

# FORM 4

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

OMB APPROVAL	
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## STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person * <b>Karkus Ted William</b>		2. Issuer Name and Ticker or Trading Symbol <b>ProPhase Labs, Inc. [PRPH]</b>		5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) <b>CEO &amp; Chairman</b>	
(Last) (First) (Middle) <b>621 N. SHADY RETREAT ROAD</b>		3. Date of Earliest Transaction (Month/Day/Year) <b>12/19/2013</b>			
(Street) <b>DOYLESTOWN, PA 18901</b>		4. If Amendment, Date Original Filed (Month/Day/Year)		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person	
(City) (State) (Zip)		<b>Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned</b>			

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock, par value \$0.0005	12/19/2013		A		50,000 <u>(1)</u>	A	\$ 0	1,664,588	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number. SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Option (right to buy)	\$ 1.65	12/19/2013		A		100,000		12/19/2014 <u>(2)</u>	12/18/2019	Common Stock	100,000	\$ 0	100,000	D	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Karkus Ted William 621 N. SHADY RETREAT ROAD DOYLESTOWN, PA 18901	X	X	CEO & Chairman	

## Signatures

/s/ Ted Karkus	12/20/2013
<small>Signature of Reporting Person</small>	<small>Date</small>

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) The transaction reported in the row involves a grant by the Issuer to the Reporting Person of the Issuer's common stock pursuant to an award agreement between the Issuer and the Reporting Person, dated as of December 19, 2013.
- (2) The transaction reported in the row involves a grant by the Issuer to the Reporting Person of options to purchase the Issuer's common stock that will vest in two annual installments beginning December 19, 2014, as detailed in a stock option award agreement between the Issuer and the Reporting Person, dated as of December 19, 2013.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

