

Goodwin Benjamin M.
Form 4
January 04, 2011

FORM 4

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

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

OMB APPROVAL

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(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)

SAN DIEGO, CA 92121

(City) (State) (Zip)

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

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

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

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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 Beneficial Ownership (Instr. 4)
Common Stock	01/02/2011		M	(A) or (D) 4,001 (1)	\$ 0 18,454	D	

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

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(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 Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
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.
- 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.

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