FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

| OMB APPRO | DVAL | | | | |
|------------------------|-----------|--|--|--|--|
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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).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| Name and Address of Reporting Person* | | | | | | 2. Issuer Name and Ticker or Trading Symbol KRATOS DEFENSE & SECURITY | | | | | | | | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) | | | | | |
|--|---|--|--------|-----------------------------------|------------------------------|---|-----|---------------|---|--------|--------------------|---|------------------------|---|--------------------------------------|--|---|---|--|
| <u>DEMARCO ERIC M</u> | | | | | | SOLUTIONS, INC. [KTOS] | | | | | | | | X Director | | 10 | % Owner | | |
| (Last) (First) (Middle) | | | | | | SOLUTIONO, IIVO. [K100] | | | | | | | | | Officer (give title below) | | | ner (specify ow) | |
| 4820 EASTGATE MALL | | | | | | 3. Date of Earliest Transaction (Month/Day/Year) 12/02/2013 | | | | | | | | President & CEO | | | | | |
| SUITE 200 | | | | | | 12,02,2013 | | | | | | | | | | | | | |
| (0) | | | | | | 4. If Amendment, Date of Original Filed (Month/Day/Year) | | | | | | | | 6. Individual or Joint/Group Filing (Check Applicable Line) | | | | | |
| (Street) SAN DIEGO CA 92121 | | | | | | | | | | | | | | | X Form filed by One Reporting Person | | | | |
| | | | | - | | | | | | | | | | Form filed by More than One Reporting Person | | | | | |
| (City) | (St | ate) (2 | Zip) | | | | | | | | | | | | | | | | |
| Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned | | | | | | | | | | | | | | | | | | | |
| 1. Title of Security (Instr. 3) 2. Transaction Date (Month/Day/Y | | | | | | Execution Date, | | · | 3. Transaction Code (Instr. 8) 4. Securities Acquired (A) of Disposed Of (D) (Instr. 3, 4 and 1) | | | | | nd 5) Secui Bene Owne | | icially d Following | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | of Indirect ct Beneficial Ownership | |
| | | | Code | v | Amount | | | (A) or (D) | Price | | | action(s) 3 and 4) | | (Instr. 4) | | | | | |
| Common Stock 12/02/202 | | | | | | | 13 | | P | | 31,273(1) | A | \$6.39 | 51 ⁽³⁾ | 32 | 6,468(2) | D | | |
| 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) | if any | emed iion Date, h/Day/Year) | 4. Transa Code (8) | | | | 6. Date Exerc Expiration Da (Month/Day/V | | ate | 7. Title and Amount of Securities Underlying Derivative Security (Instr. and 4) | | | vative urity r. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction((Instr. 4) | Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | Beneficial Ownership ct (Instr. 4) | |
| | | | | | Code | v | (A) | (D) | Date Exerc | isable | Expiration Date | Title | Number of Shares | | | | | | |

Explanation of Responses:

- 1. Open market acquisition of Issuer's common stock purchased in accordance with Issuer's insider trading policies.
- 2. Includes 8,487 shares held in Issuer's 401(k) Plan and 13,693 shares purchased through Issuer's Employee Stock Purchase Plan.
- 3. The price reported in Column 4 is a weighted average price. These shares were purchased in multiple transactions at prices ranging from \$6.32 to \$6.69, inclusive. The Reporting Person undertakes to provide to Issuer, any security holder of Issuer, or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares purchased at each separate price within the ranges set forth in this footnote to this Form 4.

Eric M. DeMarco, by Eva Yee, Attorney-In-Fact

** Signature of Reporting Person Date

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

- * 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

POWER OF ATTORNEY For Section 16(a) of the Securities Exchange Act of 1934, as amended, Filings

Know all by these presents that the undersigned hereby constitutes and appoints Eva Yee, the undersigned's true and lawful attorney-in-fact to:

- Do and perform all acts for and on behalf the undersigned which may be necessary or desirable to apply for and obtain and maintain EDGAR Access Codes to be used on behalf of the undersigned for Electronic Filing of all Section 16(a) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") filings;
- Execute for and on behalf of the undersigned, in the undersigned's capacity as a Section 16(a) Reporting Officer of Kratos Defense & Security Solutions, Inc. (the "Company"), Forms 3, 4, and 5 in accordance with Section 16(a) of the Exchange Act and the rules thereunder;
- Do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to complete the execution of any such Form 3, 4, or 5, complete and execute any amendment or amendments thereto, and timely file such form with the United States Securities and Exchange Commission and any other authority; and
- 4) Take any other action of any type whatsoever in connection with the foregoing which, in the opinion of such attorney-in-fact, may be of benefit to, or in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorney-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorney-in-fact may approve in such attorney-infact's discretion.

The undersigned hereby grants to such attorney-in-fact, full power and authority to do and perform all and every act and thing whatsoever requisite, necessary and proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such attorney-in-fact, or such attorney-in-fact's substitute or substitutes, shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted. The undersigned acknowledges that the foregoing attorney-in-fact, in serving in such capacity at the request of the undersigned, is not assuming, nor is the Company assuming, any of the undersigned's responsibilities to comply with Section 16 of the Exchange Act.

This Power of Attorney shall remain in full force and effect until the undersigned is no longer required to file Forms 3, 4, and 5 with respect to the undersigned's holdings of and transactions in securities issued by the Company, unless earlier revoked by the undersigned in a signed writing delivered to the foregoing attorney-in-fact.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 10th day of November, 2009.

Signature: /s/ Eric M. DeMarco Name: Eric M. DeMarco State of California County of San Diego On 10 November 2009 before me, Sabrena Maristela, Notary Public, personally appeared (name and title of the

officer) Eric Mathew DeMarco, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his

signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

/s/ Sabrena W. Maristela Signature of Notary Public Notary Public Seal Graphic of Notary Public Seal Sabrena W. Maristela Commission # 1650891 Notary PUblic - California San Diego County My Comm. Expires Mar 11, 2010