

KRATOS DEFENSE & SECURITY SOLUTIONS, INC.  
 Form 4  
 August 31, 2015

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2015  
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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)  
 08/27/2015

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

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

(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

PALO ALTO, CA 94301

(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 Ownership (Instr. 4)
				Code V	Amount	(A) or (D)	Price
Common Stock	08/27/2015			P	152,242	A	\$ 4.23
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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SEC 1474 (9-02)

**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 08/31/2015

\_\_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 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. 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.