

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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).

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

1. Name and Address of Reporting Person* <u>Graeff Scott A</u> (Last) (First) (Middle) C/O LUNA INNOVATIONS INCORPORATED 1 RIVERSIDE CIRCLE, SUITE 400 (Street) ROANOKE VA 24016 (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>LUNA INNOVATIONS INC [LUNA]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Interim CFO; CCO</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>08/16/2010</u>	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	08/16/2010		P		1,900	A	\$1.85	16,577	D	
Common Stock	08/17/2010		P		1,475	A	\$1.85	18,052	D	
Common Stock	08/18/2010		P		1,625	A	\$1.85	19,677	D	

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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V		Date Exercisable	Expiration Date					

Explanation of Responses:

Remarks:

Exhibit 24.1 - Power of Attorney

/s/ Talfourd H. Kemper, Jr., Attorney-In-Fact 08/18/2010

** 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 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).

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 Talfourd H. Kemper, Jr. and Dale E. Messick, 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, the undersigned.

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, proper and convenient to carry out fully the powers and authority hereinbefore conferred upon the undersigned, and to execute and deliver all instruments and documents which may be necessary or desirable in connection with the foregoing.

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 to the undersigned or to any other person for any action taken by the foregoing attorneys-in-fact in the exercise of the powers and authority hereinbefore conferred upon the undersigned.

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 18th day of August, 2010.

By: /s/ Scott A. Graeff