

Bates Howard W.
Form 4
March 17, 2009

FORM 4

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

OMB APPROVAL

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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

(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
____ Officer (give title below) 10% Owner
____ Other (specify 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)
 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)
				(A) or (D)	Price		
Common Stock ⁽¹⁾	06/30/2008		A	V	12,694 ⁽¹⁾ \$ 2.74	A	D
Common Stock ⁽²⁾	06/30/2008		A	V	556 ⁽²⁾ \$ 2.74	A	D

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

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SEC 1474 (9-02)

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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...
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
						Code	V	(A)	(D)

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).
- (1) 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.
- (2) 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.