

OMB APPROVAL	
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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

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

1. Name and Address of Reporting Person * <u>Lund Deanna H</u>  (Last) (First) (Middle) 10680 TREENA STREET, SUITE 600  (Street) SAN DIEGO CA 92131  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>KRATOS DEFENSE &amp; SECURITY SOLUTIONS, INC. [ KTOS ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)  Director 10% Owner Officer (give title below) Other (specify below) X EVP & CFO
	3. Date of Earliest Transaction (Month/Day/Year) 01/01/2020	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

**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	01/01/2020		M		37,500 <sup>(2)</sup>	A	\$0	281,945 <sup>(6)</sup>	D	
Common Stock	01/01/2020		F		12,958 <sup>(5)</sup>	D	\$18.01	268,987 <sup>(6)</sup>	D	
Common Stock	01/02/2020		M		30,000 <sup>(3)</sup>	A	\$0	298,987 <sup>(6)</sup>	D	
Common Stock	01/02/2020		F		11,794 <sup>(5)</sup>	D	\$18.415	287,193 <sup>(6)</sup>	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)	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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Restricted Stock Units	(1)	01/01/2020		M		37,500		(2)	(2)	Common Stock	37,500	\$0	0	D	
Restricted Stock Units	(1)	01/02/2020		M		30,000		(3)	(3)	Common Stock	30,000	\$0	0	D	
Restricted Stock Units	(1)	01/03/2020		A		75,000		(4)	(4)	Common Stock	75,000	\$0	75,000	D	

**Explanation of Responses:**

- Each Restricted Stock Unit (RSU) represents a contingent right to receive one share of Issuer's common stock.
- RSUs were granted and previously reported on a Form 4 filed January 5, 2015, where 37,500 RSUs vest on January 1, 2020.
- RSUs were granted and previously reported on a Form 4 filed January 5, 2010, where 30,000 RSUs vest on January 2, 2020.
- RSUs vest ratably on each of the first five anniversaries of the date of grant, unless earlier vested or terminated pursuant to the terms of the RSU agreement.
- Shares withheld in a net transaction to satisfy the minimum tax liability, in accordance with Issuer's trading policies, in connection with shares vested as reported in this Form 4.
- Includes 16,626 shares purchased through Issuer's Employee Stock Purchase Plan and approximately 16,236 shares held through Issuer's 401(k) Plan.

Deanna H. Lund, by Eva Yee, 01/03/2020  
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.

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