

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

OMB APPROVAL

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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>Oak Investment Partners XIII,</u> <u>Limited Partnership</u> _____ (Last) (First) (Middle) <u>ONE GORHAM ISLAND</u> _____ (Street) <u>WESTPORT CT 06880</u> _____ (City) (State) (Zip) | 2. Date of Event Requiring Statement (Month/Day/Year) <u>05/14/2012</u> | 3. Issuer Name and Ticker or Trading Symbol <u>KRATOS DEFENSE & SECURITY SOLUTIONS, INC. [KTOS]</u> 4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below) | 5. If Amendment, Date of Original Filed (Month/Day/Year) 6. Individual or Joint/Group Filing (Check Applicable Line) <input type="checkbox"/> Form filed by One Reporting Person <input checked="" type="checkbox"/> Form filed by More than One Reporting Person |
|---|---|---|--|

Table I - Non-Derivative Securities Beneficially Owned

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---------------------------------|---|--|---|
| COMMON STOCK | 11,000,000 ⁽¹⁾ | D | |
| COMMON STOCK | 267,786 ⁽²⁾ | D | |
| COMMON STOCK | 2,853 ⁽³⁾ | D | |
| COMMON STOCK | 6,427 ⁽⁴⁾ | D | |
| COMMON STOCK | 539,618 ⁽⁵⁾ | D | |
| COMMON STOCK | 8,661 ⁽⁶⁾ | D | |

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) | | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---|--|-----------------|---|----------------------------|--|--|---|
| | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 01/01/2013 | COMMON STOCK | 2,000 ⁽⁸⁾ | 60.1 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 01/02/2014 | COMMON STOCK | 2,000 ⁽⁸⁾ | 148.6 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 01/03/2015 | COMMON STOCK | 2,000 ⁽⁸⁾ | 94.4 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 08/17/2015 | COMMON STOCK | 475 ⁽⁸⁾ | 49.5 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 09/07/2015 | COMMON STOCK | 105 ⁽⁸⁾ | 57 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 11/16/2015 | COMMON STOCK | 99 ⁽⁸⁾ | 55.5 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 01/03/2016 | COMMON STOCK | 2,000 ⁽⁸⁾ | 51 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 03/22/2016 | COMMON STOCK | 451 ⁽⁸⁾ | 38.8 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 05/17/2016 | COMMON STOCK | 230 ⁽⁸⁾ | 36.9 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 09/06/2016 | COMMON STOCK | 155 ⁽⁸⁾ | 22.5 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOES ⁽⁷⁾⁽⁸⁾ |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 11/17/2016 | COMMON STOCK | 589 ⁽⁸⁾ | 22.9 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 02/28/2017 | COMMON STOCK | 592 ⁽⁸⁾ | 21.1 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |

**Table II - Derivative Securities Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) | | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---|--|-----------------|---|----------------------------|--|--|---|
| | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 05/16/2017 | COMMON STOCK | 255 ⁽⁸⁾ | 13.7 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 09/04/2017 | COMMON STOCK | 383 ⁽⁸⁾ | 27.4 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 11/14/2017 | COMMON STOCK | 239 ⁽⁸⁾ | 23 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 02/27/2018 | COMMON STOCK | 514 ⁽⁸⁾ | 20.4 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 05/20/2018 | COMMON STOCK | 305 ⁽⁸⁾ | 18 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 09/17/2018 | COMMON STOCK | 294 ⁽⁸⁾ | 18.7 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 11/05/2018 | COMMON STOCK | 517 ⁽⁸⁾ | 14.5 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 03/06/2019 | COMMON STOCK | 1,591 ⁽⁸⁾ | 6.6 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 06/04/2019 | COMMON STOCK | 1,180 ⁽⁸⁾ | 7.2 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 09/17/2019 | COMMON STOCK | 763 ⁽⁸⁾ | 8.52 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 11/10/2019 | COMMON STOCK | 1,042 ⁽⁸⁾ | 10.08 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 02/25/2020 | COMMON STOCK | 585 ⁽⁸⁾ | 12.84 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 05/11/2020 | COMMON STOCK | 683 ⁽⁸⁾ | 12.46 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 09/20/2010 | COMMON STOCK | 1,094 ⁽⁸⁾ | 10.97 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 11/18/2020 | COMMON STOCK | 996 ⁽⁸⁾ | 10.55 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 03/10/2021 | COMMON STOCK | 1,188 ⁽⁸⁾ | 13.89 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾ | (9) | 05/27/2021 | COMMON STOCK | 1,000 ⁽⁸⁾ | 12 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |
| DIRECTOR OPTION (RIGHT TO BUY) ⁽⁷⁾⁽¹⁰⁾ | (9) | 09/15/2021 | COMMON STOCK | 1,412 ⁽⁸⁾ | 8.5 | I ⁽⁷⁾⁽⁸⁾ | SEE FOOTNOTES ⁽⁷⁾⁽⁸⁾ |

1. Name and Address of Reporting Person*

Oak Investment Partners XIII, Limited Partnership

(Last) (First) (Middle)

ONE GORHAM ISLAND

(Street)

WESTPORT CT 06880

(City)

(State)

(Zip)

1. Name and Address of Reporting Person*

OAK INVESTMENT PARTNERS IX L P

(Last) (First) (Middle)

(Street)

(City)

(State)

(Zip)

1. Name and Address of Reporting Person*

OAK IX AFFILIATES FUND LP

(Last) (First) (Middle)
ONE GORHAM ISLAND

(Street)
WESTPORT CT 06880

(City) (State) (Zip)

1. Name and Address of Reporting Person*

OAK IX AFFILIATES FUND A LP

(Last) (First) (Middle)
ONE GORHAM ISLAND

(Street)
WESTPORT CT 06880

(City) (State) (Zip)

1. Name and Address of Reporting Person*

**OAK INVESTMENT PARTNERS X LTD
PARTNERSHIP**

(Last) (First) (Middle)

(Street)

(City) (State) (Zip)

1. Name and Address of Reporting Person*

OAK X AFFILIATES FUND LP

(Last) (First) (Middle)
ONE GORHAM ISLAND

(Street)
WESTPORT CT 06880

(City) (State) (Zip)

Explanation of Responses:

1. Represents shares directly owned by Oak Investment Partners XIII, Limited Partnership ("Oak XIII"). These shares were purchased pursuant to a public offering of the Issuer that closed on May 14, 2012.
2. Represents shares directly owned by Oak Investment Partners IX, Limited Partnership ("Oak IX").
3. Represents shares directly owned by Oak IX Affiliates Fund, Limited Partnership ("Oak IX Affiliates").
4. Represents shares directly owned by Oak IX Affiliates Fund-A, Limited Partnership ("Oak IX Affiliates-A").
5. Represents shares directly owned by Oak Investment Partners X, Limited Partnership ("Oak X").
6. Represents shares directly owned by Oak X Affiliates Fund, Limited Partnership ("Oak X Affiliates" and together with Oak XIII, Oak IX, Oak IX Affiliates, Oak IX Affiliates-A, and Oak X, the "Oak Funds").
7. Represents options received in lieu of cash fees from Bandel Carano's service on the Issuer's Board of Directors. Mr. Carano is a Managing Member of (i) Oak Associates XIII, LLC, the General Partner of Oak XIII, (ii) Oak Associates IX, LLC, the General Partner of Oak IX, (iii) Oak IX Affiliates, LLC, the General Partner of each of Oak IX Affiliates and Oak IX Affiliates-A, (iv) Oak Associates X, LLC, the General Partner of Oak X, and (v) Oak X Affiliates, LLC, the General Partner of Oak X Affiliates.
8. Mr. Carano has Director Options exercisable for a total of 28,930 shares of Common Stock, 28,470 shares of which are held by Mr. Carano on behalf of Oak X and 460 shares of which are held by Mr. Carano on behalf of Oak X Affiliates. Approximately 98.4% of each option grant is held by Mr. Carano on behalf of Oak X and approximately 1.6% of each such option grant is held by Mr. Carano on behalf of Oak X Affiliates.
9. All options are immediately exercisable.
10. Reporting Person has two additional Director Options to report but the maximum number of rows/entries for Table II on the electronic Form 4 have been exceeded. The two additional Director Options to be reported are as follows: (1) Director Option (Right to Buy) (footnote 7), Date Exercisable: footnote 9, Expiration Date: 11/14/2021, Title: Common Stock, Amount or Number of Shares: 2,254 (footnote 8), Conversion or Exercise Price: 5.77, Ownership: Indirect (footnotes 7 and 8); and (2) Director Option (Right to Buy) (footnote 7), Date Exercisable: footnote 9, Expiration Date: 3/15/2022, Title: Common Stock, Amount or Number of Shares: 1,939(footnote 8), Conversion or Exercise Price: 6.19, Ownership: Indirect (footnotes 7 and 8), Nature of Director Beneficial Ownership: See Footnotes 7 and 8.

Remarks:

Oak IX, Oak IX Affiliates, Oak IX Affiliates-A, Oak X and Oak X Affiliates, and their respective General Partners, are filing this report because they may be deemed to be included in a "group" with Oak XIII and its General Partner, which are a Reporting Person with respect to the Issuer. Henceforth, any future changes in the beneficial ownership of the Issuer held by Oak IX, Oak IX Affiliates, Oak IX Affiliates-A, Oak X and Oak X Affiliates may be reported in joint filings with Oak XIII. Each of the foregoing entities disclaims beneficial ownership of any securities (except to the extent of its pecuniary interest in such securities) other than any securities reported herein as being directly owned by such entity, and this report shall not be deemed an admission that such entity is the beneficial owner of any such securities for purposes of Section 16 or for any other purpose. Bandel Carano is a Director of the Issuer as well as the Managing Member of the General Partners of the Oak Funds as disclosed in footnote 7 above. Mr. Carano is concurrently filing a Form 4 to report his beneficial interests in the holdings of the Oak Funds and their General Partners. The Oak Funds and Mr. Carano reserve the right to consolidate the filings of the Oak Funds and Mr. Carano in the future.

/s/ Bandel L. Carano, as
managing member of Oak
Associates XIII, LLC, the
General Partner of Oak
Investment Partners XIII,
Limited Partnership

05/14/2012

| | |
|---|-----------------------------------|
| <u>/s/ Bandel L. Carano, as managing member of Oak Associates XIII, LLC</u> | <u>05/14/2012</u> |
| <u>/s/ Bandel L. Carano, as managing member of Oak Associates IX, LLC, the General Partner of Oak Investment Partners IX, Limited Partnership</u> | <u>05/14/2012</u> |
| <u>/s/ Bandel L. Carano, as managing member of Oak Associates IX, LLC</u> | <u>05/14/2012</u> |
| <u>/s/ Bandel L. Carano, as managing member of Oak IX Affiliates, LLC, the General Partner of Oak IX Affiliates Fund, Limited Partnership</u> | <u>05/14/2012</u> |
| <u>/s/ Bandel L. Carano, as managing member of Oak IX Affiliates, LLC, the General Partner of Oak IX Affiliates Fund-A, Limited Partnership</u> | <u>05/14/2012</u> |
| <u>/s/ Bandel L. Carano, as managing member of Oak IX Affiliates, LLC</u> | <u>05/14/2012</u> |
| <u>/s/ Bandel L. Carano, as managing member of Oak Associates X, LLC, the General Partner of Oak Investment Partners X, Limited Partnership</u> | <u>05/14/2012</u> |
| <u>/s/ Bandel L. Carano, as managing member of Oak Associates X, LLC</u> | <u>05/14/2012</u> |
| <u>/s/ Bandel L. Carano, as managing member of Oak X Affiliates, LLC, the General Partner of Oak X Affiliates Fund, Limited Partnership and as managing member of Oak X Affiliates, LLC</u> | <u>05/14/2012</u> |

** 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 5 (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.