Stroman David W. Form 4 October 06, 2011

FORM 4

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

Check this box

if no longer subject to Section 16.

Form 4 or Form 5 obligations

may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN 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

2. Issuer Name and Ticker or Trading

NovaBay Pharmaceuticals, Inc.

(Print or Type Responses)

1. Name and Address of Reporting Person *

Stroman David W.

(Last)

(City)

(First) (Middle)

C/O NOVABAY

PHARMACEUTICALS, INC., 5980 **HORTON STREET, SUITE 550**

(State)

(Street)

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

(Month/Day/Year)

10/04/2011

Symbol

[NBY]

3. Date of Earliest Transaction

6. Individual or Joint/Group Filing(Check

Applicable Line)

Director

X_ Officer (give title

X Form filed by One Reporting Person Form filed by More than One Reporting

5. Relationship of Reporting Person(s) to

(Check all applicable)

SVP, Ophthalmic Product Devt.

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

Issuer

below)

EMERYVILLE, CA 94608

1.Title of 2. Transaction Date 2A. Deemed

Security (Month/Day/Year) (Instr. 3)

(Zip)

Execution Date, if (Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 8) (Instr. 3, 4 and 5)

5. Amount of Securities Beneficially Owned Following Reported

Transaction(s)

6. Ownership Form: Direct (Instr. 4)

7. Nature of Indirect (D) or Indirect Beneficial Ownership (Instr. 4)

10% Owner

Other (specify

OMB APPROVAL

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

Estimated average

burden hours per

(Instr. 3 and 4) Code V Amount (D) Price

(A)

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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

Edgar Filing: Stroman David W. - Form 4

| 1. Title of | 2. | 3. Transaction Date | 3A. Deemed | 4. | 5. Number of | 6. Date Exercisable and | | 7. Title and Amount of | |
|---------------------------|-------------|---------------------|--------------------|-----------------------|-------------------|-------------------------|--------------------|------------------------|----------------------------|
| Derivative | Conversion | (Month/Day/Year) | Execution Date, if | TransactionDerivative | | Expiration Date | | Underlying Securities | |
| Security | or Exercise | | any | Code | Securities | (Month/Day/Y | ear) | (Instr. 3 and 4) | |
| (Instr. 3) | Price of | | (Month/Day/Year) | (Instr. 8) | Acquired (A) or | | | | |
| | Derivative | | | | Disposed of (D) | | | | |
| | Security | | | | (Instr. 3, 4, and | | | | |
| | • | | | | 5) | | | | |
| | | | | Code V | (A) (D) | Date Exercisable | Expiration Date | Title | Amount Number Shares |
| Option (Right to buy) (1) | \$ 0.86 | 10/04/2011 | 10/04/2011 | A | 200,000 (2) | 10/04/2011 | 10/03/2021 | Common Stock | 200,00 |

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Stroman David W. C/O NOVABAY PHARMACEUTICALS, INC. 5980 HORTON STREET, SUITE 550 EMERYVILLE, CA 94608

SVP, Ophthalmic Product Devt.

Signatures

/s/ Theresa Granados Uriarte, as Attorney-in-Fact for David Stroman

10/05/2011

**Signature of Reporting Person

Date

Explanation of Responses:

- * 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).
- (1) Granted pursuant to the NovaBay Pharmaceuticals, Inc. 2007 Omnibus Incentive Plan.
 - Ten percent (10%) of the option shares vests and exercisable on the date of the grant and the balance of the option shares vest and become exercisable in a series of five (5) installments upon the completion of the following milestones: 18% upon initiation of the Company's
- (2) Phase 2b conjunctivitis trial; 18% upon the completion of the Company's Phase 2b conjunctivitis trial; 18% upon the initiation of the Company's Phase 3 conjunctivitis trial; 18% upon execution of a collaboration agreement on the Company's Ophthalmic indication.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

Reporting Owners 2