

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **April 1, 2011**

**Kratos Defense & Security Solutions, Inc.**

(Exact Name of Registrant as Specified in Charter)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation)

**0-27231**  
Commission  
File Number

**13-3818604**  
(I.R.S. Employer  
Identification Number)

**4820 Eastgate Mall, San Diego, CA 92121**  
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: **(858) 812-7300**

**N/A**  
(Former Name, or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

---

---

**Item 1.01. Entry into a Material Definitive Agreement.**

***Supplemental Indentures***

On April 1, 2011, Acquisition Co. Lanza Parent (the "Stage I Issuer"), Lanza Acquisition Co. ("Acquisition Co."), Herley Industries, Inc. ("Herley") and each of Herley's U.S. subsidiaries, and Wilmington Trust FSB, as trustee ("Wilmington Trust"), entered into a supplemental indenture (the "Supplemental Indenture") to that certain Indenture, dated as of May 19, 2010, by and among Kratos Defense & Security Solutions, Inc. ("Kratos"), the guarantors party thereto and Wilmington Trust, as trustee and collateral agent (as amended or supplemented, the "Existing Kratos Indenture"), under which Kratos previously issued \$225.0 million in aggregate principal amount of its 10% Senior Secured Notes due 2017 (the "Existing Kratos Notes"). Pursuant to the terms of the Supplemental Indenture, the Stage I Issuer, Acquisition Co., and Herley and each of its U.S. subsidiaries became guarantors of the Existing Kratos Notes.

On April 4, 2011, Kratos, Herley and Wilmington Trust, as trustee and collateral agent, entered into the first supplemental indenture (the "First Supplemental Indenture") to that certain Indenture, dated as of March 25, 2011, by and among the Stage I Issuer, the guarantor party thereto, and Wilmington Trust, as trustee and collateral agent (the "Stage I Indenture"), under which the Stage I Issuer previously issued \$285.0 million in aggregate principal amount of its 10% Senior Secured Notes due 2017 (the "Stage I Notes"). Pursuant to the terms of the First Supplemental Indenture, Kratos (i) assumed all of the obligations of the Stage I Issuer under the Stage I Indenture, the Stage I Notes and the Collateral Agreements (as defined in the Stage I Indenture) and (ii) Kratos became the issuer of the Stage I Notes under the Stage I Indenture and pledgor under the Collateral Agreements.

The foregoing summary of the Supplemental Indenture and First Supplemental Indenture does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Supplemental Indenture and First Supplemental Indenture, a copy of each of which is attached hereto as Exhibit 4.1 and Exhibit 4.2, respectively, and the terms of each of which are incorporated herein by reference.

**Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The information set forth under Item 1.01 as related to the First Supplemental Indenture is hereby incorporated by reference into this Item 2.03.

**Item 8.01. Other Events.**

On April 4, 2011, Kratos (as successor issuer under the Stage I Indenture) issued a notice of redemption to holders of the Stage I Notes, issued pursuant to the Stage I Indenture, for the redemption of all of the outstanding Stage I Notes on April 15, 2011 (the "Exchange Redemption Date"), at a redemption price (the "Redemption Price") equal to the principal amount of each Stage I Note. The consideration paid to each holder of Stage I Notes (each, a "Holder" and collectively, the "Holders") on the Exchange Redemption Date to redeem the Stage I Notes shall consist only of 10% Senior Secured Notes due 2017 (the "Stage II Notes") issued by Kratos pursuant to the Existing Kratos Indenture, in exchange for a like principal amount of such Stage I Notes (the "Mandatory Exchange Redemption"). Any accrued interest on the Stage I Notes will be evidenced by, and payable under, the Stage II Notes in accordance with the terms thereof.

On and after the Exchange Redemption Date, interest will cease to accrue on the Stage I Notes called for redemption and the Stage I Notes and the Stage I Indenture will be deemed to have been satisfied and discharged in full. Kratos shall not be obligated to pay to any Holder any accrued and unpaid interest on the Stage I Notes to the Exchange Redemption Date in connection with the Mandatory Exchange Redemption, which accrued and unpaid interest will be evidenced by the Stage II Notes issued to such Holder in exchange for its Stage I Notes.

2

---

The Stage II Notes will be issued pursuant to the Existing Kratos Indenture on the Exchange Redemption Date. The Stage II Notes will be identical to, and will be *pari passu* with, the Existing Kratos Notes, except that the Stage II Notes will be subject to transfer restrictions under applicable securities laws and will have different CUSIP and ISIN numbers from the date of their issuance until the date on which the exchange offer with respect to the Stage II Notes is consummated, at which time Kratos intends to cause such Stage II Notes to have the same CUSIP and ISIN numbers as the Existing Kratos Notes. The Stage II Notes and the Existing Kratos Notes will be treated as a single series of notes under the Existing Kratos Indenture. The Stage II Notes will be ready for delivery in book-entry form through the facilities of The Depository Trust Company for the accounts of its participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, Societe Anonyme, Luxembourg, on the Exchange Redemption Date.

#### **Item 9.01. Financial Statements and Exhibits.**

**(d) Exhibits.**

- 4.1 Supplemental Indenture, dated April 1, 2011, among the guaranteeing subsidiaries named therein and Wilmington Trust FSB, as trustee, to the Indenture (as amended or supplemented), dated as of May 19, 2010, among Kratos Defense & Security Solutions, Inc., the guarantors party thereto and Wilmington Trust FSB, as trustee and collateral agent.
- 4.2 First Supplemental Indenture, dated April 4, 2011, by and among Kratos Defense & Security Solutions, Inc., Herley Industries, Inc. and Wilmington Trust FSB, as trustee and collateral agent, to the Indenture, dated as of March 25, 2011, among Kratos Defense & Security Solutions, Inc., the guarantor party thereto and Wilmington Trust FSB, as trustee and collateral agent.

3

---

### **SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**Kratos Defense & Security Solutions, Inc.**

By: /s/ Deborah S. Butera  
Deborah S. Butera  
Senior Vice President, General Counsel and  
Secretary/Registered In-House Counsel

Date: April 7, 2011

4

---

## SUPPLEMENTAL INDENTURE

Supplemental Indenture (this “Supplemental Indenture”), dated as of April 1, 2011, among the parties identified in the signature page of this Supplemental Indenture as a Guaranteeing Subsidiary (each a “Guaranteeing Subsidiary”) of the Company (as defined herein), and Wilmington Trust FSB, as trustee under the Indenture referred to below (the “Trustee”).

## WITNESSETH

WHEREAS, Kratos Defense & Security Solutions, Inc., a Delaware corporation (the “Company”) has heretofore executed and delivered to the Trustee an indenture (the “Indenture”), dated as of May 19, 2010 providing for the issuance of 10% Senior Secured Notes due 2017 (the “Notes”);

WHEREAS, Section 4.16 of the Indenture provides that under certain circumstances each Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture and a Guarantee pursuant to which any newly-acquired or created Guarantor shall unconditionally guarantee all of the Company’s obligations under the Notes and the Indenture on the terms and conditions set forth therein and herein and in such Guarantee; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and delivery this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, each Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.
2. Joinder to Indenture. Each of the Guaranteeing Subsidiaries hereby agree to become bound by the terms, conditions and other provisions of the Indenture with all attendant rights, duties and obligations stated therein, with the same force and effect as if originally named as a Guarantor therein and as if such Guaranteeing Subsidiary executed the Indenture on the date thereof.
3. Agreement to Guarantee. Each Guarantor hereby fully, irrevocably and unconditionally, jointly and severally, unconditionally and irrevocably guarantees (such guarantee, as amended or supplemented from time to time, to be referred to herein as the “Guarantee”), to each of the Holders, the Trustee and the Collateral Agent and their respective successors and assigns that (i) the principal of, premium, if any and interest and Additional Interest, if any, on the Notes shall be promptly paid in full when due, subject to any applicable grace period, whether upon redemption pursuant to the terms of the Notes, by acceleration or otherwise, and interest on the overdue principal (including interest accruing at the then applicable rate provided in the

1

---

Indenture Documents after the occurrence of any Event of Default set forth in Section 6.01(6) or 6.01(7) of the Indenture, whether or not a claim for post-filing or post-petition interest is allowed under applicable law following the institution of a proceeding under bankruptcy, insolvency or similar laws), if any, and interest on any interest and Additional Interest, if any, to the extent lawful, of the Notes and all other obligations of the Company to the Holders, the Trustee and the Collateral Agent hereunder, thereunder or under any Collateral Agreement shall be promptly paid in full or performed, all in accordance with the terms hereof, thereof and of the Collateral Agreements; and (ii) in case of any extension of time of payment or renewal of any of the Notes or of any such other obligations, the same shall be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, subject to any applicable grace period, whether at stated maturity, by acceleration or otherwise, subject, however, in the case of clauses (i) and (ii) above, to the limitations set forth in Section 10.03 of the Indenture.

The obligations of each Guaranteeing Subsidiary to the Holders and to the Trustee pursuant to this Supplemental Indenture and the Indenture are expressly set forth in Article Ten of the Indenture and reference is hereby made to such Indenture for the precise terms of the Guarantee. No past, present or future director, officer, employee, incorporator, agent, stockholder or Affiliate of the Company or a Guarantor, as such, shall have any liability for any obligations of the Company or the Guarantors under the Notes, the Guarantees, the Indenture or the Collateral Agreements or for any claim based on, in respect of, such obligations or their creation. The Guarantee executed and delivered hereby is a continuing Guarantee and shall remain in full force and effect and shall be binding upon each Guarantor and its successors and assigns until full and final payment of all of the Company’s obligations under the Notes and Indenture or until released or legally defeased in accordance with the Indenture and shall inure to the benefit of the successors and assigns of the Trustee and the Holders, and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges herein conferred upon that party shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions hereof. This is a Guarantee of payment and performance and not of collectibility.

The obligations of each Guaranteeing Subsidiary under its Subsidiary Guarantee shall be limited to the extent necessary to insure that it does not constitute a fraudulent conveyance under applicable law.

THE TERMS OF ARTICLE TEN OF THE INDENTURE ARE INCORPORATED HEREIN BY REFERENCE.

4. GOVERNING LAW. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS. EACH OF THE PARTIES HERETO AGREES TO SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENTAL INDENTURE.

2

---

5. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

6. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

[signature page follows]

3

---

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date written below.

**GUARANTEEING SUBSIDIARIES:**

ACQUISITION CO. LANZA PARENT  
LANZA ACQUISITION CO.  
HERLEY INDUSTRIES, INC.  
GENERAL MICROWAVE CORPORATION  
GENERAL MICROWAVE ISRAEL  
CORPORATION  
HERLEY-CTI, INC.  
MSI ACQUISITION CORP.  
MICRO SYSTEMS, INC.  
STAPOR RESEARCH, INC.  
HERLEY-RSS, INC.

By: /s/ Deanna H. Lund  
Name: Deanna H. Lund  
Title: Executive Vice President and Chief Financial Officer

**THE TRUSTEE:**

Wilmington Trust FSB, as Trustee  
By: /s/ Jane Schweiger  
Name: Jane Schweiger  
Title: Vice President

4

---

**KRATOS DEFENSE & SECURITY SOLUTIONS, INC.,**

as Successor Issuer,

**HERLEY INDUSTRIES, INC.,**

as Guarantor

and

**WILMINGTON TRUST FSB,**

as Trustee and Collateral Agent

**FIRST SUPPLEMENTAL INDENTURE**

Dated as of April 4, 2011

Supplementing the Indenture, Dated as of March 25, 2011

Providing for the

Amendment to the Terms of 10% Senior Secured Notes due 2017

**THIS FIRST SUPPLEMENTAL INDENTURE**, dated as of April 4, 2011 (the "*First Supplemental Indenture*"), is by and among KRATOS DEFENSE & SECURITY SOLUTIONS, INC., a corporation duly incorporated and existing under the laws of the State of Delaware ("*Kratos*"), HERLEY INDUSTRIES, INC. (successor by merger with Lanza Acquisition Co.), a corporation duly incorporated and existing under the laws of the State of Delaware, as guarantor ("*Herley*"), and WILMINGTON TRUST FSB, as trustee (the "*Trustee*") and collateral agent (the "*Collateral Agent*").

Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to thereto in the Indenture (as defined below).

## RECITALS

**WHEREAS**, Acquisition Co. Lanza Parent, a Delaware corporation and wholly-owned subsidiary of Kratos ("*Lanza Parent*"), as issuer, and Lanza Acquisition Co., a Delaware corporation and wholly-owned subsidiary of Kratos ("*Lanza Acquisition Co.*"), as a guarantor, has heretofore executed and delivered to the Trustee an Indenture (the "*Indenture*" and as amended, supplemented, waived or otherwise modified, the "*Indenture*"), dated as of March 25, 2011, providing for the issuance of Lanza Parent's 10% Senior Secured Notes due 2017 (the "*Notes*");

**WHEREAS**, Lanza Acquisition Co. has acquired (the "*Acquisition*") all of the outstanding shares of the common stock, par value \$0.10 per share, of Herley;

**WHEREAS**, in connection with the Acquisition, Lanza Acquisition Co. merged with and into Herley, with Herley remaining as the surviving entity;

**WHEREAS**, in connection with the Acquisition, Lanza Parent issued the Notes pursuant to the Indenture, whereby the net proceeds from issuance and sale of the Notes were used to finance the Acquisition, to pay fees and expenses related to the offering of the Notes and for general corporate purposes;

**WHEREAS**, the Notes are (i) guaranteed by Herley and (ii) secured by substantially all the assets of Lanza Parent and Herley (the "*Collateral*");

**WHEREAS**, on the date hereof, Lanza Parent was merged with and into Kratos (the "*Roll-Up Merger*") and all assets and liabilities of Lanza Parent became assets and liabilities of Kratos;

**WHEREAS**, in connection with the Roll-up Merger and pursuant to this First Supplemental Indenture, Kratos expressly assumes hereby all the Obligations of Lanza Parent under the Notes, the Indenture and the Collateral Agreements and Kratos hereby agrees to replace Lanza Parent as the issuer of the Notes under the Indenture and as pledgor under the Collateral Agreements;

**WHEREAS**, after execution and delivery of this First Supplemental Indenture, Kratos, as the replacement issuer of Notes under the Indenture, will consummate the Stage II Notes Exchange Redemption as contemplated in Section 3.01 of the Indenture;

**WHEREAS**, Sections 5.01 and 9.01 of the Indenture provide that Kratos, when authorized by resolutions of the board of directors, and the Trustee or Collateral Agent, as applicable, and by entering into an indenture supplemental to the Indenture for the purpose of amending or supplementing the Indenture, may expressly assume (i) the due and punctual payment of the principal of, and premium, if any, interest and Additional Interest, if any, on all the Notes and the performance of every covenant of the Notes and the Indenture on the part of the Company to be performed or observed thereunder (the "*Indenture Obligations*"), and (ii) all obligations of the Company under the Collateral Agreements, and in connection therewith shall cause such instruments to be filed and recorded in such jurisdictions and take such other actions as may be required by applicable law to perfect or continue the perfection of the Lien created under the Collateral Agreements on the Collateral owned by or transferred to the surviving entity (the "*Collateral Obligations*" and, together with the Indenture Obligations, the "*Obligations*");

**WHEREAS**, pursuant to a meeting of the board of directors of Kratos (the “*Board*”) on March 10, 2011, the Board authorized Kratos, promptly following the consummation of the Acquisition and the Roll-Up Merger, to assume the Obligations;

---

**WHEREAS**, Kratos and Herley have requested the Trustee and Collateral Agent to join with them in entering into this First Supplemental Indenture to permit the assumption of the Obligations, as permitted by Sections 5.01 and 9.01 of the Indenture;

**WHEREAS**, (i) Kratos and Herley have been authorized by Board Resolutions to enter into an indenture supplemental to the Indenture, (ii) Kratos has delivered to the Trustee simultaneously with the execution and delivery of this First Supplemental Indenture an Officers’ Certificate and an Opinion of Counsel relating to this First Supplemental Indenture as contemplated by Sections 5.01 and 9.01 of the Indenture and (iii) Kratos has satisfied all other conditions required under Articles Five and Nine of the Indenture to enable Kratos and the Trustee to enter into this First Supplemental Indenture.

**NOW, THEREFORE**, in consideration of the above premises, each party hereby agrees, for the benefit of the others and for the equal and ratable benefit of the Holders of the Notes, as follows:

## AGREEMENTS

### ARTICLE I

#### ASSIGNMENT AND ASSUMPTION; EFFECTIVENESS OF FIRST SUPPLEMENTAL INDENTURE

Section 1.1 **Assignment and Assumption**. Kratos irrevocably assumes from Lanza Parent the Obligations in accordance to Sections 5.01 and 9.01 of the Indenture. Kratos hereby agrees to replace Lanza Parent as the issuer of the Notes under the Indenture.

Section 1.2 **Effectiveness of this First Supplemental Indenture**. This First Supplemental Indenture is entered into pursuant to and consistent with Sections 5.01 and 9.01 of the Indenture. Upon the execution of this First Supplemental Indenture by Kratos, Herley, the Trustee and the Collateral Agent, the Indenture shall be supplemented in accordance herewith, and this First Supplemental Indenture shall form a part of the Indenture for all purposes and each Holder shall be bound thereby.

### ARTICLE II

#### MISCELLANEOUS PROVISIONS

Section 2.1 **Confirmation of the Indenture**. The Indenture, as heretofore supplemented by this First Supplemental Indenture, as well as the Notes, are in all respects ratified and confirmed and all the terms shall remain in full force and effect. This First Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes, heretofore or hereafter authenticated and delivered under the Indenture shall be bound hereby and all terms and conditions of each shall be read together as though they constitute a single instrument, except that in the case of conflict the provisions of this First Supplemental Indenture shall control.

Section 2.2 **Governing Law**. This First Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made or instruments entered into and, in each case, performed in said state.

Section 2.3 **Successors**. All agreements of Kratos and Herley in this First Supplemental Indenture shall bind their respective successors. All agreements of the Trustee and Collateral Agent in this First Supplemental Indenture shall bind its successors.

Section 2.4 **Duplicate Originals**. All parties may sign any number of copies of this First Supplemental Indenture. Each signed copy shall be an original, but all of them together shall represent the same agreement. The exchange of copies of this First Supplemental Indenture and of signature pages by facsimile or pdf shall constitute effective execution and delivery of this First Supplemental Indenture. Signatures of the parties hereto transmitted by facsimile or pdf shall be deemed to be their original signatures for all purposes.

---

Section 2.5 **Severability**. In case any one or more of the provisions in this First Supplemental Indenture or in the Notes shall be held invalid, illegal or unenforceable, in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions shall not in any way be affected or impaired thereby, it being intended that all of the provisions hereof shall be enforceable to the full extent permitted by law.

Section 2.6 **Trustee Not Responsible for Recitals**. The recitals contained herein shall be taken as the statements of the Company and Kratos, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this First Supplemental Indenture.

Section 2.7 **Effect of Headings**. The Section headings herein are for convenience only and shall not affect the construction thereof.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

---

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture to be duly executed as of the day and year written above.

KRATOS DEFENSE SYSTEMS & SOLUTIONS, INC.

By: /s/ Deanna H. Lund  
Name: Deanna H. Lund  
Title: Executive Vice President & Chief Financial Officer

HERLEY INDUSTRIES, INC.

By: /s/ Deanna H. Lund  
Name: Deanna H. Lund  
Title: Executive Vice President & Chief Financial Officer

---

WILMINGTON TRUST FSB, as Trustee and Collateral Agent

By: /s/ Jane Schweiger  
Name: Jane Schweiger  
Title: Vice President

---