

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934
or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0104
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1. Name and Address of Reporting Person* <u>Murphy Jonathan Edward</u> <hr/> (Last) (First) (Middle) LUNA INNOVATIONS INCORPORATED 1 RIVERSIDE CIRCLE, SUITE 400 <hr/> (Street) ROANOKE VA 24016 <hr/> (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 02/28/2008	3. Issuer Name and Ticker or Trading Symbol LUNA INNOVATIONS INC [LUNA]	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) VP Human Resources	5. If Amendment, Date of Original Filed (Month/Day/Year) 6. Individual or Joint/Group Filing (Check Applicable Line) <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 Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
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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				
Employee Stock Option (Right to Buy)	(1)	02/28/2018	Common Stock 50,000	6.55	D	

Explanation of Responses:

1. 40% of the option shares are exercisable 24 months after the vesting commencement day. The remaining option shares are exercisable at a rate of 1/36th per month thereafter.

/s/ Kevin W. Holt, Attorney-In-Fact

03/07/2008

** 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.

LUNA INNOVATIONS INCORPORATED

Limited Power of Attorney-Securities Law Compliance

The undersigned hereby constitutes and appoints each of Kent Murphy, Dale Messick and Kevin Holt, signing singly, his true and lawful attorney-in-fact to:

(1) execute for and on behalf of the undersigned, in the undersigned's capacity as an officer and/or director of Luna Innovations Incorporated (the "Company")

(2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to complete the execution of any such Form 1

(3) take any other action of any type whatsoever in connection with the foregoing which, in the opinion of such attorney-in-fact, may be of benefit to, and

The undersigned hereby grants to each such attorney-in-fact full power and authority to do and perform all and every act and thing whatsoever requisite, necessary and proper to carry out the foregoing purposes, and to execute and deliver all instruments and documents which may be necessary or desirable to carry out the foregoing purposes.

The undersigned acknowledges that the foregoing attorneys-in-fact, in serving in such capacity at the request of the undersigned, are not assuming, nor is the undersigned assuming, any liability for any action taken by such attorneys-in-fact.

This Limited Power of Attorney shall remain in full force and effect until the undersigned is no longer required to file Form ID, Form 3, Form 4 and Form 5 with the SEC.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 6th day of March 2008.

By: /S/ Jonathan E. Murphy