

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

## OMB APPROVAL

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

**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

<b>1. Name and Address of Reporting Person*</b> Graeff Scott A <hr/> (Last) (First) (Middle) C/O LUNA INNOVATIONS INCORPORATED, 2851 COMMERCE STREET <hr/> (Street) BLACKSBURG VA 24060 <hr/> (City) (State) (Zip)	<b>2. Date of Event Requiring Statement (Month/Day/Year)</b> 06/02/2006	<b>3. Issuer Name and Ticker or Trading Symbol</b> LUNA INNOVATIONS INC [LUNA]	
		<b>4. Relationship of Reporting Person(s) to Issuer</b> (Check all applicable) <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Director   <input checked="" type="checkbox"/> Officer (give title below)             CFO, Executive VP Corp. Dev.         </div> <div> <input type="checkbox"/> 10% Owner   <input type="checkbox"/> Other (specify below)         </div> </div>	<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 <input type="checkbox"/> 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)

**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>			
Employee Stock Option (Right to Buy)	(1)	05/20/2015	Common Stock	56,524	\$ 0.3538	D	
Employee Stock Option (Right to Buy)	(2)	06/03/2015	Common Stock	22,610	\$ 0.3538	D	
Employee Stock Option (Right to Buy)	(3)	07/01/2015	Common Stock	56,524	\$ 0.3538	D	
Employee Stock Option (Right to Buy)	(4)	08/01/2015	Common Stock	90,437	\$ 0.3538	D	
Employee Stock Option (Right to Buy)	(5)	02/08/2016	Common Stock	84,785	\$ 1.7692	D	

**Explanation of Responses:**

- 100% of the option shares became exercisable on May 20, 2005.
- 100% of the option shares became exercisable on June 3, 2005.
- 1/4 of the option shares will become exercisable on July 1, 2006. The remaining option shares are exercisable at a rate of 1/36 per month thereafter.
- 100% of the option shares became exercisable on August 1, 2005.
- 1/4 of the option shares will become exercisable on February 8, 2007. The remaining option shares are exercisable at a rate of 1/36 per month thereafter.

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

06/02/2006

\*\* 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 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.**