

CARANO BANDEL L
Form 4
August 26, 2009

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

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)

3. Date of Earliest Transaction (Month/Day/Year)
08/25/2009

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

C/O OAK INVESTMENT PARTNERS, ONE GORHAM ISLAND

(Street)

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

WESTPORT, CT 06880

(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)
			Code	V Amount (A) or (D) Price			
Common Stock	08/25/2009		S	14,828 D \$ 0.8404	0	I	See Note (1)
Common Stock	08/25/2009		S	346 D \$ 0.8404	0	I	See Note (2)
Common Stock					1,402,084	I	See Note (3)
Common Stock					14,942	I	See Note (4)
					33,655	I	

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 directly owned by Oak Investment Partners VI, Limited Partnership ("Oak VI, L.P.").
- (2) Represents shares directly owned by Oak VI Affiliates Fund, Limited Partnership ("Oak VI Affiliates, L.P.").
- (3) Represents shares directly owned by Oak Investment Partners IX, Limited Partnership ("Oak IX, L.P.").
- (4) Represents shares directly owned by Oak IX Affiliates Fund, Limited Partnership ("Oak IX Affiliates, L.P.").
- (5) Represents shares directly owned by Oak IX Affiliates Fund-A, Limited Partnership ("Oak IX Affiliates Fund-A, L.P.").
- (6) Represents shares directly owned by Oak Investment Partners X, Limited Partnership ("Oak X, L.P.").
- (7) Represents shares directly owned by Oak X Affiliates Fund, Limited Partnership ("Oak X Affiliates, L.P.").
- (8) Represents 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.

Remarks:

Remarks

Bandel L. Carano is a Director of Kratos Defense & Security Solutions, Inc. Mr. Carano is a Managing Member of Oak Associates

Oak VI, L.P., Oak VI Affiliates, L.P., Oak IX, L.P., Oak IX Affiliates, L.P., Oak IX Affiliates Fund-A, L.P., Oak X, L.P., and Oak X Affiliates, L.P.

Each Reporting Person disclaims the existence of a "group" and disclaims beneficial ownership of any securities (except to the extent of the Reporting Person's direct ownership).

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.