

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 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 16, 2024

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 24011  
Roanoke, VA  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (540) 769-8400  
N/A  
(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:

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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value per share	LUNA	Nasdaq Stock Market, LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in 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.**

*Resignation of John C. Roiko as Chief Financial Officer*

John C. Roiko, the Chief Financial Officer of Luna Innovations Incorporated (the “Company”), will retire from his position, effective October 16, 2024. Mr. Roiko expressed his desire to return to retirement after assisting the Company since May 2024. Mr. Roiko will continue to provide consulting services to the company to support the ongoing restatement processes. Mr. Roiko’s resignation is not the result of any disagreement with the Company on any matter relating to the Company’s operations, policies or practices. In connection with his resignation and retirement, Mr. Roiko did not receive any severance or other benefits based on his separation from the Company.

*Appointment of William L. Phelan as Chief Financial Officer and Chief Accounting Officer*

Effective October 16, 2024, the Board appointed William L. Phelan as the Company’s Chief Financial Officer and Chief Accounting Officer, in which capacity he will serve as the Company’s principal financial and accounting officer.

William L. Phelan, age 54, has served as a full-time consultant to the Company since May 2024, providing assistance and support with respect to corporate controller functions. Prior to his engagement by the Company, Mr. Phelan served as Chief Accounting Officer of MiMedx Group, Inc. from 2020 to 2023. Prior to that, he served as a Managing Director of CFGI, a firm providing accounting, reporting, tax and compliance services. Prior to CFGI, he served in a number of capacities, most recently as Chief Accounting Officer at Sancilio Pharmaceuticals Company, Inc. from 2015 to 2017. Mr. Phelan holds an MBA from Penn State University and a BSBA in Accounting from Shippensburg University of Pennsylvania.

In connection with Mr. Phelan’s appointment, the Company and Mr. Phelan entered into an offer letter (the “Offer Letter”), effective as of October 14, 2024. Pursuant to the Offer Letter, Mr. Phelan will be employed by the Company on an “at-will” basis, meaning either party may terminate the employment at any time, with or without cause or advanced notice. Mr. Phelan’s initial annual base salary will be \$400,000 per year, subject to review and adjustment from time to time in the discretion of the Board. Pursuant to the Offer Letter, on October 16, 2024, the Company granted Mr. Phelan 150,000 restricted stock units (the “RSU Award”) pursuant to the Luna Innovations Incorporated 2024 Inducement Plan (the “Inducement Plan”). The RSU Award is subject to the terms of the Inducement Plan and a restricted stock unit award agreement by and between the Company and Mr. Phelan. 100% of the RSUs will vest upon the twelve (12) month anniversary of the date of grant. The RSU Award will accelerate in full upon a sale or the acquisition of substantially all of the assets or outstanding equity securities of the Company by a third party.

There is no arrangement or understanding between Mr. Phelan and any other person pursuant to which he was selected as an officer of the Company, and there is no family relationship between Mr. Phelan and any of the Company’s other directors or executive officers.

The foregoing description of the Offer Letter does not purport to be complete and is qualified in its entirety by reference to the full text of the Offer Letter, which is filed herewith as Exhibit 10.1, and incorporated herein by reference.

**Item 7.01 Regulation FD Disclosure.**

A press release dated October 16, 2024, disclosing the matters set forth above, is attached hereto as Exhibit 99.4.

The information furnished in this Item 7.01 of this Current Report on Form 8-K (including Exhibit 99.4 attached hereto) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

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**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

Exhibit	Description
10.1	<a href="#">Offer Letter, effective as of October 14, 2024, by and between the Company and William L. Phelan</a>
99.4	<a href="#">Press Release dated October 16, 2024</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**Luna Innovations Incorporated**

By: /s/ Ryan Stewart

Name: Ryan Stewart

Title: SVP, General Counsel and Corporate Secretary

Date: October 16, 2024



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www.lunainc.com

October 8, 2024

William (Bill) Phelan



Dear Bill:

We are pleased to extend you an invitation to join Luna Innovations Incorporated (“Luna”), starting October 16, 2024, in the position of **Senior Vice President, Chief Financial Officer and Chief Accounting Officer**, reporting to Kevin Ilcisin, President and Chief Executive Officer. Your position will be salaried, meaning you will not be eligible for overtime.

**Compensation:**

We are willing to offer a compensation package with a salary of \$33,334 per month (\$400,000 per year), and an annual target bonus of 50% of annual base salary, with a maximum bonus potential of 100% of base salary, reviewed annually against predetermined objectives (the “Annual Bonus”). Bonus metrics are described in a separate document. The Annual Bonus, if any, will be subject to applicable payroll deductions and withholdings. Following the close of each calendar year, the Chief Executive Officer and the Board of Directors will determine whether you have earned the Annual Bonus, and the amount of any Annual Bonus, based on the set criteria. No amount of the Annual Bonus is guaranteed, and you must be an employee in good standing through December 31 of the year in which the Annual Bonus is being measured to be eligible to receive an Annual Bonus. Provided you are an employee in good standing through December 31st of the year in which the Annual Bonus is being measured and you have been employed for less than a full calendar year, the Annual Bonus will be prorated for the period of service for such calendar year. The Annual Bonus, if earned, will be paid no later than March 15 of the calendar year immediately following the applicable calendar year for which the Annual Bonus is being measured. Your eligibility for an Annual Bonus is subject to change in the discretion of the Board of Directors (or any authorized committee thereof).

Additionally, as a material inducement to your acceptance of this offer of employment, subject to approval by the Compensation Committee of Luna’s Board of Directors, on or as soon as practicable following your employment start date, you will receive a grant of 150,000 restricted stock units (the “RSUs”), pursuant to the “inducement grant exception” provided under Nasdaq Listing Rule 5635(c)(4) and Nasdaq IM-5635-1. Luna understands that you would not accept this offer of employment but for the granting of the RSUs. The RSUs will be subject to the terms and conditions set forth in the Luna Innovations Incorporated 2024 Inducement Plan and the standard form of Restricted Stock Unit Grant Notice and Restricted Stock Unit Award Agreement thereunder and, subject to your continued employment with Luna through the occurrence of the applicable vesting event, 100% of the RSUs will vest upon the earlier to occur of the following events: (i) the twelve (12) month anniversary of the date of grant, and (ii) the sale or acquisition of substantially all of the assets or outstanding equity securities of Luna by a third party.

**Benefits:**

Luna’s benefits package includes a generous 401(k) retirement plan, paid time off program of four weeks of vacation (160 hours), 9 paid holidays (72 hours), 5 days (40 hours) of personal time, health insurance, dental plan, life insurance and short and long-term disability. Note that paid time off, personal time and holiday accrual is per calendar

year and is pro-rated depending upon date-of-hire in accordance Luna’s policy. Detailed benefit information will be supplied to you under separate cover. Please do not hesitate to contact me in the meantime should you have any questions regarding the Luna benefits package.

This offer (and its enforceability) is subject to you and Luna entering into a confidentiality agreement in standard form for employees and agreements in respect of the RSUs.

This offer is also contingent upon successful completion of a background check, including a check of your employment references. This offer can be rescinded at any time and, after acceptance, may be voided based upon data received in the background check. Your employment with Luna is at will. This means your employment is for an indefinite period of time and it is subject to termination by you or Luna with or without cause, with or without notice, and at any time. Nothing in this letter or any other document of Luna shall be interpreted to be in conflict with or to eliminate or modify in any way, the at will employment status of Luna employees. This letter shall be interpreted in accordance with the laws of the Commonwealth of Virginia. Any dispute arising hereunder or related hereto shall be exclusively settled by binding arbitration in accordance with the National Rules for the Resolution of Employment Disputes of the American Arbitration Association. The location for the arbitration shall be the Roanoke, Virginia area. Any award rendered by such process shall be final, binding and conclusive on the parties for all purposes and shall be kept confidential, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

We think you will find the position professionally stimulating and challenging and believe that your contributions will greatly enable Luna’s growth and success.

Should you have questions relative to our offer of employment or if you require further information, do not hesitate to contact me. We hope to receive a written affirmative response by close of business within five business days from the date of this offer. Please send your response to me at [hartmanne@lunainc.com](mailto:hartmanne@lunainc.com).

Sincerely,

/s/ Eva M. Hartmann

Eva M. Hartmann  
SVP of Human Resources

I accept this offer of employment with Luna Innovations.

/s/ William Phelan

\_\_\_\_\_  
(Signature)

William Phelan

\_\_\_\_\_  
(Printed Name)

10/14/2024

\_\_\_\_\_  
(Date)





## **Luna Innovations Announces CFO Transition: Names William Phelan as Chief Financial Officer and Chief Accounting Officer**

*(ROANOKE, VA, October 16, 2024)* – Luna Innovations Incorporated (NASDAQ: LUNA), a global leader in advanced fiber optic-based technology, today announced the appointment of William L. Phelan as its new Chief Financial Officer and Chief Accounting Officer, effective immediately. Mr. Phelan succeeds John Roiko, who joined Luna out of retirement in May 2024 and played a key role in establishing a resilient foundation for Luna’s future growth. Following the appointment of Mr. Phelan, Mr. Roiko will shift to a consulting role to support the ongoing restatement process.

“We are delighted to welcome Bill to the Luna leadership team,” said Kevin Ilcisin, President and CEO of Luna. “Bill’s highly relevant experience will be instrumental as we continue to execute our growth strategy in the global market for fiber optic technology. We extend our heartfelt thanks to John for his critical contributions during a pivotal time for the company. We are grateful for his leadership and are pleased he will continue to offer his support in a consulting capacity.”

Mr. Phelan brings more than 25 years of extensive financial and accounting leadership experience across multiple industries. In his new role at the company, Mr. Phelan will oversee financial strategy, accounting operations, and associated regulatory compliance, while playing a key role in driving the company’s financial and strategic growth. Mr. Phelan has been a full-time advisor to the company since May 2024, providing him with in-depth knowledge of the company’s operations and positioning him to immediately contribute to Luna’s success.

“I am excited to join Luna at this important juncture and continue the work that John started,” said Phelan. “Luna has a tremendous opportunity to capitalize on its unique position in the market, and I look forward to collaborating with our talented team to drive both operational and financial excellence.”

Prior to his engagement by the company, Mr. Phelan served as Chief Accounting Officer at MiMedx Group, Inc., where he led the company’s financial restructuring, SEC compliance and internal controls. His career includes leadership roles in financial planning, technical accounting, and regulatory reporting, having worked with both public and private companies to strengthen governance and optimize financial performance. Mr. Phelan holds a Master of Business Administration from Pennsylvania State University and a Bachelor of Science in Business Administration, Accounting, from Shippensburg University. He is a Certified Public Accountant in Pennsylvania.



**About Luna**

Luna Innovations Incorporated ([www.lunainc.com](http://www.lunainc.com)) is a leader in optical technology, providing unique capabilities in high-performance, fiber optic-based, test products for the telecommunications industry and distributed fiber optic-based sensing for a multitude of industries. Luna's business model is designed to accelerate the process of bringing new and innovative technologies to market.

**Forward-Looking Statements**

This press release contains statements that constitute "forward looking information" and "forward-looking statements" within the meaning of U.S. securities laws. All statements other than statements of historical facts contained in this press release, including statements regarding Mr. Phelan's assumption of the position of Chief Financial Officer and Chief Accounting Officer and the company's future performance are forward-looking statements. Forward-looking statements are based on management's beliefs and assumptions and on information currently available to management. Such statements are subject to risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements, including the uncertainties inherent in management transitions and such other risks and uncertainties described in the company's filings with the U.S. Securities and Exchange Commission. Such filings are available on the SEC's website at [www.sec.gov](http://www.sec.gov) and on Luna's website at [www.lunainc.com](http://www.lunainc.com). The Company expressly disclaims any obligation or undertaking to update the forward-looking statements contained in this press release to reflect any change in its expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law. No assurance can be given that such future results will be achieved. Forward-looking statements speak only as of the date of this press release.

**Investor Contacts**

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