

FRANCO RICHARD A  
Form 3  
October 17, 2012

**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 *			2. Date of Event Requiring Statement	3. Issuer Name <b>and</b> Ticker or Trading Symbol	
FRANCO RICHARD A			(Month/Day/Year)	Islet Sciences, Inc [ISLT]	
(Last)	(First)	(Middle)	08/20/2012	4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
641 LEXINGTON AVENUE, 6TH FLOOR				(Check all applicable)	
(Street)				<input checked="" type="checkbox"/> Director	<input type="checkbox"/> 10% Owner
NEW YORK, NY 10022				<input type="checkbox"/> Officer	<input type="checkbox"/> Other
(City)	(State)	(Zip)		(give title below)	(specify below)
				6. Individual or Joint/Group Filing(Check Applicable Line)	
				<input checked="" type="checkbox"/> Form filed by One Reporting Person	
				<input type="checkbox"/> 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	240,000	D	^

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

SEC 1473 (7-02)

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

**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)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Title			

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		Expiration Date		Amount or Number of Shares		or Indirect (I) (Instr. 5)	
Warrants	03/20/2012	03/20/2017	Common stock	120,000	\$ 1	D	Â
Warrants	08/20/2012 <sup>(1)</sup>	08/20/2017	Common stock	300,000 <sup>(1)</sup>	\$ 2	D	Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FRANCO RICHARD A 641 LEXINGTON AVENUE 6TH FLOOR NEW YORK, NY 10022	Â X	Â	Â	Â

## Signatures

/s/ Richard A.  
Franco

10/16/2012

\*\*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) 100,000 shares can be purchased immediately upon issuance of the warrants and the balance of the warrants becoming exercisable in two equal installments of 100,000 shares at the first and second anniversary of the issuance of the warrants.

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.