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): September 25, 2020

PROPHASE LABS, INC.
(Exact name of Company as specified in its charter)

Delaware	**0-21617**	**23-2577138**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

621 N. Shady Retreat Road **Doylestown, PA**	**18901**
(Address of principal executive offices)	(Zip Code)

Company'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 Company under any of the following provisions (*see* General Instruction A.2. below):

[ ] 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-12)

[ ] 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))

Securities Registered Pursuant to Section 12(b) of the Exchange Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, par value $0.0005	PRPH	Nasdaq Capital Market

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. [ ]

Item 1.01 Entry into a Material Definitive Agreement.

Consulting Agreement

On September 25, 2020 (the "Effective Date"), ProPhase Labs, Inc. (the "Company") entered into a Consulting Agreement with Predictive Laboratories, Inc. ("Predictive Labs"). The Consulting Agreement will be effective for a period commencing on the Effective Date and expiring on September 1, 2022; *provided, however*, that the Company may terminate this agreement at any time on five days' prior written notice.

During the term of the Consulting Agreement, Predictive Labs will provide the Company with such regular and customary consulting advice as is reasonably requested by the Company. Predictive Labs' duties will also include, among other things, (i) identifying and introducing the Company to new opportunities in the medical technology and testing fields, (ii) assisting and advising the Company in acquiring one or more Clinical Laboratory Improvement Amendments (CLIA) certified labs suitable for COVID-19 and other testing ("Test Labs"); (iii) assisting the Company in equipping and staffing any Test Labs acquired by the Company; (iv) advising and assisting in the operation of such Test Labs; (v) validating and obtaining certification of such Test Labs; and (vi) assisting the Company in obtaining a flow of business, orders and revenues from multiple sources in the industry, including but not limited to at least one significant, nation-wide manufacturer and distributor of COVID-19 saliva sample collection test kits ("Test Kits").

The compensation to be paid to Predictive Labs under the Consulting Agreement will be based on the following milestones:

- At such time as the Company completes the acquisition of its first Test Lab that has been validated and certified to process Test Kits manufactured by a substantial, nation-wide manufacturer and distributor of Test Kits, Predictive Labs will receive a consulting fee of $250,000;

- At such time as the Company has processed 50,000 Test Kits from a source introduced to the Company by Predictive Labs, Predictive Labs will receive a consulting fee of $500,000;

- At such time as the Company has processed 50,000 Test Kits from a second source introduced by Predictive Labs (*i.e.,* a source other than the source contemplated by the bullet immediately above) Predictive Labs will receive a consulting fee of $250,000; and

- Predictive Labs will receive consulting fees equal to 5% of the net revenues the Company generates from processing Test Kits in the Test Labs where such revenues are from sources introduced to the Company by the Consultant (excluding the revenues from the Test Kits set forth in the second and third bullets above).

All compensation earned by Predictive Labs under the Consulting Agreement will first be applied to the acceleration and prepayment of all sums due to the Company, including but not limited to sums due pursuant to the New Note described below. Under the terms of the Consulting Agreement, Predictive Labs will not be entitled to receive any payments pursuant to the Consulting Agreement unless and until the New Note has been paid in full. The total compensation that Predictive Labs will be entitled to earn or to receive under the Consulting Agreement (inclusive of amounts credited against the New Note) will be capped at $4,000,000.

The Consulting Agreement contains customary provisions regarding confidentiality, non-solicitation and non-disparagement.

The foregoing description of the Consulting Agreement is qualified in its entirety by reference to the full text of the Consulting Agreement, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated by reference herein in its entirety.

Amended and Restated Promissory Note and Security Agreement

On September 25, 2020 (the "Restatement Effective Date"), the Company also entered into an Amended and Restated Promissory Note and Security Agreement (the "New Note") with Predictive Labs, pursuant to which the Company has loaned $3.0 million to Predictive Labs (inclusive of $1.0 million in the aggregate previously loaned to Predictive Labs, as described below).

The New Note amends and restates in its entirety (i) that certain Promissory Note and Security Agreement, dated July 21, 2020 (the "Original July 21 Note"), pursuant to which the Company loaned $750,000 to Predictive Labs and (ii) that certain Promissory Note and Security Agreement, dated July 29, 2020 (the "Original July 29 Note", and, together with the Original July 21 Note, the "Original Notes"), pursuant to which the Company loaned $250,000 to Predictive Labs, each of which were described in the Company's Quarterly Report on Form 10-Q filed on August 11, 2020 (the "Form 10-Q"). As previously disclosed in the Form 10-Q, Mr. Karkus, the Company's Chairman and Chief Executive Officer, and Dr. Gleckel, a director, each hold less than 1% of the issued and outstanding shares of Predictive Technology Group, Inc., the parent company to Predictive Labs, which interests were acquired well before the Original Notes were entered into and disclosed to the Company's board of directors.

The New Note will bear interest at a rate of 15% per annum from and including the Restatement Effective Date until the principal amount is repaid in full plus any Principal Increases (as defined below) together with any accrued interest that has not been capitalized; *provided, however*, that upon the occurrence and during an Event of Default (as defined in the New Note), the interest rate payable under the New Note will automatically increase to 9% above the rate of interest then applicable to the New Note.

Interest under the New Note will be payable monthly in arrears on the first day of each month for the prior monthly period, as well as at maturity (whether upon demand, by acceleration or otherwise) (each such date, a "Payment Date"); provided, however, that prior to September 1, 2021, interest will be paid and capitalized in kind by increasing the principal amount of the New Note (any such increase, a "Principal Increase") by an amount equal to the interest accrued on the principal amount (as increased by the Principal Increases) during the prior month. On each Payment Date commencing after September 1, 2021, in addition to payments of interest described in the preceding sentence, Predictive Labs will also make payments on the principal amount of the loan equal to 1/36 of the then outstanding principal amount. The amount of the monthly payments will be equal to the amount required to amortize fully the outstanding principal amount of the loan, together with interest, over a period of 36 months.

The entire remaining unpaid principal amount of the New Note, together with all accrued and unpaid interest thereon and all other amounts payable under the New Note, will be due and payable, if not sooner paid, on September 30, 2022 or an earlier date as a result of a maturity, whether by acceleration or otherwise. The New Note may be prepaid in full or in part at any time without penalty or premium.

The New Note contains customary events of default. If a default occurs and is not cured within the applicable cure period or is not waived, any outstanding obligations under the New Note may be accelerated.

The New Note contain customary representation and warranties and certain restrictive covenants which, among other things, restrict Predictive Lab's ability to (i) sell, transfer, finance, lease, license, or dispose of all or substantially all of its property or assets, liquidate, windup, or dissolve, (ii) acquire all or substantially all of the property or assets of, or the equity interests in, any other person, (iii) participate in any merger, consolidation, share exchange, division, conversion, reclassification, or other absorption or reorganization, (iv) except for those existing as of the Restatement Effective Date, create, incur, assume, permit, or suffer to exist any pledges, liens, security interests, and other encumbrances of its property or assets, whether now owned or hereafter owned or acquired, and (v) create, incur or permit to exist any debt that is senior to, or *pari passu* with the New Note.

In order to secure Predictive Lab's obligations under the New Note, Predictive Labs granted to the Company a continuing security interest in certain property and assets.

The foregoing description of the New Note is qualified in its entirety by reference to the full text of the New Note, a copy of which is filed as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated by reference herein in its entirety.

Item 7.01 Regulation FD Disclosure

On September 30, 2020, the Company issued a press release announcing its engagement of MZ Group to lead the Company's strategic investor relations and shareholder communication program. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

Also on September 30, 2020, the Company issued a press release announcing its intention to acquire one or more CLIA Test Labs suitable for COVID-19 and other testing and the transactions described in Item 1.01 of this Current Report on Form 8-K. A copy of the press release is furnished as Exhibit 99.2 to this Current Report on Form 8-K.

The information in this Item 7.01 and Exhibits 99.1 and 99.2 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be incorporated by reference in any registration statement filed under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated by reference therein.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

No.	Description
10.1	Consulting Agreement, dated September 25, 2020, by and between ProPhase Labs, Inc. and Predictive Labs, Inc.
10.2	Amended and Restated Promissory Note and Security Agreement, dated September 25, 2020, by and between ProPhase Labs, Inc. and Predictive Labs, Inc.
99.1	Press Release dated September 30, 2020 announcing engagement of MZ Group
99.2	Press Release dated September 30, 2020 announcing engagement of Predictive Labs

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/ Monica Brady*
Monica Brady
Chief Financial Officer

Date: September 30, 2020

Exhibit 10.1

CONSULTING AGREEMENT

This Agreement is made and entered into effective as of the 25th day of September, 2020, by and between ProPhase Labs, Inc., a Delaware corporation (the "Company"), and Predictive Laboratories, Inc., a Utah corporation (the "Consultant").

In consideration of and for the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Purpose. The Company hereby retains the Consultant during the term specified in Section 2 hereof to render consulting advice to the Company as set forth in Section 3 hereof.

2. Term. This Agreement shall be effective for a period commencing on the date hereof and expiring on September 1, 2022; provided, however, that the Company may terminate this agreement at any time on five (5) days prior written notice.

3. Duties of Consultant. During the term of this Agreement, the Consultant will provide the Company with such regular and customary consulting advice as is reasonably requested by the Company, provided that the Consultant shall not be required to undertake duties not reasonably within the scope of the consulting advisory service contemplated by this Agreement. In performance of these duties, the Consultant shall provide the Company with the benefits of its best judgment and efforts. The Consultant represents and warrants to the Company that it is experienced and competent to provide the consulting duties indicated in this Agreement and that the Company has agreed to enter into this Agreement in reliance on this representation and warranty. The Consultant's duties shall include, but will not necessarily be limited to the following:

(a) Identifying and introducing the Company to new opportunities in the medical technology and testing fields.

(b) Assisting and advising the Company in acquiring one or more Clinical Laboratory Improvement Amendments (CLIA) certified labs suitable for Covid-19 and other testing ("Test Labs"), and assisting the Company in causing such Test Labs to be validated and certified to process any test kits that Consultant and Consultants' affiliates are validated and certified to process.

(c) Assisting the Company in equipping and staffing Test Labs, and advising and assisting in the operation of Test Labs.

(d) Validating and obtaining certification of the Test Labs, including validating and certifying the Test Labs for processing of Covid-19 saliva sample collection test kits ("Test Kits") and other test kits provided by Spectrum Solutions and other manufacturers of test kits.

(e) Assisting the Company in obtaining a flow of business, orders and revenues from multiple sources in the industry, including but not limited to at least one significant, nation-wide manufacturer and distributor of Test Kits.

(f) Making certain of its employees, consultants, representatives and other relationships available to the Company during normal business hours for meetings and teleconferences regarding the services contemplated in this Agreement.

(g) Assisting the Company with respect to other matters generally consistent with and/or related to the aforementioned items and this Agreement.

4. Expenses. Each party to this Agreement shall bear its own costs and expenses in connection with entering into and performing this Agreement.

5. Compensation. Consultant shall be compensated as set forth in Schedule A annexed hereto, which is incorporated herein by reference.

6. Non-Solicitation, Confidentiality and Non-Disparagement.

During the term of this Agreement and for a period of two (2) years following the effective date of the termination of this Agreement, none of the Consultant nor any officer, director, employee or agent of the Consultant shall, directly or indirectly (a) solicit, entice, or induce any person who presently is, or at any time during the term hereof shall be, an employee, independent contractor, agent, director or officer of the Company or a Company affiliate to leave their position at the Company and/or become employed by the Consultant; (b) encourage any actual or prospective customer of the Company or an affiliate of the Company to reduce the volume of business they are conducting or planning to conduct with the Company, or divert such customer away from the Company; (c) disclose any confidential or non-public information concerning the Company and its affiliates to third parties or use such information for any purpose (except in providing services hereunder to the Company) without the prior written approval of the Company; or (d) trade in the securities of the Company.

Except as set forth in Section 7 below, During the term of this Agreement and for a period of two (2) years following the effective date of the termination of this Agreement, the Company shall not directly or indirectly, solicit, entice, or induce any person who presently is, or at any time during the term hereof shall be, an employee, independent contractor, agent, director or officer of the Consultant or to leave their position with Consultant and become employed by the Company. It is not contemplated that Consultant will provide the Company with confidential information concerning the Company; however, if Consultant does provide confidential, non-public information concerning Consultant to the Company in connection with Consultant performing services pursuant to this Agreement, for a period of two years from the effective date of the termination of this Agreement, the Company will not use or disclose such information except for the purpose of the Company pursuing and operating the businesses and opportunities contemplated by this Agreement.

7. Other Agreements. The Consultant shall use commercially reasonable efforts to encourage Jack Turner to become a part-time employee of or consultant to the Company. The parties acknowledge that (a) the terms of any employment agreement between the Company and Jack Turner will be negotiated exclusively between the Company and Jack Turner, and (b) Jack Turner may also simultaneously be engaged by the Consultant.

8. Key Service Providers. Consultant shall assure that the following agents or employees of Consultant are assigned to provide the services contemplated by this Agreement: Kenneth Ward, MD, Lesa Nelson and Allen Ward. Consultant may staff these projects with additional agents or employees subject to the Company's prior written consent, which may be granted, conditioned or withheld in the Company's discretion.

9. Severability. Every provision of this Agreement is intended to be severable. If any term or provision hereof is deemed unlawful or invalid for any reason whatsoever, such unlawfulness or invalidity shall not affect the validity of the remainder of this Agreement.

10. Miscellaneous.

(a) Any notice or other communication between the parties hereto shall be sent by certified or registered mail, postage prepaid, or by email:

(i) If to the Company, to:

ProPhase Labs, Inc.
621 N. Shady Retreat Road
Doylestown, Pennsylvania 18901
Attention: Ted Karkus, Chief Executive Officer
Email: karkus@prophaselabs.com

(ii) If to the Consultant, to:

Predictive Laboratories, Inc.
2749 East Parleys Way, Suite 100
Salt Lake City, Utah 84109
Email: brobinson@predtechgroup.com

Either party may change the foregoing address by notice given pursuant to this Section 9(a). Such notice or other communication shall be deemed to be given on the date of mailing or transmissions via email if during normal business hours (and the next day if after business hours).

(b) This Agreement has been duly authorized, executed and delivered by and on behalf of the Company and the Consultant.

(c) This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to conflicts of laws rules of such states. Each of the parties hereto hereby agrees that any action, proceeding, or claim against it arising out of, or in any way relating to, this Agreement shall be brought and enforced exclusively in the state or federal courts located in the state of Delaware, and irrevocably submit to the exclusive jurisdiction and venue of such courts.

(d) Nothing herein shall constitute Consultant as an employee or agent of the Company. Consultant shall not have the authority to obligate, bind or commit the Company in any manner whatsoever.

(e) The provisions of Sections 4, 5, 6, 7, 9 and 10 shall survive the termination or expiration of this Agreement.

(f) This Agreement calls for the specialized services and experience of Consultant and therefore shall not be assignable by Consultant without the prior written consent of the Company, which consent may be granted or withheld by the Company in its discretion. Consultant is aware that Company intends to form one or more subsidiaries to pursue, operate and hold the business opportunities contemplated hereby, and Consultant consents to the assignment of this Agreement to such subsidiaries.

(g) This Agreement contains the entire understanding between the parties hereto with respect to the subject matter hereof and may not be modified or amended except by a writing duly signed by the party against whom enforcement of the modification or amendment is sought. No party has relied on any promise, statement or representation in entering into this Agreement except as set forth herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date hereof.

PROPHASE LABS, INC.

By: */s/ Ted Karkus*
Ted Karkus, Chief Executive Officer

PREDICTIVE LABORATORIES, INC.

By: */s/ Bradley C. Robinson*
Bradley C. Robinson, Chief Executive Officer

SCHEDULE A - CONSULTANT COMPENSATION

1. The parties agree that the compensation that Consultant is entitled to earn or receive pursuant to this Agreement shall be entirely based on and subject to attaining the following milestones:

    a. At such time as the Company completes the acquisition of its first Test Lab that has been validated and certified to process Test Kits manufactured by Spectrum Solutions, the Consultant shall receive a consulting fee of $250,000;

    b. At such time as the Company has processed 50,000 Test Kits from Spectrum Solutions, the Consultant shall receive a consulting fee of $500,000;

    c. At such time as the Company has processed 50,000 Covid-19 Test Kits from a second source introduced by the Consultant (*i.e.,* a source other than Spectrum Solutions) the Consultant shall receive a consulting fee of $250,000; and

    d. The Consultant shall receive consulting fees equal to five percent (5%) of the net revenues the Company generates from processing Test Kits in the Test Labs where such revenues are from Spectrum Solutions Test Kits or from other sources introduced to the Company by the Consultant (excluding the revenues from the Test Kits set forth in sections 1b and 1c above).

2. All compensation earned by the Consultant shall be first applied to the acceleration and prepayment of all sums due to the Company, including but not limited to sums due pursuant to the Promissory Note dated September 25th, 2020, in the initial principal amount of $3,000,000, entered into by the Company, as lender, and the Consultant, as borrower (the "Note"). Consultant acknowledges that it shall not be entitled to receive any payments pursuant to this Agreement unless and until the Note has been paid in full.

3. Notwithstanding any other provision of this Agreement, Consultant acknowledges and agrees that the total compensation which the Consultant is entitled to earn or to receive pursuant to this Agreement and the transactions contemplated hereby (inclusive of amounts credited against the Note) is capped at $4,000,000.

4. The Company has not made any representations, promises or commitments to Consultant with respect to the ability of the Company to attain any of the milestones set forth in Section 1 above, or as the amounts, if any, that Consultant may earn or receive pursuant to this Agreement. Consultant acknowledges that the decision of the Company whether and how to pursue any business opportunity contemplated by this Agreement shall be entirely in the discretion of the Company and the Company shall not be liable to Consultant as a consequence of any such decision. The parties expressly agree that the consummation of any transactions to use or acquire any Test Labs, testing facilities or consummate any other transaction related hereto with any third parties shall be negotiated and decided by the Company in its sole discretion.

Exhibit 10.2

AMENDED AND RESTATED PROMISSORY NOTE
AND SECURITY AGREEMENT

$3,000,000.00 September 25, 2020

FOR VALUE RECEIVED, the undersigned PREDICTIVE LABORATORIES, INC., a Utah corporation (the "Debtor"), with offices located at 2749 East Parleys Way, Suite 100, Salt Lake City, UT 84109, or at such other place as the Debtor may designate upon written notice to the Secured Party, hereby promises to pay to the order of PROPHASE LABS, INC., a Delaware corporation (together with its successors and assigns, the "Secured Party" or the "Holder"), at its office located at 621 N. Shady Retreat Road, Doylestown, PA, 18901, or at such other place as the holder hereof may designate upon written notice to the Debtor, in lawful money of the United States of America and in immediately available funds, the principal sum of Three Million and 00/100 Dollars ($3,000,000.00) (the "Initial Principal Amount" or such lesser or greater principal amount owed from time to time, the "Principal Amount"), plus all interest capitalized as set forth herein plus all accrued interest thereon that has not been capitalized plus all expenses payable pursuant hereto.

This Note amends and restates in its entirety (i) that certain Promissory Note and Security Agreement dated July 21, 2020 (as the same has been amended, restated, amended and restated, supplemented or otherwise modified prior to the date hereof, the "Original July 21 Note"), made by Debtor in favor of the Holder in the original principal amount of Seven Hundred and Fifty Thousand and 00/100 Dollars ($750,000) and for which, as of September 25, 2020 (the "Restatement Effective Date"), the principal amount (excluding any unpaid interest not yet accreted to principal or paid in cash) outstanding is $770,750 immediately prior to being amended and restated hereby, and (ii) that certain Promissory Note and Security Agreement dated July 29, 2020 (as the same has been amended, restated, amended and restated, supplemented or otherwise modified prior to the date hereof, the "Original July 29 Note", and together with the Original July 21 Note, the "Original Notes"), made by Debtor in favor of the Holder in the original principal amount of Two Hundred and Fifty Thousand and 00/100 Dollars ($250,000) and for which, as of the Restatement Effective Date, the principal amount (excluding any unpaid interest not yet accreted to principal or paid in cash) outstanding is $256,146 immediately prior to being amended and restated hereby. The Debtor and the Holder acknowledge and agree that upon and after giving effect to the amendment and restatement of the Original Notes hereby on the Restatement Effective Date, a total of Three Million and 00/100 Dollars ($3,000,000.00) will be outstanding under this Note and the Original Notes shall be deemed to be replaced by this Note. Notwithstanding the foregoing, it is expressly agreed and understood that this Note does not extinguish the outstanding indebtedness evidenced by the Original Notes and is not intended to be a substitution or novation of the original indebtedness, which shall continue in full force and effect except as specifically amended and restated hereby.

LOAN:

The Secured Party hereby agrees, subject to the terms hereof and relying on the covenants, representations, and warranties herein set forth, to make a loan to the Debtor on the date hereof (the "Closing Date") in an aggregate amount equal to the Initial Principal Amount (the "Loan"). Amounts advanced hereunder that are repaid may not be re-advanced.

INTEREST:

(a) Interest. Interest shall accrue on the Principal Amount and on any Principal Increases (as defined below) on the Loan at a rate per annum equal to Applicable Rate (as defined below) from the date hereof until the repayment in full of the Principal Amount plus any Principal Increases together with any accrued interest thereon that has not been capitalized (the "Repayment Date"). "Applicable Rate" means (i) fifteen percent (15%) per annum, from and including the Restatement Effective Date; it being understood that upon the occurrence and during the continuance of an Event of Default, the then Applicable Rate shall automatically increase to the Default Rate (as defined below). Interest on this Note shall be calculated based on a 360-day year. Interest shall be payable monthly in arrears on the first day of each month for the prior monthly period, as well as at maturity (whether upon demand, by acceleration or otherwise) (each such date, a "Payment Date"); provided however, prior to September 1, 2021, interest shall be paid and capitalized in kind by increasing the principal amount of this Note (any such increase, a "Principal Increase") by an amount equal to the interest accrued on the principal amount (as increased by the Principal Increases) during the prior month.

(b) Default Interest. From and after the maturity date of this Note, or such earlier date as all principal owing hereunder becomes due and payable by acceleration or otherwise, or at the Secured Party's option upon the occurrence, and during the continuance of an Event of Default, the outstanding principal balance of this Note shall bear interest at an increased rate per annum (computed on the basis of a 360-day year, actual days elapsed) equal to nine percent (9%) above the rate of interest from time to time applicable to this Note (the "Default Rate").

REPAYMENT AND PREPAYMENT:

(a) Monthly Repayment. On each Payment Date commencing after September 1, 2021, in addition to payments of interest described above, the borrower shall also make payments on the Principal Amount of the Loan equal to 1/36 of the then outstanding Principal Amount. The amount of said monthly payments is equal to the amount required to amortize fully the outstanding Principal Amount of the Loan, together with interest, over a period of thirty six (36) months.

(b) Maturity Date. The entire remaining unpaid Principal Amount of this Note, together with all accrued and unpaid interest thereon and all other amounts payable hereunder, shall be due and payable, if not sooner paid, on September 30, 2022 or an earlier date as a result of a maturity, whether by acceleration or otherwise, pursuant to the terms hereof (the "Maturity Date").

(c) Payments Due Other than on a Business Day. If this Note or any payment hereunder becomes due on a day which is not a business day, the due date of this Note or payment shall be extended to the next succeeding business day, and such extension of time shall be included in computing interest in connection with such payment.

(d) Prepayment. This Note may be prepaid in full or in part at any time without penalty or premium.

(e) Application of Payments. All payments received by the Secured Party shall be applied first to accrued interest, fees, expenses, and other amounts due to the Secured Party (excluding principal) as the Secured Party determines in its sole discretion, and the balance on account of outstanding principal.

REPRESENTATIONS AND WARRANTIES:

The Debtor represents and warrants to the Secured Party that:

(a) the Debtor is duly organized, validly existing, and in good standing under the laws of, and is fully qualified and authorized to do business in, the state of its organization and is in good standing, and is fully qualified and authorized to do business in, all other jurisdictions where that authorization or qualification is required;

(b) the Debtor has full power and authority to engage in all of the transactions contemplated by the Note and has full power, authority, and legal right to execute and deliver, and to comply with its obligations under, the Note, which constitutes the legally binding obligation of the Debtor enforceable against the Debtor in accordance with its terms;

(c) the Debtor has taken all necessary action to duly authorize the execution, delivery, and performance of the Note;

(d) the Debtor's execution and delivery of the Note, and grant of security and collateral relating thereto, will not conflict with or result in a breach of any of the provisions of the organizational documents of the Debtor, or of any applicable law, judgment, order, writ, injunction, decree, rule, or regulation of any court, administrative agency, or other governmental authority, or of any agreement or other instrument to which the Debtor is a party or by which the Debtor is bound, or constitute a default under any of the foregoing;

(e) the Debtor has good and marketable title to, and is the owners of, all collateral given as security to the Secured Party hereunder, and all of such collateral is free and clear of pledges, liens, security interests, and other encumbrances, other than those existing as of the date hereof or in favor of the Secured Party; and

(f) the Debtor is an entity of the type, and is formed under the laws of the jurisdiction, set forth in the heading of this Note; and its true, correct, and complete legal name as it appears on its organizational documents is as set forth in the heading of this Note.

NEGATIVE COVENANTS:

Unless the Secured Party otherwise consents in writing, the Debtor covenants and agrees that the Debtor shall not:

(a) Changes in Form. (i) sell, transfer, finance, lease, license, or dispose of all or substantially all of its property or assets, liquidate, windup, or dissolve; (ii) acquire all or substantially all of the property or assets of, or the equity interests in, any other person; (iii) participate in any merger, consolidation, share exchange, division, conversion, reclassification, or other absorption or reorganization; (iv) purchase, redeem, acquire, or retire any equity interest in it; (v) create or acquire any subsidiary; (vi) change its legal form or name; (vii) change its jurisdiction of organization or become (or attempt or purport to become) organized in more than one jurisdiction; or (viii) amend, modify, or supplement its organizational or governing documents; and

(b) Liens. except for those existing as of the date hereof or in favor of the Secured Party, create, incur, assume, permit, or suffer to exist any pledges, liens, security interests, and other encumbrances of its property or assets, whether now owned or hereafter owned or acquired.

(c) Indebtedness. except for the indebtedness incurred under this Note, create, incur or permit to exist any debt that is senior to, or pari passu with this Note.

SECURITY AGREEMENT:

(a) Definitions.

(i) "Change of Control" shall mean (a) any person or group of persons within the meaning of § 13(d)(3) of the Securities Exchange Act of 1934 becomes the beneficial owner, directly or indirectly, of 33% or more of the outstanding Equity Interests of Predictive Technology Group, Inc. ("Parent"), (b) individuals who constitute the directors of the Parent or the Debtor cease for any reason to constitute at least a majority of the board of directors thereof or (c) Parent shall cease to own and control, of record and beneficially, one hundred percent (100%) of each class of outstanding Equity Interests of the Debtor free and clear of all Liens (except Liens created by hereunder or under loans between the Debtor and the Secured Party).

(ii) "Equity Interests" shall mean, with respect to any person, all of the shares of capital stock of (or other ownership or profit interests in) such person, all of the warrants, options or other rights for the purchase or acquisition from such person of shares of capital stock of (or other ownership or profit interests in) such person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such person or warrants, rights or options for the purchase or acquisition from such person of such shares (or such other interests), and all of the other ownership or profit interests in such person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

(iii) "UCC" shall mean Article 9 of the Uniform Commercial Code, as in effect from time to time in the state of Delaware; provided, however, that in the event that by reason of mandatory provisions of any applicable law, any of the attachment, perfection, or priority the Secured Party's security interest in any collateral is governed by the Uniform Commercial Code of a jurisdiction other than such state, "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection, or priority and for purposes of the definitions related to or otherwise used in such provisions.

(iv) The following terms have the meanings given to them in the UCC (such meanings to be equally applicable to both the singular and plural forms of the terms defined): "account," "accession," "account debtor," "chattel paper," "commercial tort claim," "commodity contract," "deposit account," "electronic chattel paper," "equipment," "fixture," "general intangible," "goods," "instruments," "inventory," "investment property," "letter-of-credit right," "proceeds," "record," "securities account," "security," "supporting obligation," and "tangible chattel paper."

(b) Security Interest. The Debtor hereby grants to the Secured Party a continuing security interest (the "Security Interest") in the following property and assets of the Debtor, whether now owned or at any time hereafter acquired by the Debtor or in which the Debtor now has or at any time in the future may acquire any right, title, or interest, wherever located, and whether now existing or hereafter acquired or created:

i. all accounts;

ii. all fees received by Debtor in respect of the COVID-19 tests administered by the Debtor and/or its affiliates;

iii. all supporting obligations thereof and all increases or profits received therefrom, all software, books, and records related thereto, and all parts, accessories, special tools, attachments, additions, accessions, replacements, and substitutions thereto or therefor; and

iv. and all cash and non-cash proceeds of any of the foregoing in any form (including, without limitation, insurance proceeds).

(c) Obligations Secured. The Security Interest granted by the Debtor secures the full payment and performance of all obligations of the Debtor to the Secured Party under this Note.

(d) Further Assurances. The Debtor agrees that from time to time, at the expense of the Debtor, the Debtor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Secured Party may reasonably request, in order to perfect and protect any pledge, assignment or security interest granted or purported to be granted hereby or to enable the Secured Party to exercise and enforce its rights and remedies hereunder with respect to any collateral. Without limiting the generality of the foregoing, the Debtor will execute and file such instruments or notices, as may be necessary or desirable, or as the Secured Party may request, in order to perfect and preserve the pledge, assignment and security interest granted or purported to be granted hereby. The Debtor hereby authorizes the Secured Party to file one or more financing or continuation statements, and amendments thereto, relating to all or any part of the collateral without the signature of the Debtor where permitted by law. A photocopy or other reproduction of this Note or any financing statement covering the collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

EVENTS OF DEFAULT:

The occurrence of any of the following shall constitute an "Event of Default" under this Note:

(a) the failure to pay when due any principal, interest, fees, or other charges hereunder, which failure remains uncured for two (2) days;

(b) any default in the performance of or compliance with any covenants set forth in this Note, which default remains uncured for five (5) days;

(c) any representation or warranty made by Debtor to the Secured Party in this Note is false, erroneous, or misleading; and

(d) a Change of Control shall occur.

MISCELLANEOUS:

(a) Remedies. Upon the occurrence of any Event of Default, without demand of performance or other demand, presentment, protest, advertisement, or notice of any kind (except any notice required by law) to or upon the Debtor or any other person (all and each of which demands, presentments, protests, advertisements and notices are hereby waived), the holder of this Note, at the holder's option, may exercise any right, power, or remedy permitted by law or as set forth herein and, without limiting the generality of the foregoing, may declare the entire unpaid principal amount hereof and all interest accrued hereon, and all other sums owed under, or secured by, this Note to be, and such principal, interest, and other sums shall thereupon become, immediately due and payable in full in immediately available funds. The failure by the Secured Party to exercise the acceleration option shall not constitute a waiver of its right to exercise the acceleration option at any other time so long as that Event of Default remains outstanding and uncured or to exercise it upon the occurrence of another Event of Default.

(b) Rights of the Secured Party; Rights Cumulative. The rights and remedies of the Secured Party as provided herein shall be cumulative and concurrent and may be pursued singly, successively, or together against the Debtor or any collateral, at the sole discretion of the Secured Party; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release of the same. The Secured Party shall not by any act of omission or commission be deemed to waive any of its rights or remedies under this Note unless such waiver is in writing and signed by the Debtor, and then only to the extent specifically set forth therein; and a waiver of one event shall not be construed as continuing or as a bar to or waiver of such right or remedy upon a subsequent event. The Secured Party shall not be required to marshal any present or future security for, or guarantees of, this Note or to resort to any such security or guarantee in any particular order, and the Debtor waives, to the fullest extent that it lawfully can, (i) any right it might have to require the Secured Party to pursue any particular remedy before proceeding against the Debtor and (ii) any right to the benefit of, or to direct the application of, the proceeds of any collateral until this Note is repaid in full. If at any time all or any part of any payment applied by the Secured Party to any indebtedness or liability of the Debtor under this Note is or must be rescinded or returned by the Secured Party for any reason whatsoever (including without limitation the insolvency, bankruptcy, or reorganization of the Debtor) such indebtedness or liability shall for the purpose of this Note, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence notwithstanding such application by the Secured Party, and this Note shall continue to be effective or be reinstated, as the case may be, as to such indebtedness or liability as though such application by the Secured Party had not been made.

(c) Fees and Costs. The Debtor shall pay to the holder immediately upon demand the full amount of all payments, advances, charges, costs and expenses, including reasonable attorneys' fees, expended or incurred by the holder in connection with the drafting, negotiation, enforcement of the holder's rights and/or the collection of any amounts which become due to the holder under this Note (provided that, the attorney's fees in connection with the drafting and negotiation of this Note shall in no event exceed $7,500, which amount shall be deducted from the Loan proceeds paid to the Debtor on the date hereof), and the prosecution or defense of any action in any way related to this Note, including without limitation, any action for declaratory relief, whether incurred at the trial or appellate level, in an arbitration proceeding or otherwise, and including any of the foregoing incurred in connection with any bankruptcy proceeding (including, without limitation, any adversary proceeding, contested matter, or motion brought by the holder or any other person) relating to the Debtor or any other person or entity.

(d) Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to the conflicts of law or choice of law principles thereof.

(e) Amendments. This Note shall not be altered, amended, or modified by course of dealing, other conduct, or oral agreement or representation (whether or not supported by consideration) made before or after the execution of this Note. All amendments or changes of any kind must be in writing, executed by the Debtor and the Secured Party.

(f) Assignments. The Secured Party shall have the unrestricted right at any time and from time to time, and without the Debtor's consent, to sell, assign, endorse, or transfer all or any portion of its rights and obligations hereunder. This Note is a binding obligation enforceable against the Debtor and its successors and assigns and shall inure to the benefit of the Secured Party and its successors and assigns. Notwithstanding the foregoing, the Debtor shall not assign its obligations hereunder, or any interest herein, without obtaining the prior written consent of the Secured Party, and any assignment or attempted assignment by the Debtor without the Secured Party's prior written consent will be void and of no effect with respect to the Secured Party.

(g) Notices. Any demand or notice hereunder or under any applicable law pertaining hereto shall be in writing and duly given if delivered to the Debtor (at its address set forth in the heading of this Note) or to the Secured Party (at its address set forth in the heading of this Note). A notice shall, for all purposes, be deemed given and received: (i) if hand delivered to a party against receipted copy, when the copy of the notice is receipted; (ii) if given by a nationally recognized and reputable overnight delivery service company, the day on which the notice is delivered by the delivery service company to such party; or (iii) if given by certified mail, two (2) business days after it is posted with the United States Postal Service.

(h) Waiver of Jury Trial. The Debtor knowingly, voluntarily, and intentionally waives the rights it may have to a trial by jury in respect to any litigation based hereon, or arising out of, under, or in connection with this Note, any document contemplated to be executed in connection with this Note, or any underlying matter, course of dealing, statement (whether verbal or written), or action (each an "Action").

(i) Consent to Jurisdiction and Service of Process. The Debtor knowingly, voluntarily, and intentionally (i) consents in each Action commenced by the Secured Party to the nonexclusive personal jurisdiction of any court that is either a court of record of the State of Delaware or a court of the United States of America located in the State of Delaware, (ii) waives each objection to the laying of venue of any such Action and any claim that such Action has been brought in an inconvenient forum, (iii) waives personal service of process in each such Action, and (iv) consents to the making of service of process in each such Action by registered mail directed to the Debtor at the last address of the Debtor shown in the records relating to this Note maintained by the Secured Party, with such service of process to be deemed completed five (5) days after the mailing thereof. Notwithstanding the foregoing, the Secured Party, in its sole and absolute discretion, may initiate an Action in the courts of any other jurisdiction in which the Debtor may be found or in which any property or asset of the Debtor may be located.

(j) Savings Clause. The agreements made by the Debtor with respect to this Note are expressly limited so that in no event shall the amount of interest received, charged, or contracted for by the Secured Party exceed the highest lawful amount of interest permissible under the laws applicable to the Loan. If at any time performance of any provision of this Note results in the highest lawful rate of interest permissible under applicable laws being exceeded, then the amount of interest received, charged, or contracted for by the Secured Party shall automatically and without further action by any party be deemed to have been reduced to the highest lawful amount of interest then permissible under applicable laws. If the Secured Party shall ever receive, charge, or contract for, as interest, an amount which is unlawful, at the Secured Party's election, the amount of unlawful interest shall be refunded to the Debtor (if actually paid) or applied to reduce the then unpaid amount of this Note. To the fullest extent permitted by applicable law, any amounts contracted for, charged, or received under this Note included for the purpose of determining whether the interest rate would exceed the highest lawful rate shall be calculated by allocating and spreading such interest to and over the full stated term of this Note.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the undersigned has executed this Note, with the intention that it constitute an instrument under seal, and intending to be legally bound hereby, as of the date first written above.

PREDICTIVE LABORATORIES, INC., a Utah corporation, as Debtor

By: */s/ Bradley Robinson*
Name: Bradley Robinson
Title: Director

PROPHASE LABS, INC., a Delaware corporation, as Secured Party

By: */s/ Ted Karkus*
Name: Ted Karkus
Title: Chief Executive Officer

Exhibit 99.1

ProPhase Labs Engages MZ Group to Lead Strategic Investor Relations and Shareholder Communication Program

DOYLESTOWN, Pennsylvania – September 30, 2020 — ProPhase Labs, Inc. (NASDAQ: PRPH), a diversified medical science and technology company, has engaged international investor relations specialists MZ Group (MZ) to lead a comprehensive strategic investor relations and financial communications program across all key markets.

MZ Group will work closely with ProPhase management to develop and implement a comprehensive capital markets strategy designed to increase the Company's visibility throughout the investment community. The campaign will highlight how ProPhase, a company with deep experience with Over-The-Counter (OTC) consumer healthcare products, develops, contract manufactures, distributes and markets OTC products and dietary supplements. ProPhase recently reported fiscal three-month revenues of $3.6 million, up 124% year over year, as a result of increased customer demand for its OTC healthcare products.

MZ has developed a distinguished reputation as a premier resource for institutional investors, brokers, analysts and private investors. The firm maintains offices worldwide and was recently ranked No. 7 in the world in business communication by an IR magazine survey.

Chris Tyson, Executive Vice President at MZ North America, will advise ProPhase in all facets of corporate and financial communications, including the coordination of roadshows and investment conferences across key cities and building brand awareness with financial and social media outlets.

Ted Haberfield, Chairman & President of MZ North America, commented: "ProPhase offers disruptive alternatives to improve treatment results with its performance homeopathic and allopathic compounds. The Company is well positioned to deliver long-term value by providing exceptional new products that address the healthcare and quality of life concerns of the broadest market segments, particularly in the age of COVID-19. We find the valuation disconnect at ProPhase to be an exciting opportunity for investors and look forward to sharing this with our network of institutional investors and family offices."

Chris Tyson added: "ProPhase has seen incredible success in delivering its cutting-edge product line of TK Supplements®, which promote better health, energy and sexual vitality. This product line, when combined with the services offered by the Company's full-service contract manufacturer and private label developer subsidiary Pharmaloz Manufacturing, Inc., provides an incredible healthcare products platform company with several exciting avenues for growth. This is in addition to the Company's active pursuit of acquisition opportunities to further expand the breadth of its product offering within the industry, which we hope to provide an update on in the near-term."

“2020 has been a pivotal year for the Company, as we have seen continuous, robust demand growth in the midst of the COVID-19 pandemic,” said Ted Karkus, Chairman and Chief Executive Officer of ProPhase. “We are very well positioned to seize exciting growth opportunities over the next 12 months, particularly as we enter the 2020 cold season that will be further exacerbated by the onset of COVID-19. We look forward to working with Chris and the entire team at MZ Group to communicate our value proposition to the broader investment community, building long-term value for our shareholders.”

For more information on ProPhase, please visit the Company’s investor relations website at www.prophaselabs.com. To schedule a conference call with management, please email your request to PRPH@mzgroup.us or call Chris Tyson at 949-491-8235.

About MZ Group

MZ North America is the US division of MZ Group, a global leader in investor relations and corporate communications. MZ North America was founded in 1996 and provides full scale Investor Relations to both private and public companies across all industries. Supported by our exclusive one-stop-shop approach, MZ works with top management to support the clients’ business strategy in six integrated product and service categories: 1) IR Consulting & Outreach – full service investor relations and roadshow services; 2) ESG Consulting – reporting technology platform and audit and reporting guidance; 3) SPAC Advisory – providing critical and timely guidance through business combination; 4) Financial & Social Media – lead generation and social media relations; 5) Market Intelligence – real time ownership monitoring; 6) Technology Solutions – webhosting, webcasting, distribution services, conference calls, CRM, and board portals. MZ North America has a global footprint with offices located in New York, Chicago, San Diego, Aliso Viejo, Austin, Minneapolis, Taipei and São Paulo.

About ProPhase Labs

ProPhase Labs (NASDAQ: PRPH) is a manufacturing and marketing company with deep experience with OTC consumer healthcare products and dietary supplements. The Company is engaged in the research, development, manufacture, distribution, marketing and sale of OTC consumer healthcare products and dietary supplements 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, businesses, technologies and products inside and outside the consumer products industry. For more information visit us at www.ProPhaseLabs.com.

Forward-Looking Statements

Except for the historical information contained herein, this document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the Company's plans to develop and implement a comprehensive capital markets strategy with MZ Group. Management believes that these forward-looking statements are reasonable as and when made. However, such forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those projected in the forward-looking statements. These risks and uncertainties include, but are not limited to the risk factors listed from time to time in our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and any subsequent SEC filings.

Investor Relations
Chris Tyson
Executive Vice President
MZ Group – MZ North America
(949) 491-8235
PRPH@mzgroup.us
www.mzgroup.us

Exhibit 99.2

ProPhase Labs Engages Industry Expert to Advise on Possible Acquisition of CLIA Accredited Labs Certified for COVID-19 and Other Testing

Company Enters into Consulting Agreement and Amended and Restated Promissory Note and Security Agreement with Predictive Laboratories, Inc. to Further These Plans

DOYLESTOWN, Pennsylvania, September 30, 2020 – ProPhase Labs, Inc. (NASDAQ: PRPH), a diversified medical science and technology company, today announced its intention to explore the acquisition of one or more CLIA (Clinical Laboratory Improvement Amendment) accredited labs suitable for COVID-19 and other testing.

To assist with this process, the Company has entered into a Consulting Agreement with industry expert Predictive Laboratories, Inc. ("Predictive Labs"), pursuant to which Predictive Labs has agreed to provide certain consulting and other services to the Company, including its assistance in: (i) identifying and introducing the Company to new opportunities in the medical technology and testing fields; (ii) assisting and advising the Company in acquiring one or more CLIA accredited labs suitable for COVID-19 and other testing; (iii) obtaining new business for any such labs acquired by the Company; (iv) equipping and staffing such labs; (v) advising and assisting in the operation of such labs; and (vi) assisting the Company in validating and obtaining certification of such labs.

The Company has also entered into an Amended and Restated Promissory Note and Security Agreement (the "New Note") with Predictive Labs, pursuant to which the Company has loaned to Predictive Labs $3.0 million (inclusive of $1.0 million in the aggregate previously loaned to Predictive Labs in July 2020 by the Company).

All compensation that may be earned by Predictive Labs under the Consulting Agreement is milestone-based and will first be applied to the acceleration and prepayment of all sums due to the Company, including but not limited to sums due pursuant to the New Note.

"While there can be no assurances that we will consummate an acquisition, I look forward to working with Predictive Labs and believe that their robust industry expertise in building and operating CAP (College of American Pathologists) and CLIA (Clinical Laboratory Improvement Amendment) accredited laboratories will prove invaluable as we evaluate opportunities in this space. We look forward to working closely with their team to pursue these exciting new business opportunities, working to create sustainable value for our shareholders over the long-term."

About ProPhase Labs

ProPhase Labs (NASDAQ: PRPH) is a manufacturing and marketing company with deep experience with OTC consumer healthcare products and dietary supplements. The Company is engaged in the research, development, manufacture, distribution, marketing and sale of OTC consumer healthcare products and dietary supplements 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, businesses, technologies and products inside and outside the consumer products industry. For more information visit us at *www.ProPhaseLabs.com.*

About Predictive Laboratories, Inc.

Predictive Laboratories, Inc., a wholly owned molecular and genetic diagnostics company and subsidiary of Predictive Technology Group, Inc. (OTC: PRED), is focused on hard-to-detect diseases. The laboratory is equipped with state-of-the-art equipment for any next-generation sequencing experiments including whole exome sequencing, gene and genetic marker panels, and low-pass whole genome analysis of embryos for aneuploidies-predictivelabs.com.

Forward-Looking Statements

Except for the historical information contained herein, this document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements relating to the Company's potential acquisition of one or more CLIA labs and milestone payments that may become due under the Consulting Agreement. Management believes that these forward-looking statements are reasonable as and when made. However, such forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those projected in the forward-looking statements. These risks and uncertainties include, but are not limited to the risk factors listed from time to time in our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and any subsequent SEC filings.

Investor Relations:

Chris Tyson
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