

MSI ACQUISITION INC
Form 424B3
November 02, 2011

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Filed pursuant to Rule 424(b)(3)
Registration No. 333-177493

PROSPECTUS

Kratos Defense & Security Solutions, Inc.

Offer to Exchange 10% Senior Secured Notes due 2017 (\$115,000,000 in principal amount outstanding)

We are offering to exchange, upon the terms and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal, our new registered 10% Senior Secured Notes due 2017 (the "Exchange Notes") for all of our outstanding unregistered 10% Senior Secured Notes due 2017, issued on July 27, 2011 (the "Original Notes"). We will not receive any proceeds from the exchange offer.

Material Terms of the Exchange Offer

Terms of Exchange Notes. The terms of the Exchange Notes will be substantially identical to the Original Notes, except that the Exchange Notes will not be subject to transfer restrictions or registration rights relating to the Original Notes. See the section entitled "Description of the Exchange Notes" beginning on page 37 for more information about the Exchange Notes and related exchange guarantees to be issued in this exchange offer.

Expiration Date. The exchange offer expires at 5:00 p.m., New York City time, on December 2, 2011, unless extended.

Notes Exchanged. All Original Notes tendered in accordance with the procedures in this prospectus and not withdrawn will be exchanged for an equal amount of Exchange Notes.

Conditions. The exchange offer is not conditioned upon a minimum aggregate principal amount of Original Notes being tendered. The exchange offer is subject only to the conditions that it not violate applicable laws or any applicable interpretation of the staff of the Securities and Exchange Commission ("SEC").

Guarantees. We are also offering to exchange the guarantees associated with the Original Notes (the "Original Guarantees"), for the guarantees associated with the Exchange Notes (the "Exchange Guarantees"). The terms of the Exchange Guarantees will be substantially identical to the Original Guarantees, except that the Exchange Guarantees will not be subject to the transfer restrictions or registration rights relating to the Original Guarantees.

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Market for Exchange Notes. There is no existing market for the Exchange Notes, and we do not intend to apply for their listing on any securities exchange or arrange for them to be quoted on any quotation system.

If you do not exchange your Original Notes and related Original Guarantees for Exchange Notes and related Exchange Guarantees in the exchange offer, you will continue to be subject to the restrictions on transfer provided in the Original Notes and related Original Guarantees and the indenture governing those notes. In general, you may not offer or sell your Original Notes and related Original Guarantees unless such offer or sale is registered under the federal securities laws or sold in a transaction exempt from or not subject to the registration requirements of the federal securities laws and applicable state securities laws.

See "Risk Factors" beginning on page 14 for a discussion of certain risks that you should consider before participating in the exchange offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is November 2, 2011

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Each broker-dealer that receives Exchange Notes for its own account pursuant to this exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. The letter of transmittal accompanying this prospectus states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act of 1933, as amended (the "Securities Act"). This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer during the 180-day period following the closing of the exchange offer in connection with resales of Exchange Notes received in exchange for Original Notes where such Original Notes were acquired by such broker-dealer as a result of market-making or other trading activities. We have agreed that during the 180-day period following the closing of the exchange offer we will make this prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

ABOUT THIS PROSPECTUS

In making your decision regarding participation in the exchange offer, you should rely only on the information contained or incorporated by reference in this prospectus. This prospectus incorporates important business and financial information about us that is not included in or delivered with this prospectus. We have not authorized anyone to provide you with any other information. We are not making an offer of these securities in places where offers and sales are not permitted. The information contained in this prospectus and any applicable prospectus supplement is accurate only on the date such information is presented. Our business, financial condition, results of operations and prospectus may have changed since that date. You should read this prospectus together with the additional information described under the heading "Where You Can Find More Information."

This prospectus may be supplemented from time to time to add, update or change information in this prospectus. Any statement contained in this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in such prospectus supplement modifies or supersedes such statement. Any statement so modified will be deemed to constitute a part of this prospectus only as so modified, and any statement so superseded will be deemed not to constitute a part of this prospectus.

The registration statement containing this prospectus, including the exhibits to the registration statement, provides additional information about us and the securities offered under this prospectus. The registration statement, including the exhibits, can be read on the website of the SEC or at the offices of the SEC as further described in "Where You Can Find More Information." You may obtain a copy of the registration statement and its exhibits, free of charge, by oral or written request directed to: Kratos Defense & Security Solutions, Inc., 4820 Eastgate Mall, San Diego, CA 92121, Attention: Corporate Secretary, phone number (858) 812-7300. **The exchange offer is expected to expire on December 2, 2011 and you must make your exchange decision by this expiration date. To obtain timely delivery of the requested information, you must request this information by November 25, 2011, which is five business days before the expiration date of the exchange offer.**

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FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference herein contain forward-looking statements. Forward-looking statements may include, but are not limited to, statements relating to our future financial performance, the growth of the market for our products and services, expansion plans and opportunities and statements regarding our plans, strategies and objectives for future operations. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential" or "continue," the negative of such terms or other comparable terminology.

Forward-looking statements reflect our current views about future events, are based on assumptions, and are subject to known and unknown risks, uncertainties and other important factors. Many important factors could cause actual results, performance or achievements to differ materially from the expected future results, performance or achievements expressed in or implied by our forward-looking statements, including the following:

our high level of indebtedness;

our ability to make interest and principal payments on our debt and satisfy the other covenants contained in the indenture that governs certain existing notes, our credit facility and other debt agreements;

general economic conditions and inflation, interest rate movements and access to capital;

changes or cutbacks in spending or the appropriation of funding by the U.S. Federal Government, including the risk of a prolonged government continuing resolution or government shut down;

the timing, rescheduling or cancellation of significant customer contracts and agreements, or consolidation by, or the loss of, key customers;

changes in the scope or timing of our projects;

our ability to successfully consummate acquisitions, to integrate acquired companies and to realize the benefits of our acquisitions, including our ability to achieve anticipated opportunities and operating synergies, and accretion to reported earnings estimated to result from acquisitions in the time frame expected by management or at all;

our revenue projections; and

the effect of competition.

These forward-looking statements reflect our views and assumptions only as of the date such forward-looking statements are made. Many of the factors that will determine future results, performance or achievements are beyond our ability to control or predict, and accordingly, you should not place undue reliance on forward-looking statements. Except as required by law, we assume no responsibility for updating any forward-looking statements nor do we intend to do so. Our actual results, performance or achievements could differ materially from the results expressed in, or implied by, these forward-looking statements. The risks included in this section are not exhaustive. Additional factors that could cause actual results to differ materially from those described in the forward-looking statements are set forth under the heading "Risk Factors" beginning on page 14 of this prospectus, and in our most recent Annual Report on Form 10-K and in our subsequent reports on Forms 10 Q and 8 K and other filings with the SEC. You should carefully read this prospectus together with the information incorporated herein by reference as described under the heading "Where You Can Find More Information," completely and with the understanding that our actual future results may be materially different from what we expect.

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PROSPECTUS SUMMARY

This summary highlights information from this prospectus, but does not contain all material features of the exchange offer. To understand all of the terms of the exchange offer and for a more complete understanding of our business, you should carefully read the entire prospectus and the documents incorporated by reference in this prospectus.

In this prospectus, references to "we," "our," "us," "the Company" or "Kratos" mean Kratos Defense & Security Solutions, Inc. and its subsidiaries on a consolidated basis. In this prospectus, we sometimes collectively refer to our acquisition of Integral Systems, Inc. ("Integral Systems") and the debt offering consummated on July 27, 2011, in which we issued \$115.0 million in indebtedness and received approximately \$122.5 million in gross proceeds (which included an approximate \$5.7 million of issuance premium and \$1.8 million of accrued interest), and certain transactions related thereto as the "Transactions". Additionally, we use the term "Original Notes" to refer to the \$115.0 million aggregate principal amount of 10% Senior Secured Notes due 2017 that were issued by the Company on July 27, 2011, pursuant to that certain Indenture, dated as of May 19, 2010, by and among the Company, the guarantors party thereto and Wilmington Trust, National Association (as successor by merger to Wilmington Trust FSB) as trustee and collateral agent (as amended or supplemented, the "Indenture"); the term "Exchange Notes" to refer to the 10% Senior Secured Notes due 2017 that have been registered under the Securities Act and are being offered in exchange for the Original Notes as described in this prospectus; the term "Existing Kratos Notes" to refer to the \$225.0 million aggregate principal amount of 10% Senior Secured Notes due 2017 that were issued by the Company on May 19, 2010 and the \$285.0 million aggregate principal amount of 10% Senior Secured Notes due 2017 that were issued by the Company on April 15, 2011, pursuant to the Indenture and subsequently exchanged for registered notes on August 11, 2010 and August 1, 2011, respectively; the term "Kratos Notes" to collectively refer to the Exchange Notes and the Existing Kratos Notes; the term "Existing Kratos Guarantees" to refer to the guarantees related to the Existing Kratos Notes; the term "Exchange Guarantees" to refer to the guarantees related to the Exchange Notes; and the term "Kratos Guarantees" to collectively refer to the Existing Kratos Guarantees and the Exchange Guarantees.

Company Overview

We are a specialized national security business providing mission critical products, services and solutions for U.S. national security priorities. Our core capabilities are sophisticated engineering, manufacturing and system integration offerings for national security platforms and programs. Our principal products and services are related to, but are not limited to, Command, Control, Communications, Computing, Combat Systems, Intelligence, Surveillance and Reconnaissance ("C5ISR"); related cybersecurity; cyberwarfare; information assurance and situational awareness solutions; weapons systems lifecycle support and sustainment; military weapon range operations and technical services; missile, rocket and weapons system testing and evaluation and launch services, primarily for ballistic missile defense; electronic warfare; public safety, critical infrastructure security and surveillance systems; modeling and simulation; unmanned aerial vehicle systems ("UAVs"); signal processing and data communications; enterprise network management; communications information assurance; and advanced network engineering and information technology ("IT") services. We offer our customers products, solutions, services and expertise to support their mission critical needs by leveraging our skills across our core offering areas.

Our primary end customers are U.S. Federal Government agencies, including the Department of Defense ("DoD"), classified agencies, intelligence agencies, other national security agencies and homeland security related agencies. We believe our stable client base, strong client relationships, broad array of contract vehicles, considerable employee base possessing national security clearances, extensive list of past performance qualifications, and significant management and operational capabilities position us for continued growth.

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We serve 14 of the top 15 DoD programs in terms of total procurement and research, development, testing and evaluation spending. We provide products, solutions and services for a wide range of established, deployed and operating national security platforms, including, but not limited to, Aegis Ballistic Missile Defense systems, M1 Abrams tanks, Bradley fighting vehicles, the F-5 Tiger, HiMARS, Chaparral and HAWK missile systems, the F-16 Falcon, the F/A-18E/F Super Hornet, the E-2C/D Hawkeye, the EA-18G Growler, the Aegis class surface combatants, the AMRAAM (Advanced Medium Range Air-to-Air Missile), Kiowa AH-60 helicopters, DDG-1000 Zumwalt destroyers, attack and missile submarines, certain intelligence surveillance and reconnaissance systems and various unmanned systems.

Current Reporting Segments

We operate in two principal business segments: Kratos Government Solutions and Public Safety and Security. We organize our business segments based on the nature of the services offered. Transactions between segments are generally negotiated and accounted for under terms and conditions similar to other government and commercial contracts and these intercompany transactions are eliminated in consolidation. Our financial statements, incorporated by reference in this prospectus are presented in a manner consistent with our operating structure. For additional information regarding our operating segments, see Note 14 of our Notes to the Consolidated Financial Statements, included in our Annual Report on Form 10-K filed with the SEC on March 2, 2011. From a customer and solutions perspective, we view our business as an integrated whole, leveraging skills and assets wherever possible.

Kratos Government Solutions ("KGS") Segment

The KGS segment provides products, solutions and services primarily for mission-critical national security priorities. KGS customers primarily include national security related agencies, the DoD, intelligence agencies and classified agencies. Our work includes weapon systems sustainment, lifecycle support and extension; C5ISR services, including related cybersecurity, cyberwarfare, information assurance and situational awareness solutions; military range operations and technical services; missile, rocket, and weapons systems test and evaluation; mission launch services; modeling and simulation; UAV products and technology; advanced network engineering and IT services; and public safety, security and surveillance systems integration. We produce products, solutions and services related to certain C5ISR platforms, unmanned system platforms, weapons systems, national security related assets and warfighter systems.

Public Safety and Security ("PSS") Segment

Our PSS segment provides independent integrated solutions for advanced homeland security, public safety, critical information, and security and surveillance systems for government and commercial applications. Our solutions include designing, installing and servicing building technologies that protect people, critical infrastructure, assets, information and property and make facilities more secure and efficient. We provide solutions in such areas as the design, engineering and operation of command and control centers; the design, engineering, deployment and integration of access control; building automation and control; communications; digital and closed circuit television security and surveillance; fire and life safety; maintenance and service; and project support services.

We provide solutions for customers in the critical infrastructure, power generation, power transport, nuclear energy, financial, information technology, healthcare, education, transportation and petrochemical industries, as well as certain government and military customers. For example, we provide biometrics and other access control technologies to customers such as pipelines, electrical grids, municipal port authorities, power plants, communication centers, large data centers, government installations and other commercial enterprises.

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Recent Developments

On July 27, 2011, we completed the acquisition of Integral Systems, pursuant to the terms and conditions of that certain Agreement and Plan of Merger, dated as of May 15, 2011, by and among the Company, IRIS Merger Sub Inc., a Maryland corporation and our wholly owned subsidiary ("Merger Sub"), IRIS Acquisition Sub LLC, a single member Maryland limited liability company and our wholly owned subsidiary, and Integral Systems (the "Merger Agreement").

Pursuant to the terms of the Merger Agreement, at the effective time of the Merger (the "Effective Time"), each outstanding share of Integral Systems common stock was cancelled and converted into the right to receive (i) \$5.00, in cash, without interest, and (ii) 0.588 shares of the Company's common stock. In addition, at the Effective Time (A) each outstanding Integral Systems stock option with an exercise price less than \$13.00 per share was, if the holder thereof had so elected in writing, cancelled in exchange for an amount in cash equal to the product of the total number of shares of Integral Systems common stock subject to such in-the-money option, multiplied by the aggregate value of the excess, if any, of \$13.00 over the exercise price per share subject to such option, less the amount of any tax withholding, (B) each outstanding Integral Systems stock option with an exercise price equal to or greater than \$13.00 per share and each Integral Systems in-the-money option the holder of which had not made the election described in (A) above, was converted into an option to purchase Company common stock, with (1) the number of shares subject to such option adjusted to equal the number of shares of Integral Systems common stock subject to such out-of-the-money option multiplied by 0.9559, rounded up to the nearest whole share, and (2) the per share exercise price under each such option adjusted by dividing the per share exercise price under such option by 0.9559, rounded up to the nearest whole cent, and (C) each outstanding share of restricted stock granted under an Integral Systems equity plan or otherwise, whether vested or unvested, was cancelled and converted into the right to receive \$13.00, less the amount of any tax withholding.

Background

Department of Defense Drives Strategic Priorities for the Company

The delivery and execution of our mission-critical engineering and support services are driven by the priorities of the U.S. Federal Government and primarily the DoD. The strategic priorities of the DoD are based in large part on the Quadrennial Defense Review, a legislatively mandated review of DoD strategy and priorities. These priorities are currently focused on mission-critical capabilities of the U.S. armed forces and providing the support infrastructure necessary to sustain these forces in a time of heightened warfare readiness and deployment.

The DoD's budget for the 2012 fiscal year is \$671.0 billion, a decrease of 5% from fiscal year 2011. The top 28 programs account for approximately \$64.0 billion in funding and require aggregate funding that is nearly 14% higher than what was set aside for them in the fiscal year 2010 budget, which closed on September 30, 2010. The increase in the top 28 programs represents a significant opportunity to key federal government contractors in support of the DoD's war fighter, information technology, and other operational priorities. We believe there will be significant market opportunities for providers of system sustainment, IT and engineering services and solutions to federal government agencies over the next several years, particularly those in the defense and homeland security communities.

The entire Federal Government is currently operating under the authority of a continuing resolution (the "Continuing Resolution") for the fiscal year ending September 30, 2012. The Continuing Resolution provides aggregate funding of \$1.043 trillion (the amount for fiscal year 2012 set forth in the Budget Control Act of 2011) for programs and services, including DoD budgets. The Continuing Resolution runs through November 18, 2011, after which Congress will either pass a new appropriations bill, extend the Continuing Resolution, or shut down the government for all nonessential Federal Government services.

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Focus on Federal Government Transformation

The federal government, and the DoD in particular, is in the midst of a significant transformation that is driven by the federal government's need to address the changing nature of global threats. A significant aspect of this transformation is the use of C5ISR and IT to increase the federal government's effectiveness and efficiency. The result is increased federal government spending on IT to upgrade networks and transform the federal government from separate, isolated organizations into larger, enterprise level, network-centric organizations capable of sharing information broadly and quickly. While the transformation initiative is driven by the need to prepare for new world threats, adopting these IT transformation initiatives will also improve efficiency and reduce infrastructure costs across all federal government agencies.

An additional aspect of the military transformation includes significantly enhancing military readiness in areas such as missile defense, weapons system sustainment and extension, and the overall strengthening of intelligence and security. For example, the objective of the DoD as it relates to missile defense is to continue to develop, test, and field missile defense systems to protect the U.S., its allies and deployed forces.

While the real rate of growth in the top line defense budget may be slowing for the first time since September 11, 2001, the U.S. Government's budgetary process continues to give us good visibility with respect to future spending and the threat areas that the government is addressing. We believe that our business is aligned with mission-critical national security priorities, particularly in the area of missile defense, C5ISR, cyber security and information assurance, and that our current contracts and strong backlog provide us with good insight regarding our future cash flows.

Competitive Strengths

We believe we have robust capabilities and past performance qualifications in our respective business areas, including a work force that is experienced with the various programs we service and the customers we serve. Additionally, many of our employees have national security clearances specifically related to the customers for whom they work and the contracts on which they work. We believe the following key strengths distinguish us competitively:

Significant and Highly Specialized Experience

Through existing customer engagements and the government focused acquisitions we have completed over the past several years, we have amassed significant and highly specialized experience in areas directly related to C5ISR weapon system lifecycle extension and sustainment; missile, rocket and weapons system testing and evaluation; military range operations and technical services; and other highly differentiated services and solutions. This collective experience, or past performance qualifications, is a requirement for the majority of our contract vehicles and customer engagements. Further enhancing our specialized expertise, many of our approximately 3,900 employees have national security clearances, including top secret and higher. We believe these characteristics represent a significant competitive strength and position us to win renewal or follow-on business.

Specialized National Security Focus Aligned with Mission-Critical National Security Priorities

Continued concerns related to the threat posed by certain foreign nations and terrorists have caused the U.S. Government to identify national security as an area of functional and spending priority. Budget pressures, particularly related to DoD spending, have placed a premium on developing and fielding relatively low-cost, high-technology solutions to assist in national security missions. Our primary

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capabilities and areas of focus, listed below, are strongly aligned with the objectives of the U.S. Government:

Intelligence, surveillance and reconnaissance

Command and control

Unmanned systems

Ballistic missile defense

Cyber security and information assurance

Strategic Geographic Locations and Base Realignment and Closure

The U.S. Base Realignment and Closure Act of 2005 ("BRAC") is the congressionally authorized process the DoD has implemented to reorganize its base structure to fewer, larger bases in order to support U.S. armed forces more efficiently and effectively, increase operational readiness and facilitate new ways of doing business. As a result of the DoD's BRAC transformation, we have concentrated part of our business strategy on building a significant presence in key BRAC receiving locations where the U.S. Federal Government is relocating its personnel and related technical and professional services. We believe our focus on increasing our strategic presence in key BRAC receiving locations will provide us with a significant competitive advantage

Diverse Base of Key Contracts with Low Concentration

As a result of our business development focus on securing key contracts, we are a preferred contractor on numerous multi-year, government-wide acquisition contracts ("GWACs") and multiple award contracts. Our preferred contractor status provides us with the opportunity to bid on hundreds of millions of dollars of business each year against a discrete number of other pre-qualified companies. We have a highly diverse base of contracts with no contract representing more than 5% of our revenue for fiscal year 2010. Our fixed price contracts, almost all of which are production contracts, represent approximately 57% of our revenue for fiscal year 2010. Our cost-plus-fee contracts and time and materials contracts represent approximately 22% and 21%, respectively, of our revenue for fiscal year 2010. We believe our diverse base of key contracts and low reliance on any one contract provides us with a stable, balanced revenue stream.

In-Depth Understanding of Client Missions

We have a reputation for providing mission-critical services and solutions to our clients. Our relationships with our U.S. Army, U.S. Navy and U.S. Air Force customers generally exceed 10 years, enabling us to develop an in-depth understanding of their missions and technical needs. In addition, we have employees located at customer sites, providing us valuable strategic insights into our clients' ongoing and future program requirements. Our in-depth understanding of our clients' missions, in conjunction with the strategic location of our employees, enables us to offer technical solutions tailored to our clients' specific requirements and evolving mission objectives. In addition, once we are on-site with a customer, we have historically been successful in winning re-compete business in the vast majority of cases.

Significant Cash Flow Visibility Driven by Stable Backlog

As of June 26, 2011, our pro forma total backlog was approximately \$932 million, of which approximately \$383 million was funded backlog. The majority of our sales are from orders issued under long-term contracts, typically three to five years in duration. Our contract backlog provides visibility into stable future revenue and cash flow over a diverse set of contracts.

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Highly Skilled Employees and an Experienced Management Team

We deliver our services through a skilled workforce of approximately 3,900 employees. Our senior managers have significant experience with U.S. Federal Government agencies, the U.S. military and federal government contractors. Members of our management team have experience growing businesses both organically and through acquisitions. We believe that the cumulative experience and differentiated expertise of our personnel in our core focus areas, coupled with our sizable employee base, many of which hold national security clearances, allows us to qualify for and bid on larger projects in a prime contracting role.

Our Strategy

Our strategy is to grow our business as a leading provider of highly differentiated products, solutions and services in our core areas of focus as noted above by delivering comprehensive, high-end engineering services, technical solutions, product manufacturing, and IT solutions to federal government agencies, while improving our margin rates and overall profitability.

Capitalize on Current Contract Base

We are pursuing new program and contract opportunities and awards, as we build the business, with our expanding customer base, contract portfolio, and product, solution and service offerings. We are aggressively pursuing task orders under existing contract vehicles to maximize our revenue and strengthen our client relationships, though there is no assurance that the federal government will make awards up to the ceiling amounts or that we will be awarded any task orders under these vehicles. We have developed several internal tools that facilitate our ability to track, prioritize and win task orders under these vehicles. Combining these tools with our technical expertise, our strong past performance record and our knowledge of our clients' needs should position us to win additional task orders.

Expand Product, Solution and Service Offerings Provided to Existing Clients

We are focused on expanding the products, solutions and services we provide to our current clients by leveraging our strong relationships, technical capabilities and past performance record, and by offering a wider range of comprehensive solutions as we continue to acquire companies with new areas of specialization. With regard to new areas of specialization, our recent acquisitions have expanded our service offerings to include manufacturing of electronic warfare and attack systems, tactical combat vehicle shelters for C5ISR systems, unmanned systems, weapon systems and warfighters. We believe our understanding of client missions, processes and needs, in conjunction with our full lifecycle IT offerings, including cybersecurity, cyberwarfare and situational awareness, positions us to capture new work from existing clients as the federal government continues to increase the volume of IT services contracted to professional services providers. Moreover, we believe our strong past performance record positions us to expand the level of services we provide to our clients.

Expand Client and Contract Base

We are also focused on expanding our client base into areas with significant growth opportunities by leveraging our capabilities, industry reputation, long-term client relationships and diverse contract base. We anticipate that this expansion will enable us to both pursue additional higher value work and further diversify our revenue base across the federal government. Our long-term relationships with federal government agencies, together with our GWAC vehicles, give us opportunities to win contracts with new clients within these agencies.

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Improve Operating Margins

We believe that we have opportunities to increase our operating margins and improve profitability by capitalizing on our corporate infrastructure investments and internally developed tools, improving efficiencies and reducing costs, and concentrating our efforts on increasing the percentage of revenues generated from high value added contracts.

Capitalize on Corporate Infrastructure Investments

In recent periods, we have made significant investments in our senior management and corporate infrastructure in anticipation of future revenue growth. These investments included hiring senior executives with significant experience in the national security industry, strengthening our internal controls over financial reporting and accounting staff in support of public company reporting requirements, expanding our Sensitive Compartmented Information Facilities and other corporate facilities, and expanding our backlog and bid and proposal pipeline. We will be allocating additional resources in our pursuit of new and larger contract opportunities, leveraging our increased scale and robust past performance qualifications. We believe our management experience and corporate infrastructure are more typical of a company with a much larger revenue base than ours. We therefore anticipate that, to the extent our revenue grows, we will be able to leverage this infrastructure base and increase our operating margins.

Concentrate on High Value Added Contracts

We expect to improve our operating margins as we strive to increase the percentage of revenue we derive from our work as a contractor and from engagements where contracts are awarded on a best value, rather than on a low cost, basis. The federal government's move toward performance-based contract awards to realize greater return on its investment has resulted in a shift to greater utilization of best value awards. We believe this shift will enable us to expand our operating margins as we are awarded more contracts of this nature.

Pursue Strategic Acquisitions

We intend to supplement our organic growth by identifying, acquiring and integrating businesses that meet our primary objective of providing us with enhanced capabilities to pursue a broader cross section of the DoD, Department of Homeland Security and other government markets, complement and broaden our existing client base and expand our primary service offerings. Our senior management team has significant acquisition experience.

Risk Factors

An investment in the Exchange Notes involves substantial risks. See "Risk Factors" beginning on page 14 of this prospectus and in our most recent Annual Report on Form 10-K and any subsequent reports on Forms 10-Q and 8-K and other filings with the SEC that are incorporated herein by reference.

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The following summary is qualified by the more detailed information appearing in the computation table found in Exhibit 12.1 to the registration statement of which this prospectus is a part and the historical financial statements, including the notes thereto, incorporated by reference in this prospectus.

The following table sets forth our earnings to fixed charges and the dollar amount of the coverage deficiency for the six month period ended June 26, 2011 and the years ending December 31, 2006, December 31, 2007, December 28, 2008, December 27, 2009 and December 26, 2010. We have not included a ratio of earnings to combined fixed charges and preferred stock dividends because no preferred dividends are accrued, accruing or payable on our outstanding preference shares.

	(In millions, except ratio)					
	Fiscal Year Ended					Six Month
	December 31, 2006	December 31, 2007	December 28, 2008	December 27, 2009	December 26, 2010	Period Ended June 26, 2011
Ratio of Earnings to Fixed Charges						1.1
Deficiency of Earnings Available to Cover Fixed Charges	\$ (26.7)	\$ (25.9)	\$ (104.7)	\$ (37.3)		\$ (9.4)

Corporate Information

We were incorporated in the state of New York on December 19, 1994 and began operations in March 1995. We reincorporated in the state of Delaware in 1997. Our executive offices are located at 4820 Eastgate Mall, San Diego, California 92121, and our telephone number is (858) 812-7300. We maintain a website at www.kratosdefense.com. Information contained in or accessible through our website does not constitute part of this prospectus. Our common stock has been publicly traded since 1999 and is listed on the NASDAQ Global Select Market under the symbol "KTOS".

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Summary of the Terms of the Exchange Offer

On July 27, 2011, the Company issued \$115.0 million aggregate principal amount of its 10% Senior Secured Notes due 2017 pursuant to that certain indenture, dated as of May 19, 2010, among the Company, the guarantors party thereto and Wilmington Trust, National Association (as successor by merger to Wilmington Trust FSB) ("Wilmington Trust"), as trustee and collateral agent. On July 27, 2011, in connection with the issuance of the Original Notes, we entered into a registration rights agreement in which we agreed that you, as a holder of unregistered Original Notes, would be entitled to exchange your unregistered Original Notes for Exchange Notes registered under the Securities Act. The exchange offer is intended to satisfy these rights. After the exchange offer is completed, you will no longer be entitled to any registration rights with respect to your Original Notes. The Exchange Notes will be our obligation and will be entitled to the benefits of the Indenture relating to the Exchange Notes. The form and terms of the Exchange Notes are identical in all material respects to the form and terms of the Original Notes, except that the Exchange Notes will:

have been registered under the Securities Act and, therefore, will contain no restrictive legends;

not have registration rights;

not have rights to additional interest; and

bear different CUSIP and ISIN numbers from the Original Notes.

You should read the discussion under the heading "The Exchange Offer" beginning on page 27 and "Description of the Exchange Notes" beginning on page 37 for further information about the exchange offer and the Exchange Notes.

The Exchange Offer

We are offering to exchange up to \$115,000,000 aggregate principal amount of Exchange Notes for an identical principal amount of Original Notes.

Expiration of the Exchange Offer

The exchange offer will expire at 5:00 p.m., New York City time, on December 2, 2011, unless we extend the exchange offer, in which case the expiration date will mean the latest date and time to which we extend the exchange offer. See "The Exchange Offer Expiration Date; Extensions; Amendments."

Procedures for Tendering Original Notes Held in the Form of Book-Entry Interests

The Original Notes were issued as global securities and were deposited with Wilmington Trust who holds the Original Notes as the custodian for The Depository Trust Company ("DTC"). Beneficial interests in the Original Notes are held by participants in DTC on behalf of the beneficial owners of the Original Notes. We refer to beneficial interests in notes held by participants in DTC as notes held in book-entry form. Beneficial interests in notes held in book-entry form are shown on, and transfers of the notes can be made only through, records maintained in book-entry form by DTC and its participants.

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If you are a holder of an Original Note held in the form of a book-entry interest and you wish to tender your book-entry interest for exchange in the exchange offer, you must transmit to Wilmington Trust, as exchange agent, on or prior to the expiration date of the exchange offer, the following:

a computer-generated message transmitted by means of DTC's Automated Tender Offer Program ("ATOP") system that, when received by the exchange agent will form a part of a confirmation of book-entry transfer in which you acknowledge and agree to be bound by the terms of the letter of transmittal; and

a timely confirmation of book-entry transfer of your Original Notes into the exchange agent's account at DTC, according to the procedure for book-entry transfers described in this prospectus under the heading "The Exchange Offer Procedures for Tendering."

Procedures for Tendering Original Notes Held in Certificated Form

If you hold your Original Notes in certificated form and wish to accept the exchange offer, sign and date the letter of transmittal, and deliver the letter of transmittal, along with certificates for the Original Notes and any other required documentation, to the exchange agent on or before the expiration date in accordance with the instructions contained in this prospectus and the letter of transmittal.

Special Procedures for Beneficial Owners

If you are a beneficial owner whose Original Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and wish to tender those Original Notes in the exchange offer, please contact the registered holder as soon as possible and instruct them to tender on your behalf and comply with the instructions in this prospectus and the letter of transmittal.

Guaranteed Delivery Procedures

If you are unable to deliver the Original Notes, the letter of transmittal or any other required documents to the exchange agent or comply with the applicable ATOP procedures prior to the expiration date, you may tender your Original Notes according to the guaranteed delivery procedures described in this prospectus under the heading "The Exchange Offer Guaranteed Delivery Procedures."

Withdrawal Rights

You may withdraw the Original Notes you tendered by furnishing a notice of withdrawal to the exchange agent or by complying with applicable ATOP procedures at any time before 5:00 p.m. New York City time on the expiration date. See "The Exchange Offer Withdrawal of Tenders."

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Acceptance of Original Notes and Delivery of Exchange Notes

If the conditions described under "The Exchange Offer Conditions" are satisfied, we will accept for exchange any and all Original Notes that are properly tendered and not withdrawn before the expiration date. See "The Exchange Offer Procedures for Tendering." If we close the exchange offer, the Exchange Notes will be delivered promptly following the expiration date. Otherwise, we will promptly return any Original Notes accepted.

Consequences of Failure to Exchange

If you do not exchange your Original Notes for Exchange Notes, you will continue to be subject to the restrictions on transfer provided in the Original Notes and in the Indenture. In general, the Original Notes may not be offered or sold unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We do not intend to register the Original Notes under the Securities Act.

Registration Rights

You are entitled to exchange your Original Notes for Exchange Notes with substantially identical terms. This exchange offer satisfies this right. After the exchange offer is completed, you will no longer be entitled to any exchange or registration rights with respect to your Original Notes.

Federal Income Tax Considerations

The exchange of Original Notes for Exchange Notes in the exchange offer will not be a taxable event for U.S. federal income tax purposes. See "The Exchange Offer Federal Income Tax Consequences" and "Certain U.S. Federal Income Tax Considerations" for a discussion of U.S. federal income tax considerations you should consider before tendering your Original Notes in the exchange offer.

Exchange Agent

Wilmington Trust is serving as exchange agent for the exchange offer. The address for the exchange agent is listed under "The Exchange Offer Exchange Agent." If you would like more information about the procedures for the exchange offer, you should call the exchange agent at (302) 636-6181. The facsimile number for the exchange agent is (302) 636-4139, Attention: Sam Hamed.

See "The Exchange Offer" for more detailed information concerning the terms of the exchange offer.

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The Exchange Notes

The form and terms of the Exchange Notes to be issued in the exchange offer are the same as the form and terms of the Original Notes, except that the Exchange Notes will be registered under the Securities Act and, accordingly, will not bear legends restricting their transfer and will not be entitled to any rights under the registration rights agreement. The Exchange Notes issued in the exchange offer will evidence the same debt as the Original Notes, and both the Original Notes and the Exchange Notes are governed by the same indenture.

<i>Issuer</i>	Kratos Defense & Security Solutions, Inc.
<i>Title</i>	\$115,000,000 aggregate principal amount of 10% Senior Secured Notes due 2017.
<i>Maturity Date</i>	June 1, 2017.
<i>Interest Rate</i>	We will pay interest on the Exchange Notes at an annual interest rate of 10%.
<i>Interest Payment Dates</i>	We will make interest payments on the Exchange Notes semi-annually in arrears on each December 1 and June 1, beginning December 1, 2011. Interest will accrue from and including June 1, 2011.
<i>Guarantees</i>	The Exchange Notes will be fully and unconditionally guaranteed, jointly and severally, on a senior secured basis by our existing and future domestic restricted subsidiaries (other than discontinued subsidiaries).
<i>Ranking</i>	The Exchange Notes and the guarantees will rank senior in right of payment to all of our and the guarantors' existing and future subordinated indebtedness and equal in right of payment with all of our and the guarantors' existing and future senior indebtedness, including indebtedness under our revolving credit facility (the "Revolver").
<i>Security Interest</i>	The Exchange Notes and the related guarantees will be secured by a lien on substantially all of our and the guarantors' assets, subject to certain exceptions and permitted liens. However, the security interest in such assets (other than real property, plant, equipment, certain intellectual property and the capital stock of our subsidiaries (collectively, the "Notes Priority Collateral")) that secure the Exchange Notes and the Exchange Guarantees will be contractually subordinated to liens thereon that secure the Revolver. The security interest in assets securing the Revolver that consist of Notes Priority Collateral will be contractually subordinated to liens thereon that secure the Exchange Notes.

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Optional Redemption

On or after June 1, 2014, we may redeem some or all of the Exchange Notes at the redemption prices set forth under "Description of the Exchange Notes Redemption Optional Redemption on or after June 1, 2014," plus accrued and unpaid interest to the date of redemption. Prior to June 1, 2013, we may redeem up to 35% of the aggregate principal amount of the Exchange Notes at the premium set forth under "Description of the Exchange Notes Redemption Optional Redemption Upon Equity Offerings," plus accrued and unpaid interest to the redemption date, with the net cash proceeds of certain equity offerings. In addition, we may, at our option, redeem some or all of the Exchange Notes at any time prior to June 1, 2014, by paying a "make whole" premium, plus accrued and unpaid interest, if any, to the date of redemption.

Change of Control Offer

If we experience certain change-of-control events, the holders of the Exchange Notes will have the right to require us to purchase all or a portion of their Exchange Notes at a price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the date of purchase.

Asset Sale Offer

Upon certain asset sales, we may be required to offer to use the net proceeds thereof to purchase some of the Exchange Notes at 100% of the principal amount thereof, plus accrued and unpaid interest to the date of purchase.

Use of Proceeds

We will not receive any cash proceeds from the issuance of the Exchange Notes. See "Use of Proceeds."

See "Description of the Exchange Notes" for more detailed information about the terms of Exchange Notes.

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RISK FACTORS

An investment in the Exchange Notes involves significant risks. You should consider carefully the following risk factors and all of the information contained in this prospectus before deciding whether to participate in the exchange offer. The risks and uncertainties described below are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of those risks actually occurs, our business, financial condition and results of operations would suffer. The risks discussed below also include forward-looking statements. See "Forward-Looking Statements" in this prospectus.

Risks Related to the Exchange Notes and the Exchange Offer

We significantly increased our leverage in connection with the financing of recent acquisitions and the Transactions and currently have substantial indebtedness, which could have a negative impact on our financing options and liquidity position and have adverse effects on our business.

In connection with the Transactions, we incurred an additional \$115.0 million of indebtedness and, as of June 26, 2011, have approximately \$516.3 million of total indebtedness. As a result of this increased indebtedness, our interest payment obligations have increased significantly. The degree to which we are leveraged could have adverse effects on our business, including the following:

it may make it difficult for us to satisfy our obligations under the Kratos Notes and our other indebtedness and contractual and commercial commitments;

it may limit our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate;

it may require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;

it may restrict us from making strategic acquisitions or exploiting business opportunities;

it may place us at a competitive disadvantage compared to our competitors that have less debt;

it may limit our ability to borrow additional funds;

it may prevent us from raising the funds necessary to repurchase the Kratos Notes or other outstanding notes tendered to us if there is a change of control, which would constitute a default under the Indenture and under the Revolver; and

it may decrease our ability to compete effectively or operate successfully under adverse economic and industry conditions.

Our ability to meet our debt service obligations will depend upon our future performance, which may be subject to financial, business and other factors affecting our operations, many of which are beyond our control.

Despite our current indebtedness level, we and our subsidiaries may still be able to incur substantially more debt, which could exacerbate the risks associated with our substantial leverage.

We may be able to incur substantial additional indebtedness in the future. Although the Indenture and the credit agreement governing the Revolver will limit our ability and the ability of our subsidiaries to incur additional indebtedness, these restrictions are subject to a number of

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qualifications and exceptions and, under certain circumstances, debt incurred in compliance with these restrictions could be substantial. For example, indebtedness in excess of \$25.0 million may be incurred under the Revolver in reliance on the \$15.0 million general debt basket as well as the fixed charge debt

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incurrence test, which additional indebtedness may be secured subject to certain conditions. See clause (22) of the definition of the term "Permitted Liens" under "Description of the Exchange Notes Certain Definitions." In addition, the Indenture and the credit agreement governing the Revolver will not prevent us from incurring obligations that do not constitute indebtedness. See the sections entitled "Description of the Exchange Notes Certain Covenants Limitation on Incurrence of Additional Indebtedness and Issuance of Preferred Stock" and "Description of Certain Indebtedness." To the extent that we incur additional indebtedness or such other obligations, the risks associated with our substantial leverage described above, including our possible inability to service our debt, would increase.

Our debt service obligations may adversely affect our cash flow.

A higher level of indebtedness increases the risk that we may default on our debt obligations. We may not be able to generate sufficient cash flow to pay the interest on our debt, and future working capital, borrowings or equity financing may not be available to pay or refinance such debt. If we are unable to generate sufficient cash flow to pay the interest on our debt, we may have to delay or curtail our operations.

Our ability to generate cash flows from operations and to make scheduled payments on our indebtedness will depend on our future financial performance. Our future financial performance will be affected by a range of economic, competitive and business factors that we cannot control. A significant reduction in operating cash flows resulting from changes in economic conditions, increased competition or other events beyond our control could increase the need for additional or alternative sources of liquidity and could have a material adverse effect on our business, financial condition, results of operations, prospects and our ability to service our debt and other obligations. If we are unable to service our indebtedness, we will be forced to adopt an alternative strategy that may include actions such as reducing capital expenditures, selling assets, restructuring or refinancing our indebtedness or seeking additional equity capital. These alternative strategies may not be effected on satisfactory terms, if at all, and they may not yield sufficient funds to make required payments on the Kratos Notes and our other indebtedness.

If for any reason we are unable to meet our debt service and repayment obligations, we would be in default under the terms of the agreements governing our debt, which would allow our creditors at that time to declare certain outstanding indebtedness to be due and payable, which would in turn trigger cross-acceleration or cross-default rights between the relevant agreements. In addition, our lenders could compel us to apply all of our available cash to repay our borrowings or they could prevent us from making payments on the Kratos Notes. If the amounts outstanding under the Kratos Notes, the Revolver, and any other indebtedness, were to be accelerated, our assets may not be sufficient to repay in full the money owed to the lenders or to our other debt holders, including you as noteholders.

A portion of our business is conducted through foreign subsidiaries and the failure to generate sufficient cash flow from these subsidiaries, or otherwise repatriate or receive cash from these subsidiaries, could result in our inability to repay our indebtedness, including the Exchange Notes.

As of June 26, 2011, approximately 7% of our consolidated assets, based on book value, were held by foreign subsidiaries. Our ability to meet our debt service obligations (including those relating to the Exchange Notes) with cash from foreign subsidiaries will depend upon the results of operations of these subsidiaries and may be subject to legal, contractual or other restrictions and other business considerations. In addition, dividend and interest payments to us from the foreign subsidiaries may be subject to foreign withholding taxes, which would reduce the amount of funds we receive from such foreign subsidiaries. Dividends and other distributions from our foreign subsidiaries may also be subject

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to fluctuations in currency exchange rates and legal and other restrictions on repatriation, which could further reduce the amount of funds we receive from such foreign subsidiaries.

In general, when an entity in a foreign jurisdiction repatriates cash to the U.S., the amount of such cash is treated as a dividend taxable at current U.S. tax rates. Accordingly, upon the distribution of cash to us from our foreign subsidiaries, we will be subject to U.S. income taxes. Although foreign tax credits may be available to reduce the amount of the additional tax liability, these credits may be limited and only offset the tax paid in the foreign jurisdiction, not the excess of the U.S. tax rate over the foreign tax rate. Therefore, to the extent that we must use cash generated in foreign jurisdictions to make principal or interest payments on the Kratos Notes, there may be a cost associated with repatriating the cash to the U.S.

The lien-ranking provisions set forth in the intercreditor agreement will substantially limit the rights of the holders of the Kratos Notes with respect to liens on the assets (other than Notes Priority Collateral) securing the Kratos Notes and the Kratos Guarantees.

The liens on our assets (other than Notes Priority Collateral, defined under "Description of the Exchange Notes Collateral") securing the Kratos Notes and the Kratos Guarantees will be contractually subordinated to the liens thereon that secure the Revolver and will be *pari passu* with the liens that secure the Kratos Notes. The holders of obligations under the Revolver will be entitled to receive proceeds from any realization of such collateral to repay their obligations in full before the holders of the Kratos Notes and other obligations secured by liens subordinated to the Revolver will be entitled to any recovery from such collateral. In the event of a foreclosure, the proceeds from the sale of all of such collateral may not be sufficient to satisfy the amounts outstanding under the Kratos Notes after payment in full of all obligations secured by the Revolver.

The rights of the holders of the Kratos Notes with respect to the liens on our assets (other than Notes Priority Collateral) securing the Kratos Notes and the Kratos Guarantees will therefore be substantially limited pursuant to the terms of the lien-ranking provisions set forth in the intercreditor agreement. Under those lien-ranking provisions, at any time that the Revolver is outstanding, any actions that may be taken in respect of such assets, including the ability to cause the commencement of enforcement proceedings against such assets and to control the conduct of such proceedings, and the approval of releases of such assets from the lien of the collateral documents, will be at the direction of the lenders under the Revolver. The trustee, on behalf of the holders of the Kratos Notes, will not, for significant periods of time, have the ability to control or direct such actions, even if the rights of the holders of the Kratos Notes are adversely affected. See "Description of the Exchange Notes Intercreditor Agreement."

The imposition of certain permitted liens will cause the assets on which such liens are imposed to be excluded from the collateral securing the Kratos Notes and the Kratos Guarantees. There are also certain other categories of property that are also excluded from the collateral.

The Indenture permits liens in favor of third parties to secure certain indebtedness, such as indebtedness incurred under the Revolver (which could exceed \$65.0 million in the aggregate), purchase money indebtedness and capital lease obligations, and assets subject to such liens will in certain circumstances be excluded from the collateral securing the Kratos Notes and the Kratos Guarantees. Our ability to incur purchase money indebtedness and capital lease obligations on a secured basis is subject to limitations as described in "Description of the Exchange Notes Certain Covenants Limitation on Incurrence of Additional Indebtedness and Issuance of Preferred Stock" and "Limitation on Liens." Certain of these third party liens rank senior to the liens securing the Kratos Notes. In addition, certain categories of assets are excluded from the collateral securing the Kratos Notes and the Kratos Guarantees and the liens on certain categories of assets are not required to be perfected. Excluded assets include certain contracts, certain equipment, and the assets of any

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non-guarantor subsidiary and certain capital stock of certain subsidiaries. See "Description of the Exchange Notes Collateral." If an event of default occurs and the Kratos Notes are accelerated, the Kratos Notes and the Kratos Guarantees will rank equally with the holders of other unsubordinated and unsecured indebtedness of the relevant entity with respect to such excluded property and will be effectively subordinated to holders of obligations secured by a lien perfected on such excluded property.

The value of the collateral securing the Kratos Notes may not be sufficient to satisfy all the obligations evidenced by or relating to such Kratos Notes secured by such collateral. As a result, holders of such Kratos Notes may not receive full payment on such Kratos Notes following an event of default.

No appraisal has been made of the collateral securing the Kratos Notes. The value of the collateral in the event of liquidation will depend upon market and economic conditions, the availability of buyers and similar factors. The collateral does not include contracts, agreements, licenses and other rights that by their express terms prohibit the assignment thereof or the grant of a security interest therein. Some of these may be material to us and such exclusion could have a material adverse effect on the value of the collateral. By its nature, some or all of the collateral may not have a readily ascertainable market value or may not be saleable or, if saleable, there may be substantial delays in its liquidation. To the extent that liens, security interests and other rights granted to other parties (including with respect to collateral that secures such Kratos Notes, the lenders under the Revolver) encumber assets owned by us, those parties have or may exercise rights and remedies with respect to the property subject to their liens that could adversely affect the value of that collateral and the ability of the trustee under the Indenture governing the Kratos Notes or the holders thereof to realize or foreclose on that collateral. Consequently, we cannot assure investors in the Kratos Notes that liquidating the collateral securing the Kratos Notes would produce proceeds in an amount sufficient to pay in full any amounts due under such Kratos Notes after also satisfying the obligations to pay any creditors with prior claims on the collateral, including, with respect to collateral that secures such Kratos Notes, the lenders under the Revolver. If the proceeds of any sale of collateral are not sufficient to repay all amounts due on the Kratos Notes, the holders of the Kratos Notes (to the extent not repaid from the proceeds of the sale of the collateral securing the Kratos Notes) would have only an unsecured, unsubordinated claim against our and the guarantors' remaining assets. In addition, under the intercreditor agreement between the collateral agent for the Kratos Notes and the agent under the Revolver, the right of the lenders to exercise certain remedies with respect to the collateral could delay liquidation of the collateral. Bankruptcy laws and other laws relating to foreclosure and sale could also substantially delay or prevent the ability of the collateral agent or any holder of the Kratos Notes to obtain the benefit of any collateral securing the Kratos Notes. Such delays could have a material adverse effect on the value of the collateral.

Consequently, liquidating the collateral securing the Kratos Notes and the Kratos Guarantees may not result in proceeds in an amount sufficient to pay any amounts due under the Kratos Notes and holders of *pari passu* claims after also satisfying the obligations to pay any creditors with prior liens (including the lenders under the Revolver). If the proceeds of any sale of collateral are not sufficient to repay all amounts due on the Kratos Notes, the holders of such Kratos Notes (to the extent not repaid from the proceeds of the sale of the collateral securing such Kratos Notes) would have only an unsecured, unsubordinated claim against our remaining assets and the remaining assets of the guarantors of such Kratos Notes.

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The Indenture and the credit agreement governing our Revolver impose significant operating and financial restrictions on us and our subsidiaries that may prevent us and our subsidiaries from pursuing certain business opportunities and restrict our ability to operate our business.

The Indenture and the credit agreement governing our Revolver contain covenants that restrict our and our subsidiaries' ability to:

incur or guarantee additional indebtedness or issue certain preferred stock;

pay dividends or make other distributions on, or redeem or purchase, any equity interests or make other restricted payments;

make certain acquisitions or investments;

create or incur liens;

transfer or sell assets;

incur restrictions on the payments of dividends or other distributions from our restricted subsidiaries;

enter into transactions with affiliates; and

consummate a merger or consolidation or sell, assign, transfer, lease or otherwise dispose of all or substantially all of our assets.

Our Revolver also requires us to comply with specified financial ratios, including a borrowing base availability and minimum fixed charge coverage ratio. Our ability to comply with these covenants will likely be affected by many factors, including events beyond our control, and we may not be able to satisfy those requirements. Our failure to comply with our debt-related obligations could result in an event of default under our other indebtedness and the acceleration of our other indebtedness, in whole or in part, could result in an event of default under the Indenture.

The restrictions contained in the Indenture and in the credit agreement governing the Revolver will also limit our ability and the ability of our subsidiaries to plan for or react to market conditions, meet capital needs or otherwise restrict our respective activities or business plans and adversely affect the ability to finance our respective operations, enter into acquisitions or to engage in other business activities that would be in our respective interests.

The collateral will in most cases be under our control and the sale of particular assets by us could reduce the pool of assets securing the Kratos Notes and the Kratos Guarantees secured thereby.

The collateral documents allow us to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from, the collateral securing the Kratos Notes and the related guarantees secured thereby. There are circumstances other than repayment or discharge of the Kratos Notes under which the collateral securing the Kratos Notes and the Kratos Guarantees will be released automatically, without your consent or the consent of the trustee, including:

a sale, transfer or other disposal of such collateral in a transaction not prohibited under the Indenture governing the Kratos Notes;

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with respect to collateral held by a guarantor, upon the release of such guarantor from its guarantee of the Kratos Notes;

with respect to collateral that is capital stock, upon the dissolution of the issuer of such capital stock in accordance with the Indenture governing the Kratos Notes; and

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with respect to our assets (other than Notes Priority Collateral) that secure the Revolver, upon any release in connection with a foreclosure or exercise of remedies with respect to such collateral in accordance with the terms of the Revolver.

Pursuant to the terms of the intercreditor agreement, the holders of the Kratos Notes may not be able to control actions with respect to the collateral, whether or not the holders of the Kratos Notes agree or disagree with those actions.

In addition, the Indenture also permits us to designate any existing or future restricted subsidiary that is a guarantor of the Kratos Notes or any future subsidiary as an unrestricted subsidiary. If we designate such a future subsidiary guarantor as an unrestricted subsidiary for purposes of the Indenture, all of the liens on any collateral owned by such subsidiary or any of its subsidiaries and any guarantees of the Kratos Notes by such subsidiary or any of its subsidiaries will be released under the Indenture but not necessarily under the Revolver. Designation of an unrestricted subsidiary will reduce the aggregate value of the collateral securing the Kratos Notes to the extent that liens on the assets of the unrestricted subsidiary and its subsidiaries are released.

The rights of holders of Kratos Notes to the collateral securing such Kratos Notes may be adversely affected by the failure to perfect security interests in the collateral and other issues generally associated with the realization of security interests in collateral.

Your rights in the collateral securing the Kratos Notes may be adversely affected by the failure to perfect security interests in certain collateral in the future. Applicable law requires that certain property and rights acquired after the grant of a general security interest, such as real property, equipment subject to a certificate and certain proceeds, can be perfected only at the time at which such property and rights are acquired and identified. The trustee and the collateral agent for the Kratos Notes may not monitor, and we are not required to inform the trustee and the collateral agent of, the future acquisition of property and rights that constitute collateral, and necessary action may not be taken to properly perfect the security interest in such after-acquired collateral. The collateral agent for the Kratos Notes has no obligation to monitor the acquisition of additional property or rights that constitute collateral or the perfection of any security interest in favor of the Kratos Notes against third parties. A failure to monitor such acquisition and take necessary action may result in the loss of the effectiveness of the grant of the security interest therein or the priority of the security interest in favor of the holders of such Kratos Notes against third parties.

In addition, the security interest of the collateral agent for the Kratos Notes will be subject to practical challenges generally associated with the realization of security interests in collateral. For example, the collateral agent may need to obtain the consent of third parties and make additional filings. If we are unable to obtain these consents or make these filings, the security interests may be invalid and the holders of the Kratos Notes will not be entitled to the collateral or any recovery with respect to the collateral. The collateral agent may not be able to obtain any such consent. Further, the consents of any third parties may not be given when required to facilitate a foreclosure on such collateral. Accordingly, the collateral agent may not have the ability to foreclose upon those assets, and the value of the collateral may significantly decrease. We are also not required to obtain third party consents in certain categories of collateral.

The pledge of the capital stock of our subsidiaries that secure the Kratos Notes will automatically be released from the lien on them and no longer constitute collateral when the pledge of such capital stock or such other securities would require the filing of separate financial statements with the SEC for that subsidiary.

The Kratos Notes and the Kratos Guarantees will be secured by a pledge of the stock of some of our subsidiaries. Under the SEC regulations in effect as of the date of this prospectus, if the par value, book value as carried by us or market value (whichever is greatest) of the capital stock, other securities

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or similar items of a subsidiary pledged as part of the collateral to secure such Kratos Notes is greater than or equal to 20% of the aggregate principal amount of the Kratos Notes then outstanding, such a subsidiary would be required to provide separate financial statements to the SEC. Therefore, the Indenture and the related collateral documents provide that any capital stock and other securities of our subsidiaries will be excluded from the collateral to the extent that the pledge of such capital stock would cause such companies to be required to file separate financial statements with the SEC pursuant to Rule 3-16 of Regulation S-X (as in effect from time to time).

As a result, holders of the Kratos Notes could lose a portion or all of their security interest in the capital stock or other securities of those subsidiaries. It may be more difficult, costly and time-consuming for holders of the Kratos Notes to foreclose on the assets of a subsidiary that guarantees such Kratos Notes than to foreclose on its capital stock so the proceeds realized upon any such foreclosure could be significantly less than those that would have been received upon any sale of the capital stock or other securities of such subsidiary. See "Description of the Exchange Notes Collateral."

Rights of holders of Exchange Notes in the collateral secured thereby may be adversely affected by bankruptcy proceedings.

The right of the collateral agent for the Exchange Notes to repossess and dispose of the collateral securing the Exchange Notes upon acceleration is likely to be significantly impaired by U.S. federal bankruptcy law if bankruptcy proceedings are commenced by or against us prior to or possibly even after the collateral agent has repossessed and disposed of the collateral. Under the U.S. Bankruptcy Code, a secured creditor, such as the collateral agent for the Exchange Notes, is prohibited from repossessing its security from a debtor in a bankruptcy case, or from disposing of security repossessed from a debtor, without bankruptcy court approval. Moreover, bankruptcy law permits the debtor to continue to retain and to use collateral, and the proceeds, products, rents or profits of the collateral, even though the debtor is in default under the applicable debt instruments; *provided* that the secured creditor is given "adequate protection." The meaning of the term "adequate protection" may vary according to circumstances, but it is intended in general to protect the value of the secured creditor's interest in the collateral and may include cash payments or the granting of additional security, if and at such time as the court in its discretion determines, for any diminution in the value of the collateral as a result of the stay of repossession or disposition or any use of the collateral by the debtor during the pendency of the bankruptcy case. In view of the broad discretionary powers of a bankruptcy court, it is impossible to predict how long payments under the Exchange Notes could be delayed following commencement of a bankruptcy case, whether or when the collateral agent would repossess or dispose of the collateral, or whether or to what extent holders of the Exchange Notes would be compensated for any delay in payment or loss of value of the collateral through the requirements of "adequate protection." Furthermore, in the event the bankruptcy court determines that the value of the collateral is not sufficient to repay all amounts due on the Exchange Notes, the holders of the Exchange Notes would have "under-secured claims" as to the difference. Federal bankruptcy laws do not permit the payment or accrual of interest, costs and attorneys' fees for "under-secured claims" during the debtor's bankruptcy case. Additionally, the collateral agent's ability to foreclose on the collateral on your behalf may be subject to the consent of third parties, prior liens and practical problems associated with the realization of the trustee's security interest in the collateral. Moreover, the debtor or trustee in a bankruptcy case may seek to void an alleged security interest in collateral for the benefit of the bankruptcy estate. It may successfully do so if the security interest is not properly perfected or was perfected within a specified period of time (generally 90 days) prior to the initiation of such proceeding. Under such circumstances, a creditor may hold no security interest and be treated as holding a general unsecured claim in the bankruptcy case. It is impossible to predict what recovery (if any) would be available for such an unsecured claim if we became a debtor in a bankruptcy case. While U.S. bankruptcy law generally invalidates provisions restricting a debtor's ability to assume and/or

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assign a contract, there are exceptions to this rule which could be applicable in the event that we become subject to a U.S. bankruptcy proceeding.

Under certain circumstances, a court could cancel the Exchange Notes or the Exchange Guarantees and the security interests that secure the Exchange Notes and such Exchange Guarantees under fraudulent conveyance laws.

The issuance of the Exchange Notes and the related Exchange Guarantees may be subject to review under U.S. federal or state fraudulent transfer laws. If we become a debtor in a case under the U.S. Bankruptcy Code or encounter other financial difficulty, a court could avoid (that is, cancel) our obligations under the Exchange Notes. The court might do so if it finds that when we issued the Exchange Notes, (i) we received less than reasonably equivalent value or fair consideration and (ii) we either (a) were or were rendered insolvent, (b) were left with inadequate capital to conduct our business or (c) believed or reasonably should have believed that we would incur debts beyond our ability to pay. The court could also avoid the Exchange Notes, without regard to the factors described in clauses (i) and (ii) above, if it finds that we issued the Exchange Notes with actual intent to hinder, delay or defraud our creditors.

Similarly, if one of the guarantors of the Exchange Notes becomes a debtor in a case under the U.S. Bankruptcy Code or encounters other financial difficulty, a court might cancel its Exchange Guarantee if it finds that when such guarantor issued its Exchange Guarantee (or in some jurisdictions, when payments become due under the Exchange Guarantee of such Exchange Notes), factors (i) and (ii) above applied to such guarantor, such guarantor was a defendant in an action for money damages or had a judgment for money damages docketed against it (if, in either case, after final judgment the judgment is unsatisfied), or if it found that such guarantor issued its Exchange Guarantee with actual intent to hinder, delay or defraud its creditors.

A court could avoid any payment by us or any such guarantor pursuant to the Exchange Notes or the Exchange Guarantee thereof or any realization on the pledge of assets securing the Exchange Notes or the Exchange Guarantees of such Exchange Notes, and require the return of any payment or the return of any realized value to us or such guarantor, as the case may be, or to a fund for the benefit of our or such guarantor's creditors. In addition, under the circumstances described above, a court could subordinate rather than avoid obligations under the Exchange Notes, the Exchange Guarantees or the pledges. If the court were to avoid any Exchange Guarantee, funds may not be available to pay the Exchange Notes from another guarantor thereof or from any other source.

The test for determining solvency for purposes of the foregoing will vary depending on the law of the jurisdiction being applied. In general, a court would consider an entity insolvent either if the sum of its existing debts exceeds the fair value of all of its property, or its assets' present fair saleable value is less than the amount required to pay the probable liability on its existing debts as they become due. For this analysis, "debts" include contingent and unliquidated debts. If a court avoided our obligations under the Exchange Notes and the obligations of such guarantor under its Exchange Guarantee thereof, holders of the Exchange Notes would cease to be our creditors or creditors of such guarantor and likely have no source from which to recover amounts due under the Exchange Notes. Even if the Exchange Guarantee of such guarantor is not avoided as a fraudulent transfer, a court may subordinate such Exchange Guarantee to such guarantor's other debt. In that event, such Exchange Guarantee would be structurally subordinated to all of such guarantor's other debt.

The Indenture will limit the liability of each guarantor on its Exchange Guarantee of the Exchange Notes issued thereunder to the maximum amount that such guarantor can incur without risk that its Exchange Guarantee will be subject to avoidance as a fraudulent transfer. This limitation may not protect such Exchange Guarantees from fraudulent transfer challenges or, if it does, the remaining

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amount due and collectible under the Exchange Guarantees may not suffice, if necessary, to pay the Exchange Notes in full when due.

Any future pledge of collateral may be avoidable in bankruptcy.

Any future pledge of collateral in favor of the trustee or collateral agent under the Indenture may be avoidable by the pledgor (a debtor in possession) or by its trustee in bankruptcy if certain events or circumstances exist or occur, including, among others, if (i) the pledgor is insolvent at the time of the pledge, (ii) the pledge permits the holders of the Kratos Notes to receive a greater recovery than if the pledge had not been given and (iii) a bankruptcy proceeding in respect of the pledgor is commenced within 90 days following the pledge or the perfection thereof, or, in certain circumstances, a longer period.

The collateral is subject to casualty risks.

We intend to maintain insurance or otherwise insure against hazards in a manner appropriate and customary for our business. There are, however, certain losses that may be either uninsurable or not economically insurable, in whole or in part. Insurance proceeds may not compensate us fully for our losses. If there is a complete or partial loss of any of the collateral, the insurance proceeds may not be sufficient to satisfy all of the secured obligations, including the Kratos Notes and the Kratos Guarantees secured thereby.

Our ability to repurchase the Kratos Notes upon a change of control may be limited.

Upon the occurrence of specific change of control events, we will be required to offer to repurchase all outstanding Kratos Notes at 101% of the principal amount, plus accrued and unpaid interest, if any, to the date of repurchase. The lenders under the Revolver will have the right to accelerate the indebtedness thereunder upon a change of control. Any of our future debt agreements may contain a similar provision. However, we may not have sufficient funds at the time of the change of control to make the required repurchase of Kratos Notes or repayment of our other indebtedness. Any of our future debt agreements may contain similar restrictions. If we fail to repurchase any Kratos Notes submitted in a change of control offer, it would constitute an event of default under the Indenture governing the Kratos Notes which would, in turn, constitute an event of default under the Revolver and could constitute an event of default under our other indebtedness, even if the change of control itself would not cause a default. Important corporate events, such as takeovers, recapitalizations or similar transactions, may not constitute a change of control under the Indenture governing the Kratos Notes and thus not permit the holders of the Kratos Notes to require us to repurchase or redeem the Kratos Notes. See "Description of the Exchange Notes Repurchase Upon Change of Control."

The Kratos Notes may receive a reduced rating in the future, which could cause a decline in the liquidity or market price of the Exchange Notes.

If in the future one or more rating agencies assigns the Kratos Notes a reduced rating lower than the current rating, the market price of the Kratos Notes may be adversely affected.

If you do not exchange your Original Notes pursuant to this exchange offer, you may never be able to sell your Original Notes.

It may be difficult for you to sell your Original Notes that are not exchanged in the exchange offer. The Original Notes may not be offered or sold unless they are registered or there are exemptions from the registration requirements under the Securities Act and applicable state securities laws. If you

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do not tender your Original Notes or if we do not accept some of your Original Notes, those notes will continue to be subject to the transfer and exchange restrictions in:

the Indenture;

the legend on the Original Notes; and

the offering circular relating to the Original Notes.

The restrictions on transfer of your Original Notes arise because we issued the Original Notes pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws. In general, you may only offer or sell the Original Notes if they are registered under the Securities Act and applicable state securities laws, or offered and sold pursuant to an exemption from such requirements. Holders who do not tender their Original Notes will not have any further registration rights under the registration rights agreement or otherwise, and we do not intend to register the Original Notes under the Securities Act. To the extent Original Notes are tendered and accepted in the exchange offer, the trading market, if any, for the Original Notes would be adversely affected. See "The Exchange Offer Procedures for Tendering."

There is no active market for the Exchange Notes and if an active trading market does not develop for the Exchange Notes you may not be able to resell them.

The Exchange Notes are a new issue of securities for which there is currently no trading market. We do not intend to list the Exchange Notes on any national securities exchange or include the Exchange Notes for quotation on any automated dealer quotation system. The initial purchasers of the Stage I Notes indicated that they intend to make a market in the notes; however, they are not obligated to do so and any market-making activities may be discontinued at any time without notice. In addition, market-making activity will be subject to the limits imposed by law. Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Exchange Notes. Any such disruptions could adversely affect the prices at which the Exchange Notes may be sold.

Further, even if a market were to exist, the Exchange Notes could trade at prices that may be lower than the initial offering price depending on many factors, including prevailing interest rates, the markets for similar securities, general economic conditions and our financial condition, current stock price, performance and prospects. The liquidity of, and the trading market for, the Exchange Notes may be adversely affected by general declines or disruptions in the market for non-investment grade debt.

Some holders that exchange their Original Notes may be required to comply with registration and prospectus delivery requirements in connection with the sale or transfer of their Exchange Notes.

Holders that exchange Original Notes in the exchange offer for the purpose of participating in a distribution of the Exchange Notes may be deemed to have received restricted securities and, if so, will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction. Each broker-dealer that receives Exchange Notes for its own account in exchange for Original Notes which were acquired by such broker-dealer as a result of market-making or other trading activities may be deemed to be a statutory underwriter under the Securities Act and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction. Holders that are required to comply with the registration and prospectus delivery requirements may face additional burdens on the transfer of their Exchange Notes and could incur liability for failure to comply with applicable requirements.

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Your Original Notes will not be accepted for exchange if you fail to follow the applicable exchange offer procedures and, as a result, your Original Notes will continue to be subject to existing transfer restrictions and you may not be able to sell them.

We will not accept your Original Notes for exchange if you do not follow the applicable exchange offer procedures. We will issue Exchange Notes as part of the applicable exchange offer only after timely receipt of your Original Notes, a properly completed and duly executed letter of transmittal and all other required documents. Therefore, if you want to tender your Original Notes, please allow sufficient time to ensure timely delivery. If we do not receive your Original Notes, a properly completed and duly executed letter of transmittal and other required documents by the expiration date of the applicable exchange offer, we will not accept your Original Notes for exchange. We are under no duty to give notification of defects or irregularities with respect to the tenders of Original Notes for exchange. If there are defects or irregularities with respect to your tender of Original Notes, we will not accept your Original Notes for exchange.

Other Risks Related to Kratos

The entire Federal Government is currently operating under the authority of a Continuing Resolution for the fiscal year ending September 30, 2012. The Continuing Resolution provides aggregate funding of \$1.043 trillion (the amount for fiscal year 2012 set forth in the Budget Control Act of 2011) for programs and services, including DoD budgets. The Continuing Resolution runs through November 18, 2011, after which Congress will either pass a new appropriations bill, extend the Continuing Resolution, or shut down the government for all nonessential Federal Government services. A shut down of the government for all nonessential Federal Government services could cause the government, government agencies or prime contractors that use Kratos as a subcontractor, to reduce their purchases under existing contracts, to exercise their rights to terminate contracts at-will, to abstain from exercising options to renew contracts, to delay or refrain from making new contract awards, or to delay the payment of Kratos' invoices, any of which could have an adverse effect on Kratos' business, financial condition and results of operations.

In addition to the foregoing risks, we are, and will continue to be, subject to the risks described in our Annual Report on Form 10-K for the year ended December 26, 2010 and in our subsequent reports on Forms 10-Q and 8-K and other filings with the SEC. All such reports are or will be filed with the SEC and are incorporated by reference into this prospectus. See the section entitled "Where You Can Find More Information" beginning on page 103.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table sets forth our selected historical consolidated financial data as of the dates and for each of the periods indicated. The selected historical consolidated financial data for the fiscal years ended December 26, 2010, December 27, 2009 and December 28, 2008 and as of December 26, 2010 and December 27, 2009 is derived from our audited consolidated financial statements, which are incorporated by reference into this prospectus. The selected historical consolidated financial data for the fiscal years ended December 31, 2007 and December 31, 2006 and as of December 28, 2008, December 31, 2007 and December 31, 2006 is derived from our audited historical consolidated financial statements, which are not included or incorporated by reference into this prospectus. The selected historical consolidated financial data for the six months ended and as of June 26, 2011 and June 27, 2010 is derived from our unaudited condensed consolidated financial statements incorporated by reference into this prospectus. In our opinion, such unaudited condensed consolidated financial statements include all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of our financial position and results of operations for such periods. Interim results for the six months ended and as of June 26, 2011 are not necessarily indicative of, and are not projections for, the results to be expected for the fiscal year ending December 25, 2011.

You should read the selected historical consolidated financial data below together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and with the consolidated financial statements and notes to the consolidated financial statements for the year ended December 26, 2010, included in our Annual Report on Form 10-K, and for the six months ended June 26, 2011, included in our Quarterly Report on Form 10-Q, each of which has been filed with the

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SEC and all of which are incorporated by reference into this prospectus. See the section entitled "Where You Can Find More Information."

	Fiscal Year Ended					Six Months Ended	
	December 31, 2006	December 31, 2007	December 28, 2008	December 27, 2009	December 26, 2010	June 27, 2010	June 26, 2011
(All amounts except per share data in millions)							
Consolidated Statements of Operations Financial Data:							
Revenue	\$ 138.2	\$ 180.7	\$ 286.2	\$ 334.5	\$ 408.5	\$ 167.8	\$ 293.9
Gross profit	26.2	29.7	58.2	69.3	90.0	132.6	221.1
Operating income (loss) from continuing operations	(25.9)	(23.6)	(93.2)	(27.0)	23.1	8.1	10.1
Provision (benefit) for income taxes	14.5	1.3	(0.7)	1.0	(12.7)	(11.4)	(0.3)
Income (loss) from continuing operations	(41.2)	(27.2)	(104.0)	(38.3)	14.6	10.7	(9.1)
Income (loss) from discontinued operations	(16.7)	(13.6)	(7.1)	(3.2)	(0.1)	0.2	0.4
Net income (loss)	\$ (57.9)	\$ (40.8)	\$ (111.1)	\$ (41.5)	\$ 14.5	\$ 10.9	\$ (8.7)
Income (loss) from continuing operations per common share							
Basic	\$ (5.56)	\$ (3.67)	\$ (11.18)	\$ (2.76)	\$ 0.88	\$.67	\$ (0.40)
Diluted	\$ (5.56)	\$ (3.67)	\$ (11.18)	\$ (2.76)	\$ 0.87	\$.65	\$ (0.40)
Income (loss) from discontinued operations per common share							
Basic	\$ (2.26)	\$ (1.84)	\$ (0.77)	\$ (0.23)	\$ (0.01)	\$ 0.01	\$ 0.02
Diluted	\$ (2.26)	\$ (1.84)	\$ (0.77)	\$ (0.23)	\$ (0.01)	\$ 0.01	\$ 0.02
Net income (loss) per common share							
Basic	\$ (7.82)	\$ (5.51)	\$ (11.95)	\$ (2.99)	\$ 0.87	\$ 0.68	\$ (0.38)
Diluted	\$ (7.82)	\$ (5.51)	\$ (11.95)	\$ (2.99)	\$ 0.86	\$ 0.66	\$ (0.38)
Weighted average shares							
Basic	7.4	7.4	9.3	13.9	16.6	16.0	22.6
Diluted	7.4	7.4	9.3	13.9	16.9	16.4	22.6

	As of					As of	
	December 31, 2006	December 31, 2007	December 28, 2008	December 29, 2009	December 26, 2010	June 27, 2010	June 26, 2011
(all amounts in millions)							
Consolidated Balance Sheet Data:							
Cash and cash equivalents	\$ 5.6	\$ 8.9	\$ 3.7	\$ 9.9	\$ 10.8	\$ 43.4	\$ 100.4
Working capital	(3.8)	23.4	35.0	37.1	65.8	84.5	224.1
Total assets	337.7	335.3	312.4	241.6	536.1	473.1	912.4
Short-term debt	51.4	2.7	6.1	4.7	0.6	1.0	
Long-term debt		74.0	76.9	51.6	226.1	225.0	516.3
Total stockholders' equity	\$ 187.1	\$ 167.2	\$ 146.9	\$ 124.9	\$ 169.9	\$ 137.5	\$ 227.0

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USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the Exchange Notes. In consideration for issuing the Exchange Notes as contemplated in this prospectus, we will receive in exchange Original Notes in like principal amount. The Original Notes surrendered in exchange for Exchange Notes will be retired and canceled and cannot be reissued. Issuance of the Exchange Notes will not result in a change in our amount of outstanding debt.

THE EXCHANGE OFFER

Purpose and Effect of the Exchange Offer

On July 27, 2011, the Company issued \$115.0 million aggregate principal amount of the Original Notes pursuant to the Indenture. In connection with the purchase and sale of the Original Notes, we entered into a registration rights agreement with the initial purchasers of the Original Notes in which we agreed that you, as a holder of unregistered Original Notes, would be entitled to exchange your unregistered Original Notes for Exchange Notes registered under the Securities Act. The exchange offer is intended to satisfy these rights. After the exchange offer is completed, you will no longer be entitled to any registration rights with respect to your Original Notes. The Exchange Notes will be our obligation and will be entitled to the benefits of the Indenture relating to the Exchange Notes. The form and terms of the Exchange Notes are identical in all material respects to the form and terms of the Original Notes, except that the Exchange Notes will:

have been registered under the Securities Act and, therefore, will contain no restrictive legends;

not have registration rights;

not have rights to additional interest; and

bear different CUSIP and ISIN numbers from the Original Notes.

Resale of the Exchange Notes

Based upon an interpretation by the staff of the SEC contained in no-action letters issued to third parties, we believe that you may exchange Original Notes for Exchange Notes in the ordinary course of business. For further information on the SEC's position, see Exxon Capital Holdings Corporation, available May 13, 1988, Morgan Stanley & Co. Incorporated, available June 5, 1991 and Shearman & Sterling, available July 2, 1993, and other interpretive letters to similar effect. You will be allowed to resell Exchange Notes to the public without further registration under the Securities Act and without delivering to purchasers of the Exchange Notes a prospectus that satisfies the requirements of Section 10 of the Securities Act so long as you do not participate, do not intend to participate, and have no arrangement with any person to participate, in a distribution of the Exchange Notes. However, the foregoing does not apply to you if you are: a broker-dealer who purchased the Exchange Notes directly from us to resell pursuant to Rule 144A or any other available exemption under the Securities Act; or you are an "affiliate" of ours within the meaning of Rule 405 under the Securities Act.

In addition, if you are a broker-dealer, or you acquire Exchange Notes in the exchange offer for the purpose of distributing or participating in the distribution of the Exchange Notes, you cannot rely on the position of the staff of the SEC contained in the no-action letters mentioned above and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction, unless an exemption from registration is otherwise available.

Each broker-dealer that receives Exchange Notes for its own account in exchange for Original Notes, which the broker-dealer acquired as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of the Exchange Notes. The letter of transmittal for use in connection with any such resale will state that by

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so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. A broker-dealer may use this prospectus, as it may be amended or supplemented from time to time, in connection with resales of Exchange Notes received in exchange for Original Notes which the broker-dealer acquired as a result of market-making or other trading activities.

Terms of the Exchange Offer

Upon the terms and subject to the conditions stated in this prospectus and in the letter of transmittal, we will accept all Original Notes properly tendered and not withdrawn prior to 5:00 p.m. New York City time, on the expiration date. After authentication of the Exchange Notes by the trustee or an authenticating agent, we will issue \$1,000 principal amount of Exchange Notes in exchange for each \$1,000 principal amount of Original Notes accepted in the exchange offer. Holders may tender some or all of their Original Notes in denominations of \$2,000 or any integral multiple of \$1,000.

If you wish to exchange your Original Notes for Exchange Notes in the exchange offer, you will be required to represent that:

any Exchange Notes to be received by you will be acquired in the ordinary course of your business;

that, at the time of the commencement and consummation of the exchange offer, you have no arrangement or understanding with any person to participate in the distribution (within the meaning of the Securities Act) of the Exchange Notes in violation of the Securities Act;

that you are not our "affiliate" (as defined in Rule 405 promulgated under the Securities Act) or, if you are an affiliate, you will comply with any applicable registration and prospectus delivery requirements;

if you are not a broker-dealer, that you are not engaged in, and do not intend to engage in, the distribution of Exchange Notes; and

if you are a broker-dealer that will receive Exchange Notes for your own account in exchange for Original Notes that were acquired as a result of market-making or other trading activities, that you will deliver a prospectus in connection with any resale of such Exchange Notes.

You will make these representations to us by signing or agreeing to be bound by the letter of transmittal.

Broker-dealers that are receiving Exchange Notes for their own account must have acquired the Original Notes as a result of market-making or other trading activities in order to participate in the exchange offer. Each broker-dealer that receives Exchange Notes for its own account pursuant to this exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of the Exchange Notes during the 180-day period following the completion of the exchange offer, exclusive of any period during which a stop order suspending the effectiveness of the registration statement of which this prospectus is a part is in effect or we have suspended the use of this prospectus. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer during the 180-day period following the closing of the exchange offer in connection with resales of Exchange Notes received in exchange for Original Notes where such Original Notes were acquired by such broker-dealer as a result of market-making or other trading activities. We have agreed that, during the 180-day period following the closing of the exchange offer, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

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The Exchange Notes will evidence the same debt as the Original Notes and will be issued under and entitled to the benefits of the same indenture. The form and terms of the Exchange Notes are identical in all material respects to the form and terms of the Original Notes except that:

the Exchange Notes will be issued in a transaction registered under the Securities Act;

the Exchange Notes will bear different CUSIP and ISIN numbers from the Original Notes;

the Exchange Notes will not be subject to transfer restrictions and, except in limited circumstances, holders of Exchange Notes will have no registration rights; and

provisions providing for an increase in the stated interest rate on the Original Notes if the Original Notes are not exchanged for registered Exchange Notes will be eliminated.

Holders of Original Notes that are not entitled to participate in the exchange offer and holders who do not receive freely tradable Exchange Notes will have, for a period of 180 days following the consummation of the exchange offer, the right to require us to file a registration statement covering resales of their notes. If we do not timely file or cause this resale registration statement to become effective, these holders will be entitled to additional interest.

As of the date of this prospectus, \$115.0 million aggregate principal amount of the Original Notes was outstanding. In connection with the issuance of the Original Notes, we arranged for the Original Notes to be issued and transferable in book-entry form through the facilities of DTC, acting as depository. The Exchange Notes will also be issuable and transferable in book-entry form through DTC.

This prospectus, together with the accompanying letter of transmittal, is initially being sent to all registered holders as of the close of business on November 2, 2011. We intend to conduct the exchange offer as required by the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations of the SEC under the Exchange Act, including Rule 14e-1, to the extent applicable.

The exchange offer is not conditioned upon any minimum aggregate principal amount of Original Notes being tendered, and holders of the Original Notes do not have any appraisal or dissenters' rights under the General Corporation Law of the State of Delaware or under the Indenture in connection with the exchange offer. No governmental approvals or consents must be received to consummate the exchange offer. We shall be considered to have accepted Original Notes tendered according to the procedures in this prospectus when, as and if we have given oral or written notice of acceptance to the exchange agent. See " Exchange Agent." The exchange agent will act as agent for the tendering holders for the purpose of receiving Exchange Notes from us and delivering Exchange Notes to those holders.

If any tendered Original Notes are not accepted for exchange because of an invalid tender or the occurrence of other events described in this prospectus, the unaccepted Original Notes will be credited to the holder's account at DTC according to the procedures described below or, in the case of Original Notes tendered by delivery of certificates, certificates for these unaccepted Original Notes will be returned, at our cost, to the tendering holder of the Original Notes, promptly after the expiration date.

Holders who tender Original Notes in the exchange offer will not be required to pay brokerage commissions or fees or, except as described in the following sentence, transfer taxes related to the exchange of Original Notes in the exchange offer. If you instruct us to register Exchange Notes in the name of, or request that Original Notes not tendered or not accepted in the exchange offer be returned to, a person other than you, you will be responsible for the payment of any applicable transfer tax. We will pay all charges and expenses, other than applicable taxes, in connection with the exchange offer. See " Solicitation of Tenders; Fees and Expenses."

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Neither we nor our board of directors makes any recommendation to holders of Original Notes as to whether to tender or refrain from tendering all or any portion of their Original Notes pursuant to the exchange offer. Moreover, no one has been authorized to make any recommendation. Holders of Original Notes must make their own decision whether to tender in the exchange offer and, if so, the amount of Original Notes to tender after reading this prospectus and the letter of transmittal and consulting with their advisors, if any, based on their own financial position and requirements.

Expiration Date; Extensions; Amendments

The term "expiration date" shall mean 5:00 p.m., New York City time, on December 2, 2011 unless we, in our sole discretion, extend the exchange offer, in which case the term "expiration date" shall mean the latest date to which the exchange offer is extended.

We expressly reserve the right, in our sole discretion:

to delay acceptance of any Original Notes or to terminate the exchange offer and to refuse to accept Original Notes not previously accepted, if any of the conditions described under " Conditions" shall have occurred and shall not have been waived by us;

to extend the expiration date of the exchange offer;

to amend the terms of the exchange offer in any manner;

to purchase or make offers for any Original Notes that remain outstanding subsequent to the expiration date; and

to the extent permitted by applicable law, to purchase Original Notes in the open market, in privately negotiated transactions or otherwise.

The terms of the purchases or offers described in the fourth and fifth clauses above may differ from the terms of the exchange offer.

Any delay in acceptance, termination, extension, or amendment will be followed as promptly as practicable by oral or written notice to the exchange agent and by making a public announcement. If the exchange offer is amended in a manner determined by us to constitute a material change, we will promptly disclose the amendment in a manner reasonably calculated to inform the holders.

Without limiting the manner in which we may choose to make public announcements of any delay in acceptance, termination, extension, or amendment of the exchange offer, we shall have no obligation to publish, advise, or otherwise communicate any public announcement, other than by making a timely press release to an appropriate news agency.

You are advised that we may extend the exchange offer because some of the holders of the Original Notes do not tender on a timely basis.

Interest on the Exchange Notes

The Exchange Notes will bear interest from and including June 1, 2011, or, if later, the most recent date on which interest was paid or provided for on the Original Notes surrendered for the Exchange Notes, at a rate of 10% per year. Accordingly, holders of Original Notes that are accepted for exchange will not receive interest that is accrued but unpaid on the Original Notes at the time of tender. We will pay interest on the Exchange Notes twice a year, on December 1st and June 1st, beginning December 1, 2011.

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Procedures for Tendering

Only a holder may tender his, her or its Original Notes in the exchange offer. Any beneficial owner whose Original Notes are registered in the name of such owner's broker, dealer, commercial bank, trust company or other nominee or are held in book-entry form and who wishes to tender should contact the registered holder promptly and instruct the registered holder to tender on such owner's behalf. If the beneficial owner wishes to tender on his, her or its own behalf, the beneficial owner must, prior to completing and executing the letter of transmittal and delivering the owner's Original Notes, either make appropriate arrangements to register ownership of the Original Notes in the owner's name or obtain a properly completed bond power from the registered holder. The transfer of record ownership may take considerable time and may not be completed prior to the expiration date.

The tender by a holder will constitute an agreement between the holder, us and the exchange agent according to the terms and subject to the conditions described in this prospectus and in the letter of transmittal.

A holder who desires to tender Original Notes and who cannot comply with the procedures set forth in this prospectus for tender on a timely basis or whose Original Notes are not immediately available must comply with the procedures for guaranteed delivery set forth below.

The method of delivery of Original Notes and the letter of transmittal and all other required documents to the exchange agent is at the election and risk of the holders. Delivery of such documents will be deemed made only when actually received by the exchange agent or deemed received under the ATOP procedures described below. In all cases, sufficient time should be allowed to assure delivery to the exchange agent prior to the expiration date. No letter of transmittal or Original Notes should be sent to us. Holders may also request that their respective brokers, dealers, commercial banks, trust companies or nominees effect the tender for holders in each case as described in this prospectus and in the letter of transmittal.

Original Notes Held in Book-Entry Form. We understand that the exchange agent will make a request promptly after the date of the prospectus to establish accounts for the Original Notes for the purpose of facilitating the exchange offer, and subject to their establishment, any financial institution that is a participant in DTC may make book-entry delivery of the Original Notes by causing DTC to transfer the Original Notes into the exchange agent's account for the Original Notes using DTC's procedures for transfer.

The exchange offer is eligible for DTC's ATOP. Accordingly, DTC participants may, instead of physically completing and signing the letter of transmittal and delivering it to the exchange agent, electronically transmit their acceptance of the exchange offer by causing DTC to transfer Original Notes held in book-entry form to the exchange agent in accordance with DTC's ATOP procedures for transfer. DTC will then send a book-entry confirmation, including an agent's message to the exchange agent.

The term "agent's message" means a message transmitted by DTC, received by the exchange agent and forming part of the book-entry confirmation, which states that DTC has received an express acknowledgment from the participant in DTC tendering Original Notes that are the subject of that book-entry confirmation that the participant has received and agrees to be bound by the terms of the letter of transmittal, and that we may enforce such agreement against such participant. If you use ATOP procedures to tender Original Notes you will not be required to deliver a letter of transmittal to the exchange agent, but you will be bound by its terms just as if you had signed it.

If you desire to tender Original Notes held in book-entry form with DTC, the exchange agent must receive, prior to 5:00 p.m. New York City time on the expiration date, at its address set forth in this prospectus, a confirmation of book-entry transfer of the Original Notes into the exchange agent's account at DTC, which is referred to in this prospectus as a "book-entry confirmation," and an agent's

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message transmitted pursuant to DTC's ATOP procedures. In lieu of transmitting an agent's message pursuant to DTC's ATOP procedures, you may deliver to the exchange agent, prior to 5:00 p.m. New York City time on the expiration date, at the address set forth in this prospectus, a properly completed and validly executed letter of transmittal, or manually signed facsimile thereof, together with any signature guarantees and other documents required by the instructions in the letter of transmittal.

Original Notes Held in Certificated Form. For a holder to validly tender Original Notes held in physical or certificated form, the exchange agent must receive, prior to 5:00 p.m. New York City time on the expiration date, at its address set forth in this prospectus:

a properly completed and validly executed letter of transmittal, or a manually signed facsimile thereof, together with any signature guarantees and any other documents required by the instructions to the letter of transmittal; and

certificates for tendered Original Notes.

Signatures. Signatures on a letter of transmittal or a notice of withdrawal, as the case may be, must be guaranteed by a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., a commercial bank or trust company having an office or correspondent in the United States or an "eligible guarantor institution" within the meaning of Rule 17Ad-15 under the Exchange Act, unless the Original Notes tendered with the letter of transmittal are tendered:

by a registered holder who has not requested that Exchange Notes or certificates representing Original Notes not being tendered be issued to a person other than the registered holder, sent to an address other than that of a registered holder or credited to a different account maintained at DTC; or

for the account of an institution eligible to guarantee signatures.

If the letter of transmittal is signed by a person other than the registered holder or DTC participant who is listed as the owner, the Original Notes must be endorsed or accompanied by appropriate bond powers which authorize the person to tender the Original Notes on behalf of the registered holder or DTC participant who is listed as the owner, in either case signed as the name of the registered holder who appears on the Original Notes or the DTC participant who is listed as the owner. If the letter of transmittal or any Original Notes or bond powers are signed or endorsed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, those persons should so indicate when signing and, unless waived by us, submit evidence satisfactory to us of their authority to so act with the letter of transmittal.

If you tender your Original Notes through ATOP, signatures and signature guarantees are not required.

Determinations of Validity. All questions as to the validity, form, eligibility, including time of receipt, acceptance and withdrawal of the tendered Original Notes will be determined by us in our sole discretion. This determination will be final and binding. We reserve the absolute right to reject any and all Original Notes not properly tendered or any Original Notes our acceptance of which would, in the opinion of our counsel, be unlawful. We also reserve the absolute right to waive any irregularities or conditions of tender as to particular Original Notes. Our interpretation of the terms and conditions of the exchange offer, including the instructions in the letter of transmittal, will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of Original Notes must be cured within the time we shall determine. Although we intend to notify holders of defects or irregularities related to tenders of Original Notes, neither we, the exchange agent nor any other person shall be under any duty to give notification of defects or irregularities related to tenders of Original

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Notes, nor shall any of us incur liability for failure to give notification. Tenders of Original Notes will not be considered to have been made until the irregularities have been cured or waived. Any Original Notes received by the exchange agent that we determine are not properly tendered or the tender of which is otherwise rejected by us and as to which the defects or irregularities have not been cured or waived by us will be returned by the exchange agent to the tendering holder unless otherwise provided in the letter of transmittal, promptly following the expiration date.

Guaranteed Delivery Procedures

Holders who wish to tender their Original Notes and:

whose Original Notes are not immediately available;

who cannot complete the procedure for book-entry transfer on a timely basis;

who cannot deliver their Original Notes, the letter of transmittal or any other required documents to the exchange agent prior to the expiration date; or

who cannot complete a tender of Original Notes held in book-entry form using DTC's ATOP procedures on a timely basis;

may effect a tender if they tender through an institution eligible to guarantee signatures described under " Procedures for Tendering Signatures," or if they tender using ATOP's guaranteed delivery procedures.

A tender of Original Notes made by or through an eligible institution will be accepted if:

prior to 5:00 p.