

NovaBay Pharmaceuticals, Inc.  
Form 10-K/A  
April 14, 2015

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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 10-K/A**

**(Amendment No. 1)**

(Mark One)

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2014

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-33678

**NOVABAY PHARMACEUTICALS, INC.**

**(Exact name of registrant as specified in its charter)**

**Delaware**

**68-0454536**

**(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)**

**5980 Horton Street, Suite 550, Emeryville CA 94608**

**(Address of principal executive offices) (Zip Code)**

**Registrant's Telephone Number, Including Area Code: (510) 899-8800**

**Securities registered pursuant to Section 12(b) of the Act:**

| <b>Title of each class</b>               | <b>Name of each exchange on which registered</b> |
|--|--|
| Common Stock, \$0.01 par value per share | NYSE MKT   |

**Securities registered pursuant to Section 12(g) of the Act:**

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes    No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes    No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes    No

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  
No

Indicate by a check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer   Accelerated filer  
Non-accelerated filer   Smaller reporting company  
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2). Yes   No

As of June 30, 2014, the aggregate market value of the voting stock held by non-affiliates of the registrant, computed by reference to the last sale price of such stock as of such date on the NYSE Mkt, was approximately \$37,152,661. This figure excludes an aggregate of 3,750,372 shares of common stock held by officers and directors as of June 30, 2014. Exclusion of shares held by any of these persons should not be construed to indicate that such person possesses the power, direct or indirect, to direct or cause the direction of the management or policies of the registrant, or that such person is controlled by or under common control with the registrant.

As of March 23, 2015, there were 61,113,056 shares of the registrant’s common stock outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

None.

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## Explanatory Note

We are filing this Amendment No. 1 to Annual Report on Form 10-K/A (this “**Amendment**”) to our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, as filed with the Securities and Exchange Commission (the “**SEC**”) on March 26, 2015 (the “**Form 10-K**”), solely (1) to update information in “Section 16(a) Beneficial Ownership Reporting Compliance” of Item 10 “Directors, Executive Officers and Corporate Governance”, and (2) to update information in Item 13 “Certain Relationships and Related Transactions, and Director Independence” in the Form 10-K. In addition, as required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended, new certifications by our principal executive officer and principal financial officer are filed as exhibits hereto.

No attempt has been made in this Amendment to modify or update the other disclosures presented in the Form 10-K. This Amendment does not reflect events occurring after the filing of the Form 10-K (i.e., occurring after March 26, 2015) or modify or update those disclosures that may be affected by subsequent events. Accordingly, this Amendment should be read in conjunction with the Form 10-K and the registrant’s other filings with the Securities and Exchange Commission.

## ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

### Directors

The names of our directors, their ages and positions with us as of March 15, 2015, and biographical information about them, are as follows:

| <b>Name</b>                        | <b>Age</b> | <b>Current Position(s)</b>                                   |
|------------------------------------|------------|--|
| Ramin (“Ron”) Najafi, Ph.D.        | 56         | Chairman of the Board, Chief Executive Officer and President |
| Charles J. Cashion (1)             | 64         | Director   |
| Paul E. Freiman (4)(5)             | 80         | Director   |
| Gail Maderis (4)(5)                | 57         | Director   |
| T. Alex McPherson, M.D., Ph.D. (3) | 76         | Lead Independent Director, Director                          |

|                                |    |          |
|--------------------------------|----|----------|
| Massimo Radaelli, Ph.D. (4)(6) | 57 | Director |
| Mark M. Sieczkarek (5)(6)      | 60 | Director |
| Tony D.S. Wicks (2)            | 76 | Director |

(1) Chairman of the Audit Committee

(2) Chairman of the Compensation Committee

(3) Chairman of the Nominating and Corporate Governance Committee

(4) Member of the Audit Committee

(5) Member of the Compensation Committee

(6) Member of the Nominating and Corporate Governance Committee

**Ramin (“Ron”) Najafi, Ph.D.** has served as the chairman of the board and president since July 2002, and as the chief executive officer of NovaBay Pharmaceuticals, Inc. since November 2004. Prior to joining us, from January 2000 to June 2002, Dr. Najafi served in various management positions with NovaCal LLC, including as chairman of the board from January 2000 to June 2002, as president and chief scientific officer from February 2002 to June 2002 and as chief executive officer from January 2000 to February 2002. Dr. Najafi received his B.S. and M.S. degrees in chemistry from the University of San Francisco and a Ph.D. in organic chemistry from the University of California at Davis. Prior to joining NovaBay, Dr. Najafi held senior management and leadership roles at companies including Applied Biosystems, Rhone Poulenc Rorer (now Sanofi-Aventis), Aldrich Chemical and California Pacific Labs, Inc. where he was president and chief executive officer. The Board believes Dr. Najafi’s historical knowledge of NovaBay, his senior management experience and his scientific expertise bring valuable leadership skills and industry expertise to the Board.

**Charles J. Cashion, M.B.A.** has served as a director since November 2005. Mr. Cashion currently serves as the Senior Vice President and Chief Financial Officer of Conatus Pharmaceuticals Inc., a publically owned biotechnology company focused in the areas of inflammation and liver disease, which he co-founded with other senior management of Idun Pharmaceuticals, Inc. following the sale of Idun to Pfizer, Inc. in July 2005. From 2001 to July 2005, Mr. Cashion was the Executive Vice President, Chief Financial Officer and Secretary of Idun. Mr. Cashion's prior experience also includes serving as the Senior Vice President, Chief Financial Officer and Secretary of Quidel Corporation, a publicly owned, medical diagnostics company, and as the Senior Vice President, Finance, Chief Financial Officer, Secretary, and Treasurer of The Immune Response Corporation, a publicly owned biopharmaceutical company. Mr. Cashion currently serves as a member of the Board of Directors of Ridge Diagnostics, Inc.. Mr. Cashion received his B.S. in accounting and an M.B.A. in finance from Northern Illinois University. The Board believes Mr. Cashion's extensive knowledge of finance and accounting and his experience as a chief financial officer bring valuable skills and expertise to the Board.

**Paul E. Freiman**, has served as a director of NovaBay Pharmaceuticals, Inc. since May 2002. He also served as a director of NovaCal Pharmaceuticals (NovaBay's corporate predecessor) from May 2001 to May 2002. Since January 2009, Mr. Freiman has been an independent pharmaceutical professional and consultant. Mr. Freiman's prior experience includes serving as the president and chief executive officer of Neurobiological Technologies, Inc. (OTC: NTII) and a member of its board of directors from April 1997 until December 2008. Mr. Freiman's prior experience also includes serving as the former chairman and chief executive officer of Syntex Corporation from 1990 to 1995, which was sold to The Roche Group for \$5.3 billion during his tenure. He is credited with much of the marketing success of Syntex's lead product, Naprosyn, and was responsible for moving the product to over-the-counter status, marketed as Aleve. Mr. Freiman served as chairman of Penwest Pharmaceutical Co. (NASDAQ: PPCO) until 2010, served on the board of directors of Otsuka American Pharmaceuticals, Inc. and Otsuka America, Inc., and served on the board of directors of NeoPharm, Inc. (NASDAQCM: NEOL) until 2010 and Calypte Biomedical Corporation (OTC: CBMC) until September 2009. Mr. Freiman received a B.S. in pharmacy from Fordham University and an honorary doctorate from the Arnold & Marie Schwartz College of Pharmacy. The Board considers Mr. Freiman's experience guiding Syntex through an acquisition to be an asset to the Board and believes that Mr. Freiman's prior experiences as a chief executive officer of pharmaceutical companies gives him operational and industry expertise and leadership skills that are important to our Board. In addition, having spent nearly nine years as one of our directors, Mr. Freiman has extensive historical knowledge about NovaBay and provides valuable Board continuity.

**Gail Maderis** has served as a director of NovaBay Pharmaceuticals, Inc. since October 2010. Before the merger of BayBio with the California Healthcare Institute in early 2015, she served as President and CEO of BayBio, an independent, non-profit trade association serving the life sciences industry in Northern California. Ms. Maderis was previously President and CEO of FivePrime Therapeutics, Inc., a biotechnology company focused on the discovery and development of innovative protein and antibody drugs, and prior to that, held general management positions at Genzyme Corporation, including founder and president of Genzyme Molecular Oncology, a publicly traded division of Genzyme, and corporate vice president of Genzyme Corporation. Ms. Maderis has been a member of several private company boards, and currently serves on the Board of Opexa Therapeutics, Inc. Ms. Maderis received a B.S. degree in business from the University of California at Berkeley and an M.B.A. from Harvard Business School. The Board considers Ms. Maderis' prior experience as CEO of FivePrime Therapeutics, Inc. and as President of Genzyme Corporation gives her operational and industry experience and leadership skills, and through her experience, she has acquired an extensive network of contacts related to financing, partnering and support services for the industry, that are important to our Board. In addition, the Board believes Ms. Maderis' experience as CEO of BayBio to be an asset

to the Board; as CEO of BayBio, Ms. Maderis has visibility into business and policy trends that impact the biopharma industry.

***T. Alex McPherson, M.D., Ph.D. ICD.D*** has served as a director of NovaBay Pharmaceuticals, Inc. since July 2006 and was appointed as the Lead Independent Director on January 1, 2010. Dr. McPherson was president and chief executive officer of Biomira, Inc., a biotechnology company specializing in the development of products for the treatment of cancer, from 1991 until his retirement in May 2006. Biomira was recently renamed Oncothyreon and reincorporated in the U.S. (NASDAQ: ONTY). He is a Fellow of the Australasian, Canadian and American Colleges of Physicians and is a past President of both the Alberta and Canadian Medical Associations. Dr. McPherson is currently a Professor Emeritus in the Faculty of Medicine of the University of Alberta, and was Deputy Minister of the Alberta Ministry of Hospitals and Medical Care and the Deputy Commissioner and Executive Director of the Premier's Commission on Future Health Care for Albertans (The Rainbow Report). He also served on the board of directors of Carrington Laboratories, Inc. until 2009. Dr. McPherson currently serves as Lead Director of Clean Keys, Inc., IR2DX, Inc., and the Chairman of the Edmonton Chapter of the Institute of Corporate Directors (ICD) of Canada. Dr. McPherson received his M.D. in medicine from the University of Alberta and his Ph.D. from the University of Melbourne. The Board believes Dr. McPherson's medical background, international industry expertise and his experience in public service bring valuable skills to the Board.

***Massimo Radaelli, Ph.D.***, has served as a director since January 2014 and brings over twenty-five years of industry experience to our Board, including senior leadership positions with major European pharmaceutical companies. Dr. Radaelli is currently the President and Chief Executive Officer of Noventia Pharma, a specialty pharmaceutical company focused on orphan drugs for the treatment of rare diseases, in particular for the central nervous system and respiratory. Prior to joining Noventia in May 2009, Dr. Radaelli was President and Chief Executive Officer of Dompé International SA, the international pharmaceutical company of the Dompé Group. He joined Dompé in 1996 as director of corporate business development. Dr. Radaelli is also Executive Chairman of Bioakos Pharma Laboratories, a specialty pharmaceuticals company concentrated in the fields of gynecology, dermatology, ENT and pediatrics and a director of Arriani International, SA, the international subsidiary of Arriani Pharmaceuticals, a pharmaceutical company in Southeastern Europe. Dr. Radaelli received a University Degree in pharmaceutical sciences and a Ph.D. in clinical pharmacology from the University of Milan and an Executive Master of Business from Bocconi University of Milan. Dr. Radaelli was awarded the "Cavaliere della repubblica italiana per meriti speciali", the highest ranking honor of the Italian Republic. Dr. Radaelli was also awarded the "Grand Office of pro Merito Melitensi of the Sovereign Military Order of the Knights of Malta," which is one of the highest honors the military can bestow upon a civilian. The Board believes Dr. Radaelli's brings significant strategic and International operational industry experience, including expertise in pharmaceutical business development, strategic planning, alliance management, and product development and commercialization. The Board also believes his knowledge of the European, Middle East and Latin American Markets will be helpful in the management of our International partnerships.



**Mark M. Sieczkarek**, has served as a director of NovaBay since January 2014. Mr. Sieczkarek has more than 34 years of leadership experience in the pharma, device and diagnostics industries and most recently served as Chairman, President and Chief Executive Officer of Solta Medical, Inc. until it was acquired by Valeant Pharmaceuticals International, Inc. in January 2014. Mr. Sieczkarek was also lead director of Solta Medical, Inc. for seven years while serving on the audit committee and as head of the compensation committee. Mr. Sieczkarek also served as President and Chief Executive Officer of Conceptus, Inc. from 2003 to 2011. Previously, Mr. Sieczkarek was Senior Vice President and President of The Americas Region, responsible for the commercial operation of all Bausch & Lomb businesses in the United States, Canada and Latin America. Mark joined Bausch & Lomb in 1995 as Vice President and Controller in the Personal Products division and also served as President of Europe, and a Vice President in Corporate Business Development. Previously, Mark held an executive level position with KOS Pharmaceuticals, several Bristol Myers-Squibb subsidiaries and Sanofi Diagnostics Pasteur. Mr. Sieczkarek received a MBA degree in Finance from Canisius College in Buffalo, NY, and a B.S. degree in Accounting from the State University of New York at Buffalo. The Board considers Mr. Sieczkarek’s leadership in guiding Solta Medical through an acquisition and leading Conceptus through its successful commercialization prior to its eventual sale to Bayer to be a valuable asset to the company. The Board also believes that his prior experiences as a chief executive officer of several medical device companies gives him operational and industry expertise that are important to the future growth of NovaBay.

**Tony D.S. Wicks** has served as a director of NovaBay Pharmaceuticals, Inc. since May 2002. He also served as a director of NovaCal Pharmaceuticals, LLC (“NovaCal LLC”) from March 2001 to May 2002. Mr. Wicks was the chief executive officer of American Resource Corporation, Inc., a public company in the mining industry with activities in North and South America from 1986 to 1995. Prior to that, he was a managing director and board member of London-based companies Guthrie Corporation PLC, GPG International PLC (part of the Guinness group) and United City Merchants PLC. Since 1995, Mr. Wicks has been pursuing private investments, venture work and participating in property investments. Mr. Wicks received his H.N.C. in electrical engineering from Essex Polytechnic and is a member of the American Institute of Electrical and Electronic Engineers. The Board believes Mr. Wicks’ chief executive officer experience brings valuable leadership skills and managerial expertise to the Board. In addition, due to his Board service since 2001, Mr. Wicks has extensive historical knowledge about NovaBay and provides valuable Board continuity.

## Executive Officers

The table below sets forth certain information regarding our executive officers as of March 15, 2015.

| Name                       | Age | Current Position(s)  |
|----------------------------|-----|--|
| Ramin (“Ron”) Najafi, Ph.D | 56  | Chairman of the Board, Chief Executive Officer and President |
| Thomas J. Paulson, M.B.A.  | 68  | Chief Financial Officer, Secretary and Treasurer             |
| Roy Wu, M.B.A.             | 60  | Senior Vice President, Business & Corporate Development      |

David W. Stroman            70   Senior Vice President, Ophthalmic Product Development

Russell Hoon                62   Senior Vice President

The following is certain biographical information regarding our executive officers. For biographical information for Ramin (“Ron”) Najafi, Ph.D., see “Directors” above.

**Thomas J. Paulson, M.B.A.** has served as our chief financial officer, secretary and treasurer since January 2008. Prior to joining NovaBay, Mr. Paulson was a partner at Tatum LLC, an executive services and consulting firm which he joined in April 2007, where his job was focused primarily on business development, and the president and chief executive officer of The Paulson Group, a management consulting company whose clients included high-technology and biotechnology companies, which he founded in February 2006 and was responsible for all aspects of its business. Tatum is a management consulting firm providing “C” level interim professionals to private and public companies. Immediately prior to forming the consulting firm, Mr. Paulson was vice president-finance, chief financial officer and secretary of Avigen, Inc., then a publicly traded biopharmaceutical company focused on unique and small molecule therapeutics and biologics, from 1996 to January 2006. As Avigen’s chief financial officer, Mr. Paulson was responsible for managing a staff of ten (10) people and oversaw the finance, accounting and human resources department. He also was a member of Avigen’s executive committee. From 1989 to 1994, Mr. Paulson served as chief financial officer, secretary and treasurer of Neurogen Corporation, a publicly traded development stage biotechnology company and held senior management positions at Ciba-Corning Diagnostics, Quidel Corporation and Abbot Laboratories. Mr. Paulson received a B.A. in Business Administration from Loyola University in Chicago and an M.B.A. from the University of Chicago.

**Roy Wu, M.B.A.** has served as our senior vice president for business and corporate development since July 2009. Prior to joining NovaBay, Mr. Wu was the vice president of business development at Genelabs Technologies, Inc. from 2001 to 2009, where he was responsible for all business development and licensing activities, including search, evaluation, and contract negotiations for all in- and out-license transactions, as well as alliance management and assisting in corporate financing activities. At Genelabs, Mr. Wu completed numerous licensing agreements and research collaborations with companies including Novartis, Gilead Sciences, Tanabe Seiyaku and Affymetrix. Mr. Wu's prior experience also includes serving as the vice president of Kissei Pharma USA Inc., from 1999 to 2001, where he also was responsible for clinical development, regulatory affairs and business development, director of business development at Quintiles-BRI from 1995 to 1997 and 16 years at Syntex Corporation ("Syntex"), where he started as a chemist and was consistently promoted until he became the director of research & development and program planning & management, Japan. Mr. Wu received an M.B.A. in international finance from the University of San Francisco, School of Business and a B.A. in biology from the University of San Francisco.

**David W. Stroman, Ph.D.** has served as our senior vice president, ophthalmic product development, since October 2011. Dr. Stroman brings over forty years of pharmaceutical and biotechnology industry to NovaBay, including thirty years of which in the discovery and development of anti-infectives. Prior to joining NovaBay, Dr. Stroman served in various positions at Alcon for 21 years, most recently as Therapeutic Unit Head for Anti-Infectives until his retirement on August 15, 2011. In that position, Dr. Stroman was responsible for setting the strategy and leading all aspects of development of anti-infectives for ocular and optic infections. Dr. Stroman joined Alcon in 1990 to create and lead the Anti-Infective program, and his work was instrumental in achieving extensive label claims compared to competitors for numerous products. Dr. Stroman's prior experience also includes serving in the Infectious Disease Research Unit of The Upjohn Company in Michigan, and in leading the Biotechnology Unit at Phillips Petroleum Company and its joint ventures with The Salk Institute, Bissendorf Peptide, GmbH, and Baylor College of Medicine. Dr. Stroman received his Ph.D. in Biochemistry and Molecular Biology from the University of Oklahoma Medical School, and a B.S. in Chemistry, with a minor in Mathematics from Bethany Nazarene College, now Southern Nazarene University.

**Russell Hoon** joined NovaBay in 2011 and brought to NovaBay more than 30 years of experience in medical product development, sales, marketing, and management at all levels. Over the course of his career, Mr. Hoon's expertise has been critical in the clinical development, regulatory approval process, manufacturing scale-up, and sales and marketing of various medical products and devices. To date, Mr. Hoon has brought over eight devices to market. Mr. Hoon also holds a process patent as well as several patent applications. Prior to joining NovaBay, Mr. Hoon served as President of Hoon Consulting, from March, 2008 to September, 2011 where he assisted biomedical and medical device manufacturers with strategies for bringing new products to market. Before founding that consulting business, Mr. Hoon worked at Xylos Corporation, a startup medical device manufacturer specializing in biosynthesized cellulose polymers, for ten years, nine of which as President and Chief Operating Officer and Board Member, where his responsibilities encompassed operations, business development and research and development. While at Xylos Mr. Hoon had many accomplishments which included directing company from initial start-up through revenue production, developing the management visioning process resulting in successful business plan, negotiating venture capital funding, scaling up lab process to pilot plant and full manufacturing facility, coordinating the Pre-Clinical and Clinical Trials, achieving the development and FDA clearance of implantable devices as well as antimicrobial wound care products, and concluding strategic equity investments by major medical device companies which led to two separate business unit sales of the company's technology in Neurosurgery and Wound Care. He also served as Director of Marketing and Business Development at Tutogen Medical Inc. and Marketing Manager at Integra LifeSciences, among others.

**Family Relationships**

There are no family relationships among any of our directors, executive officers or director nominees.

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## Audit Committee

Our Audit Committee consists of Mr. Cashion, Mr. Freiman, Ms. Maderis and Dr. Radaelli. Mr. Cashion is the chairman of the Audit Committee. Our Board has determined that each member of the Audit Committee is independent, as defined in the NYSE MKT Company Guide and Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Mr. Cashion qualifies as an “audit committee financial expert” as that term is defined in the rules and regulations established by the SEC. The functions of this committee include:

meeting with our management periodically to consider the adequacy of our internal controls and the objectivity of our financial reporting;

meeting with our independent auditors and with internal financial personnel regarding these matters;

pre-approving audit and non-audit services to be rendered by our independent auditors;

engaging and determining the compensation of our independent auditors and oversight of the work of our independent auditors;

reviewing our financial statements and periodic reports and discussing the statements and reports with our management and independent auditors, including any significant adjustments, management judgments and estimates, new accounting policies and disagreements with management;

establishing procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls and auditing matters;

reviewing our financing plans and reporting recommendations to our full Board for approval and to authorize action; and

administering and discussing with management and our independent auditors our Code of Ethics and Business Conduct.

Both our independent auditors and internal financial personnel regularly meet privately with the Audit Committee and have unrestricted access to this committee.

## **Section 16(a) Beneficial Ownership Reporting Compliance**

Under the federal securities laws, our directors and officers and any persons holding more than 10% of our common stock are required to report their ownership of our common stock and any changes in that ownership to the SEC. Specific due dates for these reports have been established, and we are required to report in this annual report any failure to file by these dates. During 2014, Pioneer Pharm (Singapore) Pte, Ltd., a 10% stockholder, filed one late Form 4; Anthony Dailley, a former director, filed two late Form 4s; and Robert R. Tufts, a former director, filed one late Form 4.

In making these statements, we have relied upon examination of the copies of Forms 3, 4 and 5, and amendments to these forms, provided to us and the written representations of our directors, executive officers and 10% stockholders. Based solely on our review of copies of the reports on the Section 16(a) forms received by us with respect to the fiscal year ended December 31, 2014, and the written representations received from the reporting persons that no other reports were required, we believe that, except as indicated in the foregoing paragraph, all directors, executive officers and persons who own more than 10% of our common stock have complied with the reporting requirements of Section 16(a) and have filed all reports required by such section.

## **Code of Ethics and Business Conduct**

Our Board has adopted a Code of Ethics and Business Conduct which applies to all directors, officers (including our principal executive officer, principal financial officer, and principal accounting officer or controller, or persons performing similar functions) and employees. The full text of our Code of Ethics and Business Conduct is available on the Corporate Governance section of our website at [www.novabay.com](http://www.novabay.com). We intend to disclose future amendments to certain provisions of the Code of Ethics and Business Conduct, and any waivers of provisions of the Code of Ethics and Business Conduct required to be disclosed under the rules of the Securities and Exchange Commission (“SEC”), at the same location on our website.

## **ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

### **Certain Relationships and Related Transactions**

Pioneer Pharma (Singapore) Pte Ltd. is our largest stockholder and a distributor of our NeutroPhase product in Asia.

In May 2013, we entered into a Warrant Amendment Agreement under which the term of the warrants (the “**Warrants**”) issued pursuant to that certain Unit Purchase Agreement dated September 13, 2012, between us and Pioneer Pharma (Singapore) Pte Ltd. (“**Pioneer Singapore**”) had been extended to November 29, 2013, and in consideration of the extension Pioneer Singapore would guarantee the exercise of the Warrants prior to such date.

In November 2013, we entered into a Common Stock Purchase Agreement with Pioneer Singapore, pursuant to which: (a) Pioneer Singapore agreed to purchase from us, and we agreed to sell to Pioneer Singapore, five million shares of our common stock for aggregate gross proceeds to us of \$5.7 million; and (b) we and Pioneer Singapore agreed to cancel the Warrants and the obligation of Pioneer Singapore to exercise the Warrants.

In January 2014, we and each of Pioneer Pharma Co. Ltd. (“**Pioneer**”) and Naqu Ara Pioneer Pharma Co. Ltd. (“**Naqu Pioneer**”) entered into an Assignment and Assumption Agreement pursuant to which Pioneer assigned to Naqu Pioneer all of Pioneer’s rights under that certain Distribution Agreement dated January 9, 2012, between us and Pioneer (the “**Pioneer Distribution Agreement**”).

In December 2014, we and each of Pioneer and Naqu Pioneer amended the Pioneer Distribution Agreement and that certain Distribution Agreement dated September 13, 2012 between us and Naqu Pioneer, respectively, to include exclusive licensing rights to two new products, CelleRx™ and i-Lid™ Cleanser, developed internally by us. The amendments cover the commercialization and distribution of these products in China and 11 countries in Southeast Asia.

In February 2014, and May 2014, Pioneer Singapore disgorged to us \$29,742.90 and \$75,000, respectively, pursuant to the provisions of Section 16 of the Securities Exchange Act of 1934, in connection with certain purchases of our common stock that were matched against deemed sales as a result of the cancellation of the Warrants.

In March 2015, we entered into a definitive securities purchase agreement (the “**Purchase Agreement**”) with certain purchasers identified on the signature pages thereto (the “**Purchasers**”), pursuant to which we issued to the Purchasers immediately separable units (the “**Units**”) comprising shares (the “**Shares**”) of the Company’s common stock, warrants with a 5-year term (the “**Long-Term Warrants**”) to purchase additional shares of the Company’s common stock at \$0.65 per share, and warrants with a 15-month term (the “**Short-Term Warrants**,” and together with the Long-Term Warrants, the “**2015 Warrants**”) to purchase additional shares of the Company’s common stock at \$0.60 per share (the “**Private Placement**”). Pioneer Singapore participated in the Private Placement, purchasing 2,590,000 Units for an aggregate purchase price of \$1,554,000, receiving therefor 2,590,000 Shares, Long-Term Warrants to purchase 1,942,500 shares of the Company’s common stock, and Short-Term Warrants to purchase 2,590,000 shares of the Company’s common stock.

Ramin (“Ron”) Najafi, Ph.D., our chairman of the board, chief executive officer, and president, and Mark M. Sieczkarek, a member of our board of directors, participated in the Private Placement on the same terms and conditions as Pioneer Singapore. Dr. Najafi and Mr. Sieczkarek each purchased 166,666 Units for an aggregate purchase price of \$99,999.60, receiving therefor 166,666 Shares, Long-Term Warrants to purchase 124,999 shares of the Company’s common stock, and Short-Term Warrants to purchase 166,666 shares of the Company’s common stock.

In compliance with certain NYSE MKT rules regarding related party transactions, the \$0.60 per Unit price paid by Pioneer Singapore, Dr. Najafi, and Mr. Sieczkarek was equal to the closing price of our common stock on last trading day prior to the closing of the Private Placement. While the Private Placement was not specifically reviewed in advance as a related-party transaction, it was approved by our Board and a Financing Committee of our Board, and consistent with our Audit Committee charter, the Audit Committee also reviewed the Private Placement.



In connection with the Private Placement we entered into a registration rights agreement with the Purchasers pursuant to which we have filed a registration statement with the Securities and Exchange Commission registering the offer and sale of the Shares (including shares underlying the 2015 Warrants).

### **Director Independence**

Our Board has determined that each of its members, other than Dr. Najafi, our chief executive officer, satisfies the requirements for “independence” as defined in the NYSE MKT Company Guide.

### **SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: April 13, 2015 NOVABAY PHARMACEUTICALS, INC.

By: /s/ Ramin (Ron) Najafi  
**Ramin (Ron) Najafi, Ph.D.**  
**Chairman and Chief Executive Officer**

**EXHIBIT INDEX**

**Exhibit**

**Description**

**No.**

- |      |   |
|------|---|
| 31.1 | Certification of the Principal Executive Officer of NovaBay Pharmaceuticals, Inc., as required by Rule 13a-14(a) or Rule 15d-14(a). |
| 31.2 | Certification of the Principal Financial Officer of NovaBay Pharmaceuticals, Inc., as required by Rule 13a-14(a) or Rule 15d-14(a). |