STEELE Form 4
FORM 4
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
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:

DEMARCO ERIC M

4820 EASTGATE MALL
SAN DIEGO CA 92121

2. Issuer Name and Ticker or Trading Symbol:

KRATOS DEFENSE & SECURITY SOLUTIONS, INC. [ KTOS ]

3. Date of Earliest Transaction (Month/Day/Year):

05/15/2018

4. If Amendment, Date of Original Filed:

05/16/2018

5. Relationship of Reporting Person(s) to Issuer:

X Director
X Officer (give title below)

President & CEO

6. Individual or Joint/Group Filing (Check Applicable Line)

X 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

<table>
<thead>
<tr>
<th>1. Title of Security (Instr. 3)</th>
<th>2. Transaction Date (Month/Day/Year)</th>
<th>3A. Deemed Execution Date, if any (Month/Day/Year)</th>
<th>4. Transaction Code (Instr. 8)</th>
<th>5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)</th>
<th>6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>7. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Stock</td>
<td>05/15/2018</td>
<td>P</td>
<td></td>
<td>6,681(1)</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Common Stock</td>
<td>05/15/2018</td>
<td>P</td>
<td></td>
<td>6,679(1)</td>
<td>I</td>
<td>by spouse</td>
</tr>
<tr>
<td>Common Stock</td>
<td></td>
<td></td>
<td></td>
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</table>

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date (Month/Day/Year)</th>
<th>3A. Deemed Execution Date, if any (Month/Day/Year)</th>
<th>4. Transaction Code (Instr. 8)</th>
<th>5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)</th>
<th>6. Date Exercisable and Expiration Date (Month/Day/Year)</th>
<th>7. Title and Amount of Securities Beneficially Owned Underlying Derivative Security (Instr. 3 and 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)</th>
<th>10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
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</table>

Explanation of Responses:

1. Open market purchase of Issuer's common stock made in accordance with Issuer's trading policies.
2. Includes 32,080 shares purchased through Issuer's Employee Stock Purchase Plan and approximately 15,680 shares held in Issuer's 401(k) Plan.
3. The price reported in Column 4 is a weighted average price. These shares were purchased in multiple transactions at prices ranging from $11.05 to $11.45 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.
4. The price reported in Column 4 is a weighted average price. These shares were purchased in multiple transactions at prices ranging from $11.08 to $11.44 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

05/16/2018

** 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).


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.