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| Carter David M Form 4 | | | | | | | | | | |
|---|--|---|--|--------------|--|---|---|--|--|--|
| January 08, 2013 | | | | | | | | OMB A | PPROVAL | |
| FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549 | | | | | | | | N OMB Number: | 3235-0287 | |
| Check this bo if no longer subject to Section 16. Form 4 or Form 5 | STATEM | STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES | | | | | | | January 31, 2005 average urs per . 0.5 | |
| obligations may continue. See Instructio 1(b). | Section 17(| a) of the I | Public U | Itility Ho | lding Co | | nge Act of 1934, a of 1935 or Section 1940 | on | | |
| (Print or Type Respo | onses) | | | | | | | | | |
| 1. Name and Address of Reporting Person <u>*</u> Carter David 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 | | | | | | below) | X Officer (give title Other (specify | | | |
| SAN DIEGO, C | Filed(Month/Day/Year) Applicable Line) _X_Form filed by OForm filed by M | | | | One Reporting P | int/Group Filing(Check One Reporting Person Iore than One Reporting | | | | |
| (City) | (State) | (Zip) | Tah | de I - Non- | Derivative | Securities A | Person Acquired, Disposed | of. or Beneficia | llv Owned | |
| | ransaction Date nth/Day/Year) | 2A. Deemo Execution any (Month/Da | ed Date, if | 3. | 4. Securit onAcquired Disposed (Instr. 3, | ties (A) or of (D) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect | |
| | . 1 | c 1 1 | c | | Amount | (D) Price | | | | |
| Reminder: Report o | n a separate line | tor each cl | ass of sec | urities bene | Perso inforr requi | ons who res nation con red to resp ays a curre | or indirectly. spond to the colle tained in this form ond unless the fo ntly valid OMB co | n are not rm | 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 | 2. | 3. Transaction Date | 3A. Deemed | 4. | 5. Number of | 6. Date Exercisable and | 7. Title and Amount of | 8 |
|-------------|-------------|---------------------|--------------------|-----------|--------------|-------------------------|------------------------|---|
| Derivative | Conversion | (Month/Day/Year) | Execution Date, if | Transacti | orDerivative | Expiration Date | Underlying Securities | D |
| Security | or Exercise | | any | Code | Securities | (Month/Day/Year) | (Instr. 3 and 4) | S |

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| (Instr. 3) | Price of Derivative Security | | (Month/Day/Year) | (Instr. 8) | Acquired (<i>A</i> or Disposed (D) (Instr. 3, 4, and 5) | d of | | | |
|--------------------------------------|------------------------------------|------------|------------------|------------|--|-------------------------|--------------------|-----------------|-------------------------------------|
| | | | | Code V | (A) | (D) Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Stock Option (right to buy) | \$ 4.98 | 01/04/2013 | | A | 15,000 | <u>(1)</u> | 01/04/2023 | Common Stock | 15,000 |
| Stock Option (right to buy) | \$ 4.98 | 01/04/2013 | | А | 15,000 | (2) | 01/04/2023 | Common Stock | 15,000 |

Reporting Owners

| Reporting Owner Name / Address | | | Relationships | | | |
|---|----------|-----------|---------------------------|-------|--|--|
| I O | Director | 10% Owner | Officer | Other | | |
| Carter David M 4820 EASTGATE MALL SAN DIEGO, CA 92121 | | | President, KDRSS Division | | | |
| Signatures | | | | | | |
| David M. Carter, by Eva Yee, Attorney-In-Fact | | | 01/08/2013 | | | |
| **Signature of Reporting Perso | on | | Date | | | |
| Evalenction of De | | | | | | |

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) 15,000 stock options vest on the fifth anniversary of January 4, 2013.
- (2) 15,000 stock options vest on the date on which the fair market value of the Issuer's common stock reaches \$15.00 per share, provided that such vesting occurs on or before the six year anniversary of January 4, 2013.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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