

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

OMB APPROVAL	
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1. Name and Address of Reporting Person* <u>CARANO BANDEL L</u> (Last) (First) (Middle) <u>C/O OAK INVESTMENT PARTNERS</u> <u>ONE GORHAM ISLAND</u> (Street) <u>WESTPORT CT 06880</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>KRATOS DEFENSE & SECURITY SOLUTIONS, INC. [KTOS]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) <u>09/02/2009</u>	
		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> 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)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	09/02/2009		P		1,275,780	A	\$0.72	2,677,864	I	See Note ⁽¹⁾
Common Stock	09/02/2009		P		13,598	A	\$0.72	28,540	I	See Note ⁽²⁾
Common Stock	09/02/2009		P		30,622	A	\$0.72	64,277	I	See Note ⁽³⁾
Common Stock								3,669,189	I	See Note ⁽⁴⁾
Common Stock								58,894	I	See Note ⁽⁵⁾
Common Stock								2,554	D ⁽⁶⁾	

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					

Explanation of Responses:

- Represents shares directly owned by Oak Investment Partners IX, Limited Partnership ("Oak IX, L.P.").
- Represents shares directly owned by Oak IX Affiliates Fund, Limited Partnership ("Oak IX Affiliates, L.P.").
- Represents shares directly owned by Oak IX Affiliates Fund-A, Limited Partnership ("Oak IX Affiliates Fund-A, L.P.").
- Represents shares directly owned by Oak Investment Partners X, Limited Partnership ("Oak X, L.P.").
- Represents shares directly owned by Oak X Affiliates Fund, Limited Partnership ("Oak X Affiliates, L.P.").
- Represents shares directly owned by Bandel L. Carano. Mr. Carano is a Director of the Issuer and is a Managing Member of Oak Associates VI, L.L.C., the General Partner of Oak Investment Partners VI, L.P.; a Managing Member of Oak VI Affiliates, L.L.C., the General Partner of Oak VI Affiliates Fund, L.P.; a Managing Member of Oak Associates IX, L.L.C., the General Partner of Oak Investment Partners IX, L.P.; a Managing Member of Oak IX Affiliates, L.L.C., the General Partner of Oak IX Affiliates Fund, L.P. and Oak IX Affiliates Fund-A, L.P.; a Managing Member of Oak Associates X, L.L.C., the General Partner of Oak Investment Partners X, L.P.; and a Managing Member of Oak X Affiliates, L.L.C., the General Partner of Oak X Affiliates Fund, L.P. No other Reporting Person has any pecuniary interest in these shares.

Remarks:

Each Reporting Person disclaims the existence of a "group" and disclaims beneficial ownership of any securities (except to the extent of such Reporting Person's pecuniary interest in such securities) other than any securities reported herein as being directly owned by such Reporting Person. This report shall not be deemed an admission that any Reporting Person is the beneficial owner of any such securities for purposes of Section 16 or for any other purpose. On August 25, 2009, Oak Investment Partners VI, LP ("Oak VI, LP") and Oak VI Affiliates Fund, LP (together with Oak VI, LP, the "Oak VI Funds") sold 14,828 and 346 shares of the Issuer's Common Stock at \$0.8404 per share, respectively, in connection with the orderly wind-down of the Oak VI Funds. Mr. Carano may be deemed to have a pecuniary interest in a portion of the shares that were sold by the Oak VI Funds, and a pecuniary interest in a portion of the acquired shares reported on this Form 4. In accordance with Section 16(b) of the Securities Exchange Act of 1934, as amended, the total possible profit associated with the foregoing transactions, for Section 16(b) purposes, is \$1,827 (the difference between the \$0.8404 per share sale price on 8/25/09 and the \$0.72 per share purchase price reported on this Form 4). Rather than devote time and expense to computing his pro rata pecuniary interest in the possible Section 16(b) profit (which would be substantially less than \$1,827), Mr. Carano elected to pay the Issuer, prior to the date of this Form 4 filing, the amount of \$1,827, in full satisfaction of any possible Section 16(b) profit. Mr. Carano's payment of such larger amount (solely as an administrative convenience) shall not be deemed an admission that Mr. Carano beneficially owned/owns any of the subject shares or has or had a pecuniary interest in any such shares (except to the extent of such Reporting Person's pecuniary interest in such securities) for purposes of Section 16 or for any other purpose.

Bandel L. Carano

09/04/2009

** 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.