

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

SCHEDULE 13D

AMENDMENT NO. 13

ProPhase Labs, Inc.

(Name of Issuer)

Common Stock, par value \$0.0005 per share

(Title of Class of Securities)

74345W 10 8

(CUSIP Number)

Herbert Kozlov, Esq.
Wendy Grasso, Esq.
Reed Smith LLP
599 Lexington Avenue
New York, New York 10022
(212) 521-5400

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

August 13, 2020

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. []

1. NAME OF REPORTING PERSON:
Ted Karkus

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(See Instructions):
(a) ☐
(b) ☐

3. SEC USE ONLY

4. SOURCE OF FUNDS (See Instructions)PF

5. CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e):☐

6. CITIZENSHIP OR PLACE OF ORGANIZATIONUnited States

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

7. SOLE VOTING POWER4,763,944 ⁽¹⁾

8. SHARED VOTING POWER80,000

9. SOLE DISPOSITIVE POWER4,763,944 ⁽¹⁾

10. SHARED DISPOSITIVE POWER80,000

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
4,843,944 shares of common stock ⁽¹⁾

12. CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions) ☐

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)34.7% ⁽²⁾

14. TYPE OF REPORTING PERSON (See Instructions)IN

(1) Includes 2,344,416 shares of common stock issuable to the Reporting Person upon the exercise of stock options, which are currently vested and exercisable or will become so within the next 60 days, and 80,000 shares held by the Reporting Person’s sons, for which he may be deemed the beneficial owner.

(2) Based on 11,604,253 shares of common stock outstanding on August 11, 2020, plus 2,344,416 shares of Common Stock issuable to the Reporting Person upon the exercise of stock options, which are currently vested and exercisable or will become so within the next 60 days.

Introductory Note:

This Amendment No. 13 amends and supplements the Statement on Schedule 13D filed by Ted Karkus (the “Reporting Person”) on April 27, 2011 (the “Original Schedule 13D”, as amended and supplemented by Amendment No. 1 to the Schedule 13D filed on November 15, 2011, Amendment No. 2 to the Schedule 13D filed on December 14, 2011, Amendment No. 3 to the Schedule 13D filed on May 18, 2012, Amendment No. 4 to the Schedule 13D filed on September 19, 2014, Amendment No. 5 to the Schedule 13D filed on May 27, 2015, Amendment No. 6 to the Schedule 13D filed on June 8, 2015, Amendment No. 7 to the Schedule 13D filed on January 6, 2017, Amendment No. 8 to the Schedule 13D filed on May 3, 2017, Amendment No. 9 to the Schedule 13D filed on October 3, 2017, Amendment No. 10 to the Schedule 13D filed on December 26, 2017, Amendment No. 11 to the Schedule 13D filed on February 26, 2018, Amendment No. 12 to the Schedule 13D filed on March 30, 2020 and together with this Amendment No. 13, the “Schedule 13D”) to the extent specifically set forth below. Except as otherwise indicated, capitalized terms used herein and not defined herein have the meanings ascribed thereto in the Schedule 13D.

Item 4. Purpose of Transaction.

Item 4 of the Schedule 13D is hereby amended by inserting the following:

On August 13, 2020, the Reporting Person sold 50,000 shares of common stock, par value \$0.0005 per share, of the Issuer in a private transaction to Dr. Louis Gleckel, a director of the Issuer, at a price of \$2.75 per share pursuant to the terms of a Stock Purchase Agreement (the “Purchase Agreement”).

Item 5. Interest in Securities of the Issuer.

Item 5 of the Schedule 13D is hereby amended and restated in its entirety as follows:

On July 9, 2020, Mr. Karkus gifted an aggregate of 54,150 shares to his two sons.

As of the date hereof, the Reporting Person is deemed to be the beneficial owner, within the meaning of Rule 13d-3 of the Securities Exchange Act of 1934, as amended, of 4,843,944 shares of common stock of the Issuer (including 2,344,416 shares of common stock issuable to the Reporting Person upon the exercise of stock options, which are currently vested and exercisable or will become so within the next 60 days), as well as 80,000 shares held by the Reporting Person’s sons, for approximately 34.7% of the Issuer’s shares outstanding. Mr. Karkus has sole voting and dispositive power with respect to 4,763,944 shares and shared voting and dispositive power with respect to the 80,000 shares held by his sons.

Except for the sale described in Item 4 and the gift described above in this Item 5, there have been no other transactions in the securities of the Issuer effected by the Reporting Person in the last 60 days.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

The description of the Purchase Agreement set forth in Item 4 of this Schedule 13D is hereby incorporated by reference into this Item 6.

Other than the Purchase Agreement, there are no contracts, arrangements, understandings or relationships (legal or otherwise) among the Reporting Person and any other person with respect to any securities of the Issuer, including, but not limited to transfer or voting of any of the securities, finder’s fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

Item 7. Material to be Filed as Exhibits.

Exhibit 99.1 [Stock Purchase Agreement, dated August 13, 2020, by and between Ted Karkus and Louis Gleckel MD](#)

SIGNATURE

After reasonable inquiry and to the best of our knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Dated: August 17, 2020

/s/ Ted Karkus
Ted Karkus

STOCK PURCHASE AGREEMENT

This PURCHASE AGREEMENT (the “Agreement”), effective on the date of execution by the last party to execute it (the “Effective Date”) is entered into by and between **Ted Karkus** (the “Seller”), and **Louis Gleckel, MD.** (the “Investor”).

RECITALS

Investor wishes to purchase from Seller, and Seller wishes to sell to Investor, 50,000 shares (the “Shares”) of ProPhase Labs Common Stock, par value \$0.0001 per share, at a price per share of \$2.75, for an aggregate purchase price paid by Investor of \$137,500 .

AGREEMENT

NOW THEREFORE, in consideration of the foregoing, and the representations, warranties, and conditions set forth below, the parties hereto, intending to be legally bound, hereby agree as follows:

1. The Purchase. Seller agrees to sell to Investor, and Investor agrees to buy from Seller, the Shares pursuant to the terms of this Section 1.

(a) Payment. On or before August 13, 2020, Investor shall pay to Seller by wire or personal check the amount of \$137,500 (the “Payment”). If by wire to: Citibank ABA # [****] for the benefit of Ted Karkus account # [****].

(b) Stock Issue. Within 1 business day of the day that the Seller receives the Investor’s Payment, seller shall direct American Stock Transfer (ProPhase Labs, Inc. transfer agent) to transfer 50,000 shares of common stock from Seller to Investor.

(c) Price Per Share. The parties acknowledge that the price per share for this transaction is equal to the closing price per share on the Effective Date.

2. Representations and Warranties of the Seller. The Seller represents and warrants to the Investor that:

(a) Organization and Authority of the Seller. The execution and delivery of this Agreement by the Seller, the performance by the Seller of its obligations hereunder and the consummation by the Seller of the transaction contemplated hereby have been duly authorized by all requisite action on the part of the Seller.

(b) Issuance of Securities. The issuance of the Shares has been duly authorized and when transferred, sold and delivered in accordance with the terms and for the consideration set forth in this Agreement, will be duly and validly issued, fully paid and nonassessable and free and clear of all liens, other than restrictions on transfer imposed by applicable securities laws, and shall not be subject to preemptive or similar rights. Assuming the accuracy of the representations and warranties of the Investor in this Agreement, the Shares will be issued in compliance with all applicable federal and state securities laws.

3. Representations and Warranties of the Investor. The Investor represents and warrants to the Seller upon the acquisition of the Shares as follows:

(a) Organization and Authority of Investors. The execution and delivery of this Agreement by the Investor, the performance by the Investor of its obligations hereunder and the consummation by the Investor of the transactions contemplated hereby have been duly authorized by all requisite action on the part of the Investor.

(b) Binding Obligation. This Agreement has been duly executed and delivered by the Investor, and (assuming due authorization, execution and delivery by the Seller) this Agreement constitutes the legal, valid and binding obligation of the Investor, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally and general principles of equity.

(c) Investment Experience. The Investor acknowledges that it has prior investment experience, including investments in non-listed and non-registered securities and is able to evaluate the merits and risks of such an investment, and the Investor represents that it understands the highly speculative nature of this investment which may result in the loss of the total amount of such investment. The Investor has the requisite knowledge and experience in financial and business matters that such Investor is capable of evaluating the merits and risks of such investment.

(d) No General Solicitation. The Investor acknowledges that it is not acquiring the Shares as a result of any general solicitation or advertising.

(e) Knowledge With Respect to the Issuer. Investor acknowledges that (i) he is a member of Issuer's Board of Directors and therefore has a deep understanding and knowledge of the business and prospects of the Issuer; (ii) Seller is CEO of Issuer and therefore may have information concerning Issuer that Investor is not aware of; (iii) Investor requested that Seller enter into this transaction and Seller did not initiate this transaction; (iv) Investor waives any obligation on the part of Seller to have disclosed any information concerning the Issuer that Investor is not otherwise aware of, and covenants not to assert any claims arising from any information concerning the Issuer of which Investor was not otherwise aware.

4. Covenants.

(a) Filing of Form 4. The Seller and the Investor both agree that they shall, within the time required under the Securities Exchange Act of 1934, as amended (the "1934 Act"), file a Form 4 or other required reports with respect to this transaction.

5. Miscellaneous.

(a) Waivers and Amendments. Any provision of this Agreement may be amended, waived or modified only upon the written consent of the Seller.

(b) Governing Law. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York, and without giving effect to choice of law provisions that would result in the application of the substantive law of another jurisdiction.

(c) JURISDICTION; SERVICE; WAIVERS. ANY ACTION OR PROCEEDING IN CONNECTION WITH THIS AGREEMENT MAY BE BROUGHT ONLY IN A COURT OF RECORD OF THE STATE OF NEW YORK IN THE COUNTY OF NEW YORK. THE PARTIES TO THIS AGREEMENT HEREBY CONSENT TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS OF THE STATE OF NEW YORK, AND SERVICE OF PROCESS MAY BE MADE UPON THE PARTIES TO THIS AGREEMENT BY MAILING A COPY OF THE SUMMONS AND ANY COMPLAINT TO SUCH PERSON, BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, AT ITS ADDRESS TO BE USED FOR THE GIVING OF NOTICES UNDER THIS AGREEMENT. BY ACCEPTANCE HEREOF, THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION, INCLUDING, WITHOUT LIMITATION, ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OR MAINTAINING OF ANY SUCH ACTION OR PROCEEDING IN SUCH JURISDICTION.

(d) Survival. The representations, warranties, covenants and agreements made herein shall survive the execution and delivery of this Agreement.

(e) Entire Agreement. This Agreement constitutes and contains the entire agreement among Company and the Investor and supersedes any and all prior agreements, negotiations, correspondence, understandings and communications among the parties, whether written or oral, respecting the subject matter hereof.

(f) Notices. All notices, requests, demands, consents, instructions or other communications required or permitted hereunder shall in writing and faxed, mailed or delivered to each party as follows:

(i) if to the Seller, at:

Ted Karkus
188 Hewlett Neck Road
Woodmere, NY 11598

or

(ii) if to the Investor, at:

Louis Gleckel, MD
2 Ohio Drive, Suite 200
Lake Success, NY 11042

or at such other address or facsimile number as the Seller shall have furnished to the Investor in writing. All such notices and communications shall be effective (a) when sent by Federal Express or other overnight service of recognized standing, on the business day following the deposit with such service; (b) when mailed, postage prepaid and addressed as aforesaid, upon receipt; (c) when delivered by hand, upon delivery; and (d) when faxed or sent by e-mail, upon confirmation of receipt.

(g) Severability. If any provision of this Agreement shall be judicially determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(h) Headings. Article, section and subsection headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

(i) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall be deemed to constitute one instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the date and year first written above.

SELLER:

By: /s/ Ted Karkus
Name: Ted Karkus

Date: 8/13/2020

Mailing Address:
188 Hewlett Neck Road
Woodmere, NY 11598

INVESTOR:

By: /s/ Louis Gleckel
Louis Gleckel, MD

Date: 8/13/2020

Mailing Address:
2 Ohio Drive, Suite 200
Lake Success, NY 11042
