

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 *
 A Dailley Anthony
 (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. [NBV]

4. Relationship of Reporting Person(s) to Issuer

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

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

(Check all applicable)

Director 10% Owner
 Officer Other
 (give title below) (specify below)

EMERYVILLE, A CA A 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)
Common Stock	75,000	D	A
Common Stock	1,861	I	By the Anthony Dailley DDS Profit Sharing Plan
Common Stock	85,028	I	By the Anthony and Terry Dailley Trust, u/a/d 07/12/1991

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 Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Series A Preferred Stock	Â (1)	Â (1)	Common Stock	28,572	\$ (1)	I	By the Anthony and Terry Dailley Trust, u/a/d 07/12/1991
Series B Preferred Stock	Â (2)	Â (2)	Common Stock	5,319	\$ (2)	I	By the Anthony Dailley DDS Profit Sharing Plan
Series B Preferred Stock	Â (2)	Â (2)	Common Stock	16,000	\$ (2)	I	By the Anthony and Terry Dailley Trust, u/a/d 07/12/1991
Series C Preferred Stock	Â (3)	Â (3)	Common Stock	8,823	\$ (3)	I	By the Anthony and Terry Dailley Trust, u/a/d 07/12/1991
Option (right to buy) (4)	05/01/2004	04/30/2014	Common Stock	34,000	\$ 0.56	D	Â
Option (right to buy) (5)	05/24/2006	05/24/2016	Common Stock	52,000	\$ 1.7	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Dailley Anthony 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 Anthony Dailley

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 A 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 A Preferred Stock will automatically convert into the number of shares of common stock of NovaBay Pharmaceuticals, Inc. indicated in Column 3.

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

(2) 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.

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

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

(4) Granted pursuant to the Issuer's 2002 Stock Option Plan.

(5) 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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