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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

In re LUNA INNOVATIONS
INCORPORATED SECURITIES
LITIGATION

Case No. 2:24-cv-02630-CBM-KS
Case No. 2:24-cv-04068-CBM-KS

ORDER AND FINAL JUDGMENT

This Document Relates To:
ALL ACTIONS

Hearing Date: Tuesday, February 17, 2026
Hearing Time: 10:00 a.m.
Courtroom: Courtroom 8D, 8th Floor
Judge: Hon. Consuelo Marshall

1 WHEREAS, the Parties,¹ through their counsel, have agreed, subject to
2 judicial approval following issuance of notice to the Settlement Class and a Fairness
3 Hearing, to settle and dismiss with prejudice the claims asserted against Defendants
4 upon the terms and conditions set forth in the Parties’ Stipulation and Agreement of
5 Settlement dated May 5, 2025 (the “Stipulation”);

6 WHEREAS, on September 19, 2025, the Court issued its Order Granting Lead
7 Plaintiff’s Motion for Preliminary Approval of Class Action Settlement, for
8 Certification of the Settlement Class, for Approval of Notice to the Settlement Class,
9 and for Scheduling of Fairness Hearing in this Action (the “Preliminary Order”)
10 (ECF No. 107);

11 WHEREAS, it appears in the record that the Postcard Notice substantially in
12 the form approved by the Court in its Preliminary Order was mailed to all reasonably
13 identifiable Settlement Class Members, and that the Notice and Proof of Claim
14 substantially in the form approved by the Court in its Preliminary Order was posted
15 on the settlement website established by the Claims Administrator in this matter, in
16 accordance with the Preliminary Order;

17 WHEREAS, it appears in the record that the Summary Notice, substantially in
18 the form approved by the Court, was published in accordance with the Preliminary
19 Order;

20 WHEREAS, on the 17th day of February, 2026, following issuance of notice
21 of the Settlement to the Settlement Class, the Court held its Fairness Hearing to
22 determine: (1) whether the requirements for class action treatment under FRCP 23
23 are satisfied; (2) whether the terms and conditions of the Stipulation are fair,
24 reasonable, and adequate for the settlement of all claims asserted by the Settlement
25 Class against Defendants, as well as the release of all Released Claims as against the
26 Released Defendant Persons and the release of all Released Defendants’ Claims as

27 _____
28 ¹ Unless otherwise defined herein, all capitalized terms used herein have the same meaning
as given them in the Stipulation and Agreement of Settlement dated May 5, 2025; *see* ¶1 below.

1 against the Released Plaintiff Persons, and should be approved; (3) whether judgment
2 should be entered dismissing, with prejudice and on the merits, all claims asserted
3 against Defendants; (4) whether to approve the proposed Plan of Allocation as a fair
4 and reasonable method to allocate the Net Settlement Fund among Settlement Class
5 Members; (5) whether and in what amount to award Lead Counsel attorneys' fees
6 and expenses; (6) whether and in what amount to grant any awards to Lead Plaintiff
7 pursuant to 15 U.S.C. §78u-4(a)(4); (7) to consider any valid objections submitted to
8 the Court; and (8) to rule upon such other matters as the Court may deem appropriate;

9 WHEREAS, the Court has considered all matters and papers submitted to it at
10 or in connection with the Fairness Hearing and otherwise;

11 NOW, THEREFORE, based upon the Stipulation and all of the findings,
12 records, and proceedings had herein, and it appearing to the Court upon examination,
13 following the duly noticed Fairness Hearing, that the Settlement is fair, reasonable,
14 and adequate and should be finally approved, that the Judgment attached as Exhibit
15 B to the Stipulation should be entered, and that the proposed Plan of Allocation
16 provides a fair and reasonable method to allocate the Net Settlement Fund among
17 Settlement Class Members;

18 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

19 1. This Order and Final Judgment incorporates by reference the definitions
20 in the Stipulation, and all capitalized terms used herein shall have the same meanings
21 as set forth therein.

22 2. The Court has jurisdiction over the subject matter of the Action, Lead
23 Plaintiff, all Settlement Class Members, and Defendants.

24 3. The Court finds that the prerequisites for a class action under Rule 23(a)
25 of the Federal Rules of Civil Procedure have been satisfied in that:

26 (a) the number of Settlement Class Members is so numerous that joinder of
27 all members thereof is impracticable;

28 (b) there are questions of law and fact common to the Settlement Class;

1 (c) the claims of Lead Plaintiff are typical of the claims of the Settlement
2 Class he seeks to represent; and

3 (d) Lead Plaintiff and Lead Counsel have and will fairly and adequately
4 represent and protect the interests of the Settlement Class.

5 4. The Court further finds that the requirements for certification of a class
6 action under Rule 23(b)(3) of the Federal Rules of Civil Procedure have also been
7 satisfied in that:

8 (a) questions of law and fact common to the members of the Settlement
9 Class predominate over any questions affecting only individual
10 members of the Settlement Class; and

11 (b) a class action is superior to other available methods for the fair and
12 efficient adjudication of the claims at issue, considering:

13 i. the class members' interests in individually controlling the
14 prosecution or defense of separate actions;

15 ii. the extent and nature of any litigation concerning the
16 controversy already begun by or against class members;

17 iii. the desirability or undesirability of concentrating the
18 litigation of the claims in this particular forum; and

19 iv. the likely difficulties in managing a class action (given,
20 *inter alia*, that the proposed class here would be certified in the
21 context of a settlement).

22 Accordingly, the Court certifies this action as a class action pursuant to Rules
23 23(a) and (b)(3) of the Federal Rules of Civil Procedure, on behalf of all Persons who
24 purchased or otherwise acquired Luna securities between May 16, 2022, and April
25 19, 2024, inclusive (the "Class Period"), and were damaged thereby. Excluded from
26 the Settlement Class are: (i) Defendants; (ii) Immediate Family Members of
27 Defendants Scott A. Graeff, Eugene J. Nastro, and George Gomez-Quintero; (iii) any
28 person who is or was an officer or director of Luna; (iv) any firm or entity in which

1 Defendants have or had a majority ownership interest; (v) Luna’s liability insurance
2 carriers; (vi) any affiliates, parents, or subsidiaries of Luna; (vii) all Luna plans that
3 are covered by ERISA; and (viii) the legal representatives, agents, affiliates, heirs,
4 beneficiaries, successors-in-interest, or assigns of any excluded person or entity, in
5 their respective capacity as such. Also excluded are any Persons or entities who
6 properly excluded themselves by filing a valid and timely request for exclusion in
7 accordance with the requirements set by the Court.

8 5. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, (a) Lead
9 Plaintiff George Lang is appointed as class representatives of the Settlement Class
10 and (b) the law firm of Hagens Berman Sobol & Shapiro LLP is appointed as counsel
11 for the Settlement Class (“Class Counsel”).

12 6. In accordance with the Preliminary Order, the Court finds that the forms
13 and methods of notifying the Settlement Class of the Settlement and its terms and
14 conditions and the rights of Settlement Class Members in connection therewith (a)
15 constituted the best notice practicable under the circumstances; (b) constituted due
16 and sufficient notice of these proceedings and the matters set forth herein (including
17 the Settlement and Plan of Allocation) to all persons and entities entitled to such
18 notice; and (c) met the requirements of due process, Rule 23 of the Federal Rules of
19 Civil Procedure, and Section 21D(a)(7) of the Exchange Act, 15 U.S.C. § 78u-4(a)(7)
20 (as amended by the Private Securities Litigation Reform Act of 1995). No Settlement
21 Class Member is or shall be relieved from the terms and conditions of the Settlement,
22 including the releases provided for in the Stipulation of Settlement, based upon the
23 contention or proof that such Settlement Class Member failed to receive actual or
24 adequate notice. A full opportunity has been offered to the Settlement Class
25 Members to object to the proposed Settlement (and to participate in the hearing
26 thereon), or to exclude themselves from the Class. The Court further finds that the
27 notice provisions of the Class Action Fairness Act, 28 U.S.C. § 1715, were fully
28 discharged. Thus, it is determined that all Settlement Class Members are bound by

1 this Order and Final Judgment, except those Persons who validly requested exclusion
2 from the class certified in this Action.

3 7. The Court finds that the Settlement is fair, reasonable, and adequate
4 under Rule 23 of the Federal Rules of Civil Procedure, and in the best interests of the
5 Settlement Class. This Court further finds that the Settlement is the result of good
6 faith, arm's-length negotiations; and that all Parties have been represented throughout
7 by experienced and competent counsel. The Court further finds that the Settlement
8 was reached only after, *inter alia*: (a) Lead Counsel conducted an extensive pre-
9 filing investigation; (b) the filing of a consolidated class action complaint; (c) full
10 briefing on Defendants' motion to dismiss the complaint; (d) Lead Plaintiff's and
11 Defendants' preparation and exchange of comprehensive pre-mediation briefs and
12 participation in a mediation sessions under the auspices of a highly experienced
13 mediator of complex commercial cases (Jed D. Melnick, Esq., of JAMS); and (e) the
14 Parties' negotiation and drafting of the detailed terms of the Stipulation.
15 Accordingly, the Court also finds that Lead Plaintiff, Defendants, and the Released
16 Defendant Persons were well-positioned to evaluate benefits of the proposed
17 Settlement against the risks of further and uncertain litigation.

18 8. The Court further finds that if the Settlement had not been achieved,
19 Lead Plaintiff, Defendants, and the Released Defendant Persons faced the expense,
20 risk, burden, and uncertainty of extended litigation in connection with the claims
21 asserted against Defendants. The Court takes no position on the merits of Lead
22 Plaintiff's, Defendants', or the Released Defendant Persons' liability positions, but
23 notes that the existence of substantial arguments both for and against their respective
24 positions further supports approval of the Settlement.

25 9. Accordingly, the Court approves the Stipulation, and directs Lead
26 Plaintiff and Defendants to consummate the Settlement in accordance with the terms
27 and provisions of the Stipulation.
28

1 10. All claims asserted against Defendants in this Action are dismissed with
2 prejudice. Lead Plaintiff and Defendants shall bear their own costs, except as
3 otherwise provided in the Stipulation.

4 11. Lead Plaintiff and each of the Settlement Class Members, on behalf of
5 themselves and their Related Persons, shall be deemed to have, and by operation of
6 this Order and Final Judgment shall have, fully, finally, and forever released, waived,
7 relinquished and discharged, and shall forever be enjoined from prosecuting, all
8 Released Claims against each Released Defendant Person, whether or not Lead
9 Plaintiff or any Settlement Class Member executes and delivers a Proof of Claim.

10 12. Defendants and each of the Released Defendant Persons shall be
11 deemed to have, and by operation of this Order and Final Judgment shall have, fully,
12 finally, and forever released, waived, relinquished, and discharged, and shall forever
13 be enjoined from prosecuting, each and every one of the Released Defendants'
14 Claims against each Released Plaintiff Person.

15 13. Nothing contained herein shall, however, bar Lead Plaintiff,
16 Defendants, Released Defendant Persons, or Released Plaintiff Persons from
17 bringing any action or claim to enforce the terms of the Stipulation or this Order and
18 Final Judgment.

19 14. The Court finds that the proposed Plan of Allocation is a fair and
20 reasonable method to allocate the Net Settlement Fund among Settlement Class
21 Members, and Lead Counsel and the Claims Administrator are directed to administer
22 the Plan of Allocation in accordance with its terms and the terms of the Stipulation.

23 15. The Court finds that Lead Plaintiff, Defendants, and their counsel have
24 complied with all requirements of Rule 11 of the Federal Rules of Civil Procedure
25 and the Private Securities Litigation Reform Act of 1995 as to all proceedings had
26 herein.

27 16. Neither this Order and Final Judgment, the Stipulation, nor any of the
28 terms and provisions of the Stipulation, nor any of the negotiations or proceedings in

1 connection therewith, nor any of the documents or statements referred to herein or
2 therein, nor the Settlement, nor the fact of the Settlement, nor the Settlement
3 proceedings, nor any statement in connection therewith:

4 (a) is or may be deemed to be, or may be used as an admission, concession,
5 or evidence of the validity or invalidity of any of the claims asserted against
6 Defendants or the Released Defendant Persons, the truth or falsity of any fact alleged
7 by Lead Plaintiff, the sufficiency or deficiency of any defense that has been or could
8 have been asserted in the Action, or of any deception, wrongdoing, liability,
9 negligence or fault of Defendants, the Released Defendant Persons, or each or any of
10 them, or that Lead Plaintiff or any Settlement Class Member was harmed or damaged
11 by any conduct by any Defendant or the Released Defendant Persons;

12 (b) is or may be deemed to be or may be used as an admission of, or
13 evidence of, any fault or misrepresentation or omission with respect to any statement
14 or written document attributed to, approved by, or made by any Defendants, the
15 Released Defendant Persons, or their Related Persons in any arbitration proceeding
16 or any civil, criminal, or administrative proceeding in any court, administrative
17 agency or other tribunal; and

18 (c) is or may be deemed to be or shall be construed as or received in
19 evidence as an admission or concession against Defendants, the Released Defendant
20 Persons, or any of them, that Lead Plaintiff's or Settlement Class Members' claims
21 are with or without merit, that a litigation class should or should not be certified, that
22 damages recoverable in the Action would have been greater or less than the
23 Settlement Amount or that the consideration to be given pursuant to the Stipulation
24 represents an amount equal to, less than, or greater than the amount which could have
25 or would have been recovered after trial.

26 17. Notwithstanding the immediately preceding paragraph, however, Lead
27 Plaintiff, Defendants, the Released Defendant Persons, and Released Plaintiff
28 Persons may file the Stipulation and/or this Order and Final Judgment in any other

1 action that may be brought against them in order to support a defense or counterclaim
2 based on principles of *res judicata*, collateral estoppel, full faith and credit, release,
3 good faith settlement, judgment bar or reduction, or any other theory of claim
4 preclusion or issue preclusion or similar defense or counterclaim. Lead Plaintiff,
5 Defendants, the Released Defendant Persons, and Released Plaintiff Persons may
6 also file the Stipulation and/or this Order and Final Judgment in any proceedings that
7 may be necessary to consummate or enforce the Stipulation, the Settlement, or this
8 Order and Final Judgment.

9 18. Except as otherwise provided herein or in the Stipulation, all funds held
10 by the Escrow Agent shall be deemed to be held *in custodia legis* and shall remain
11 subject to the jurisdiction of the Court until such time as the funds are distributed or
12 returned pursuant to the Stipulation and/or pursuant to further order of the Court.

13 19. Without affecting the finality of this Order and Judgment in any way,
14 this Court retains continuing exclusive jurisdiction over Lead Plaintiff and
15 Defendants and the Settlement Class Members for all matters relating to the Action,
16 including the administration, interpretation, effectuation, or enforcement of the
17 Stipulation, and including any application for fees and expenses incurred in
18 connection with administering and distributing the Settlement proceeds to the
19 Settlement Class Members.

20 20. Absent further order of the Court, the Court hereby sets the following
21 schedule for completing the administration of the Settlement in this matter:

22 (a) the Claims Administrator shall complete its review of submitted Proofs of
23 Claim in this matter and calculation of Recognized Claim Amounts for
24 Authorized Claimants within 180 days of the Court's existing deadline for
25 Settlement Class Members to submit completed Proofs of Claim;

26 (b) within twenty-one (21) days of the later of (i) the Claims Administrator's
27 completion of its review of submitted claims or (ii) the date on which each
28 of the conditions set forth in ¶4.14 of the Stipulation (including the

1 occurrence of the Effective Date) has been met, Lead Counsel shall submit
2 a distribution motion (the “Settlement Class Distribution Motion”) to the
3 Court, which shall seek entry of an Order (the “Distribution Order”)
4 approving the Claims Administrator’s claims determinations and resolving,
5 pursuant to ¶¶4.7–4.10 of the Stipulation, any unresolved disputes raised
6 by any Claimants relating to the Claims Administrator’s administrative
7 determinations;

8 (c) unless the Distribution Order provides for a later date, the Claims
9 Administrator shall mail checks distributing settlement fund payments to
10 eligible Settlement Class Members within 30 days of entry of the
11 Distribution Order, which checks shall request that recipients cash them
12 within 60 days; and

13 (d) within 120 days of the mailing of distribution checks, Lead Counsel shall
14 file a Post-Distribution Accounting containing all of the information set
15 forth in the Northern District of California’s Procedural Guidance for Class
16 Action Settlements, except that such report shall also advise the Court
17 whether, in accordance with ¶4.15 of the Stipulation, Lead Counsel has
18 determined that a second distribution of unclaimed settlement funds
19 (whether due to uncashed checks or otherwise) should be pursued, or
20 whether any then-remaining unclaimed settlement funds should be
21 contributed to a non-sectarian, non-profit Section 501(c)(3) organization as
22 may be deemed appropriate by the Court.


23 (e) Except as provided in sub-paragraphs (a) – (d) above, without further order
24 of the Court Defendants and Lead Plaintiff may agree to reasonable
25 extensions of time to carry out any of the provisions of the Stipulation.

26 21. There is no just reason for delay in the entry of this Order and Final
27 Judgment, and immediate entry by the Clerk of the Court is expressly directed
28 pursuant to Rule 54(b) of the Federal Rules of Civil Procedure.

1 22. The finality of this Order and Final Judgment shall not be affected, in
2 any manner, by rulings that the Court may make on any Fee and Expense Application.

3 23. In the event the Settlement is not consummated in accordance with the
4 terms of the Stipulation, then the Stipulation and this Order and Final Judgment
5 (including any amendment(s) thereof, and except as expressly provided in the
6 Stipulation or by order of the Court) shall be null and void, of no further force or
7 effect, and without prejudice to Lead Plaintiff, Defendants, or the Released
8 Defendant Persons, and may not be introduced as evidence or used in any action or
9 proceeding by any Person against Lead Plaintiff, Defendants, and the Released
10 Defendant Persons, and Lead Plaintiff, Defendants, and the Released Defendant
11 Persons shall be restored to his, her or its respective litigation positions as they
12 existed immediately prior to the date of the execution of the Stipulation.

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14 DATED: February 24, 2026

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16 HON. CONSUELO B. MARSHALL
17 UNITED STATES DISTRICT JUDGE
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