

Carrai Phillip D  
Form 3  
January 10, 2011

**FORM 3**

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

OMB APPROVAL

OMB Number: 3235-0104  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

**INITIAL STATEMENT OF 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)

<p>1. Name and Address of Reporting Person *</p> <p>Â Carrai Phillip D</p> <p>(Last) (First) (Middle)</p> <p>4820 EASTGATE MALL</p> <p>(Street)</p> <p>SAN DIEGO,Â CAÂ 92121</p> <p>(City) (State) (Zip)</p>	<p>2. Date of Event Requiring Statement</p> <p>(Month/Day/Year)</p> <p>01/01/2011</p>	<p>3. Issuer Name <b>and</b> Ticker or Trading Symbol</p> <p>KRATOS DEFENSE &amp; SECURITY SOLUTIONS, INC.</p> <p>[KTOS]</p>	<p>4. Relationship of Reporting Person(s) to Issuer</p> <p>(Check all applicable)</p> <p>____ Director      ____ 10% Owner</p> <p><u>  X  </u> Officer      ____ Other</p> <p>(give title below) (specify below)</p> <p>Senior Vice President</p>	<p>5. If Amendment, Date Original Filed(Month/Day/Year)</p>	<p>6. Individual or Joint/Group Filing(Check Applicable Line)</p> <p><u>  X  </u> Form filed by One Reporting Person</p> <p>____ Form filed by More than One Reporting Person</p>
--	---	--	---	---	---

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	10,025	D	Â

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

SEC 1473 (7-02)

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable      Expiration Date	Title      Amount or Number of			

# Edgar Filing: Carrai Phillip D - Form 3

				Shares		(I) (Instr. 5)	
Restricted Stock Units <u>(1)</u>	Â <u>(2)</u>	01/02/2019	Common Stock	6,000	\$ 0	D	Â
Restricted Stock Units <u>(1)</u>	Â <u>(3)</u>	01/02/2020	Common Stock	11,999	\$ 0	D	Â
Restricted Stock Units <u>(1)</u>	Â <u>(4)</u>	01/11/2020	Common Stock	9,000	\$ 0	D	Â
Restricted Stock Units <u>(1)</u>	Â <u>(5)</u>	01/03/2021	Common Stock	15,000	\$ 0	D	Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Carrai Phillip D 4820 EASTGATE MALL SAN DIEGO, CA 92121	Â	Â	Â Senior Vice President	Â

## Signatures

Phillip D. Carrai, by Eva Yee,  
Attorney-In-Fact

01/10/2011

\*\*Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 5(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) Each restricted stock unit represents a contingent right to receive one share of Issuer's common stock.

The reporting person was granted 10,000 restricted stock units on January 2, 2009, which vest 20% annually beginning on January 2, 2010, unless earlier vested upon a change in control or a qualifying termination event pursuant to the terms of the restricted stock unit agreement. 6,000 restricted stock units represent the remaining unvested units.

The reporting person was granted 15,000 restricted stock units on January 2, 2010, which vest 20% annually beginning on January 2, 2011, unless earlier vested upon a change in control pursuant to the terms of the restricted stock unit agreement. 11,999 restricted stock units represent the remaining unvested units.

(4) The reporting person was granted 9,000 restricted stock units on January 11, 2010, which vest 100% five (5) years from the date of grant, unless earlier vested upon a change in control pursuant to the terms of the restricted stock unit agreement.

(5) The reporting person was granted 15,000 restricted stock units on January 3, 2011, which vest 100% five (5) years from the date of grant, unless earlier vested upon a change in control pursuant to the terms of the restricted stock unit agreement.

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.