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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **May 7, 2018**

**PROPHASE LABS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction  
of incorporation)

**0-21617**

(Commission  
file number)

**23-2577138**

(I.R.S. Employer  
Identification No.)

**621 N. Shady Retreat Road, Doylestown, PA, 18901**

(Address of principal executive offices)

(Registrant's telephone number, including area code): **(215) 345-0919**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-2)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On May 7, 2018, the Board of Directors (the “Board”) of ProPhase Labs, Inc. (the “Company”) declared a special cash dividend of \$1.00 per share, as described in Item 8.01 of this Current Report on Form 8-K (“Current Report”). On the same date, the Compensation Committee of the Board approved an adjustment to the stock option granted to Mr. Karkus on February 23, 2018 (the “CEO Option”) as permitted under the Company’s 2018 Stock Incentive Plan (the “2018 Plan”) as a consequence of the special cash dividend.

The 2018 Plan provides for certain proportionate adjustments to be made to stock options granted under the 2018 Plan upon the occurrence of certain events, including a special distribution (whether in the form of cash, shares, other securities, or other property). Accordingly, the Board has adjusted the terms of the CEO Option, such that the exercise price of the CEO Option will be reduced from \$3.00 per share to \$2.00 per share, effective as of June 5, 2018, the date the special cash dividend is to be paid and subject to such dividend payment being made.

**Item 8.01 Other Events.**

As noted in Item 5.02 of this Current Report, on May 7, 2018, the Board declared a special cash dividend in the amount of \$1.00 per share on the Company’s common stock, payable on June 5, 2018 to holders of record of the Company’s common stock on May 21, 2018.

On May 7, 2018, the Company issued a press release announcing the special cash dividend. A copy of the press release is attached as Exhibit 99.1 and incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<b>No.</b>	<b>Description</b>
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99.1	<a href="#">Press Release dated May 7, 2018</a>
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Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**ProPhase Labs, Inc.**

By: */s/ Ted Karkus*

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Ted Karkus

Chairman of the Board, Chief Executive Officer and Director

Date: May 8, 2018

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**PRESS RELEASE****PROPHASE LABS, INC. ANNOUNCES SPECIAL CASH DIVIDEND**

DOYLESTOWN, PA — (Globe Newswire – May 7, 2018) — ProPhase Labs, Inc. (NASDAQ: PRPH, [www.ProPhaseLabs.com](http://www.ProPhaseLabs.com)), a vertically integrated and diversified branding, marketing and technology company with deep experience in over-the-counter dietary supplements and remedies (“ProPhase” or “Company”), announced today that its Board of Directors has declared a special cash dividend in the amount of \$1.00 per share on its common stock, payable on June 5, 2018 to stockholders of record as of May 21, 2018.

“We are pleased to return to our stockholders a common dividend of \$1.00 per share, which represents 34.6% of its closing price of \$2.89 per share as of May 7, 2018. This dividend provides an immediate benefit to our stockholders, while allowing us to remain well positioned for future growth with ample liquidity for strategic opportunities that may arise,” said Ted Karkus, Chairman and Chief Executive Officer of ProPhase.

Mr. Karkus continued, “I would like to personally thank our stockholders for their unwavering support and loyalty.”

In connection with the special cash dividend, the Board of Directors and the Compensation Committee of the Board of Directors have each approved a proportionate and equitable adjustment to the stock option granted to Mr. Karkus on February 23, 2018, pursuant to and as provided for under the 2018 Stock Incentive Plan, subject to the vesting requirements of the stock option. The adjustment will become effective as of June 5, 2018, the date the special cash dividend is to be paid.

**About ProPhase Labs**

ProPhase is a vertically integrated manufacturer, marketer and distributor of a diversified range of over-the-counter (“OTC”) dietary supplements. We are engaged in the research and development of additional OTC dietary supplements, including Legendz XL<sup>®</sup>, which are marketed under our TK Supplements<sup>®</sup> brand. The Company is also developing ProPhase Digital Media as a service that leverages and applies technology to the direct-to-consumer marketing of consumer products. With our enhanced liquidity following the sale of our Cold-EEZE<sup>®</sup> brand, we are also actively exploring additional opportunities outside of the consumer products industry. For more information visit us at [www.ProPhaseLabs.com](http://www.ProPhaseLabs.com).

**Forward-Looking Statements**

All statements contained in this press release, other than statements of historical fact, are forward-looking statements. These statements speak only as of the date of this press release and are based on our current plans and expectations and involve risks and uncertainties that could cause actual future events or results to be different from those described in or implied by such forward-looking statements, including risks and uncertainties relating to the timing and payment of the special cash dividend. Further information about these matters can be found in our Securities and Exchange Commission filings. Except as required by applicable law or regulation, we do not undertake any obligation to update our forward-looking statements to reflect future events or circumstances.

**Investor Contact**

Ted Karkus, Chairman and CEO  
ProPhase Labs, Inc.  
(267) 880-1111

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