

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.

Form 4

December 14, 2015

FORM 4

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

OMB APPROVAL

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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 *
CARANO BANDEL L

(Last) (First) (Middle)

C/O OAK INVESTMENT PARTNERS, 525 UNIVERSITY AVENUE, SUITE 1300

(Street)

PALO ALTO, CA 94301

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
KRATOS DEFENSE & SECURITY SOLUTIONS, INC. [KTOS]

3. Date of Earliest Transaction (Month/Day/Year)
12/10/2015

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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 Indirect Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	12/10/2015		P	100,000 A \$ 3.97	606,098	D ⁽¹⁾	
Common Stock					11,825,345	I	See ⁽²⁾ ⁽³⁾

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

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Table II - Derivative Securities Acquired, Disposed of, or 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. 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 Reporting Transaction (Instr. 6)
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CARANO BANDEL L C/O OAK INVESTMENT PARTNERS 525 UNIVERSITY AVENUE, SUITE 1300 PALO ALTO, CA 94301	X		X	

Signatures

Bandel L.
Carano

12/14/2015

__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) Represents shares of Common Stock directly owned by Bandel L. Carano.

Represents 267,786 shares of Common Stock beneficially owned by Oak Investment Partners IX, Limited Partnership ("Oak IX"); 2,853 shares of Common Stock beneficially owned by Oak IX Affiliates Fund, Limited Partnership ("Oak IX Affiliates"); 6,427 shares of

(2) Common Stock beneficially owned by Oak IX Affiliates Fund-A, Limited Partnership ("Oak IX Affiliates-A"); 539,618 shares of Common Stock beneficially owned by Oak Investment Partners X, Limited Partnership ("Oak X"); 8,661 shares of Common Stock beneficially owned by Oak X Affiliates Fund, Limited Partnership ("Oak X Affiliates"); and 11,000,000 shares of Common Stock beneficially owned by Oak Investment Partners XIII, Limited Partnership ("Oak XIII").

(3) Bandel L. Carano is a Director of the Issuer. Mr. Carano is a Managing Member of Oak Associates IX, L.L.C., the General Partner of Oak IX; a Managing Member of Oak IX Affiliates, L.L.C., the General Partner of Oak IX Affiliates and Oak IX Affiliates-A; 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.

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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