

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.

Form 4

August 19, 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 *
Beaman Gerald R

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, SUITE
200

3. Date of Earliest Transaction
(Month/Day/Year)
08/17/2016

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)
President, US Division

(Street)

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

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

SAN DIEGO, CA 92121

(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 (2) (A) or (D) Price		
Common Stock	08/17/2016		M		3,000 (2) A \$ 0	82,506 (4)	D
Common Stock	08/17/2016		F		1,127 (3) D \$ 5.67	81,379 (4)	D
Common Stock	08/17/2016		M		3,000 (2) A \$ 0	84,379 (4)	D
Common Stock	08/17/2016		F		1,127 (3) D \$ 5.89	83,252 (4)	D

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

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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)	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	<u>(1)</u>	08/17/2016		M	3,000	<u>(2)</u> <u>(2)</u>	Common Stock	3,000
Restricted Stock Units	<u>(1)</u>	08/17/2016		M	3,000	<u>(2)</u> <u>(2)</u>	Common Stock	3,000

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
Beaman Gerald R 4820 EASTGATE MALL SUITE 200 SAN DIEGO, CA 92121	President, US Division

Signatures

Gerald R. Beaman, by Eva Yee,
Attorney-In-Fact 08/19/2016

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

(2) RSUs were granted and previously reported on a Form 4 filed January 5, 2016. Of these RSUs, two tranches of 3,000 were released on August 17, 2016.

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- (3) Shares withheld in a net transaction to satisfy the minimum tax liability, in accordance with Issuer's trading policies, in connection with shares released as reported in this Form 4.

Includes 7,320 shares purchased through Issuer's Employee Stock Purchase Plan; 6,767 shares held in Issuer's 401(k) Plan; and 50,000

- (4) RSUs granted on August 5, 2016 which vest in three equal installments annually beginning August 5, 2017 subject to the terms of the RSU agreement, as reported on the Form 4 filed August 8, 2016.

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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