

KRATOS DEFENSE &amp; SECURITY SOLUTIONS, INC.

Form 4

September 11, 2014

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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

## OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Butera Deborah Sue

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)

SAN DIEGO, CA 92121

(City)

(State)

(Zip)

3. Date of Earliest Transaction

(Month/Day/Year)

09/10/2014

4. If Amendment, Date Original

Filed(Month/Day/Year)

\_\_\_\_ Director

☒ Officer (give title below)

SVP,CCO,Sec. &amp; General Counsel

\_\_\_\_ 10% Owner

\_\_\_\_ Other (specify below)

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)
Common Stock	09/10/2014		M	(A) or (D) Amount (1) 9,375 A	Price (5) 25,088 (3)	D	
Common Stock	09/11/2014		F	(2) 3,523 D	\$ 7.06 21,565 (3)	D	

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

**Persons who respond to the collection of  
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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 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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title	Amount or Number of Shares
Restricted Stock Units	\$ 0	09/10/2014		M	9,375	(1) (4)	Common Stock	9,375

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Butera Deborah Sue 4820 EASTGATE MALL SAN DIEGO, CA 92121			SVP,CCO,Sec. & General Counsel	

## Signatures

Deborah S. Butera, by Eva Yee,  
Attorney-In-Fact

09/11/2014

\_\_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).

- Common Stock issued to reporting person pursuant to settlement of vested shares under Restricted Stock Unit grant dated September 10, 2010, where 7,500 of the 15,000 Restricted Stock Units granted vest in four equal installments annually beginning September 10, 2011 and the remaining 7,500 Restricted Stock Units vest on the fourth anniversary of the grant date.
- (1) Shares tendered for payment of minimum tax liability, pursuant to a Rule 10b5-1 Plan, in connection with shares vested September 10, 2014 from a Restricted Stock Unit grant originally reported on Form 3 filed September 22, 2010, and released September 11, 2014.
- (2) Includes 7,399 shares held in Issuer's 401(k) Plan and 1,889 shares purchased through Issuer's Employee Stock Purchase Plan.
- (3) 7,500 of the Restricted Stock Units vest in four equal installments annually beginning September 10, 2011 and the remaining 7,500 restricted stock units vest September 10, 2014, unless earlier forfeited pursuant to the terms of the Restricted Stock Unit agreement.
- (4) Not applicable for this transaction.
- (5)

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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