

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.

Form 4

January 05, 2016

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 *
Carrai Phillip D

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)
01/03/2016

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

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

President, TTS Division

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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	01/03/2016		M	(A) or (D) Amount (1) 15,000	\$ 0	80,870 (4)	D
Common Stock					23,394	I	by trust

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

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information contained in this form are not
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(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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Restricted Stock Units	(3)	01/03/2016		M	15,000	(1) (1)	Common Stock 15,000
Restricted Stock Units	(3)	01/04/2016		A	80,000	(2) (2)	Common Stock 80,000

Reporting Owners

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

Signatures

Phillip D. Carrai, by Eva Yee,
Attorney-In-Fact 01/05/2016

__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 (RSU) granted on January 3, 2011, which vest 100% on the five year anniversary of the date of grant, unless earlier vested pursuant to the terms of the RSU agreement.

(2) 40,000 RSUs vest 100% on the five year anniversary of the date of grant, unless earlier vested or terminated pursuant to the terms of the RSU agreement. The other 40,000 RSUs vest 20% upon each 10% increase in the closing market price of the Issuer's common stock measured from the RSU grant date through the 10-year anniversary of the RSU grant date, unless earlier vested or terminated pursuant to the terms of the RSU agreement.

(3) Each RSU represents a contingent right to receive one share of Issuer's common stock.

(4) Includes 11,277 shares purchased through Issuer's Employee Stock Purchase Plan and 11,820 shares held in Issuer's 401(k) Plan.

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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