KRATOS DEFENSE & SECURITY SOLUTIONS, INC.
Form 4
January 06, 2014

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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

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

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

(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)	3. Date of Earliest Transaction (Month/Day/Year) 01/02/2014	_____ Director _____ 10% Owner __X__ Officer (give title _____ Other (specify below) below) President, KPSS Division
4820 EASTGATE MALL (Street)	4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person ___ Form filed by More than One Reporting Person
SAN DIEGO, CA 92121 (City) (State) (Zip)		

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. Pr Deriv Secu (Inst
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
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 persuant 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.

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