Goodwin Benjamin M. Form 4 January 08, 2013

FORM 4

if no longer

subject to

Section 16.

Form 4 or

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

Check this box

OMB APPROVAL

OMB 3235-0287 Number:

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Form 5 obligations may continue. See Instruction

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * Goodwin Benjamin M.

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to

Issuer

KRATOS DEFENSE & SECURITY SOLUTIONS, INC. [KTOS]

(Check all applicable)

(Last) (First) (Middle)

(Street)

(State)

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

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

4820 EASTGATE MALL

(Zip)

01/04/2013

President, PSS Division 6. Individual or Joint/Group Filing(Check

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

Applicable Line)

Person

X Form filed by One Reporting Person Form filed by More than One Reporting

SAN DIEGO, CA 92121

(City)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) (Instr. 3)

Execution Date, if

(Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

5. Amount of Securities Beneficially Owned (I) Following (Instr. 4)

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (Instr. 4)

(A)

Reported Transaction(s)

(Instr. 3 and 4) Code V Amount (D) Price

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Conversion Security or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if any

4. 5. Number of TransactionDerivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount of 8 **Underlying Securities** (Instr. 3 and 4)

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(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr. 8	or I (D)	str. 3, 4	ed 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		A	15	,000		(2)	01/04/2023	Common Stock	15,000	

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Goodwin Benjamin M. 4820 EASTGATE MALL SAN DIEGO, CA 92121

President, PSS Division

Signatures

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

01/08/2013

**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) 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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