

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES**

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

**OMB APPROVAL**

OMB  
Number: 3235-0104  
Expires: December 31,  
2014  
Estimated average burden  
hours per  
response 0.5

<b>1. Name and Address of Reporting Person*</b> <b>Carilion Health System</b>  (Last) (First) (Middle) <b>C/O LUNA INNOVATIONS INCORPORATED, 2851 COMMERCE STREET</b>  (Street) <b>BLACKSBURG VA 24060</b>  (City) (State) (Zip)	<b>2. Date of Event Requiring Statement (Month/Day/Year)</b> <b>06/02/2006</b>	<b>3. Issuer Name and Ticker or Trading Symbol</b> <b>LUNA INNOVATIONS INC [LUNA]</b>	
		<b>4. Relationship of Reporting Person(s) to Issuer</b> (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)	<b>5. If Amendment, Date of Original Filed (Month/Day/Year)</b>  <b>6. Individual or Joint/Group Filing (Check Applicable Line)</b> <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	2,228,198	D	

**Table II - Derivative Securities Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares <sup>M</sup>			
Senior Convertible Promissory Notes	12/30/2009	12/30/2012	Common Stock	1,065,736	\$ 4.6916	D	

**Explanation of Responses:**

/s/ Aaron S. Hullman,  
Esq., Attorney-in-Fact      06/02/2006

\*\* Signature of Reporting      Date  
Person

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 5(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.**