

LUNA INNOVATIONS INC
 Form 4
 March 07, 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 *
 Plowman C Benson

(Last) (First) (Middle)

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

(Street)

ROANOKE, VA 24016

(City) (State) (Zip)

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

3. Date of Earliest Transaction
 (Month/Day/Year)
 03/05/2007

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
 VP, Sales and Marketing

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

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)	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 Ownership: Indirect Beneficial Ownership (Instr. 4)
				Code	V	Amount	(A) or (D) Price
Common Stock	03/05/2007		M		20,000	A	\$ 0.3538
					20,000	D	

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

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 (9-02)

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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)	8. Amount or Number of Shares
Stock Option (right to buy)	\$ 0.3538	03/05/2007		M	20,000	<u>(1)</u> 09/22/2013	Common Stock	20,000

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Plowman C Benson
C/O LUNA INNOVATIONS INCORPORATED
1703 S. JEFFERSON STREET, SW, SUITE 400
ROANOKE, VA 24016

VP, Sales and Marketing

Signatures

Aaron S. Hullman,
attorney-in-fact

03/07/2007

__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) 1/4 of the original option grant became exercisable on September 22, 2003. The remaining option shares are exercisable at a rate of 1/36 per month 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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