

Morning Note – January 30, 2012

▪ Terminating Research Coverage Due to Analyst in Transition

Please See Last 2 Pages For Important Disclosures And Analyst Certification

Company	Ticker	Price	Mkt. Cap.	Daily Volume	Rating	Target
Biomoda	BMOD	\$0.01	\$1.6M	99,813	Avoid/Sell	N/A
Marina Biotech	MRNA	\$0.81	\$7.4M	142,375	Avoid/Sell	\$1.00*
NovaBay Pharmaceuticals	NBY	\$1.40	\$39.6M	193,650	Neutral	\$1.25
IsoRay	ISR	\$0.63	\$16.7M	69,463	Strong Speculative Buy	\$3.00
Oculus Innovative Sciences	OCLS	\$1.06	\$28.5M	90,138	Strong Buy	\$4.75

* Adjusted for 1:10 Reverse Split 12/13/2011

Summary

We are terminating research coverage on Biomoda (BMOD), Marina Biotech (MRNA), NovaBay Pharmaceuticals (NBY), IsoRay (ISR) and Oculus Innovative Sciences (OCLS) due to analyst in transition and the resulting resource re-allocation. The most recent company reports with company specific disclosures can be accessed free of charge as shown in the table below:

NAME	SYMBOL	MOST RECENT REPORT
Biomoda	BMOD	http://lifetechcapital.com/ltc/wp-content/uploads/2011/08/BMOD-Update-08-26-11.pdf
Marina	MRNA	http://lifetechcapital.com/ltc/wp-content/uploads/2011/12/MRNA-Downgrade-12-08-11.pdf
NovaBay	NBY	http://lifetechcapital.com/ltc/wp-content/uploads/2011/11/NBY-Downgrade-11-14-11.pdf
IsoRay	ISR	http://lifetechcapital.com/ltc/wp-content/uploads/2011/11/ISR-Update-11-23-11.pdf
Oculus	OCLS	http://lifetechcapital.com/ltc/wp-content/uploads/2011/11/OCLS-Update-11-09-11.pdf

GENERAL DISCLOSURES

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Ratings Definitions: 1) **Strong Buy:** the stock is expected to appreciate and produce a total return of at least 40% over the next 12-18 months; 2) **Buy:** the stock is expected to appreciate and produce a total return of at least 20% over the next 12-18 months; 3) **Strong Speculative Buy:** the stock is expected to appreciate and produce a total return of at least 40% over the next 12-18 months but **the volatility and investment risk is substantially higher** than our "Strong Buy" recommendation; 4) **Speculative Buy:** the stock is expected to appreciate and produce a total return of at least 20% over the next 12-18 months but **the volatility and investment risk is substantially higher** than our "Buy" recommendation; 5) **Neutral:** the stock is fairly valued for the next 12-18 months; 6) **Avoid/Sell:** the stock is expected to decline at least 20% over the next 12-18 months and should be avoided or sold if held; 7) **Under Review:** the previous rating and/or price target is suspended due to a significant event which now requires additional analysis and the previous rating and/or price target cannot be relied upon; 8) **Not Rated:** the stock has too much business or financial uncertainty to form an investment conclusion or is currently in the process of being acquired and 9) **Restricted:** coverage cannot be initiated or has been temporarily suspended to comply with applicable regulations and/or firm policies in certain circumstances such as investment banking or an advisory capacity involving the company.

LifeTech Capital Research	Research Coverage	Investment Banking	FINRA RULE 2711	Research Coverage	Investment Banking
Ratings Distribution	% of Total	% of Total	Ratings Distribution	% of Total	% of Total
Strong Buy	14%	0%	Buy	100%	43%
Strong Speculative Buy	86%	50%	Hold/Neutral	0%	0%
Buy	0%	0%	Sell	0%	0%
Speculative Buy	0%	0%	Total	100%	43%
Neutral	0%	0%			
Avoid/Sell	0%	0%			
Under Review	0%	0%			
Not Rated	0%	0%			
Restricted	0%	0%			
Total	100%	43%			

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