

**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): April 18, 2024

**PROPHASE LABS, INC.**

(Exact name of Company as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**000-21617**  
(Commission  
File Number)

**23-2577138**  
(I.R.S. Employer  
Identification No.)

**711 Stewart Avenue, Suite 200**  
**Garden City, New York**  
(Address of principal executive offices)

**11530**  
(Zip Code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the 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:

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on Which Registered</u>
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.**

On April 18, 2024, ProPhase Labs, Inc. (the "Company") entered into a standstill agreement with ThinkEquity LLC (the "Sales Agent") (such agreement, the "Standstill Agreement"). The Standstill Agreement provides that the Company, without the prior written consent of the Sales Agent, will not, for a period of 60 days after the date of the Standstill Agreement (the "Lock-Up Period"), (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of capital stock of the Company or any securities convertible into or exercisable or exchangeable for shares of capital stock of the Company; (ii) file or caused to be filed any registration statement with the U.S. Securities and Exchange Commission relating to the offering of any shares of capital stock of the Company or any securities convertible into or exercisable or exchangeable for shares of capital stock of the Company; (iii) complete any offering of debt securities of the Company, other than non-convertible mortgages or non-convertible equipment financing debt or (iv) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of capital stock of the Company. The Lock-Up Period restrictions shall not apply in certain situations.

The Standstill Agreement is filed as Exhibit 10.1 to this Current Report on Form 8-K, and such document is incorporated herein by reference. The foregoing is only a brief description of the material terms of the Standstill Agreement, does not purport to be a complete description of the rights and obligations of the parties thereunder and is qualified in its entirety by reference to such exhibit.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

No. Description

10.1 [Standstill Agreement dated April 18, 2024 between ProPhase Labs, Inc. and ThinkEquity LLC.](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

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Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**ProPhase Labs, Inc.**

By: /s/ Ted Karkus

Ted Karkus

Chairman of the Board and Chief Executive Officer

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Date: April 18, 2024

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## STANDSTILL AGREEMENT

This Standstill Agreement is entered into this 18th day of April 2024, by and between Prophase Labs, Inc., a Delaware corporation with offices located at 711 Stewart Ave., Suite 200, Garden City, NY 11530 (the “Company”) and ThinkEquity LLC a Delaware limited liability company with offices located 17 State Street, 41<sup>st</sup> Floor, New York, New York 10004 (“ThinkEquity” and the “Sales Agent”). The Company and ThinkEquity may be referred to herein individually as a “Party” and collectively as the “Parties”.

NOW, THEREFORE, in consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Restriction on Sales of Capital Stock. The Company, on behalf of itself and any successor entity, agrees that, without the prior written consent of the Sales Agent, it will not, for a period of 60 days after the date hereof (the “Lock-Up Period”), (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of capital stock of the Company or any securities convertible into or exercisable or exchangeable for shares of capital stock of the Company; (ii) file or caused to be filed any registration statement with the U.S. Securities and Exchange Commission (the “Commission”) relating to the offering of any shares of capital stock of the Company or any securities convertible into or exercisable or exchangeable for shares of capital stock of the Company; (iii) complete any offering of debt securities of the Company, other than non-convertible mortgages or non-convertible equipment financing debt or (iv) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of capital stock of the Company, whether any such transaction described in clause (i), (ii), (iii) or (iv) above is to be settled by delivery of shares of capital stock of the Company or such other securities, in cash or otherwise.

The Lock-Up Period Restrictions shall not apply to (i) the issuance by the Company of shares of Common Stock upon the exercise of a stock option or warrant or the conversion of a security outstanding on the date hereof, which is disclosed in the Company’s 2023 Annual Report filed on Form 10-K filed with the Commission on March 29, 2024 (the “Form 10-K”), provided that such options, warrants, and securities have not been amended since the filing of the Form 10-K to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities or to extend the term of such securities, or (ii) the issuance by the Company of stock options or shares of capital stock of the Company under any equity compensation plan of the Company, provided that in each of (ii) and (iii) above, the underlying shares shall be restricted from sale during the entire Lock-Up Period.

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2. Due Authority. The execution and delivery by of this Agreement by the Parties have been duly authorized by each of the Parties. This Agreement constitutes the legal, valid and binding obligations of each Party and is enforceable against each Party in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditor’s rights generally or by general equitable principles.

3. Entire Agreement. This Agreement sets forth the entire agreement of the Parties in respect of the subject matter of this Agreement, and supersedes all prior agreements, whether oral or written, by any officer, employee or representative of any Party with respect to the subject matter hereof.

4. Governing Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF DELAWARE, WITHOUT REGARD TO ITS CONFLICTS OF LAWS PRINCIPLES.

5. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but shall constitute one and the same instrument. Facsimile and electronic signatures (*i.e.*, PDF) to this Agreement shall be valid.

[Signature page follows]

2

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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement the day and year first above written.

PROPHASE LABS, INC.

By: /s/ Ted Karkus  
 Name: Ted Karkus  
 Title: Chairman of the Board and Chief Executive Officer

THINKEQUITY LLC

By: /s/ Eric Lord  
 Name: Eric Lord  
 Title: Head of Investment Banking

3

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