

Goodwin Benjamin M.  
Form 4  
January 04, 2011

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
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, 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 \*  
Goodwin Benjamin M.

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  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
01/02/2011

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
President, Public Safety Seg.

SAN DIEGO, CA 92121  
(City) (State) (Zip)

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

**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 (A) or (D) Price		
Common Stock	01/02/2011		M		4,001 (1)	A	\$ 0 18,454 D

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

**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.**

SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

## Edgar Filing: Goodwin Benjamin M. - Form 4

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 Security (Instr. 3 and 4)	Amount or Number of Shares
				Code V (A) (D)		Date Exercisable Expiration Date	Title	
Restricted Stock Units	(2)	01/03/2011		A	10,000	(3) 01/03/2021	Common Stock	10,000
Restricted Stock Units	\$ 0	01/02/2011		M	1,500	(1) 01/02/2019	Common Stock	1,500
Restricted Stock Units	\$ 0	01/02/2011		M	2,501	(1) 01/02/2010	Common Stock	2,501

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Goodwin Benjamin M. 4820 EASTGATE MALL SAN DIEGO, CA 92121			President, Public Safety Seg.	

## Signatures

Benjamin M. Goodwin, by Eva Yee,  
Attorney-In-Fact

01/04/2011

\*\*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).

- Common Stock issued to reporting person pursuant to settlement of vested shares under Restricted Stock Unit grants dated (1) January 2, 2009, where 20% of the total Restricted Stock Unit shares granted vested on January 2, 2011; and (2) January 2, 2010, where 20% of the total Restricted Stock Unit shares granted vested on January 2, 2011.
- (2) Each Restricted Stock Unit represents a contingent right to receive one share of Issuer's common stock.
- (3) 5,000 of the Restricted Stock Units vest in five (5) equal installments beginning January 3, 2012; and the other 5,000 Restricted Stock Units will vest five (5) years from the Date of Grant. The Restricted Stock Units may vest earlier in the event of a change in control of the Issuer. Vested shares will be delivered to the reporting person on the first date which is administratively practicable for the distribution of the vested shares after each vesting date.

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.