

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 13D**  
**Under the Securities Exchange Act of 1934**  
**(Amendment No. N/A)\***

**ProPhase Labs, Inc.**

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(Name of Issuer)

**Common Stock, \$.0005 per share**

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(Title of Class of Securities)

**74345W108**

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(CUSIP Number)

**Braden M. Leonard, BML Capital Management, LLC 65 E Cedar - Suite 2 Zionsville, Indiana 46077 Phone : 3173442447**

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

**January 31, 2017**

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(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 that 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.

**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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<b>1</b>	<b>NAMES OF REPORTING PERSONS</b> <b>I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)</b> BML Investment Partners, L.P. (1)	
<b>2</b>	<b>CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP</b> (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>	
<b>3</b>	<b>SEC USE ONLY</b>	
<b>4</b>	<b>SOURCE OF FUNDS</b> WC	
<b>5</b>	<b>CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(e) or 2(f)</b> <input type="checkbox"/>	
<b>6</b>	<b>CITIZENSHIP OR PLACE OF ORGANIZATION</b> Delaware	
<b>NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH</b>	<b>7</b>	<b>SOLE VOTING POWER</b> 0
	<b>8</b>	<b>SHARED VOTING POWER</b> 2,322,627 (1)
	<b>9</b>	<b>SOLE DISPOSITIVE POWER</b> 0
	<b>10</b>	<b>SHARED DISPOSITIVE POWER</b> 2,322,627 (1)
<b>11</b>	<b>AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON</b> 2,322,627 (1)	
<b>12</b>	<b>CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES</b> <input type="checkbox"/>	
<b>13</b>	<b>PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)</b> 13.6 (2)%	
<b>14</b>	<b>TYPE OF REPORTING PERSON</b> PN	

(1) BML Investment Partners, L.P. is a Delaware limited partnership whose sole general partner is BML Capital Management, LLC. The managing member of BML Capital Management, LLC is Braden M. Leonard. As a result, Braden M. Leonard is deemed to be the indirect owner of the shares held directly by BML Investment Partners, L.P. Despite such shared beneficial ownership, the reporting persons disclaim that they constitute a statutory group within the meaning of Rule 13d-5(b)(1) of the Act.

(2) Calculated based on 17,080,776 shares of ProPhase Labs, Inc.(the "Issuer's") common stock, par value \$0.0005 per share, as reported on the Issuer's Form 10-Q filed with the Securities and Exchange Commission on November 15, 2016.

<b>1</b>	<b>NAMES OF REPORTING PERSONS</b> <b>I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)</b> Braden M. Leonard (1)	
<b>2</b>	<b>CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP</b> (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>	
<b>3</b>	<b>SEC USE ONLY</b>	
<b>4</b>	<b>SOURCE OF FUNDS</b> OO	
<b>5</b>	<b>CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(e) or 2(f)</b> <input type="checkbox"/>	
<b>6</b>	<b>CITIZENSHIP OR PLACE OF ORGANIZATION</b> United States	
<b>NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH</b>	<b>7</b>	<b>SOLE VOTING POWER</b> 0
	<b>8</b>	<b>SHARED VOTING POWER</b> 2,322,627 (1)
	<b>9</b>	<b>SOLE DISPOSITIVE POWER</b> 0
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<b>11</b>	<b>AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON</b> 2,322,627 (1)	
<b>12</b>	<b>CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES</b> <input type="checkbox"/>	
<b>13</b>	<b>PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)</b> 13.6 (2)%	
<b>14</b>	<b>TYPE OF REPORTING PERSON</b> IN	

(1) BML Investment Partners, L.P. is a Delaware limited partnership whose sole general partner is BML Capital Management, LLC. The managing member of BML Capital Management, LLC is Braden M. Leonard. As a result, Braden M. Leonard is deemed to be the indirect owner of the shares held directly by BML Investment Partners, L.P. Despite such shared beneficial ownership, the reporting persons disclaim that they constitute a statutory group within the meaning of Rule 13d-5(b)(1) of the Act.

(2) Calculated based on 17,080,776 shares of ProPhase Labs, Inc.(the "Issuer's") common stock, par value \$0.0005 per share, as reported on the Issuer's Form 8K filed with the Securities and Exchange Commission on November 15, 2016.

**Item 1. Security and Issuer**

This Schedule 13D relates to common stock, par value \$0.0005 per share (the “Common Stock”) of ProPhase Labs, Inc. (the “Issuer”). The Issuer’s principal executive offices are located at 621 N. Shady Retreat Road, Doylestown, PA, United States.

**Item 2. Identity and Background**

- (a) This statement is being filed by BML Investment Partners, L.P., a Delaware limited partnership. BML Capital Management, LLC, an Indiana limited liability company, is the general partner to BML Investment Partners, L.P. Braden M. Leonard is the sole managing member of the general partner
- (b) BML Investment Partners, L.P. - The business address of BML Investment Partners, L.P., is 65 E Cedar – Suite 2, Zionsville, IN 46077.  
BML Capital Management, LLC. - The business address of BML Capital Management, LLC, is 65 E Cedar – Suite 2, Zionsville, IN 46077.  
Braden M. Leonard - Mr. Leonard’s business address is 65 E Cedar – Suite 2, Zionsville, IN 46077.
- (c) BML Investment Partners, L.P. - The principal business of BML Investment Partners, L.P. is to purchase, sell, trade and invest in securities.  
BML Capital Management, LLC. - The principal business of BML Capital Management, LLC is to serve as the general partner to BML Investment Partners, L.P.  
Braden M. Leonard - Mr. Leonard’s principal business is to serve as managing member of BML Capital Management, LLC.
- (d) During the past five years, none of BML Investment Partners, L.P., BML Capital Management, LLC or Braden M. Leonard have been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or a party to a civil proceeding of a judicial or administrative body of competent jurisdiction where as a result of such proceeding BML Investment Partners, L.P., BML Capital Management, LLC or Braden M. Leonard was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.
- (e) During the past five years, none of BML Investment Partners, L.P., BML Capital Management, LLC or Braden M. Leonard have been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or a party to a civil proceeding of a judicial or administrative body of competent jurisdiction where as a result of such proceeding BML Investment Partners, L.P., BML Capital Management, LLC or Braden M. Leonard was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.
- (f) Braden M. Leonard is a citizen of the United States of America.

**Item 3. Source and Amount of Funds or Other Consideration**

BML Investment Partners, L.P. holds 2,322,627 shares of Common Stock which were acquired using working capital for a total purchase price (including commissions) of approximately \$3,574,760.

**Item 4. Purpose of Transaction**

BML Investment Partners, L.P. (the "Reporting Person") acquired the Common Stock beneficially owned by the Reporting Person in the ordinary course of purchasing, selling and investing in securities.

On January 31, 2017 ProPhase Labs, Inc. (the Company) filed its preliminary proxy on form PRE 14A.

The Reporting Person has thoroughly reviewed the preliminary proxy filed by the company and has several concerns.

First, the section titled "Background of the Sale of the Acquired Assets" is inadequate in describing the sale process. At this point, shareholders have no idea if any bidders offered to buy the entire company, or at what price any of the losing bidders offered to buy the Cold-EEZE assets. Typically, the negotiating process is spelled out in great detail in this section of the proxy, informing investors of exactly what the Board was thinking throughout the entire process. In this case, we could find very little that indicated the Board exhausted every option to maximize shareholder value, including a sale of the entire company. For instance, on January 5, the Board learned a new bidder had recently emerged, yet decided to sign a definitive contract with Mylan on January 6.

Second, the preliminary proxy statement has done nothing to ease our concerns about the deal structure. In fact, it raises our level of concern that shareholders will be left with little more than the illiquid stock of a company whose only source of revenue is derived from a tiny contract manufacturing business that is not nearly big enough to support the company's overhead structure. For example, the document indicates that on a pro forma basis, after adjusting for the sale of the Cold-EEZE assets, the business's operating loss totaled more than \$4 million for the 9 months ended September 30, 2016, and \$7 million for the year ended December 2015. Nowhere could we find any language indicating that the company is committed to expense reductions commensurate with the amount of revenue lost through the transaction. At this pace, all of the excess value created from the transaction will be quickly destroyed by current and future operating losses. Even worse, management has hinted in its conference calls with investors that it's looking at other ways in which to spend the cash, such as acquisitions. This comes just a few months after the same management team indicated its eagerness to sell assets into a "sellers' market".

BML believes Shareholders would have been far better off if the entire company were sold, even if it was for less than \$50 million. A deal for the entire business at a price of, say, \$45 million would net shareholders somewhere north of \$2.40-\$2.50 per share assuming full dilution, an amount BML believes is far higher than shareholders will ever receive under the current deal. The buyer would be able to sell the headquarters and manufacturing facility, likely more than offsetting severance costs, while shareholders would get paid in a timely manner. As of February 2, 2017, the stock trades roughly 35% below its \$3.05 per share pro-forma book value for good reason.

As mentioned in prior filings, BML believes the sale of the Cold-EEZE asset is good for shareholders. But without concrete indication that the full and fair value will ultimately accrue to shareholders, BML can NOT support the transaction as it's currently constructed and therefore will be voting NO.

However, ProPhase management has publicly indicated it might consider some sort of liquidity option for shareholders that didn't want to participate after Cold-EEZE was sold. BML would be more supportive of the current deal if it was presented in conjunction with a formal liquidity event struck at a fair price.

All of the shares of Common Stock reported herein as being beneficially owned by the Reporting Person were acquired for investment purposes. Except as set forth herein, the Reporting Person does not have any plans or proposals that relate to or would result in any of the transactions described in Item 4 of Schedule 13D.

The Reporting Person reserves the right to acquire, or cause to be acquired, additional securities of the Issuer, to dispose of, or cause to be disposed, such securities at any time or to formulate other purposes, plans or proposals regarding the Issuer or any of its securities, to the extent deemed advisable in light of general investment and trading policies of the Reporting Person, market conditions or other factors.

- (a) None
- (b) None
- (c) None
- (d) None
- (e) None
- (f) None
- (g) None
- (h) None
- (i) None
- (j) None

#### Item 5. Interest in Securities of the Issuer

- (a) As of January 31, 2017, BML Investment Partners, L.P., beneficially owned 2,322,327 shares of the Issuer's Common Stock.

As of January 31, 2017, Braden M. Leonard, beneficially owned 2,322,327 shares of the Issuer's Common Stock.

As of January 31, 2017, BML Investment Partners, L.P., beneficially owned 13.6% of the Issuer's Common Stock.

As of January 31, 2017, Braden M. Leonard, beneficially owned 13.6% of the Issuer's Common Stock.

- (b) BML Investment Partners, L.P. has sole voting power over 0 shares, sole dispositive power over 0 shares, shared voting power over 2,322,627 shares and shared dispositive power over 2,322,627 shares.

Braden M. Leonard has sole voting power over 0 shares, sole dispositive power over 0 shares, shared voting power over 2,322,627 shares and shared dispositive power over 2,322,627 shares.

- (c) None

**Transaction Date**

**Shares or Units Purchased (Sold)**

**Price Per Share or Unit**

(d) None

(e) Not Applicable

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

None

**Item 7. Material to Be Filed as Exhibits**

None

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*Signature*

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

**BML Investment Partners, L.P., a Delaware limited partnership By:  
BML Capital Management, LLC, its general partner and an Indiana  
limited liability company**

February 02, 2017

By: /s/ Braden M. Leonard  
Managing Member

February 02, 2017

By: /s/ Braden M. Leonard  
Braden M. Leonard

The original statement shall be signed by each person on whose behalf the statement is filed or his authorized representative. If the statement is signed on behalf of a person by his authorized representative (other than an executive officer or general partner of the filing person), evidence of the representative's authority to sign on behalf of such person shall be filed with the statement: provided, however, that a power of attorney for this purpose which is already on file with the Commission may be incorporated by reference. The name and any title of each person who signs the statement shall be typed or printed beneath his signature.

**Footnotes:**

**Attention: Intentional misstatements or omissions of fact constitute Federal criminal violations (See 18 U.S.C. 1001)**

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