

CARANO BANDEL L
Form 4
May 14, 2012

FORM 4

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

OMB APPROVAL

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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 *
CARANO BANDEL L

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)
525 UNIVERSITY AVENUE, SUITE 1300
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
05/14/2012

Director 10% Owner
 Officer (give title below) Other (specify below)

PALO ALTO, CA 94301

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

(City) (State) (Zip)

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| COMMON STOCK | 05/14/2012 | | P | 11,000,000 A \$ 5 | 11,825,600 (1) (2) | I | SEE FOOTNOTES (1) (2) (3) |

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

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SEC 1474 (9-02)

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

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| 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 Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Owned Following Transaction (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| CARANO BANDEL L 525 UNIVERSITY AVENUE SUITE 1300 PALO ALTO, CA 94301 | X | | | |

Signatures

/s/Bandel L.
Carano

05/14/2012

**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).
- (1) The 11,825,600 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"). These shares were purchased pursuant to a public offering of the Issuer that closed on May 14, 2012. (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) 539,618 shares directly owned by Oak Investment Partners X, Limited Partnership ("Oak X"). (vi) 8,661 shares directly owned by Oak X Affiliates Fund, Limited Partnership ("Oak X Affiliates" and together with Oak XIII, Oak IX, Oak IX Affiliates, Oak IX Affiliates-A, and Oak X, the "Oak Funds"). (See Footnote 2 for continuation.)
- (2) Continuation of Footnote 1 - (vii) 255 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.
- (3) 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 11,000,000 shares of Common Stock by Oak XIII together with the holdings of the other

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Bandel Carano is a Director of the Issuer as well as the Managing Member of the General Partners of the Oak Funds as disclosed.

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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