

Bates Howard W.
Form 4/A
April 08, 2009

FORM 4

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

OMB APPROVAL

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

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
Bates Howard W.

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)
 Director 10% Owner
 Officer (give title below) Other (specify below)
Pres. Gov't Solutions Segment

(Last) (First) (Middle)
11405 N. PENNSYLVANIA STREET, SUITE 200
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
03/04/2009

CAMEL, IN 46032

4. If Amendment, Date Original Filed(Month/Day/Year)
04/08/2009

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(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	03/04/2009		M		18,750 (1)	A	\$ 0 (1)	458,418	D
Common Stock	03/31/2009		A		108,058 (2)	A	\$ 2.74 (2)	566,476	D

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

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.

SEC 1474
(9-02)

Edgar Filing: Bates Howard W. - Form 4/A

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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Restricted Stock Units	\$ 0 ⁽¹⁾	03/04/2009		M	18,750	12/31/2008	12/31/2017	Common Stock	18,750 ⁽¹⁾

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Bates Howard W. 11405 N. PENNSYLVANIA STREET SUITE 200 CAMEL, IN 46032				Pres. Gov't Solutions Segment

Signatures

Howard W. Bates, by Matthew G. Colvin,
Attorney-In-Fact

04/08/2009

**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 Unit grant dated December 31, 2007 which vested on December 31, 2008 as to 25% of the total Restricted Stock Unit shares granted.
On December 31, 2007, the Issuer acquired Haverstick Consulting, Inc., an Indiana corporation, of which the reporting person was President. Pursuant to the Agreement and Plan of Merger, the issuer issued to the reporting person 108,058 shares of common stock
- (2) pursuant to the Holdback provisions of the Agreement and Plan of Merger. The shares of Issuer's common stock were valued at \$2.74/share based upon a 20 day average trailing stock price of issuer's common stock prior to the execution of the definitive Agreement and Plan of Merger on November 2, 2007.
- (3) Includes 200,000 shares underlying a Restricted Stock Unit grant dated January 2, 2009 as previously reported on Form 4 dated January 6, 2009 and 56,250 shares underlying the Restricted Stock Unit grant dated December 31, 2007 as previously reported on Form 4 dated January 3, 2008.

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.