

NovaBay Pharmaceuticals, Inc.
 Form 3
 October 24, 2007

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0104
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

INITIAL STATEMENT OF 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 * Â McPherson T. Alex (Last) (First) (Middle) | 2. Date of Event Requiring Statement (Month/Day/Year) 10/24/2007 | 3. Issuer Name and Ticker or Trading Symbol NovaBay Pharmaceuticals, Inc. [NBYY] | 4. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below) | 5. If Amendment, Date Original Filed(Month/Day/Year) |
|---|--|---|---|--|

C/O NOVABAY
 PHARMACEUTICALS,
 INC., Â 5980 HORTON
 STREET, SUITE 550
 (Street)

EMERYVILLE, Â CA Â 94608
 (City) (State) (Zip)

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 Beneficially Owned

| | | | |
|------------------------------------|--|---|--|
| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|------------------------------------|--|---|--|

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

SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| | | | | | |
|---|---|--|---|---|--|
| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) | 4. Conversion or Exercise Price of Derivative | 5. Ownership Form of Derivative Security: | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---|---|--|---|---|--|

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| | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | Security | Direct (D) or Indirect (I) (Instr. 5) | |
|---------------------------|------------------|-----------------|--------------|----------------------------|----------|---------------------------------------|---|
| Series D Preferred Stock | Â (1) | Â (1) | Common Stock | 8,333 | \$ (1) | D | Â |
| Option (right to buy) (2) | 07/10/2006 | 07/09/2016 | Common Stock | 71,500 | \$ 1.7 | D | Â |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| McPherson T. Alex C/O NOVABAY PHARMACEUTICALS, INC. 5980 HORTON STREET, SUITE 550 EMERYVILLE, CA 94608 | Â X | Â | Â | Â |

Signatures

/s/ Jason R. Wisniewski, Attorney-in-Fact for T. Alex McPherson 10/24/2007

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(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).

The Series D Preferred Stock is immediately convertible into NovaBay Pharmaceuticals, Inc. common stock and has no expiration date.

(1) Effective upon the closing of the Issuer's initial public offering of common stock, the Series D Preferred Stock will automatically convert into the number of shares of common stock of NovaBay Pharmaceuticals, Inc. indicated in Column 3.

(2) Granted pursuant to the Issuer's 2005 Stock Option Plan.

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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