

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 Ownership (Instr. 4)
				(A) or (D) Code V Amount 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	

Common Stock				See Note <u>(5)</u>
Common Stock	3,669,189	I		See Note <u>(6)</u>
Common Stock	58,894	I		See Note <u>(7)</u>
Common Stock	2,554	D	<u>(8)</u>	

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)

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 Beneficially Owned Following Reported Transaction (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CARANO BANDEL L C/O OAK INVESTMENT PARTNERS ONE GORHAM ISLAND WESTPORT, CT 06880		X		

Signatures

Bandel L.
Carano 08/26/2009

**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 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

Each Reporting Person disclaims the existence of a "group" and disclaims beneficial ownership of any securities (except to the

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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