

REACH BRIAN L
Form 4
December 17, 2010

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 *
REACH BRIAN L

(Last) (First) (Middle)

C/O HENRY BROS.
ELECTRONICS, INC., 17-01
POLLITT DRIVE

(Street)

FAIR LAWN, NJ 07410

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

Henry Bros. Electronics, Inc. [HBE]

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

12/15/2010

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
Pres., COO & Secr.

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | Code V | Amount | (A) or (D) | Price \$ |
| Common Stock | 12/15/2010 | | D | | 172,000 | D | 8.20 (1) |

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

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SEC 1474 (9-02)

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

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| 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) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Option (Right to Buy) | \$ 3.71 | 12/15/2010 | | D | | (2) | 05/31/2012 | Common Stock | 10,000 |
| Option (Right to Buy) | \$ 3.85 | 12/15/2010 | | D | | (3) | 06/23/2016 | Common Stock | 100,000 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

REACH BRIAN L
C/O HENRY BROS. ELECTRONICS, INC.
17-01 POLLITT DRIVE
FAIR LAWN, NJ 07410

X

Pres., COO & Sec.

Signatures

/s/ Brian L.
Reach

12/17/2010

**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) Disposed of pursuant to that certain Agreement and Plan of Merger, dated as of October 5, 2010, by and among Kratos Defense & Security Solutions, Inc., a Delaware corporation, Hammer Acquisition Inc., a Delaware corporation and the Issuer, as amended, whereby holders of the Issuer's common stock are entitled to receive \$8.20 per share, without interest, for each share of common stock they hold.

(2) This option, which does not vest until May 31, 2011, was assumed by Kratos and converted into an option to purchase a number of shares of Kratos's common stock equal to the product (rounded down to the nearest whole share) of (a) the number of shares of the Issuer's common stock that could be purchased under the assumed option multiplied (b) by 0.7715. The assumed option will otherwise have the same terms as in effect prior to the conversion, except that (i) it will be denominated in Kratos's common stock and (ii) the per share exercise price of such option shall be adjusted by dividing its exercise price by 0.7715.

(3) This option, which fully vested upon the change in control of the Issuer triggered by the merger, was assumed by Kratos and converted into an option to purchase a number of shares Kratos's common stock equal to the product (rounded down to the nearest whole share) of (a) the number of shares of the Issuer's common stock that could be purchased under the assumed option multiplied (b) by 0.7715. The assumed option will otherwise have the same terms as in effect prior to the conversion, except that (i) it will be denominated in Kratos's common stock and (ii) the per share exercise price of such option shall be adjusted by dividing its exercise price by 0.7715.

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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