

Selvaggio Richard B
Form 4
January 04, 2012

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

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
Selvaggio Richard B

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)
01/02/2012

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

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

President, WSS 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	01/02/2012		M	(A) or (D) 3,000 (1)	\$ 0 9,982 (4)	D	
Common Stock	01/02/2012		M	(A) or (D) 2,000 (3)	\$ 0 11,982 (4)	D	
Common Stock	01/04/2012		M	(A) or (D) 300 (2)	\$ 0 12,282 (4)	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**

SEC 1474
(9-02)

number.

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	(5)	01/02/2012		M	3,000	(1) 01/02/2020	Common Stock 3,000
Restricted Stock Unit	(5)	01/02/2012		M	2,000	(3) 01/02/2019	Common Stock 2,000
Restricted Stock Unit	(5)	01/04/2012		M	300	(2) 01/04/2018	Common Stock 300
Restricted Stock Unit	(5)	01/03/2012		A	30,000	(6) 01/03/2022	Common Stock 30,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Selvaggio Richard B 4820 EASTGATE MALL SAN DIEGO, CA 92121			President, WSS Division	

Signatures

Richard B. Selvaggio, by Eva Yee,
Attorney-In-Fact

01/04/2012

**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 January 2, 2010, where 15,000 Restricted Stock Units granted vest in five equal installments annually beginning on January 2, 2011.
- (2) Common Stock issued to reporting person pursuant to settlement of vested shares under Restricted Stock Unit grant dated January 4, 2008, where 1,500 Restricted Stock Units granted vest in five equal installments annually beginning on January 4, 2009.
- (3) Common Stock issued to reporting person pursuant to settlement of vested shares under Restricted Stock Unit grant dated January 2, 2009, where 10,000 Restricted Stock Units granted vest in five equal installments annually beginning on January 2, 2010.

Edgar Filing: Selvaggio Richard B - Form 4

- (4) Includes 3,948 shares held in Issuer 401(k) Plan.
- (5) Each restricted stock unit represents a contingent right to receive one share of Issuer's common stock.
- (6) The restricted stock units 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.