Carter David M Form 3 January 11, 2011

FORM 3

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

OMB APPROVAL

OMB Number:

3235-0104

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Expires: January 31, 2005

Estimated average burden hours per

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

response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person * Carter David M			2. Date of Event Requiring Statement (Month/Day/Year)	3. Issuer Name and Ticker or Trading Symbol KRATOS DEFENSE & SECURITY SOLUTIONS, INC. [KTOS]					
(Last)	(First)	(Middle)	01/01/2011	4. Relationship of Reporting Person(s) to Issuer			5. If Amendment, Date Original Filed(Month/Day/Year)		
4820 EAST	GATE MA	ALL					,		
(Street) SAN DIEGO, CA 92121				(Check all applicable)			6. Individual or Joint/Group		
				Director 10% Owner _X_ Officer Other (give title below) (specify below) President, Defense Eng. Sol.		r ow)	Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person		
(City)	(State)	(Zip)	Table I - N	Non-Derivat	Non-Derivative Securities Beneficially Owned				
1.Title of Secu (Instr. 4)	ırity		2. Amount o Beneficially (Instr. 4)		3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)		ture of Indirect Beneficial ership :. 5)		
Common Stock			8,483		D	Â			
Reminder: Repowned directly	_		ach class of securities benefic	ially S	EC 1473 (7-02	2)			
	infor	mation cont	pond to the collection of ained in this form are not and unless the form displ	t					

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

currently valid OMB control number.

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

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				Shares		(I) (Instr. 5)	
Restricted Stock Units (1)	(2)	01/02/2019	Common Stock	6,000	\$ 0	D	Â
Restricted Stock Units (1)	(3)	01/02/2020	Common Stock	11,999	\$ 0	D	Â
Restricted Stock Units (1)	(4)	01/11/2020	Common Stock	9,000	\$ 0	D	Â
Restricted Stock Units (1)	(5)	01/03/2021	Common Stock	15,000	\$ 0	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships				
· · · · · · · · · · · · · · · · · · ·	Director	10% Owner	Officer	Other	
Carter David M 4820 EASTGATE MALL SAN DIEGO, CA 92121	Â	Â	President, Defense Eng. Sol.	Â	

Signatures

David M. Carter, by Eva Yee, Attorney-In-Fact

01/11/2011

**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) Each restricted stock unit represents a contingent right to receive one share of Issuer's common stock.
- The reporting person was granted 10,000 restricted stock units on January 2, 2009, which vest 20% annually beginning on January 2, 2010, unless earlier vested upon a change in control or a qualifying termination event pursuant to the terms of the restricted stock unit agreement. 6,000 restricted stock units represent the remaining unvested units.
- The reporting person was granted 15,000 restricted stock units on January 2, 2010, which vest 20% annually beginning on January 2, (3) 2011, unless earlier vested upon a change in control pursuant to the terms of the restricted stock unit agreement. 11,999 restricted stock units represent the remaining unvested units.
- (4) The reporting person was granted 9,000 restricted stock units on January 11, 2010, which vest 100% five (5) years from the date of grant, unless earlier vested upon a change in control pursuant to the terms of the restricted stock unit agreement.
- The reporting person was granted 15,000 restricted stock units on January 3, 2011, with (a) 7,500 restricted stock units vesting 20% (5) annually beginning on January 3, 2012, and (b) 7,500 restricted stock units vesting five (5) years from the date of grant, unless earlier vested upon a change in control pursuant to the terms of the restricted stock unit agreement.

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.

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