

Selvaggio Richard B
 Form 3
 January 10, 2011

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
 Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

<p>1. Name and Address of Reporting Person *</p> <p>Â Selvaggio Richard B</p> <p>(Last) (First) (Middle)</p> <p>4820 EASTGATE MALL</p> <p>(Street)</p> <p>SAN DIEGO, Â CA Â 92121</p> <p>(City) (State) (Zip)</p>	<p>2. Date of Event Requiring Statement</p> <p>(Month/Day/Year)</p> <p>01/01/2011</p>	<p>3. Issuer Name and Ticker or Trading Symbol</p> <p>KRATOS DEFENSE & SECURITY SOLUTIONS, INC.</p> <p>[KTOS]</p>	<p>4. Relationship of Reporting Person(s) to Issuer</p> <p>(Check all applicable)</p> <p><input type="checkbox"/> Director <input type="checkbox"/> 10% Owner</p> <p><input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other</p> <p>(give title below) (specify below)</p> <p>Senior Vice President</p>	<p>5. If Amendment, Date Original Filed(Month/Day/Year)</p>	<p>6. Individual or Joint/Group Filing(Check Applicable Line)</p> <p><input checked="" type="checkbox"/> Form filed by One Reporting Person</p> <p><input type="checkbox"/> Form filed by More than One Reporting Person</p>
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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	11,496	D	Â

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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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 of Derivative Security: Direct (D) or Indirect	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable Expiration Date	Title Amount or Number of			

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			Shares		(I) (Instr. 5)	
Restricted Stock Units <u>(1)</u> \hat{A} <u>(2)</u>	04/25/2017	Common Stock	80	\$ 0	D	\hat{A}
Restricted Stock Units <u>(1)</u> \hat{A} <u>(3)</u>	01/04/2018	Common Stock	600	\$ 0	D	\hat{A}
Restricted Stock Units <u>(1)</u> \hat{A} <u>(4)</u>	01/02/2019	Common Stock	6,000	\$ 0	D	\hat{A}
Restricted Stock Units <u>(1)</u> \hat{A} <u>(5)</u>	01/02/2020	Common Stock	11,999	\$ 0	D	\hat{A}
Restricted Stock Units <u>(1)</u> \hat{A} <u>(6)</u>	01/11/2020	Common Stock	9,000	\$ 0	D	\hat{A}
Restricted Stock Units <u>(1)</u> \hat{A} <u>(7)</u>	01/03/2021	Common Stock	20,000	\$ 0	D	\hat{A}
Option <u>(8)</u>	09/18/2004 02/19/2011	Common Stock	1,400	\$ 20.8	D	\hat{A}

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Selvaggio Richard B 4820 EASTGATE MALL SAN DIEGO, CA 92121	\hat{A}	\hat{A}	\hat{A} Senior Vice President	\hat{A}

Signatures

Richard B. Selvaggio, by Eva Yee,
Attorney-In-Fact

01/10/2011

**Signature of Reporting Person Date

Explanation of Responses:

- * 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).
- (1) Each restricted stock unit represents a contingent right to receive one share of Issuer's common stock.
The reporting person was granted 1,000 restricted stock units on April 25, 2007, with 501 restricted stock units vesting two (2) years from the date of grant and the remaining restricted stock units vesting monthly over the next two (2) years, unless earlier vested upon a change in control or a qualifying termination event pursuant to the terms of the restricted stock unit agreement. 80 restricted stock units represent the remaining unvested units.
- (2) The reporting person was granted 1,500 restricted stock units on January 4, 2008, which vest 20% annually beginning on January 4, 2009, pursuant to the terms of the restricted stock unit agreement. 600 restricted stock units represent the remaining unvested units.
- (3) The reporting person was granted 10,000 restricted stock units on January 2, 2009, which vest 20% annually beginning on January 2, 2010, unless earlier vested upon a change in control or a qualifying termination event pursuant to the terms of the restricted stock unit agreement. 6,000 restricted stock units represent the remaining unvested units.
- (4) The reporting person was granted 15,000 restricted stock units on January 2, 2010, which vest 20% annually beginning on January 2, 2011, unless earlier vested upon a change in control pursuant to the terms of the restricted stock unit agreement. 11,999 restricted stock

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units represent the remaining unvested units.

- (6) The reporting person was granted 9,000 restricted stock units on January 11, 2010, which vest 100% five (5) years from the date of grant, unless earlier vested upon a change in control pursuant to the terms of the restricted stock unit agreement.
- (7) The reporting person was granted 20,000 restricted stock units on January 3, 2011, which vest 100% five (5) years from the date of grant, unless earlier vested upon a change in control pursuant to the terms of the restricted stock unit agreement.
- (8) Option to buy Common Stock of the Issuer.

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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