

Bates Howard W.
Form 4
March 17, 2009

FORM 4

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

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN 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

OMB APPROVAL

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
burden hours per
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
Bates Howard W.

2. Issuer Name **and** Ticker or Trading
Symbol

KRATOS DEFENSE & SECURITY
SOLUTIONS, INC. [KTOS]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)

11405 N. PENNSYLVANIA
STREET, SUITE 200

(Street)

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

06/30/2008

____ Director ____ 10% Owner
____ Officer (give title ____X____ Other (specify
below) below)

Pres., Gov't Solutions Segment

CAMEL, IN 46032

(City) (State) (Zip)

4. If Amendment, Date Original
Filed(Month/Day/Year)

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Stock <u>(1)</u>	06/30/2008		A	Amount 12,694 <u>(1)</u>	(A) or (D) A \$ 2.74	415,708	D
Common Stock <u>(2)</u>	06/30/2008		A	556 <u>(2)</u>	A \$ 2.74	416,264	D

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

**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.**

SEC 1474
(9-02)

Edgar Filing: Bates Howard W. - Form 4

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Bates Howard W.
11405 N. PENNSYLVANIA STREET
SUITE 200
CAMEL, IN 46032

Pres., Gov't Solutions Segment

Signatures

Howard W. Bates, by Matthew G. Colvin,
Attorney-In-Fact

03/17/2009

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(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).

These shares were acquired by the Reporting Person on June 30, 2008 in satisfaction of interest due to the former Qualified Shareholders, of Haverstick Consulting, Inc., as such term is defined in the Agreement and Plan of Merger, dated November 2, 2007 by and between the Issuer, Kratos Government Solutions, Inc., Haverstick Acquisition Corporation and Haverstick Consulting, Inc.

These Shares were acquired by the Reporting Person on June 30, 2008 in satisfaction of interest owed to the Reporting Person in connection with the Settlement Shares, as such term is defined below, and under the terms of the Agreement and Plan of Merger dated November 2, 2007 by and between the Issuer, Kratos Government Solutions, Inc., Haverstick Acquisition Corporation and Haverstick Consulting, Inc. (the "Merger Agreement"), and in connection with the Issuer entering into a Settlement Agreement, Waiver and Release dated as of April 7, 2008, with the Shareholders' Representative, as such term is defined in the Merger Agreement, wherein the Issuer agreed to issue additional shares of its common stock to the former Qualified Shareholders of Haverstick Consulting, Inc. as such term is defined in the Merger Agreement (the "Settlement Shares") with such Settlement Shares being issued effective April 7, 2008.

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.