
**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): July 24, 2006

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.)

10 South Jefferson Street, Suite 130
Roanoke, Virginia 24011
(Address of principal executive offices, including zip code)

540-552-5128
(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 1.01. Entry into a Material Definitive Agreement.

On July 24, 2006, Luna Innovations Incorporated (the "Company") and Scott Graeff amended Mr. Graeff's employment agreement dated July 14, 2006 to change Mr. Graeff's title to Chief Commercialization Officer, effective as of August 1, 2006. Other than the change in title and the corresponding duties, the terms of Mr. Graeff's employment agreement remain unchanged. Such employment agreement was previously filed as Exhibit 10.3 to the Company's Current Report on Form 8-K dated June 14, 2006.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

On July 24, 2006, the Company issued a press release announcing that Scott A. Graeff, Chief Financial Officer and Vice President, Corporate Development, has been appointed Chief Commercialization Officer of the Company, and that Dale E. Messick has been hired as the Company's Chief Financial Officer, both effective as of August 1, 2006. As of that date, Mr. Messick, age 42, will serve as the Company's principal financial officer and principal accounting officer, and Mr. Graeff will no longer serve in those roles. A copy of the press release is attached hereto as Exhibit 99.1.

From July 1997 until June 2005, Mr. Messick served as Chief Financial Officer and Sr. Vice President of Finance of Worldspan, L.P., a multi-national company with annual revenues in excess of \$900 million that provides transaction processing and information technology services to the global travel industry. At Worldspan, Mr. Messick managed a staff of 160 throughout the United States, Mexico, and Europe and was responsible for the accounting, financial reporting, budgeting, financial planning and analysis, and internal audit operations.

Under the terms of Mr. Messick's employment offer letter, he will be paid a base salary of \$185,000 per year and will be eligible for an annual discretionary performance-based cash bonus to be determined by the Board of Directors of the Company (the "Board") or the Compensation Committee of the Board (the "Compensation Committee"). The Company has agreed to recommend to the Compensation Committee that Mr. Messick be granted options to purchase 150,000 shares of the Company's common stock at an exercise price equal to the closing market price on the day that such option grant is approved by the Compensation Committee. Mr. Messick will also be eligible for the Company's standard benefits programs.

Item 9.01. Financial Statements and Exhibits.**(d) Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
99.1	Luna Innovations Incorporated press release dated July 24, 2006

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/ Aaron S. Hullman

Aaron S. Hullman

Vice President and General Counsel

Date: July 24, 2006

EXHIBIT INDEX

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Press Release

[LUNA INNOVATIONS LOGO APPEARS HERE]

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Luna Innovations Appoints Scott Graeff to New Role as Chief Commercialization Officer; Dale Messick Appointed Chief Financial Officer

ROANOKE, VA, July 24, 2006 — Luna Innovations (NASDAQ: LUNA) today announced senior management changes that President and CEO Kent Murphy said are intended to allow the company to put the proceeds from its June 2006 initial public offering (IPO) to use “as strategically as possible.”

He added that Scott Graeff, who has been the company’s Chief Financial Officer (CFO) and Executive Vice President (EVP), Corporate Development, has assumed the new position of Chief Commercialization Officer, and Dale Messick, former Chief Financial Officer of Worldspan, a multi-national company with revenues in excess of \$900 million, has joined the company as CFO. The appointment of a new CFO was anticipated in the Company’s IPO prospectus. Management changes are effective as of August 1, 2006.

Murphy said: “In its most basic terms, our business is a process of discovering innovative technologies that we believe will transform the way things are done, developing those technologies with funding provided by partners such as government agencies and other businesses, deciding whether to invest Luna’s own funds to commercialize the technology, and then taking whatever business step makes sense once the technology has commercial value. The personnel appointments we are announcing today will allow Scott Graeff to focus on the critical decision of whether or not to invest Luna’s own money in new technologies and then overseeing the evolution of promising technologies into new products. Dale Messick provides us with a seasoned CFO who will focus full-time on Luna’s financial administration.”

As CFO at Worldspan, which provides transaction processing and information technology services to the global travel industry, Messick managed a staff of 160 throughout the United States, Mexico, and Europe. He was responsible for accounting, financial reporting, budgeting, financial planning and analysis, and internal audit operations. During his tenure, he developed and executed business plans and strategies that focused the company on profitable growth and cash generation. At Luna, he will serve as the company's principal accounting and financial officer and have primary responsibility for overseeing Luna's accounting, finance and investor relations functions.

Graeff joined Luna Innovations in 2005 from Gryphon Capital, LLC, where he managed several venture capital funds. As CFO and EVP, Corporate Development of Luna Innovations, he was responsible for all aspects of financial management and investor relations, and was instrumental in securing Luna Innovations' first outside financing from Carilion Health System in 2005 and the successful completion of the company's recent IPO. He has also been the CFO of a software technology company that was sold to a Fortune 500 Company.

Murphy further commented that, "since the infusion of capital from our IPO, Luna has had a surge of energy and enthusiasm that has produced an abundance of high-quality internal business opportunities. These ideas mandate a very deliberate investment decision on our part. Scott's knowledge of Luna and keen sensitivity to our unique culture, combined with his financial management, strategic planning and capital markets experience, make him ideally suited for the new Chief Commercialization Officer position."

About Luna Innovations

Luna Innovations Incorporated researches, develops and commercializes innovative technologies in molecular technology and sensing solutions. Luna accelerates the process of bringing new and innovative products to market by focusing on technologies that can fulfill identified market needs and then takes these technologies from the applied research stage through commercialization. Since its inception, Luna has successfully developed products for the energy, telecommunications, life sciences and defense industries. Headquartered in Roanoke, Virginia, the company has research, development and manufacturing facilities in Blacksburg, Charlottesville, Hampton, and Danville, Virginia, and a sales office in McLean, Virginia. Additional information can be found at www.lunainnovations.com.

FORWARD LOOKING STATEMENTS

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify those so-called "forward-looking statements" by words such as "intends," "will," "plans," "anticipates,"

“believes,” or “continue,” or the negative of those words and other comparable words. Luna Innovations wishes to take advantage of the “safe harbor” provided for by the Private Securities Litigation Reform Act of 1995 and you are cautioned that 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 Luna’s control. Luna cannot guarantee future results, levels of activity, performance, or achievements. Factors that could cause actual results to differ materially from the expectations expressed in such forward-looking statements include, but are not limited to: (1) we may be unable to manage our growth effectively, (2) we may experience continuing losses, (3) we may not be successful in identifying market needs for new products, (4) we will continue to rely on contract research, including government grants and contracts available only to small businesses, for a significant portion of our revenue, (5) we may become ineligible for small business government grants and contracts in the future, (6) we face substantial competition in our markets, (7) our proprietary rights may be insufficient to protect our technologies, (8) third parties may claim that we infringe their intellectual property rights, (9) as a provider of contract research for the U.S. government, we may be subject to federal audits and investigations, (10) our ability to develop and market certain of our products may be delayed by FDA regulatory requirements, (11) we have limited manufacturing experience and may experience unanticipated manufacturing or supply problems, (12) changes in customer demands for our existing and new products, the timing, cancellation or delay of customer orders and shipments, (13) the impact of the slowdown in the overall economy, and (14) uncertainty of the current global political environment and the potential for terrorist attacks. Additional factors that may affect the future results of Luna are set forth in its Registration Statement on Form S-1 and other filings with the Securities and Exchange Commission (“SEC”), which are available at <http://www.sec.gov>, the SEC’s website, and at Luna’s website, which is <http://www.lunainnovations.com>. These factors are updated from time to time through the filing of periodic reports and registration statements with the SEC.

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