NovaBay Pharmaceuticals, Inc.
Form 3
October 24, 2007

FORM 3

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

OMB APPROVAL	
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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 Khosrovi Behzad
(Last) (First) (Middle)

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

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

2. Date of Event Requiring Statement (Month/Day/Year)
10/24/2007

3. Issuer Name **and** Ticker or Trading Symbol
NovaBay Pharmaceuticals, Inc. [NBY]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
VP, Research & Dev't

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

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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)
Common Stock	35,000	D	Â

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	4. Conversion or Exercise	5. Ownership Form of	6. Nature of Indirect Beneficial Ownership

	Date Exercisable	Expiration Date	(Instr. 4) Title	Amount or Number of Shares	Price of Derivative Security	Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	(Instr. 5)
Series B Preferred Stock	Â (1)	Â (1)	Common Stock	100,000	$ (1)	D	Â
Option (right to buy) (2)	01/30/2004	01/29/2014	Common Stock	200,000	$ 0.3	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Khosrovi Behzad C/O NOVABAY PHARMACEUTICALS, INC. 5980 HORTON STREET, SUITE 550 EMERYVILLE,Â CAÂ 94608	Â	Â	Â VP, Research & Dev't	Â

Signatures

/s/ Jason R. Wisniewski, Attorney-in-Fact for Behzad Khosrovi	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).

(1) The Series B Preferred Stock is immediately convertible into NovaBay Pharmaceuticals, Inc. common stock and has no expiration date. Effective upon the closing of the Issuer's initial public offering of common stock, the Series B 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 2002 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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