
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): October 23, 2017

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.)

301 1st Street SW, Suite 200
Roanoke, Virginia 24011
(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))

Indicate by check mark whether the registrant is an emerging growth Company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Retirement of My E. Chung as President and Chief Executive Officer and as Member of the Board of Directors; Appointment of Scott A Graeff as President and Chief Executive Officer and as a Member of the Board of Directors

Effective as of October 23, 2017, My E. Chung retired from his position as the President and Chief Executive Officer of Luna Innovations Incorporated (the “Company”) and as a member of the Company’s board of directors (the “Board”). In connection with Mr. Chung’s retirement, on October 23, 2017, the Company and Mr. Chung entered into a Separation Agreement (the “Separation Agreement”). The Separation Agreement provides that (a) Mr. Chung will as severance an amount equal to twelve months of his base salary and an amount equal to his target annual bonus, (b) a portion of Mr. Chung’s outstanding and unvested restricted stock immediately vested, representing 12 months of accelerated vesting (the remainder of Mr. Chung’s unvested awards terminated upon his retirement), (c) Mr. Chung will receive a payment of all accrued and unpaid salary, vacation and earned but unpaid bonus for 2017, (d) Mr. Chung will receive a payment equal to the value of any unvested 401(k) match amount, and (e) the Company will pay Mr. Chung’s COBRA premiums until the earliest of October 23, 2018, the expiration of eligibility for COBRA or the date when Mr. Chung is eligible for coverage in connection with new employment. The Separation Agreement contains a release and certain restrictive covenants that are binding upon Mr. Chung.

The foregoing description of the Separation Agreement is not complete and is qualified in its entirety by reference to the Separation Agreement, which will be filed as an exhibit to the Company’s Annual Report on Form 10-K for the year ending December 31, 2017.

In connection with Mr. Chung’s retirement, effective as of October 23, 2017, the Board appointed Scott A. Graeff as the Company’s President and Chief Executive Officer, and as a Class III member of the Board to serve until the 2018 Annual Meeting of Stockholders and until his successor is duly elected and qualified. Mr. Graeff will also serve as the Company’s principal operating officer.

There is no arrangement or understanding between Mr. Graeff and any other person pursuant to which he was selected as an officer or director of the Company, and there is no family relationship between Mr. Graeff and any of the Company’s other directors or executive officers. Additional information about Mr. Graeff is set forth below:

Scott A. Graeff, age 51, has served as the Company’s Chief Strategy Officer since July 2012, the Company’s Treasurer since July 2005, and the Company’s Secretary since May 2015. He previously served as the Company’s Chief Commercialization Officer from May 2010 to July 2012. He also served as the Company’s interim Chief Financial Officer during the period from August 2010 to April 2011. He previously served as the Company’s Chief Operating Officer from March 2009 to May 2010, as the Company’s Chief Commercialization Officer from August 2006 to March 2009, and as the Company’s Chief Financial Officer and Executive Vice President, Corporate Development, from July 2005 to August 2006. Mr. Graeff was also a member of the Board from August 2005 until March 2006. From 1999 to 2001, Mr. Graeff served as Chief Financial Officer of Liquidity Link, a software development company. From 2001 to 2002, Mr. Graeff served as President and Chief Financial Officer of Autumn Investments. From 2002 until 2005, Mr. Graeff served as a Managing Director for Gryphon Capital Partners, a venture capital investment group. From 2003 until July 2005, Mr. Graeff also served as the Acting Chief Financial Officer of Luna Technologies, Inc., which was acquired by the Company in September 2005. Mr. Graeff holds a B.S. degree in commerce from the University of Virginia.

Item 7.01. Regulation FD Disclosure.

On October 23, 2017, the Company issued a press release announcing the retirement of Mr. Chung and the appointment of Mr. Graeff as the President and Chief Executive Officer and a director of the Company. A copy of this press release is furnished herewith as Exhibit 99.1 to this Current Report.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
<u>99.1</u>	<u>Press release, dated October 23, 2017, titled "Scott A. Graeff Named President and CEO of Luna Innovations"</u>



News Release
Luna Innovations Incorporated
301 1st Street, SW, Suite 200
Roanoke, VA 24011

Scott A. Graeff Named President and CEO of Luna Innovations

(ROANOKE, Va., October 23, 2017) – Luna Innovations Incorporated (NASDAQ: LUNA), today announced that its board of directors has appointed Scott Graeff as the company’s president and chief executive officer effective immediately. Graeff, who has been serving as chief strategy officer, treasurer and secretary, replaces My Chung, who has retired from the company. Graeff will also join the board of directors.

Graeff joined Luna in August 2003. Throughout his tenure, he has held various positions, including chief operating officer, chief financial officer and chief commercialization officer. In these roles, Graeff assumed the leadership role for numerous significant events in Luna’s history, including its initial public offering, the sale of the fiber optic shape sensing technology to Intuitive Surgical, Inc., the merger with Advanced Photonix, Inc., and most recently, as the acting general manager of the Picometrix Division, the sale of the high-speed optical receivers business to MACOM Technology Solutions Holdings, Inc.

“From the time I joined Luna I’ve been fortunate to have worked with exceptional people across the organization,” Chung said. “Together we positioned the company for future success. I am pleased to hand over leadership responsibilities to Scott.”

“I have worked closely with Scott since joining the Luna board in 2005 and I am confident he will provide the leadership and continuity for our continued success,” added Richard Roedel, chairman of the board.

“I am very proud and excited to have this opportunity to lead Luna and to continue to execute our growth strategy and guide this company over the long term through the ever-evolving landscape in the fast-paced optical technology industry,” Graeff said. “With industry-leading products and dedicated employees, we are well-positioned to expand our operations and improve our operating results. And as we transition seamlessly to new leadership, I would also like to thank My for his many contributions to our success and wish him all the best in his retirement.”

About Luna:

Luna Innovations Incorporated (www.lunainc.com) is a leader in optical technology, providing unique capabilities in high speed optoelectronics and high performance fiber optic test products for the telecommunications industry and distributed fiber optic sensing for the aerospace and automotive industries. Luna is organized into two business segments which work closely together to turn ideas into products: a Technology Development segment and a Products and Licensing segment. Luna’s business model is designed to accelerate the process of bringing new and innovative technologies to market.

Forward-Looking Statements:

The statements in this release that are not historical facts constitute “forward-looking statements” made pursuant to the safe harbor provision of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. These statements include the company’s expectations Luna’s growth strategy, the expansion of its operations and its future operating performance. Management cautions the reader that these forward-looking statements are only predictions and are subject to a number of both known and unknown risks and uncertainties, and actual results may differ materially from those expressed or implied by these forward-looking statements as a result of a number of factors. These factors include, without limitation, failure of demand for the company’s products and services to meet expectations, technological challenges and those risks and uncertainties set forth in the company’s periodic reports and other filings with the Securities and Exchange Commission (“SEC”). Such filings are available on the SEC’s website at www.sec.gov and on the company’s website at www.lunainc.com. The statements made in this release are based on information available to the company as of the date of this release and Luna undertakes no obligation to update any of the forward-looking statements after the date of this release.

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