

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.

Reported by
CARANO BANDEL L

FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 06/01/17 for the Period Ending 05/31/17

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
OMB Number: 3235-0287
Estimated average burden
hours per response... 0.5

[] 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 *		2. Issuer Name and Ticker or Trading Symbol		5. Relationship of Reporting Person(s) to Issuer (Check all applicable)	
CARANO BANDEL L		KRATOS DEFENSE & SECURITY SOLUTIONS, INC. [KTOS]		<input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)	
(Last) (First) (Middle)		3. Date of Earliest Transaction (MM/DD/YYYY)			
C/O OAK INVESTMENT PARTNERS, 901 MAIN AVENUE, SUITE 600		5/31/2017			
(Street)		4. If Amendment, Date Original Filed (MM/DD/YYYY)		6. Individual or Joint/Group Filing (Check Applicable Line)	
NORWALK, CT 06851				<input type="checkbox"/> Form filed by One Reporting Person <input checked="" type="checkbox"/> 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. 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			

Table II - Derivative Securities 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. 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				
Director Option (Right to Buy)	\$10.56	5/31/2017		A		1326	(1)	5/31/2017	5/31/2027	Common Stock	1326	(3)	77142	D	(4)

Explanation of Responses:

- (1) Represents options received in lieu of cash fees from Mr. Carano's service on the Issuer's Board of Directors as approved by the Board of Directors. The grant is effective May 31, 2017.
- (2) The Director Options became fully exerciseable on the date of the grant.
- (3) Not applicable
- (4) Includes Director Option to purchase 171 shares of Common Stock, which is held by Mr. Carano on behalf of Oak Investment Partners X, Limited Partnership ("Oak X"); Director Option to purchase 3 shares of Common Stock, which is held by Mr. Carano on behalf of Oak X Affiliates Fund, Limited Partnership ("Oak X Affiliates"); and Director Option to purchase 1,152 shares of Common Stock, which is held by Mr. Carano on behalf of Oak Investment Partners XIII, Limited Partnership ("Oak XIII"). Mr. Carano is a Managing Member of Oak Associates X, L.L.C., the General Partner of Oak X, a Managing Member of Oak X Affiliates, L.L.C., the General Partner of Oak X Affiliates and a Managing Member of Oak Associates XIII, L.L.C., the General Partner of Oak XIII.

Remarks:

Bandel L. Carano is a Director of the Issuer.

This Form 4 is being filed by Bandel L. Carano, Oak XIII, Oak X, Oak X Affiliates, Oak Investment Partners IX, Limited Partnership, Oak IX Affiliates Fund, Limited Partnership, and Oak IX Affiliates Fund-A, Limited Partnership, collectively the "Reporting Persons". Each Reporting Person disclaims the existence of a "group" and disclaims beneficial ownership of any securities (except to the extent of such Reporting Person's pecuniary interest in such securities) other than any securities reported herein as being directly owned by such Reporting Person, and this report shall not be deemed an admission that such Reporting Person is the beneficial owner of any such securities for purposes of Section 16 or for any other purpose.

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

6/1/2017

--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

6/1/2017

--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

6/1/2017

--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

6/1/2017

--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

6/1/2017

--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

6/1/2017

--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

6/1/2017

--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.

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 number.