

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.

Reported by
CARRAI PHILLIP D

FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 08/04/17 for the Period Ending 08/02/17

Address	4820 EASTGATE MALL SUITE 200 SAN DIEGO, CA 92121
Telephone	858-812-7300
CIK	0001069258
Symbol	KTOS
SIC Code	3760 - Guided Missiles And Space Vehicles And Parts
Industry	Aerospace & Defense
Sector	Industrials
Fiscal Year	12/25

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 or
Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person -* Carrai Phillip D (Last) (First) (Middle) 4820 EASTGATE MALL (Street) SAN DIEGO, CA 92121 (City) (State) (Zip)	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) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> X Officer (give title below) <input type="checkbox"/> Other (specify below) President, TTS Division
	3. Date of Earliest Transaction (MM/DD/YYYY) 8/2/2017	
	4. If Amendment, Date Original Filed (MM/DD/YYYY)	6. Individual or Joint/Group Filing (Check Applicable Line) <input type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> 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. Trans. Date	2A. Deemed Execution Date, if any	3. Trans. 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	8/2/2017		M		10000 <u>(2)</u>	A	\$0	188609 <u>(4)</u>	D	
Common Stock	8/2/2017		F		3310 <u>(3)</u>	D	\$12.26	185299 <u>(4)</u>	D	
Common Stock								23394	I	by trust

Table II - Derivative Securities Beneficially Owned (e.g. , puts, calls, warrants, options, convertible securities)

1. Title of Derivate Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Trans. Date	3A. Deemed Execution Date, if any	4. Trans. 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		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Restricted Stock Units	<u>(1)</u>	8/2/2017		M		10000		<u>(2)</u>	<u>(2)</u>	Common Stock	10000	\$0	50000	D	

Explanation of Responses:

- (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, 2017. Of these RSUs, one tranche of 10,000 shares was released on August 2, 2017.
- (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.
- (4) Includes 18,872 shares purchased through Issuer's Employee Stock Purchase Plan and approximately 15,394 shares held in Issuer's 401(k) Plan.

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 8/4/2017
 **Signature of Reporting Person Date

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

* 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).

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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