

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.

Form 3

August 12, 2013

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 *

Â MILLS THOMAS E IV
 (Last) (First) (Middle)

4820 EASTGATE MALL,Â SUITE 200

(Street)

SAN DIEGO,Â CAÂ 92121

(City) (State) (Zip)

2. Date of Event Requiring Statement

(Month/Day/Year)
 08/05/2013

3. Issuer Name and Ticker or Trading Symbol

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.
 [KTOS]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer Other
 (give title below) (specify below)
 Modular Systems Div. President

5. 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

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)

2. Amount of Securities Beneficially Owned (Instr. 4)

3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)

4. Nature of Indirect Beneficial Ownership (Instr. 5)

Common Stock	16,768 ⁽¹⁾	D	Â
Common Stock	8,000 ⁽²⁾	D	Â
Common Stock	10,000 ⁽³⁾	D	Â
Common Stock	5,000 ⁽⁴⁾	D	Â

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

SEC 1473 (7-02)

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

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1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date <small>(Month/Day/Year)</small>	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date			
			Title	Amount or Number of Shares	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MILLS THOMAS E IV 4820 EASTGATE MALL SUITE 200 SAN DIEGO, CA 92121	Â	Â	Â Modular Systems Div. President	Â

Signatures

Thomas E. Mills, by Eva Yee,
Attorney-In-Fact 08/12/2013

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(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) Includes 1,141 shares held in Issuer's 401(k) Plan and 5,666 shares purchased through Issuer's Employee Stock Purchase Plan.
The reporting person was granted 20,000 Restricted Stock Units (RSUs) on May 19, 2010, which vest 20% annually beginning May 10, 2011, unless earlier vested or forfeited pursuant to the terms of the RSU agreement. 8,000 RSUs represents the remaining unvested units. Each RSU represents a contingent right to receive one share of Issuer's common stock.
- (2) The reporting person was granted 12,500 RSUs on January 3, 2011, 6,250 of which vest 20% annually beginning January 3, 2012 and 6,250 of which vest 100% on January 3, 2016, unless earlier vested or forfeited pursuant to the terms of the RSU agreement. 10,000 RSUs represents the remaining unvested units. Each RSU represents a contingent right to receive one share of Issuer's common stock.
- (3) The reporting person was granted 5,000 RSUs on January 3, 2012, which vest 100% on January 3, 2017, unless earlier vested or forfeited pursuant to the terms of the RSU agreement. Each RSU represents a contingent right to receive one share of Issuer's common stock.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.