

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.

Form 4

November 10, 2016

FORM 4

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

OMB APPROVAL

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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 *
Cervantes de Burgreen Maria

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)
11/08/2016

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
VP & Corporate Controller

(Street)
SAN DIEGO, CA 92121

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

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 Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	11/08/2016		F		733 ⁽¹⁾ D \$ 6.98	21,024 ⁽²⁾	D
Common Stock	11/08/2016		F		733 ⁽¹⁾ D \$ 6.98	20,291 ⁽²⁾	D
Common Stock	11/08/2016		F		733 ⁽¹⁾ D \$ 6.97	19,558 ⁽²⁾	D
Common Stock	11/08/2016		F		734 ⁽¹⁾ D \$ 6.91	18,824 ⁽²⁾	D
Common Stock	11/08/2016		F		751 ⁽¹⁾ D \$ 6.53	18,073 ⁽²⁾	D

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

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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 of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Transaction (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Cervantes de Burgreen Maria 4820 EASTGATE MALL SUITE 200 SAN DIEGO, CA 92121			VP & Corporate Controller	

Signatures

Maria Cervantes de Burgreen, by Eva Yee,
Attorney-In-Fact 11/10/2016

**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) Restricted stock units ("RSUs") representing contingent rights to receive common stock were previously reported in Table I on a Form 3 filed May 20, 2016 ("Form 3"). Of these RSUs, five tranches of 2,000 RSUs were released on November 8, 2016 and shares were withheld in net transactions to satisfy the minimum tax liability, in accordance with Issuer's trading policies, in connection with shares released.
- (2) Includes 323 shares purchased through Issuer's Employee Stock Purchase Plan; 434 shares held in Issuer's 401(k) Plan; 1,000 RSUs that vest 100% on May 22, 2017, subject to the terms of the RSU agreement, as reported on the Form 3; and 10,000 RSUs that vest on May 12, 2021, subject to the terms of the RSU agreement, as reported on the Form 3.

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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