

Selvaggio Richard B  
 Form 3  
 January 10, 2011

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

OMB APPROVAL

OMB Number: 3235-0104  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

**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)

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

**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)

**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 control number.**

**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	

Edgar Filing: Selvaggio Richard B - Form 3

			Shares		(I) (Instr. 5)	
Restricted Stock Units <sup>(1)</sup> &sup2)	04/25/2017	Common Stock	80	\$ 0	D	&sup3)
Restricted Stock Units <sup>(1)</sup> &sup3)	01/04/2018	Common Stock	600	\$ 0	D	&sup4)
Restricted Stock Units <sup>(1)</sup> &sup4)	01/02/2019	Common Stock	6,000	\$ 0	D	&sup5)
Restricted Stock Units <sup>(1)</sup> &sup5)	01/02/2020	Common Stock	11,999	\$ 0	D	&sup6)
Restricted Stock Units <sup>(1)</sup> &sup6)	01/11/2020	Common Stock	9,000	\$ 0	D	&sup7)
Restricted Stock Units <sup>(1)</sup> &sup7)	01/03/2021	Common Stock	20,000	\$ 0	D	&sup8)
Option <sup>(8)</sup>	09/18/2004 02/19/2011	Common Stock	1,400	\$ 20.8	D	&sup9)

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Selvaggio Richard B 4820 EASTGATE MALL SAN DIEGO, CA 92121	&sup3)	&sup4)	&sup5) Senior Vice President	&sup6)

## Signatures

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

01/10/2011

Date

\*\*Signature of Reporting Person

## 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

## Edgar Filing: Selvaggio Richard B - Form 3

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.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.