2006		S		2,605	D	\$43.27	160,565	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	07/24/2006		S		2,129	D	\$43.28	158,436	D	
Common Stock	07/24/2006		S		4,880	D	\$43.29	153,556	D	
Common Stock	07/24/2006		S		4,019	D	\$43.3	149,537	D	
Common Stock	07/24/2006		S		1,000	D	\$43.31	148,537	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		Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Stock Options (Right to buy)	\$5.8594	07/24/2006		M		9,176	02/02/2005	02/02/2010	Common Stock	9,176	\$0	0	D	
Stock Options (Right to buy)	\$8.1173	07/24/2006		M		36,644	(1)	02/07/2011	Common Stock	36,644	\$0	0	D	
Stock Options (Right to buy)	\$14.6207	07/24/2006		M		60,000	(2)	01/02/2013	Common Stock	60,000	\$0	20,000	D	

**Explanation of Responses:**

- Options became exercisable in the amount of 24,480 on 2/7/2005 and 12,164 on 2/7/2006.
- Options became exercisable in the amount of 40,000 on 1/2/2005 and 20,000 on 1/2/2006.

James B. Gattoni, Attorney-in-fact 07/26/2006

\*\* 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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