

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.

Form 4

January 06, 2014

FORM 4

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

OMB APPROVAL

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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 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 *
Goodwin Benjamin M.

2. Issuer Name and Ticker or Trading Symbol
KRATOS DEFENSE & SECURITY SOLUTIONS, INC. [KTOS]

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)

(Last) (First) (Middle)
4820 EASTGATE MALL
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
01/02/2014

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
President, KPSS Division

SAN DIEGO, CA 92121
(City) (State) (Zip)

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

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 (A) or (D) Price		
Common Stock	01/02/2014		M		1,500 (1) A \$ 0 27,938 (5)	D	
Common Stock	01/02/2014		M		2,500 (2) A \$ 0 30,438 (5)	D	
Common Stock	01/03/2014		M		1,000 (3) A \$ 0 31,438 (5)	D	

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

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number.

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)	8. Price or Value of Underlying Securities (Instr. 3 and 4)
Restricted Stock Units	(4)	01/02/2014		M	1,500	(1) (1)	Common Stock	1,500
Restricted Stock Units	(4)	01/02/2014		M	2,500	(2) (2)	Common Stock	2,500
Restricted Stock Units	(4)	01/03/2014		M	1,000	(3) (3)	Common Stock	1,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Goodwin Benjamin M. 4820 EASTGATE MALL SAN DIEGO, CA 92121			President, KPSS Division	

Signatures

Benjamin M. Goodwin, by Eva Yee,
Attorney-In-Fact

01/06/2014

**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) Common Stock issued to reporting person pursuant to settlement of vested shares under Restricted Stock Units (RSU) granted on January 2, 2009, where 7,500 RSUs granted vest in five equal installments annually beginning on January 2, 2010.
- (2) Common Stock issued to reporting person pursuant to settlement of vested shares under RSUs granted on January 2, 2010, where 12,500 RSUs granted vest in five equal installments annually beginning on January 2, 2011.

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Common Stock issued to reporting person pursuant to settlement of vested shares under RSUs granted on January 3, 2011, where 10,000

- (3) RSUs were granted, 5,000 of which vest in five equal installments annually beginning January 3, 2012 and 5,000 of which vest 100% on the fifth anniversary of the grant date.
- (4) Each RSU represents a contingent right to receive one share of Issuer's common stock.
- (5) Includes 176 shares purchased through Issuer's Employee Stock Purchase Plan.

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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