

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

As described below in Item 8.01 of this Current Report on Form 8-K, on November 20, 2019, the Board declared a special cash dividend of \$0.25 per share on the Company’s common stock, payable on December 12, 2019 to holders of record of the Company’s common stock on December 3, 2019. On the same date, the Compensation Committee of the Board approved a proportionate adjustment to the stock option granted to Mr. Karkus on February 23, 2018 (the “CEO Option”) as required 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 Compensation Committee has adjusted the terms of the CEO Option, such that the exercise price of the CEO Option will be reduced from \$1.75 per share to \$1.50 per share, effective as of December 12, 2019, the date the special cash dividend is to be paid and subject to such dividend payment being made.

Item 8.01 Other Events.

On November 20, 2019, the Board declared a special cash dividend of \$0.25 per share on the Company’s common stock, payable on December 12, 2019 to holders of record of the Company’s common stock on December 3, 2019.

On November 20, 2019, the Company issued a press release announcing the special cash dividend. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

No.	Description
99.1	Press Release dated November 20, 2019

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
Ted Karkus
Chairman of the Board, Chief Executive Officer and Director

Date: November 20, 2019



PROPHASE LABS, INC. ANNOUNCES SPECIAL CASH DIVIDEND

DOYLESTOWN, PA — (Globe Newswire — November 20, 2019) — ProPhase Labs, Inc. (NASDAQ: PRPH, www.ProPhaseLabs.com), a vertically integrated manufacturer, marketer and distributor of a diversified range of over-the-counter dietary supplements (“ProPhase” or “Company”), announced today that its Board of Directors has declared a special cash dividend in the amount of \$0.25 per share on its common stock, payable on December 12, 2019 to stockholders of record as of December 3, 2019.

“We are very pleased to be able to reward our stockholders with this special cash dividend. 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 Compensation Committee of the Board of Directors has approved a proportionate and equitable adjustment to the stock option granted to Mr. Karkus on February 23, 2018, as required under the 2018 Stock Incentive Plan, subject to the vesting requirements of the stock option. The adjustment will become effective as of December 12, 2019, the date the special cash dividend is to be paid.

About the Company

We are a vertically integrated and diversified branding, marketing and technology company with deep experience with over-the-counter (“OTC”) consumer healthcare products, dietary supplements and other remedies. We are engaged in the research, development, manufacture, distribution, marketing and sale of OTC consumer healthcare products, dietary supplements and other remedies in the United States. This includes the development and marketing of dietary supplements under the TK Supplements® brand.

In addition, the Company also continues to actively pursue acquisition opportunities for other companies, technologies and products inside and outside the consumer products industry. For more information visit us at www.ProPhaseLabs.com.

Investor Contact

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