

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.

Reported by
CARANO BANDEL L

FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 03/08/17 for the Period Ending 03/07/17

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 * CARANO BANDEL L (Last) (First) (Middle) C/O OAK INVESTMENT PARTNERS, 901 MAIN AVENUE, SUITE 600 (Street) NORWALK, CT 06851 (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 checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)
3. Date of Earliest Transaction (MM/DD/YYYY) <p align="center">3/7/2017</p>		6. Individual or Joint/Group Filing (Check Applicable Line) <input type="checkbox"/> Form filed by One Reporting Person <input checked="" type="checkbox"/> Form filed by More than One Reporting Person
4. If Amendment, Date Original Filed (MM/DD/YYYY)		

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	3/7/2017		P		275862	A	\$7.25	13540305 (1)(2)	I	SEE FOOTNOTES (1)(2)(3)

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				

Explanation of Responses:

- (The 13,540,305 shares of Common Stock are directly owned as follows:(i)11,000,000 shares directly owned by Oak Investment Partners XIII, Limited Partnership ("Oak XIII"), (ii)267,786 shares directly owned by Oak Investment Partners IX, Limited Partnership ("Oak IX"), (iii)2,853 shares directly owned by Oak IX Affiliates Fund, Limited Partnership ("Oak IX Affiliates"), (iv)6,427 shares directly owned by Oak IX Affiliates Fund-A, Limited Partnership ("Oak IX Affiliates-A"), (v)1,630,960 shares directly owned by Oak Investment Partners X, Limited Partnership ("Oak X") of which 271,503 shares were purchased pursuant to a public offering of the Issuer that closed on March 7, 2017, (vi)26,181 shares directly owned by Oak X Affiliates Fund, Limited Partnership of which 4,359 shares were purchased pursuant to a public offering of the Issuer that closed on March 7, 2017 ("Oak X Affiliates", together with Oak XIII, Oak IX, Oak IX Affiliates, Oak IX Affiliates-A, and Oak X, "Oak Funds").
- (Continuation of Footnote 1 - (vii) 606,098 shares directly owned by Bandel L. Carano, a Director of Kratos Defense & Security Solutions, Inc. No other reporting person has any pecuniary interest in these shares.
- (Mr. Carano a Managing Member of (i) Oak Associates XIII, LLC, the General Partner of Oak XIII, (ii) Oak Associates IX, LLC, the General Partner of Oak IX, (iii) Oak IX Affiliates, LLC, the General Partner of each of Oak IX Affiliates and Oak IX Affiliates-A, (iv) Oak Associates X, LLC, the General Partner of Oak X, and (v) Oak X Affiliates, LLC, the General Partner of Oak X Affiliates.

Remarks:

Mr. Carano is reporting the purchase of 275,862 shares of Common Stock by Oak X and Oak X Affiliates together with the holdings of the other Oak Funds because they may be deemed to be included in a "group" with Mr. Carano. Mr. Carano disclaims beneficial ownership of any securities (except to the extent of his pecuniary interest in such securities) other than any securities reported herein as being directly owned by him, and this report shall not be deemed an admission that Mr. Carano is the beneficial owner of any such securities for purposes of Section 16 or for any other purpose. Bandel Carano is a Director of the Issuer as well as the Managing Member of the General Partners of the Oak Funds as disclosed in footnote 2 above. The Oak Funds and Mr. Carano reserve the right to consolidate the filings of the Oak Funds and Mr. Carano in the future.

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CARANO BANDEL L C/O OAK INVESTMENT PARTNERS 901 MAIN AVENUE, SUITE 600 NORWALK, CT 06851	X	X		
Oak Investment Partners XIII, Limited Partnership 901 MAIN AVENUE SUITE 600 NORWALK, CT 06851		X		
OAK INVESTMENT PARTNERS X LTD PARTNERSHIP 901 MAIN AVENUE SUITE 600 NORWALK, CT 06851		X		
OAK X AFFILIATES FUND LP 901 MAIN AVENUE SUITE 600 NORWALK, CT 06851		X		
OAK INVESTMENT PARTNERS IX L P 901 MAIN AVENUE SUITE 600 NORWALK, CT 06851		X		
OAK IX AFFILIATES FUND LP 901 MAIN AVENUE SUITE 600 NORWALK, CT 06851		X		
OAK IX AFFILIATES FUND A LP 901 MAIN AVENUE SUITE 600 NORWALK, CT 06851		X		

Signatures

Bandel L. Carano

3/8/2017

--Signature of Reporting Person

Date

/s/ Bandel L. Carano, Managing Member of Oak Associates XIII, LLC, general partner of Oak Investment Partners XIII, Limited Partnership

3/8/2017

--Signature of Reporting Person

Date

/s/ Bandel L. Carano, Managing Member of Oak Associates X, LLC, general partner of Oak Investment Partners X, Limited Partnership

3/8/2017

--Signature of Reporting Person

Date

/s/ Bandel L. Carano, Managing Member of Oak X Affiliates, LLC, general partner of Oak X Affiliates Fund, Limited Partnership

3/8/2017

--Signature of Reporting Person

Date

/s/ Bandel L. Carano, Managing Member of Oak Associates IX, LLC, general partner of Oak Investment Partners IX, Limited Partnership

3/8/2017

--Signature of Reporting Person

Date

/s/ Bandel L. Carano, Managing Member of Oak IX Affiliates, LLC, general partner of Oak IX Affiliates Fund, Limited Partnership

3/8/2017

--Signature of Reporting Person

Date

/s/ Bandel L. Carano, Managing Member of Oak IX Affiliates, LLC, general partner of Oak IX Affiliates Fund-A, Limited Partnership

3/8/2017

--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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