FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction

1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

| OMB APPROVAL | | | | | | | | | |
|--------------------------|----------------------|--|--|--|--|--|--|--|--|
| OMB Number: | 3235-0287 | | | | | | | | |
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| Estimated average burden | | | | | | | | | |
| hours per response | 0.5 | | | | | | | | |

| 1. Name and Address of Reporting Person* Messick Dale E | 2. Issuer Name and Ticker or Trading Symbol LUNA INNOVATIONS INC [LUNA] | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) | | | | |
|---|--|--|--|--|--|--|
| (Last) (First) (Middle) C/O LUNA INNOVATIONS INCORPORATED, 2851 COMMERCE STREET | 3. Date of Earliest Transaction (Month/Day/Year) 08/29/2006 | Director 10% Owner X Officer (give (specify below) Chief Financial Officer | | | | |
| (Street) BLACKSBURG VA 24060 (City) (State) (Zip) | 4. If Amendment, Date of Original Filed (Month/Day/Year) | 6. Individual or Joint/Group Filing (Check Applicable Line) X Form filed by One Reporting Person Form filed by More than One Reporting Person | | | | |

| | Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned | | | | | | | | | | | |
|---|--|-----------------|-------------------------------------|---|---|------------------|-------|---|--|---|--|--|
| 1.Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | Execution Date, | 3. Transac Code (Instr. 8) | | Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | | Securities Beneficially Owned | 6. Ownership Form: Direct (D) | 7. Nature of Indirect Beneficial Ownership | | |
| | | | Code | V | Amount | (A) or (D) | Price | Following Reported Transaction(s) (Instr. 3 and 4) | or Indirect (I) (Instr. 4) | (Instr. 4) | | |

| | Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities) | | | | | | | | | | | | | | |
|---|--|--|---|-------------------------------------|---|------------------|-----|---|--------------------|-------------------------|--|---|--|--|--|
| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transac Code (Instr. 8) | | of Derivative | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | Amount of Underlying | | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |
| Stock Option (right to buy) | \$ 5.47 | 08/29/2006 | | A | | 150,000 | | (1) | 08/29/2016 | Common Stock | 150,000 | (2) | 150,000 | D | |

Explanation of Responses:

- 1. Such options become exercisable as follows: 25% on the one year anniversary of the transaction date and the remaining 75% of the option shares pro-rata on a monthly basis for 36 months thereafter, subject to the Reporting Person continuing to be a Service Provider on such vesting dates. Vesting of options is subject to acceleration upon death of the Reporting Person or upon certain events as set forth in the Reporting Person's employment agreement with the Issuer.
- 2. Not applicable.

/s/ Aaron S. Hullman, attorney-in-fact for Dale E. 08/31/2006 Messick

** Signature of Reporting Person

Date

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

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.