
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 19, 2009

Luna Innovations Incorporated

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-52008
(Commission File Number)

54-1560050
(IRS Employer
Identification No.)

1 Riverside Circle, Suite 400
Roanoke, Virginia 24016
(Address of principal executive offices, including zip code)

540-769-8400
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 3.01. Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing

On May 19, 2009, Luna Innovations Incorporated (the “Company”) received a notice of deficiency from the NASDAQ Stock Market (“NASDAQ”) listing qualifications department staff (the “Staff”), indicating that the Company no longer complied with all of the quantitative standards for continued listing on the NASDAQ Global Market. The Staff noted that the Company’s May 15, 2009 filing of its Quarterly Report on Form 10-Q for the period ended March 31, 2009 (the “Form 10-Q”) reported stockholders’ equity deficit of \$25,771,460, and as a result the Company no longer complies with NASDAQ Marketplace Rule 5450(b)(1)(A). Such rule specifies that an issuer must maintain stockholders’ equity of at least \$10 million. The Staff also noted that the Company also does not meet the alternative maintenance standard 2 under NASDAQ Marketplace Rule 5450(b)(2).

The Company had previously notified the Staff of the aforementioned deficiency in connection with its filing of the Form 10-Q and disclosed such notification in Part II, Item 5 of the Form 10-Q.

Pursuant to NASDAQ Marketplace Rule 5810(c)(2), the Staff has permitted the Company until June 3, 2009 to submit a plan to regain compliance with the continued listing standards. If the Company’s plan to regain compliance is approved by the Staff, the Company may be granted an extension to regain compliance for an undetermined period that may not extend later than September 1, 2009, which is 105 days from the date of the Staff’s original deficiency notice. If the Company is unable to regain compliance within the permitted time period or the Staff elects not to grant the Company an extension, the Staff may determine to delist the Company’s shares of common stock from the NASDAQ Global Market and to suspend trading effective at a future date. If the Company receives a delisting determination notice, the Company intends to request a hearing by a NASDAQ Listing Qualifications Panel to appeal such determination of delisting.

A copy of the press release issued by the Company dated May 19, 2009 announcing the Staff’s notice of deficiency and other compliance matters is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated May 19, 2009

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Luna Innovations Incorporated

By: /s/ Talfourd H. Kemper, Jr.
Talfourd H. Kemper, Jr.
Vice President and General Counsel

Date: May 19, 2009

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated May 19, 2009



Media Contact:
Karin Clark
Luna Innovations Incorporated
Email: kclark@lunainnovations.com
Phone: 1.540.769.8400

Release
Luna Innovations Incorporated
1 Riverside Circle, Suite 400
Roanoke, VA 24016

Investor Contact:
Dale Messick
Chief Financial Officer
Email: messickd@lunainnovations.com
Phone: 1.540.769.8400

Luna Innovations Notifies Nasdaq of

Non-Compliance with Continued Listing Standards

Stockholders' Deficit Triggers Noncompliance with Quantitative Standards;

Audit Committee Composition Requirement Subject to Cure Period

(ROANOKE, VA, May 19, 2009) – On May 15, 2009, Luna Innovations Incorporated (NASDAQ: LUNA) notified Nasdaq that it was not in compliance with the standards for continued listing on the Nasdaq Global Market in connection with the filing of its Quarterly Report on Form 10-Q for the period ended March 31, 2009. Luna Innovations confirmed to Nasdaq that it no longer satisfied the requirements of Nasdaq Marketplace Rule 5450(b)(1)(A), which specifies that an issuer must maintain stockholders' equity of at least \$10 million. Luna Innovations does not meet the alternative "Market Value" or "Total Assets/Total Revenue" standards for continued listing at this time. The Nasdaq Listing Qualifications Staff confirmed this compliance deficiency in a letter dated May 19, 2009.

The Nasdaq Listing Qualifications Staff has permitted Luna Innovations until June 3, 2009 to provide Nasdaq with a specific plan to regain and maintain compliance with the continued quantitative listing standards and requirements of the Nasdaq Global Market. During this time, Luna Innovations common stock will continue to trade on the Nasdaq Global Market, subject to the company's continued compliance with other Nasdaq listing requirements. If the plan of compliance is approved following review, Luna Innovations may be granted an additional extension to regain compliance for an undetermined period that may extend no longer than September 1, 2009, which is 105 days following the date of the original deficiency notice. If Luna Innovations is unable to regain compliance within the permitted time period or a staff extension is not granted, it may then receive a delisting determination notice. In the event that Nasdaq determines to delist the company's common stock from the Nasdaq

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Global Market, Luna Innovations intends to appeal the proposed delisting to the extent it is permitted to do so under the Nasdaq Marketplace Rules.

In addition, on May 12, 2009, Luna Innovations notified the Nasdaq Stock Market that it no longer complied with Nasdaq Marketplace Rule 5605(c)(2)(A), which requires the audit committee of a listed company to be composed of at least three independent directors. On May 12, 2009, John C. Backus, Jr.'s term as a director and member of the company's audit committee concluded, and, as a result, only two independent directors remained as members of Luna's audit committee.

Luna Innovations intends to fill the vacancy on its audit committee and to regain compliance with Nasdaq's audit committee requirements as expeditiously as possible. In the meantime, Luna Innovations will rely on the cure period set forth in Nasdaq Marketplace Rule 5605(c)(4)(B), as confirmed by a letter from the Nasdaq Listing Qualifications Staff dated May 14, 2009. This cure period will run through the earlier of the company's 2010 annual meeting of stockholders or May 12, 2010. During this time, Luna Innovations common stock will continue to trade on the Nasdaq Global Market, subject to the company's continued compliance with other Nasdaq listing requirements.

About Luna Innovations:

Luna Innovations Incorporated (www.lunainnovations.com) is focused on sensing and instrumentation, and pharmaceutical nanomedicines. Luna develops and manufactures new-generation products for the healthcare, telecommunications, energy and defense markets. Luna's products are used to measure, monitor, protect and improve critical processes in the markets we serve. Through its disciplined commercialization business model, Luna has become a recognized leader in transitioning science to solutions. Luna is headquartered in Roanoke, Virginia.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

This release includes information that constitutes "forward-looking statements" made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements regarding, but not limited to, Luna's plans to regain and maintain compliance with Nasdaq's listing standards. The company attempts, whenever possible, to identify forward-looking statements by words such as "intends," "will," "plans," "anticipates," "expects," "may," "estimates," "believes," "should," "projects," or "continue," or the negative of those words and other comparable words. Actual events or results may differ materially from the expectations expressed in such forward-looking statements as a result of various factors, including risks and uncertainties, many of which are beyond the company's control. Factors that could cause actual results to differ materially from the expectations expressed in such forward-looking statements include, but are not limited to, the outcome of Luna's litigation with Hansen Medical, Inc. and Luna's ability to regain and maintain compliance with the Nasdaq listing requirements and standards.

Additional factors that may affect the future results of the company are set forth in the company's quarterly and annual reports on Form 10-Q and Form 10-K, respectively, and other filings with the Securities and Exchange Commission ("SEC"), which are available at the SEC's website at <http://www.sec.gov>, and at the company's website at <http://www.lunainnovations.com>.

These risk factors are updated from time to time through the filing of periodic reports with the SEC. The statements made in this press release are based on information available to the company as of the date

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of this release and Luna Innovations undertakes no obligation to update any of the forward-looking statements herein after the date of this press release. Stockholders of or potential investors in Luna Innovations are cautioned not to place undue reliance on our forward-looking statements, which speak only as of the date such statements are made.