

LUNA INNOVATIONS INC  
 Form 4  
 April 18, 2007

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN 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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Ferris Kenneth D

2. Issuer Name and Ticker or Trading Symbol  
 LUNA INNOVATIONS INC  
 [LUNA]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
 04/16/2007

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 President, Advanced Systems

C/O LUNA INNOVATIONS INCORPORATED, 1703 S. JEFFERSON STREET, SW, SUITE 400

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

ROANOKE, VA 24016

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | (A) or (D) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |                |
|---------------------------------|--------------------------------------|--|--------------------------------|---|------------|---|--|---|----------------|
| Common Stock                    | 04/16/2007                           |  | G                              | 28,262  | D          | \$ 0  | 0  | I   | Held by Spouse |
| Common Stock                    | 04/16/2007                           |  | G                              | 28,262  | D          | \$ 0  | 0  | D   |                |
| Common Stock                    | 04/16/2007                           |  | G                              | 56,524  | A          | \$ 0  | 56,524   | I   | Held by LLC    |
| Common Stock                    | 04/16/2007                           |  | M                              | 36,524  | A          | \$ 0.3538   | 36,524   | D   |                |

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

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

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |        |                            |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------|----------------------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title  | Amount or Number of Shares |
| Employee Stock Option (Right to Buy)       | \$ 0.3538  | 04/16/2007                           |  | M                              | 36,524  | <u>(1)</u> 11/01/2013                                    | Common Stock  | 36,524 |                            |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships                    |
|---|----------------------------------|
|   | Director 10% Owner Officer Other |
| Ferris Kenneth D<br>C/O LUNA INNOVATIONS INCORPORATED<br>1703 S. JEFFERSON STREET, SW, SUITE 400<br>ROANOKE, VA 24016 | President, Advanced Systems      |

## Signatures

/s/ Aaron S. Hullman, attorney-in-fact 04/18/2007

\_\_Signature of Reporting Person Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 4(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).

(1) 25 percent of the option shares became exercisable on November 1, 2003 and the remaining 75 percent of the option shares became exercisable pro rata on a monthly basis for 36 months thereafter

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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