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): **October 30, 2015**

PDI, INC.

(Exact name of Registrant as specified in its charter)

DELAWARE	**0-24249**	**22-2919486**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

Morris Corporate Center 1, Building A
300 Interpace Parkway,
Parsippany, NJ 07054
(Address of principal executive offices and zip Code)

(862) 207-7800
Registrant's telephone number, including area code:

NOT APPLICABLE
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

|_| 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))

Item 1.01 Entry into a Material Definitive Agreement

Sales Agreement

On November 2, 2015, PDI, Inc. (the "Company") entered into a Controlled Equity Offering℠ Sales Agreement (the "Sales Agreement") with Cantor Fitzgerald & Co. ("Cantor"), pursuant to which the Company may offer and sell shares of its common stock, par value $0.01 per share (the "Shares"), having an aggregate offering price of up to $5,000,000 from time to time through Cantor as the Company's sales agent, subject to the limitations set forth in the Sales Agreement.

Under the Sales Agreement, Cantor may sell the Shares by any method permitted by law deemed to be an "at-the-market" offering as defined in Rule 415 of the Securities Act of 1933, as amended, including, but not limited to, sales made directly on The NASDAQ Global Market, on any other existing trading market for the Shares or to or through a market maker. Cantor has agreed in the Sales Agreement to use its commercially reasonable efforts to sell the Shares in accordance with the Company's instructions (including any price, time or size limit or other customary parameters or conditions the Company may impose). The Company is not obligated to make any sales of the Shares under the Sales Agreement.

The offering of the Shares pursuant to the Sales Agreement will terminate upon the termination of the Sales Agreement. The Sales Agreement may be terminated by Cantor or the Company at any time upon ten days' notice to the other party, or by Cantor at any time in certain circumstances, including the occurrence of a material adverse change with respect to the Company.

The Company will pay Cantor a commission of 3.0% of the aggregate gross proceeds from each sale of Shares and has agreed to provide Cantor with customary indemnification and contribution rights.

The Shares will be issued pursuant to the Company's shelf registration statement on Form S-3, (File No. 333-207263), previously filed with the Securities and Exchange Committee ("SEC") on October 2, 2015, as amended on October 7, 2015, and declared effective by the SEC on October 9, 2015 (the "Registration Statement"). This Current Report on Form 8-K shall not constitute an offer to sell or the solicitation of an offer to buy the Shares discussed herein, nor shall there be any offer, solicitation, or sale of the Shares in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

The foregoing description of the Sales Agreement is not complete and is qualified in its entirety by reference to the full text of the Sales Agreement, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

A copy of the opinion of Pepper Hamilton LLP relating to the legality of the issuance and sale of the Shares pursuant to the Sales Agreement is attached as Exhibit 5.1 hereto. This opinion is also filed with reference to, and is hereby incorporated by reference into, the Registration Statement.

A copy of the prospectus supplement, dated November 2, 2015, relating to the Shares is filed as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference. The prospectus supplement includes the Company's unaudited pro forma condensed consolidated financial information relating to the Company's proposed sale of its Commercial Services segment.

Limited Waiver, Consent and Amendment No. 2 to Note

On October 30, 2015, the Company entered into a Limited Waiver, Consent and Amendment No. 2 (the "Amendment") to that certain Non-Negotiable Subordinated Secured Promissory Note, dated October 31, 2014, and as amended by that certain Amendment No. 1 to Note, dated July 30, 2015 (the "Note"), with Redpath Equityholder Representative, LLC ("Payee"), and Interpace Diagnostics, LLC, a wholly-owned subsidiary of the Company ("Interpace"). The Note was entered into in connection with the Agreement and Plan of Merger, dated October 31, 2014, entered into by the Company and Interpace to acquire RedPath Integrated Pathology, Inc. For a detailed description of the Note, see the Company's Current Report on Form 8-K filed with the SEC on November 3, 2014.

The Amendment provides that Payee consents to (i) the Company's entry into a revolving loan facility and transactions contemplated thereby; (ii) the sale of the Company's Commercial Services segment (the "Asset Sale"); and (iii) the waiver of its right to receive proceeds from the Asset Sale.

The Amendment also provides that, upon written request by Payee on April 30, 2016, the Company shall make a one-time principal payment in the amount of $1,333,750 on July 1, 2016 rather than as originally due on July 1, 2018. Upon the closing of the Asset Sale, the Company agreed to pay a waiver and consent fee to Payee in an amount equal to 1% of the outstanding principal balance of the debt owed to Payee.

The foregoing description of the Amendment is not complete and is qualified in its entirety by reference to the full text of the Amendment, a copy of which is filed as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated herein by reference.

ADDITIONAL INFORMATION ABOUT THE PROPOSED SALE OF THE COMPANY'S COMMERCIAL SERVICES SEGMENT AND WHERE TO FIND IT

The Company has entered into a Asset Purchase Agreement, dated October 30, 2015 (the "Asset Purchase Agreement"), with Publicis Touchpoint Solutions, Inc., an indirect wholly owned subsidiary of Publicis Groupe S.A. (the "Buyer"), pursuant to which the Company will sell to the Buyer substantially all of the assets, the goodwill and ongoing business comprising the Company's Commercial Services segment and the Buyer will assume certain specified liabilities, upon the terms and subject to the conditions of the Asset Purchase Agreement (the "Asset Sale"). The Company intends to file with the U.S. Securities and Exchange Commission (the "SEC") a proxy statement and other relevant materials with respect to a special meeting of the stockholders. The proxy statement will be mailed to the stockholders of the Company. Investors and stockholders of the Company are urged to read the proxy statement and the other relevant materials when they become available because they will contain important information about the Company, the Buyer and the Asset Sale. The proxy statement and other relevant materials (when they become available), and any other documents filed by the Company with the SEC, may be obtained free of charge at the SEC's website at www.sec.gov. In addition, investors and stockholders may obtain free copies of the documents filed with the SEC by the Company by directing such requests to PDI, Inc., Attention: Chief Financial Officer, Morris Corporate Center I, Building A, 300 Interpace Parkway, Parsippany, NJ 07054, telephone number (800) 242-7494. Investors and stockholders of the Company are urged to read the proxy statement and the other relevant materials when they become available before making any voting or investment decision with respect to the proposed transaction.

PARTICIPANTS IN THE SOLICITATION

The Company and its directors and executive officers may, under SEC rules, be deemed to be participants in the solicitation of proxies from the Company's stockholders in connection with the Asset Sale.

Information about the directors and executive officers, including their interests in the transaction, will be included in the Company's proxy statement relating to the Asset Sale when it becomes available.

Item 2.02 Results of Operations and Financial Condition.

The Company is currently in the process of finalizing its financial results for the third quarter of 2015. Set forth below are certain preliminary estimates for the third quarter 2015, based on information currently available, as of the date of this report. Management estimates that as of September 30, 2015, the Company had approximately $9.0 million of cash and cash equivalents, and for the three months ended September 30, 2015, the Company recorded approximately $36.6 million of revenue, including $34.1 million relating to the Commercial Services segment and $2.5 million of revenue relating to the Interpace Diagnostics segment.

These preliminary estimates have been prepared by, and are the responsibility of, the Company's management. The Company's independent registered public accounting firm, BDO USA LLP, has not audited or reviewed, and does not express an opinion with respect to, these estimates. The Company's actual cash and cash equivalents as of September 30, 2015 and the Company's actual revenue for the three months ended September 30, 2015 may differ from these estimates due to the completion of the Company's closing procedures with respect to the three months ended September 30, 2015, final adjustments and other developments that may arise between now and the time the financial results for the quarter are finalized. The Company expects to complete its closing procedures with respect to the third quarter of 2015 after the offering and sale of Shares pursuant to the Sales Agreement has commenced. Accordingly, the Company's condensed consolidated financial statements as of, and for the three and nine-month periods ended, September 30, 2015 will not be available until after this offering and sale has commenced.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On October 30, 2015, the Board of Directors of the Company (the "Board") expanded the size of the Board from six to seven directors and appointed Kapila Ratnam to the Board. In connection with the Amendment, the Board elected Ms. Ratnam to the Board as a Class II director to serve for a term expiring at the annual meeting of stockholders of the Company in 2018. Ms. Ratnam will not serve on any committees of the Board. There are no transaction in which Ms. Ratnam has an interest requiring disclosure under Item 404(a) of Regulation S-K. In connection with Ms. Ratnam's appointment to the Board, she will receive an annual director's fee of $40,000, payable quarterly in arrears, and approximately $60,000 in restricted stock units which vest ratably over a three year period.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit Number	Description
5.1	Opinion of Pepper Hamilton LLP
10.1	Controlled Equity Offering℠ Sales Agreement, dated November 2, 2015, by and between PDI, Inc. and Cantor Fitzgerald & Co.
10.2	Limited Waiver, Consent and Amendment No. 2 to Note, dated October 30, 2015, by and among RedPath Equityholder Representative, LLC, PDI, Inc., and Interpace Diagnostics, LLC
23.1	Consent of Pepper Hamilton LLP (reference is made to Exhibit 5.1 hereto)
99.1	Prospectus supplement, dated November 2, 2015 (as filed with the SEC on November 2, 2015)

SIGNATURE

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

PDI, Inc.

Date: November 2, 2015

By: /s/ Graham G. Miao
Graham G. Miao
Executive Vice President and Chief Financial Officer

Exhibit Index

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Exhibit 5.1

November 2, 2015

PDI, Inc.
Morris Corporate Center I, Building A
300 Interpace Parkway
Parsippany, NJ 07054

Re: Securities Registered under Registration Statement on Form S-3

Ladies and Gentlemen:

Reference is made to the Registration Statement on Form S-3 (Registration No. 333-207263), as amended (the "***Registration Statement***"), filed by PDI, Inc., a Delaware corporation (the "***Company***"), with the U.S. Securities and Exchange Commission (the "***Commission***") under the Securities Act of 1933, as amended (the "***Act***"), and declared effective by the Commission on October 9, 2015. We are rendering this supplemental opinion in connection with the prospectus supplement (the "***Prospectus Supplement***"), dated November 2, 2015, relating to the offering by the Company of up to $5,000,000 aggregate offering amount of shares (the "***Shares***") of the Company's common stock, par value $0.01 per share (the "***Common Stock***"), which Shares are covered by the Registration Statement. We understand that the Shares are to be offered and sold in the manner set forth in the Prospectus Supplement pursuant to a Sales Agreement, dated November 2, 2015, between the Company and Cantor Fitzgerald & Co., as Agent (the "***Sales Agreement***").

We have acted as your counsel in connection with the preparation of the Prospectus Supplement. We are familiar with the proceedings taken by the Board of Directors of the Company (the "***Board of Directors***"), in connection with the authorization, issuance and sale of the Shares. We have examined all such documents as we considered necessary to enable us to render this opinion, including, but not limited to, the Registration Statement, the prospectus included in the Registration Statement, the Prospectus Supplement, the Sales Agreement, the Company's Certificate of Incorporation, as amended, and Amended and Restated Bylaws, as in effect on the date hereof, certain resolutions of the Board of Directors, corporate records, and instruments, and such laws and regulations as we have deemed necessary for purposes of rendering the opinions set forth herein.

In our examination, we have assumed: (a) the legal capacity of all natural persons; (b) the genuineness of all signatures; (c) the authenticity of all documents submitted to us as originals; (d) the conformity to original documents of all documents submitted to us as certified, conformed, photostatic or facsimile copies; (e) the authenticity of the originals of such latter documents; (f) the truth, accuracy and completeness of the information, representations and warranties contained in the records, documents, instruments, certificates and records we have reviewed; and (g) the absence of any undisclosed modifications to the agreements and instruments reviewed by us. Further, we have assumed that no more than 3,496,503 shares will be sold, based on a sale price of $1.43 per share (which we have been advised was determined by reference to the last reported sale price of the Company's common stock on The NASDAQ Global Market on October 23, 2015). As to any facts material to the opinions expressed herein, which were not independently established or verified, we have relied upon statements and representations of officers and other representatives of the Company and others.

We express no opinion herein as to the law of any state or jurisdiction other than the laws of the State of Delaware, including statutory provisions and all applicable provisions of the Delaware Constitution and reported judicial decisions interpreting such laws of the State of Delaware, without regard to conflict or choice of law principles and as applied by courts located in Delaware, and the federal laws of the United States of America.

Based upon the foregoing, and subject to the assumptions, limitations and qualifications stated herein, we are of the opinion that, as of the date hereof, when the Shares have been (i) sold pursuant to the Sales Agreement and duly registered on the books of the transfer agent and registrar therefor in the name or on behalf of the purchasers, and (ii) issued by the Company against payment therefor for an aggregate offering price that does not

exceed $5,000,000, (a) the issuance and sale of the Shares will have been duly authorized by all necessary corporate action of the Company, and (b) when issued and delivered by the Company against payment therefor as set forth in the Prospectus Supplement, will be validly issued, fully paid and non-assessable.

We assume no obligation to supplement this opinion if any applicable law changes after the date hereof or if we become aware of any fact that might change the opinion expressed herein after the date hereof.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Act and to the reference of our firm under the caption “Legal Matters” in the Prospectus Supplement. In giving such consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission.

Very truly yours,

/s/ Pepper Hamilton LLP

Exhibit 10.1

PDI, INC.
Shares of Common Stock
(par value $0.01 per share)

Controlled Equity Offering[SM]

Sales Agreement

November 2, 2015

Cantor Fitzgerald & Co.
499 Park Avenue
New York, NY 10022

Ladies and Gentlemen:

PDI, Inc., a Delaware corporation (the "**Company**"), confirms its agreement (this "**Agreement**") with Cantor Fitzgerald & Co. (the "**Agent**"), as follows:

1. Issuance and Sale of Shares. The Company agrees that, from time to time during the term of this Agreement, on the terms and subject to the conditions set forth herein, it may issue and sell through the Agent, shares of common stock (the "**Placement Shares**") of the Company, par value $0.01 per share (the " **Common Stock**"); *provided*, *however*, that in no event shall the Company issue or sell through the Agent such number or dollar amount of Placement Shares that would (a) exceed the number or dollar amount of shares of Common Stock registered on the effective Registration Statement (defined below) pursuant to which the offering is being made, (b) exceed the number of authorized but unissued shares of Common Stock, (c) exceed the number or dollar amount of shares of Common Stock permitted to be sold under Form S-3 (including General Instruction I.B.6 thereof, if applicable) or (d) exceed the number or dollar amount of shares of Common Stock for which the Company has filed a Prospectus Supplement (defined below) (the lesser of (a), (b), (c) and (d), the "**Maximum Amount**"). Notwithstanding anything to the contrary contained herein, the parties hereto agree that compliance with the limitations set forth in this Section 1 on the amount of Placement Shares issued and sold under this Agreement shall be the sole responsibility of the Company and that Agent shall have no obligation in connection with such compliance. The issuance and sale of Placement Shares through Agent will be effected pursuant to the Registration Statement (as defined below) filed by the Company and declared effective by the Securities and Exchange Commission (the "**Commission**") on October 9, 2015, although nothing in this Agreement shall be construed as requiring the Company to use the Registration Statement to issue Common Stock.

The Company has filed, in accordance with the provisions of the Securities Act of 1933, as amended (the "**Securities Act**") and the rules and regulations thereunder (the " **Securities Act Regulations**"), with the Commission a registration statement on Form S-3 (File No. 333-207276), as amended, including a base prospectus, relating to certain securities, including the Placement Shares to be issued from time to time by the Company, and which incorporates by reference

documents that the Company has filed or will file in accordance with the provisions of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and the rules and regulations thereunder. The Company has prepared a prospectus or a prospectus supplement to the base prospectus included as part of the Registration Statement (as defined below), which prospectus or prospectus supplement relates to the Placement Shares to be issued from time to time by the Company (the "**Prospectus Supplement**"). The Company will furnish to the Agent, for use by the Agent, copies of the prospectus included as part of such Registration Statement, as supplemented, by the Prospectus Supplement, relating to the Placement Shares to be issued from time to time by the Company. The Company may file one or more additional registration statements from time to time that will contain a base prospectus and related prospectus or prospectus supplement, if applicable (which shall be a Prospectus Supplement), with respect to the Placement Shares. Except where the context otherwise requires, such registration statement(s), including all documents filed as part thereof or incorporated by reference therein, and including any information contained in a Prospectus (as defined below) subsequently filed with the Commission pursuant to Rule 424(b) under the Securities Act Regulations or deemed to be a part of such registration statement pursuant to Rule 430B of the Securities Act Regulations, is herein called the "**Registration Statement**." The base prospectus, including all documents incorporated therein by reference, included in the Registration Statement, as it may be supplemented, by the Prospectus Supplement, in the form in which such prospectus and/or Prospectus Supplement have most recently been filed by the Company with the Commission pursuant to Rule 424(b) under the Securities Act Regulations, together with any then issued Issuer Free Writing Prospectus(es) (as defined below), if any, is herein called the "**Prospectus**."

Any reference herein to the Registration Statement, any Prospectus Supplement, Prospectus or any Issuer Free Writing Prospectus shall be deemed to refer to and include the documents, if any, incorporated by reference therein (the "**Incorporated Documents**"), including, unless the context otherwise requires, the documents, if any, filed as exhibits to such Incorporated Documents. Any reference herein to the terms "amend," "amendment" or "supplement" with respect to the Registration Statement, any Prospectus Supplement, the Prospectus or any Issuer Free Writing Prospectus shall be deemed to refer to and include the filing of any document under the Exchange Act on or after the most-recent effective date of the Registration Statement, or the date of the Prospectus Supplement, Prospectus or any Issuer Free Writing Prospectus, as the case may be, and incorporated therein by reference. For purposes of this Agreement, all references to the Registration Statement, the Prospectus or to any amendment or supplement thereto shall be deemed to include the most recent copy filed with the Commission pursuant to its Electronic Data Gathering Analysis and Retrieval System, or if applicable, the Interactive Data Electronic Application system when used by the Commission (collectively, "**EDGAR**").

2. Placements. Each time that the Company wishes to issue and sell Placement Shares hereunder (each, a "**Placement**"), it will notify the Agent by email notice (or other method mutually agreed to in writing by the parties) of the number of Placement Shares to be issued, the time period during which sales are requested to be made, any limitation on the number of Placement Shares that may be sold in any one day and any minimum price below which sales may not be made (a "**Placement Notice**"), the form of which is attached hereto as Schedule 1. The Placement Notice shall originate from any of the individuals from the Company set forth on Schedule 3 (with a copy to each of the other individuals from the Company listed on such schedule), and shall be addressed to each of the individuals from the Agent set forth on Schedule 3, as such Schedule 3 may be

amended from time to time. The Placement Notice shall be effective unless and until (i) the Agent declines to accept the terms contained therein for any reason, in its sole discretion, which declination must occur within two (2) Business Days (as defined below) of the receipt of the Placement Notice; (ii) the entire amount of the Placement Shares thereunder have been sold, (iii) the Company suspends or terminates the Placement Notice or (iv) this Agreement has been terminated under the provisions of Section 12. The amount of any discount, commission or other compensation to be paid by the Company to Agent in connection with the sale of the Placement Shares shall be calculated in accordance with the terms set forth in Schedule 2. It is expressly acknowledged and agreed that neither the Company nor the Agent will have any obligation whatsoever with respect to a Placement or any Placement Shares unless and until the Company delivers a Placement Notice to the Agent and the Agent does not decline such Placement Notice pursuant to the terms set forth above, and then only upon the terms specified therein and herein. In the event of a conflict between the terms of this Agreement and the terms of a Placement Notice, the terms of the Placement Notice will control.

3. Sale of Placement Shares by Agent; Prohibitions .

(a) Subject to the provisions of Section 5(a), the Agent, for the period specified in the Placement Notice, will use its commercially reasonable efforts consistent with its normal trading and sales practices and applicable state and federal laws, rules and regulations and the rules of the NASDAQ Global Market (the "**Exchange**"), to sell the Placement Shares up to the amount specified, and otherwise in accordance with the terms of such Placement Notice. The Agent will provide written confirmation to the Company no later than the opening of the Trading Day (as defined below) immediately following the Trading Day on which it has made sales of Placement Shares hereunder setting forth the number of Placement Shares sold on such day, the compensation payable by the Company to the Agent pursuant to Section 2 with respect to such sales, and the Net Proceeds (as defined below) payable to the Company, with an itemization of the deductions made by the Agent (as set forth in Section 5(b)) from the gross proceeds that it receives from such sales. Subject to the terms of the Placement Notice, the Agent may sell Placement Shares by any method permitted by law deemed to be an "at the market" offering as defined in Rule 415 of the Securities Act Regulations, including without limitation sales made directly on the Exchange, on any other existing trading market for the Common Stock or to or through a market maker. Subject to the terms of a Placement Notice, the Agent may also sell Placement Shares by any other method permitted by law, including but not limited to in privately negotiated transactions, subject to the prior written consent of the Company. "**Trading Day**" means any day on which Common Stock is traded on the Exchange.

(b) During the term of this Agreement, the Agent shall not, directly or indirectly engage in (i) any short sale of any security of the Company, as defined in Regulation SHO, (ii) any sale of any security of the Company that the Agent does not own or any sale which is consummated by the delivery of a security of the Company borrowed by, or for the account of, Agent or (iii) any market making, bidding, stabilization or other trading activity with regard to the Common Stock or related derivative securities, in each case, if such activity would be prohibited under Regulation M or other anti-manipulation rules under the Securities Act or any other law applicable to the Company.

4. Suspension of Sales. The Company or the Agent may, upon notice to the other party in writing (including by email correspondence to each of the individuals of the other party set forth on Schedule 3, if receipt of such correspondence is actually acknowledged by any of the individuals to whom the notice is sent, other than via auto-reply) or by telephone (confirmed immediately by verifiable facsimile transmission or email correspondence to each of the individuals of the other party set forth on Schedule 3), suspend any sale of Placement Shares (a " **Suspension**"); *provided*, *however*, that such Suspension shall not affect or impair any party's obligations with respect to any Placement Shares sold hereunder prior to the receipt of such notice. While a Suspension is in effect any obligation under Sections 7(l), 7(m), and 7(n) with respect to the delivery of certificates, opinions, or comfort letters to the Agent, shall be waived. Each of the parties agrees that no such notice under this Section 4 shall be effective against any other party unless it is made to one of the individuals named on Schedule 3 hereto, as such schedule may be amended from time to time.

5. Sale and Delivery to the Agent; Settlement.

(a) Sale of Placement Shares. On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, upon the Agent's acceptance of the terms of a Placement Notice, and unless the sale of the Placement Shares described therein has been declined, suspended, or otherwise terminated in accordance with the terms of this Agreement, the Agent, for the period specified in the Placement Notice, will use its commercially reasonable efforts consistent with its normal trading and sales practices and applicable law and regulations to sell such Placement Shares up to the amount specified, and otherwise in accordance with the terms of such Placement Notice. The Company acknowledges and agrees that (i) there can be no assurance that the Agent will be successful in selling Placement Shares, (ii) the Agent will incur no liability or obligation to the Company or any other person or entity if it does not sell Placement Shares for any reason other than a failure by the Agent to use its commercially reasonable efforts consistent with its normal trading and sales practices and applicable law and regulations to sell such Placement Shares as required under this Agreement and (iii) the Agent shall be under no obligation to purchase Placement Shares on a principal basis pursuant to this Agreement, except as otherwise agreed by the Agent and the Company.

(b) Settlement of Placement Shares. Unless otherwise specified in the applicable Placement Notice, settlement for sales of Placement Shares will occur on the third (3rd) Trading Day (or such earlier day as is industry practice for regular-way trading) following the date on which such sales are made (each, a "**Settlement Date**"). The Agent shall notify the Company of each sale of Placement Shares no later than the opening of the Trading Day immediately following the Trading Day on which it has made sales of Placement Shares hereunder. The amount of proceeds to be delivered to the Company on a Settlement Date against receipt of the Placement Shares sold (the "**Net Proceeds**") will be equal to the aggregate sales price received by the Agent, after deduction for (i) the Agent's commission, discount or other compensation for such sales payable by the Company pursuant to Section 2 hereof, and (ii) any transaction fees imposed by any governmental or self-regulatory organization in respect of such sales.

(c) Delivery of Placement Shares. On or before each Settlement Date, the Company will, or will cause its transfer agent to, electronically transfer the Placement Shares being sold by crediting the Agent's or its designee's account (provided the Agent shall have given the

Company written notice of such designee at least one Trading Day prior to the Settlement Date) at The Depository Trust Company through its Deposit and Withdrawal at Custodian System or by such other means of delivery as may be mutually agreed upon by the parties hereto which in all cases shall be freely tradable, transferable, registered shares in good deliverable form. On each Settlement Date, the Agent will deliver the related Net Proceeds in same day funds to an account designated by the Company on, or prior to, the Settlement Date. The Company agrees that if the Company, or its transfer agent (if applicable), defaults in its obligation to deliver Placement Shares on a Settlement Date through no fault of the Agent, the Company agrees that in addition to and in no way limiting the rights and obligations set forth in Section 10(a) hereto, it will (i) hold the Agent harmless against any loss, claim, damage, or expense (including reasonable legal fees and expenses), as incurred, arising out of or in connection with such default by the Company or its transfer agent (if applicable) and (ii) pay to the Agent any commission, discount, or other compensation to which it would otherwise have been entitled absent such default.

(d) Denominations; Registration. Certificates for the Placement Shares, if any, shall be in such denominations and registered in such names as the Agent may request in writing at least one full Business Day (as defined below) before the Settlement Date. The certificates for the Placement Shares, if any, will be made available by the Company for examination and packaging by the Agent in The City of New York not later than noon (New York time) on the Business Day prior to the Settlement Date.

(e) Limitations on Offering Size. Under no circumstances shall the Company cause or request the offer or sale of any Placement Shares if, after giving effect to the sale of such Placement Shares, the aggregate gross sales proceeds of Placement Shares sold pursuant to this Agreement would exceed the least of (A) together with all sales of Placement Shares under this Agreement, the Maximum Amount, (B) the amount available for offer and sale under a currently effective registration statement and (C) the amount authorized from time to time to be issued and sold under this Agreement by the Company's board of directors, a duly authorized committee thereof or a duly authorized executive committee, and notified to the Agent in writing. Under no circumstances shall the Company cause or request the offer or sale of any Placement Shares pursuant to this Agreement at a price lower than the minimum price authorized from time to time by the Company's board of directors, a duly authorized committee thereof or a duly authorized executive committee, and notified to the Agent in writing. Further, under no circumstances shall the Company cause or permit the aggregate offering amount of Placement Shares sold pursuant to this Agreement to exceed the Maximum Amount.

6. Representations and Warranties of the Company. The Company represents and warrants to, and agrees with Agent that as of the date of this Agreement and as of each Applicable Time (as defined below), unless such representation, warranty or agreement specifies a different time:

(a) Registration Statement and Prospectus. The Company and the transactions contemplated by this Agreement meet the requirements for and comply with the applicable conditions set forth in Form S-3 (including General Instruction I.A and I.B) under the Securities Act. The Registration Statement has been filed with the Commission and has been declared effective by the Commission under the Securities Act. The Prospectus Supplement will name the Agent as

the agent in the section entitled "Plan of Distribution." The Company has not received, and has no notice of, any order of the Commission preventing or suspending the use of the Registration Statement, or threatening or instituting proceedings for that purpose. The Registration Statement and the offer and sale of Placement Shares as contemplated hereby meet the requirements of Rule 415 under the Securities Act and comply in all material respects with said rule. Any statutes, regulations, contracts or other documents that are required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement have been so described or filed. Copies of the Registration Statement, the Prospectus, and any such amendments or supplements and all documents incorporated by reference therein that were filed with the Commission on or prior to the date of this Agreement have been delivered, or are available through EDGAR, to Agent and its counsel. The Company has not distributed and, prior to the later to occur of each Settlement Date and completion of the distribution of the Placement Shares, will not distribute any offering material in connection with the offering or sale of the Placement Shares other than the Registration Statement and the Prospectus and any Issuer Free Writing Prospectus (as defined below) to which the Agent has consented. The Common Stock is registered pursuant to Section 12(b) of the Exchange Act and is currently listed on the Exchange under the trading symbol "PDII." The Company has taken no action designed to, or likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act, delisting the Common Stock from the Exchange, nor has the Company received any notification that the Commission or the Exchange is contemplating terminating such registration or listing. To the Company's knowledge, it is in compliance with all applicable listing requirements of the Exchange.

(b) No Misstatement or Omission. The Registration Statement, when it became effective, did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. The Prospectus and any amendment and supplement thereto, on the date thereof and at each Applicable Time (defined below), did not include an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The documents incorporated by reference in the Prospectus or any Prospectus Supplement did not, and any further documents filed and incorporated by reference therein will not, when filed with the Commission, contain an untrue statement of a material fact or omit to state a material fact required to be stated in such document or necessary to make the statements in such document, in light of the circumstances under which they were made, not misleading. The foregoing shall not apply to statements in, or omissions from, any such document made in reliance upon, and in conformity with, information furnished to the Company by Agent specifically for use in the preparation thereof.

(c) Conformity with Securities Act and Exchange Act. The Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or any amendment or supplement thereto, and the documents incorporated by reference in the Registration Statement, the Prospectus or any amendment or supplement thereto, when such documents were or are filed with the Commission under the Securities Act or the Exchange Act or became or become effective under the Securities Act, as the case may be, conformed or will conform in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable.

(d) Financial Information. The consolidated financial statements of the Company included or incorporated by reference in the Registration Statement, the Prospectus and the Issuer Free Writing Prospectuses, if any, together with the related notes and schedules, present fairly, in all material respects, the consolidated financial position of the Company and the Subsidiaries (as defined below) as of the dates indicated and the consolidated results of operations, cash flows and changes in stockholders' equity of the Company for the periods specified (subject in the case of unaudited statement to normal year end audit adjustments) and have been prepared in compliance in all material respects with the requirements of the Securities Act and Exchange Act and in conformity with GAAP (as defined below) applied on a consistent basis (except for such adjustments to accounting standards and practices as are noted therein) during the periods involved; the other financial and statistical data with respect to the Company and the Subsidiaries (as defined below) contained or incorporated by reference in the Registration Statement, the Prospectus and the Issuer Free Writing Prospectuses, if any, fairly present, in all material respects, the information therein as of the respective dates and for the respective periods specified and are derived from the financial statements set forth in the Registration Statement and the Prospectus and other accounting records of the Company; there are no financial statements (historical or pro forma) that are required to be included or incorporated by reference in the Registration Statement, or the Prospectus that are not included or incorporated by reference; the Company and the Subsidiaries (as defined below) do not have any material liabilities or obligations, direct or contingent (including any off-balance sheet obligations), not described in the Registration Statement (excluding the exhibits thereto), and the Prospectus; and all disclosures contained or incorporated by reference in the Registration Statement, the Prospectus and the Issuer Free Writing Prospectuses, if any, regarding "non-GAAP financial measures" (as such term is defined by the rules and regulations of the Commission) comply, in all material respects, with Regulation G of the Exchange Act and Item 10 of Regulation S-K under the Securities Act, to the extent applicable.

(e) Conformity with EDGAR Filing. The Prospectus delivered to Agent for use in connection with the sale of the Placement Shares pursuant to this Agreement will be identical to the versions of the Prospectus created to be transmitted to the Commission for filing via EDGAR, except to the extent permitted by Regulation S-T.

(f) Organization. The Company and each of its Subsidiaries are duly organized, validly existing as a corporation or limited liability company, as applicable, and in good standing under the laws of their respective jurisdictions of organization or formation, as applicable. The Company and each of its Subsidiaries are duly licensed or qualified for the transaction of business and in good standing under the laws of each other jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such license or qualification, and have all corporate or limited liability power, as applicable, and authority necessary to own or hold their respective properties and to conduct their respective businesses as described in the Registration Statement and the Prospectus, except where the failure to be so qualified or in good standing or have such power or authority would not, individually or in the aggregate, have a material adverse effect or would reasonably be expected to have a material adverse effect on or affecting the assets, business, operations, earnings, properties, condition (financial or otherwise), prospects, stockholders' equity or results of operations of the Company and the Subsidiaries taken as a whole, or prevent or materially interfere with consummation of the transactions contemplated hereby (a "**Material Adverse Effect**").

(g) Subsidiaries. The Company has no subsidiaries other than those set forth on Schedule 4 (collectively, the "**Subsidiaries**"). Except as set forth in the Registration Statement and in the Prospectus, the Company owns, directly or indirectly, all of the equity interests of the Subsidiaries free and clear of any lien, charge, security interest, encumbrance, right of first refusal or other restriction, and all the equity interests of the Subsidiaries are validly issued and are fully paid, nonassessable and free of preemptive and similar rights. No Subsidiary is currently prohibited, directly or indirectly, from paying any dividends to the Company, from making any other distribution on such Subsidiary's capital stock, from repaying to the Company any loans or advances to such Subsidiary from the Company or from transferring any of such Subsidiary's property or assets to the Company or any other Subsidiary of the Company.

(h) No Violation or Default . Neither the Company nor any of its Subsidiaries is (i) in violation of its charter or by-laws or similar organizational documents; (ii) in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default under any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound or to which any of the property or assets of the Company or any of its Subsidiaries are subject; or (iii) in violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of each of clauses (ii) and (iii) above, for any such violation or default that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. To the Company's knowledge, other than as disclosed in the Registration Statement or the Prospectus, no other party under any material contract or other agreement to which it or any of its Subsidiaries is a party is in default in any respect thereunder where such default would reasonably be expected to have a Material Adverse Effect.

(i) No Material Adverse Change . Subsequent to the respective dates as of which information is given in the Registration Statement, the Prospectus and the Free Writing Prospectuses, if any (including any document deemed incorporated by reference therein), there has not been (i) any Material Adverse Effect or the occurrence of any development that the Company reasonably expects will result in a Material Adverse Effect, (ii) any transaction which is material to the Company and the Subsidiaries taken as a whole, (iii) any obligation or liability, direct or contingent (including any off-balance sheet obligations), incurred by the Company or any Subsidiary, which is material to the Company and the Subsidiaries taken as a whole, (iv) any material change in the capital stock or outstanding long-term indebtedness of the Company or any of its Subsidiaries or (v) any dividend or distribution of any kind declared, paid or made on the capital stock of the Company or any Subsidiary, other than in each case above in the ordinary course of business or as otherwise disclosed in the Registration Statement or Prospectus (including any document deemed incorporated by reference therein).

(j) Capitalization. The issued and outstanding shares of capital stock of the Company have been validly issued, are fully paid and nonassessable and, other than as disclosed in the Registration Statement or the Prospectus, are not subject to any preemptive rights, rights of first refusal or similar rights. The Company has an authorized, issued and outstanding capitalization as set forth in the Registration Statement and the Prospectus as of the dates referred to therein (other than the grant of restricted stock, options and stock appreciation rights under the Company's existing equity incentive plan, or changes in the number of outstanding shares of Common Stock of the

Company due to the issuance of shares upon the exercise or conversion of securities exercisable for, or convertible into, Common Stock outstanding on the date hereof) and such authorized capital stock conforms to the description thereof set forth in the Registration Statement and the Prospectus. The description of the securities of the Company in the Registration Statement and the Prospectus is complete and accurate in all material respects. Except as disclosed in or contemplated by the Registration Statement or the Prospectus, as of the date referred to therein, the Company does not have outstanding any options to purchase, or any rights or warrants to subscribe for, or any securities or obligations convertible into, or exchangeable for, or any contracts or commitments to issue or sell, any shares of capital stock or other securities (other than as a result of the grant of restricted stock, options and stock appreciation rights under the Company's existing equity incentive plan after the date(s) set forth in the Registration Statement and the Prospectus).

(k) Authorization; Enforceability. The Company has full legal right, power and authority to enter into this Agreement and perform the transactions contemplated hereby. This Agreement has been duly authorized, executed and delivered by the Company and is a legal, valid and binding agreement of the Company enforceable in accordance with its terms, except as to rights to indemnification or contribution hereunder which may be limited by federal or state securities laws and except to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general equitable principles.

(l) Authorization of Placement Shares. The Placement Shares, when issued and delivered pursuant to the terms approved by the board of directors of the Company or a duly authorized committee thereof, or a duly authorized executive committee, against payment therefor as provided herein, will be duly authorized, validly issued, fully paid, nonassessable, and free and clear of any pledge, lien, encumbrance, security interest or other claim (other than any pledge, lien, encumbrance security interest or other claim arising from an act or omission of the Agent or a purchaser), including any statutory or contractual preemptive rights, resale rights, rights of first refusal or other similar rights, and will be registered pursuant to Section 12 of the Exchange Act. The Placement Shares, when issued, will conform to the description thereof set forth in or incorporated into the Prospectus under the caption "Description of Capital Stock."

(m) No Consents Required. No consent, approval, authorization, order, registration or qualification of or with any court or arbitrator or governmental or regulatory authority is required for the execution, delivery and performance by the Company of this Agreement, or the issuance and sale by the Company of the Placement Shares, except for (i) the registration of the Placement Shares under the Securities Act, and (ii) such consents, approvals, authorizations, orders and registrations or qualifications as may be required under applicable state securities laws, the Exchange or by the by-laws and rules of the Financial Industry Regulatory Authority ("**FINRA**") in connection with the sale of the Placement Shares by the Agent.

(n) No Preferential Rights. Except as set forth in the Registration Statement and the Prospectus, (i) no person, as such term is defined in Rule 1-02 of Regulation S-X promulgated under the Securities Act (each, a "**Person**"), has the right, contractual or otherwise, to cause the Company to issue or sell to such Person any Common Stock or shares of any other capital stock or other securities of the Company, (ii) no Person has any preemptive rights, resale rights, rights of

first refusal, rights of co-sale, or any other rights (whether pursuant to a "poison pill" provision or otherwise) to purchase any Common Stock or shares of any other capital stock or other securities of the Company, (iii) no Person has the right to act as an underwriter or as a financial advisor to the Company in connection with the offer and sale of the Placement Shares, and (iv) no Person has the right, contractual or otherwise, to require the Company to register under the Securities Act any Common Stock or shares of any other capital stock or other securities of the Company, or to include any such shares or other securities in the Registration Statement or the offering contemplated thereby, whether as a result of the filing or effectiveness of the Registration Statement or the sale of the Placement Shares as contemplated thereby or otherwise.

(o) Independent Public Accounting Firm. BDO USA, LLP (the "**Accountant**"), whose report on the consolidated financial statements of the Company is filed with the Commission as part of the Company's most recent Annual Report on Form 10-K filed with the Commission and incorporated by reference into the Registration Statement and the Prospectus, is and, during the periods covered by their report, was an independent registered public accounting firm within the meaning of the Securities Act and the Public Company Accounting Oversight Board (United States). To the Company's knowledge, the Accountant is not in violation of the auditor independence requirements of the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**") with respect to the Company.

(p) Enforceability of Agreements. All agreements between the Company and third parties expressly referenced in the Prospectus, other than such agreements that have expired by their terms or whose termination is disclosed in documents filed by the Company on EDGAR, are legal, valid and binding obligations of the Company enforceable in accordance with their respective terms, except to the extent that (i) enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general equitable principles and (ii) the indemnification provisions of certain agreements may be limited by federal or state securities laws or public policy considerations in respect thereof, except for any unenforceability that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(q) No Litigation. Except as set forth in the Registration Statement or the Prospectus, there are no legal, governmental or regulatory actions, suits or proceedings pending, nor, to the Company's knowledge, any legal, governmental or regulatory audits or investigations, to which the Company or a Subsidiary is a party or to which any property of the Company or any of its Subsidiaries is the subject that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect and, to the Company's knowledge, no such actions, suits or proceedings are threatened or contemplated by any governmental or regulatory authority or threatened by others that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect; and (i) there are no current or pending legal, governmental or regulatory actions, suits or proceedings or, to the Company's knowledge, audits or investigations, that are required under the Securities Act to be described in the Prospectus that are not so described; and (ii) there are no contracts or other documents that are required under the Securities Act to be filed as exhibits to the Registration Statement that are not so filed.

(r) Consents and Permits. Except as disclosed in the Registration Statement and the Prospectus, the Company and its Subsidiaries have made all filings, applications and submissions required by, possesses and is operating in compliance with, all approvals, licenses, certificates, certifications, clearances, consents, grants, exemptions, marks, notifications, orders, permits and other authorizations issued by, the appropriate federal, state or foreign governmental or regulatory authorities (including, without limitation, the United States Food and Drug Administration (the "**FDA**"), the United States Drug Enforcement Administration or any other foreign, federal, state, court or local government or regulatory authorities) necessary for the ownership or lease of their respective properties or to conduct its businesses as described in the Registration Statement and the Prospectus (collectively, "**Permits**"), except for such Permits the failure of which to obtain or possess would not reasonably be expected to have a Material Adverse Effect. The Company and its Subsidiaries are operating in compliance with the terms and conditions of all such Permits, except where the failure to be in compliance would not reasonably be expected to have a Material Adverse Effect. All of the Permits are valid and in full force and effect, except where any invalidity or lack of effectiveness, individually or in the aggregate, would not be reasonably expected to have a Material Adverse Effect. Neither the Company nor any of its Subsidiaries has received any written notice of proceedings relating to the limitation, revocation, cancellation, suspension, modification or non-renewal of any such Permit, or has any reason to believe that any such Permit will not be renewed in the ordinary course to the extent required, except for any Permits which, individually or in the aggregate, if the subject of an unfavorable decision, ruling, finding or non-renewal, would not reasonably be expected to have a Material Adverse Effect.

(s) Regulatory Filings. Except as disclosed in the Registration Statement and the Prospectus, neither the Company nor any of its Subsidiaries has failed to file with the applicable regulatory authorities (including, without limitation, the FDA, or any foreign, federal, state, or local governmental or regulatory authority performing functions similar to those performed by the FDA) any required filing, declaration, listing, registration, report or submission, except for such failures that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Except as disclosed in the Registration Statement and the Prospectus, all such filings, declarations, listings, registrations, reports or submissions were in compliance with applicable laws when filed and no deficiencies have been asserted by any applicable regulatory authority with respect to any such filings, declarations, listings, registrations, reports or submissions, except for any deficiencies that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. The Company has operated and currently is in compliance with the United States Federal Food, Drug, and Cosmetic Act, all applicable rules and regulations of the FDA and other federal, state, local and foreign governmental bodies exercising comparable authority, except for any deficiencies that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(t) Intellectual Property. Except as disclosed in the Registration Statement and the Prospectus, to the Company's knowledge, the Company and its Subsidiaries own, possess, license or have other rights to use all foreign and domestic patents, patent applications, trade and service marks, trade and service mark registrations, trade names, copyrights, licenses, inventions, trade secrets, technology, Internet domain names, know-how and other intellectual property (collectively, the "**Intellectual Property**"), necessary for the conduct of their respective businesses as now conducted except to the extent that the failure to own, possess, license or otherwise hold

adequate rights to use such Intellectual Property would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Except as disclosed in the Registration Statement and the Prospectus (i) to the Company's knowledge, there are no rights of third parties to any such Intellectual Property owned by the Company and its Subsidiaries; (ii) to the Company's knowledge, there is no infringement by third parties of any such Intellectual Property; (iii) there is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others challenging the Company's and its Subsidiaries' rights in or to any such Intellectual Property, and the Company is unaware of any facts which could form a reasonable basis for any such action, suit, proceeding or claim; (iv) there is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others challenging the validity or scope of any such Intellectual Property; (v) there is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others that the Company and its Subsidiaries infringe or otherwise violate any patent, trademark, copyright, trade secret or other proprietary rights of others; (vi) to the Company's knowledge, there is no third-party U.S. patent or published U.S. patent application which contains claims for which an Interference Proceeding (as defined in 35 U.S.C. §135) has been commenced against any patent or patent application described in the Prospectus as being owned by or licensed to the Company; and (vii) to the Company's knowledge, the Company and its Subsidiaries have complied with the terms of each agreement pursuant to which Intellectual Property has been licensed to the Company or such Subsidiary, and all such agreements are in full force and effect, except, in the case of any of clauses (i)-(vi) above, for any such infringement by third parties or any such pending or threatened suit, action, proceeding or claim as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, and except in the case of clause (vii) above, for any non-compliance that would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(u) Market Capitalization. At the time the Registration Statement was originally declared effective, and at the time the Company's most recent Annual Report on Form 10-K was filed with the Commission, the Company met the then applicable requirements for the use of Form S-3 under the Securities Act, including but not limited to Instruction I.B.6 of Form S-3. The aggregate market value of the outstanding voting and non-voting common equity (as defined in Securities Act Rule 405) of the Company held by persons other than affiliates of the Company (pursuant to Securities Act Rule 144, those that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company) (the "**Non-Affiliate Shares**"), was greater than $15 million (calculated by multiplying (x) the highest price at which the common equity of the Company closed on the Exchange within 60 days of the date of this Agreement times (y) the number of Non-Affiliate Shares). The Company is not a shell company (as defined in Rule 405 under the Securities Act) and has not been a shell company for at least 12 calendar months previously and if it has been a shell company at any time previously, has filed current Form 10 information (as defined in Instruction I.B.6 of Form S-3) with the Commission at least 12 calendar months previously reflecting its status as an entity that is not a shell company.

(v) No Material Defaults. Neither the Company nor any of the Subsidiaries has defaulted on any installment on indebtedness for borrowed money or on any rental on one or more long-term leases, which defaults, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect. The Company has not filed a report pursuant to Section 13(a) or 15(d) of the Exchange Act since the filing of its last Annual Report on Form 10-K, indicating

that it (i) has failed to pay any dividend or sinking fund installment on preferred stock or (ii) has defaulted on any installment on indebtedness for borrowed money or on any rental on one or more long-term leases, which defaults, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(w) Certain Market Activities. Neither the Company, nor any of the Subsidiaries, nor to the Company's knowledge, any of their respective directors, officers or controlling persons has taken, directly or indirectly, any action designed, or that has constituted or might reasonably be expected to cause or result in, under the Exchange Act or otherwise, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Placement Shares.

(x) Broker/Dealer Relationships. Neither the Company nor any of the Subsidiaries (i) is required to register as a "broker" or "dealer" in accordance with the provisions of the Exchange Act or (ii) directly or indirectly through one or more intermediaries, controls or is a "person associated with a member" or "associated person of a member" (within the meaning set forth in the FINRA Manual).

(y) No Reliance. The Company has not relied upon the Agent or legal counsel for the Agent for any legal, tax or accounting advice in connection with the offering and sale of the Placement Shares.

(z) Taxes. The Company and each of its Subsidiaries have filed all federal, state, local and foreign tax returns which have been required to be filed and paid all taxes shown thereon through the date hereof, to the extent that such taxes have become due and are not being contested in good faith, except where the failure to so file or pay would not reasonably be expected to have a Material Adverse Effect. Except as otherwise disclosed in or contemplated by the Registration Statement or the Prospectus, no tax deficiency has been determined adversely to the Company or any of its Subsidiaries which has had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. The Company has no knowledge of any federal, state or other governmental tax deficiency, penalty or assessment which has been or might be asserted against it which would reasonably be expected to have a Material Adverse Effect.

(aa) Title to Real and Personal Property. Except as set forth in the Registration Statement or the Prospectus, the Company and its Subsidiaries have good and marketable title to all real property owned by them, good and valid title to all tangible personal property described in the Registration Statement or Prospectus as being owned by them that are material to the businesses of the Company or such Subsidiary, in each case free and clear of all liens, encumbrances and claims, except those matters that (i) do not materially interfere with the use made and proposed to be made of such property by the Company and any of its Subsidiaries or (ii) would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Any real or tangible personal property described in the Registration Statement or Prospectus as being leased by the Company and any of its Subsidiaries is held by them under valid, existing and enforceable leases, except those that (A) do not materially interfere with the use made or proposed to be made of such property by the Company or any of its Subsidiaries or (B) would not be reasonably expected, individually or in the aggregate, to have a Material Adverse Effect. To the Company's knowledge, each of the properties of the Company and its Subsidiaries complies in all material respects with

all applicable codes, laws and regulations (including, without limitation, building and zoning codes, laws and regulations and laws relating to access to such properties), except if and to the extent disclosed in the Registration Statement or Prospectus or except for such failures to comply that would not, individually or in the aggregate, reasonably be expected to interfere in any material respect with the use made and proposed to be made of such property by the Company and its Subsidiaries or otherwise reasonably be expected to have a Material Adverse Effect. None of the Company or its subsidiaries has received from any governmental or regulatory authorities any notice of any condemnation of, or zoning change affecting, the properties of the Company and its Subsidiaries, and the Company knows of no such condemnation or zoning change which is threatened, except for such that would not reasonably be expected to interfere in any material respect with the use made and proposed to be made of such property by the Company and its Subsidiaries or otherwise have a Material Adverse Effect, individually or in the aggregate.

(bb) Environmental Laws. Except as set forth in the Registration Statement or the Prospectus, the Company and its Subsidiaries (i) are in compliance with any and all applicable federal, state, local and foreign laws, rules, regulations, decisions and orders relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants (collectively, "**Environmental Laws**"); (ii) have received and are in compliance with all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses as described in the Registration Statement and the Prospectus; and (iii) have not received notice of any actual or potential liability for the investigation or remediation of any disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants, except, in the case of any of clauses (i), (ii) or (iii) above, for any such failure to comply or failure to receive required permits, licenses, other approvals or liability as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(cc) Disclosure Controls. The Company and each of its Subsidiaries maintain systems of internal accounting controls designed to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Company's internal control over financial reporting is effective and the Company is not aware of any material weaknesses in its internal control over financial reporting (other than as set forth in the Prospectus). Since the date of the latest audited financial statements of the Company included in the Prospectus, there has been no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting (other than as set forth in the Prospectus). The Company has established disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 and 15d-15) for the Company and designed such disclosure controls and procedures to provide reasonable assurance that material information relating to the Company and each of its Subsidiaries is made known to the certifying officers by others within those entities, particularly during the period in which the Company's Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as the case may be, is being prepared. The Company's certifying officers have evaluated the effectiveness of the Company's

controls and procedures as of a date within 90 days prior to the filing date of the Form 10-K for the fiscal year most recently ended (such date, the **"Evaluation Date**"). The Company presented in its Form 10-K for the fiscal year most recently ended the conclusions of the certifying officers about the effectiveness of the disclosure controls and procedures based on their evaluations as of the Evaluation Date and the disclosure controls and procedures were effective. Since the Evaluation Date, there have been no significant changes in the Company's internal controls (as such term is defined in Item 307(b) of Regulation S-K under the Securities Act) or, to the Company's knowledge, in other factors that could significantly affect the Company's internal controls.

(dd) Sarbanes-Oxley. There is and has been no failure on the part of the Company or, to the Company's knowledge, any of the Company's directors or officers, in their capacities as such, to comply in all material respects with any applicable provisions of the Sarbanes-Oxley Act and the rules and regulations promulgated thereunder. Each of the principal executive officer and the principal financial officer of the Company (or each former principal executive officer of the Company and each former principal financial officer of the Company as applicable) has made all certifications required by Sections 302 and 906 of the Sarbanes-Oxley Act with respect to all reports, schedules, forms, statements and other documents required to be filed by it or furnished by it to the Commission. For purposes of the preceding sentence, "principal executive officer" and "principal financial officer" shall have the meanings given to such terms in the Sarbanes-Oxley Act.

(ee) Finder's Fees. Neither the Company nor any of the Subsidiaries has incurred any liability for any finder's fees, brokerage commissions or similar payments in connection with the transactions herein contemplated, except as may otherwise exist with respect to Agent pursuant to this Agreement.

(ff) Labor Disputes. No labor disturbance by or dispute with employees of the Company or any of its Subsidiaries exists or, to the knowledge of the Company, is threatened which would reasonably be expected to result in a Material Adverse Effect.

(gg) Investment Company Act. Neither the Company nor any of the Subsidiaries is or, after giving effect to the offering and sale of the Placement Shares, will be an "investment company" or an entity "controlled" by an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended (the "**Investment Company Act**").

(hh) Operations. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial record keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all jurisdictions to which the Company or its Subsidiaries are subject, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency having jurisdiction over the Company (collectively, the "**Money Laundering Laws**"), except as would not reasonably be expected to result in a Material Adverse Effect; and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its Subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(ii) Off-Balance Sheet Arrangements. There are no transactions, arrangements and other relationships between and/or among the Company and any of its affiliates or any unconsolidated entity, including, but not limited to, any structural finance, special purpose or limited purpose entity (each, an "**Off-Balance Sheet Transaction**") that would reasonably be expected to affect materially the Company's liquidity or the availability of or requirements for its capital resources, including those Off-Balance Sheet Transactions described in the Commission's Statement about Management's Discussion and Analysis of Financial Conditions and Results of Operations (Release Nos. 33-8056; 34-45321; FR-61), required to be described in the Prospectus which have not been described as required.

(jj) Underwriter Agreements. The Company is not a party to any agreement with an agent or underwriter for any other "at-the-market" or continuous equity transaction.

(kk) ERISA. To the knowledge of the Company, (i) each material employee benefit plan, within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), that is maintained, administered or contributed to by the Company or any of its affiliates for employees or former employees of the Company and any of its Subsidiaries has been maintained in compliance with its terms and the requirements of any applicable statutes, orders, rules and regulations, including but not limited to ERISA and the Internal Revenue Code of 1986, as amended (the "**Code**") (except to the extent where any noncompliance would not result in material liability to the Company); (ii) no prohibited transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, has occurred which would result in a material liability to the Company with respect to any such plan excluding transactions effected pursuant to a statutory or administrative exemption; and (iii) for each such plan that is subject to the funding rules of Section 412 of the Code or Section 302 of ERISA, no "accumulated funding deficiency" as defined in Section 412 of the Code has been incurred, whether or not waived, and the fair market value of the assets of each such plan (excluding for these purposes accrued but unpaid contributions) exceeds the present value of all benefits accrued under such plan determined using reasonable actuarial assumptions.

(ll) Forward-Looking Statements. No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) (a "**Forward-Looking Statement**") contained in the Registration Statement and the Prospectus has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(mm) Agent Purchases. The Company acknowledges and agrees that Agent has informed the Company that the Agent may, to the extent permitted under the Securities Act and the Exchange Act, purchase and sell Common Stock for its own account while this Agreement is in effect, *provided*, that (i) no such purchase or sales shall take place while a Placement Notice is in effect (except to the extent the Agent may engage in sales of Placement Shares purchased or deemed purchased from the Company as a "riskless principal" or in a similar capacity) and (ii) the Company shall not be deemed to have authorized or consented to any such purchases or sales by the Agent.

(nn) Margin Rules. Neither the issuance, sale and delivery of the Placement Shares nor the application of the proceeds thereof by the Company as described in the Registration Statement

and the Prospectus will violate Regulation T, U or X of the Board of Governors of the Federal Reserve System or any other regulation of such Board of Governors.

(oo) Insurance. The Company and each of its Subsidiaries carry, or are covered by, insurance in such amounts and covering such risks as the Company and each of its Subsidiaries reasonably believe are adequate for the conduct of their respective businesses and as is customary for companies of similar size engaged in similar businesses in similar industries.

(pp) No Improper Practices. (i) Neither the Company, nor the Subsidiaries, nor, to the Company's knowledge, any of their respective executive officers has, in the past five years, made any unlawful contributions to any candidate for any political office (or failed fully to disclose any contribution in violation of law) or made any contribution or other payment to any official of, or candidate for, any federal, state, municipal, or foreign office or other person charged with similar public or quasi-public duty in violation of any law or of the character required to be disclosed in the Prospectus; (ii) no relationship, direct or indirect, exists between or among the Company or any Subsidiary or, to the Company's knowledge, any affiliate of any of them, on the one hand, and the directors, officers and stockholders of the Company or any Subsidiary, on the other hand, that is required by the Securities Act to be described in the Registration Statement and the Prospectus that is not so described; (iii) no relationship, direct or indirect, exists between or among the Company or any Subsidiary or, to the Company's knowledge, any affiliate of them, on the one hand, and the directors, officers, or stockholders of the Company or any Subsidiary, on the other hand, that is required by the rules of FINRA to be described in the Registration Statement and the Prospectus that is not so described; (iv) except as described in the Registration Statement and the Prospectus, there are no material outstanding loans or advances or material guarantees of indebtedness by the Company or any Subsidiary to or for the benefit of any of their respective officers or directors or any of the members of the families of any of them; and (v) the Company has not offered, or caused any placement agent to offer, Common Stock to any person with the intent to influence unlawfully (A) a customer or supplier of the Company or any Subsidiary to alter the customer's or supplier's level or type of business with the Company or any Subsidiary or (B) a trade journalist or publication to write or publish favorable information about the Company or any Subsidiary or any of their respective products or services, and, (vi) neither the Company nor any Subsidiary nor, to the Company's knowledge, any employee or agent of the Company or any Subsidiary has made any payment of funds of the Company or any Subsidiary or received or retained any funds in violation of any law, rule or regulation (including, without limitation, the Foreign Corrupt Practices Act of 1977), which payment, receipt or retention of funds is of a character required to be disclosed in the Registration Statement or the Prospectus.

(qq) Status Under the Securities Act. The Company was not and is not an ineligible issuer as defined in Rule 405 under the Securities Act at the times specified in Rules 164 and 433 under the Securities Act in connection with the offering of the Placement Shares.

(rr) No Misstatement or Omission in an Issuer Free Writing Prospectus. Each Issuer Free Writing Prospectus, as of its issue date and as of each Applicable Time (as defined in Section 23 below), did not, does not and will not include any information that conflicted, conflicts or will conflict with the information contained in the Registration Statement or the Prospectus, including any incorporated document deemed to be a part thereof that has not been superseded or

modified. The foregoing sentence does not apply to statements in or omissions from any Issuer Free Writing Prospectus based upon and in conformity with written information furnished to the Company by the Agent specifically for use therein.

(ss) No Conflicts. Neither the execution of this Agreement by the Company, nor the issuance, offering or sale of the Placement Shares, nor the consummation by the Company of any of the transactions contemplated herein, nor the compliance by the Company with the terms and provisions hereof will conflict with, or will result in a breach of, any of the terms and provisions of, or has constituted or will constitute a default under, or has resulted in or will result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company pursuant to the terms of any contract or other agreement to which the Company may be bound or to which any of the property or assets of the Company is subject, except (i) such conflicts, breaches or defaults as may have been waived and (ii) such conflicts, breaches and defaults that would not reasonably be expected to have a Material Adverse Effect; nor will such action result (x) in any violation of the provisions of the organizational or governing documents of the Company, or (y) in any violation of the provisions of any statute or any order, rule or regulation applicable to the Company or of any court or of any federal, state or other regulatory authority or other government body having jurisdiction over the Company, except where, with respect to clause (y) only, any such violation would not reasonably be expected to have a Material Adverse Effect.

(tt) Sanctions. (i) The Company represents that, neither the Company nor any of its Subsidiaries (collectively, the "**Entity**") or, to the Company's knowledge, any director, officer, employee, agent, affiliate or representative of the Entity, is a government, individual, or entity (in this paragraph (tt), "**Person**") that is, or is owned or controlled by a Person that is:

(A) the subject of any sanctions administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control, the United Nations Security Council, the European Union, Her Majesty's Treasury, or other relevant sanctions authority (collectively, "**Sanctions**"), nor

(B) located, organized or resident in a country or territory that is the subject of Sanctions (including, without limitation, Burma/Myanmar, Cuba, Iran, North Korea, Sudan and Syria).

(ii) The Entity represents and covenants that it will not, directly or indirectly, use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person:

(A) to fund or facilitate any activities or business of or with any Person or in any country or territory in violation of any applicable Sanctions; or

(B) in any other manner that will result in a violation of Sanctions by any Person (including any Person participating in the offering, whether as underwriter, advisor, investor or otherwise).

(iii) The Entity represents and covenants that, except as detailed in the Registration Statement and the Prospectus, for the past 5 years, it has not knowingly engaged in, is not now

knowingly engaged in, and will not engage in, any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions.

(uu) Stock Transfer Taxes. On each Settlement Date, all stock transfer or other taxes (other than income taxes) which are required to be paid in connection with the sale and transfer of the Placement Shares to be sold hereunder will be, or will have been, fully paid or provided for by the Company and all laws imposing such taxes will be or will have been fully complied with in all material respects.

(vv) Compliance with Laws. Except as could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, each of the Company and its Subsidiaries: (A) is and at all times has been in compliance with all statutes, rules, or regulations applicable to the ownership, testing, development, manufacture, packaging, processing, use, distribution, marketing, labeling, promotion, sale, offer for sale, storage, import, export or disposal of any product manufactured or distributed by the Company or its Subsidiaries ("**Applicable Laws**"); (B) has not received any FDA Form 483, notice of adverse finding, warning letter, untitled letter or other correspondence or written notice from the FDA or any other governmental authority alleging or asserting noncompliance with any Applicable Laws or any Permits required by any such Applicable Laws; (C) possesses all Permits necessary for the ownership or lease of their respective properties or to conduct its businesses as described in the Registration Statement and the Prospectus and such Permits are valid and in full force and effect and each of the Company and its Subsidiaries are operating in compliance with the terms and conditions of any such Permits; (D) has not received written notice of any claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action from any governmental authority or third party alleging that any product operation or activity is in violation of any Applicable Laws or Permits and has no knowledge that any such governmental authority or third party is considering any such claim, litigation, arbitration, action, suit, investigation or proceeding; (E) has not received written notice that any governmental authority has taken, is taking or intends to take action to limit, suspend, modify or revoke any Permits and has no knowledge that any such governmental authority is considering such action; (F) has filed, obtained, maintained or submitted all reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by any Applicable Laws or Permits and that all such reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were complete and correct on the date filed (or were corrected or supplemented by a subsequent submission); and (G) has not, either voluntarily or involuntarily, initiated, conducted, or issued or caused to be initiated, conducted or issued, any recall, market withdrawal or replacement, safety alert, post sale warning, "dear healthcare provider" letter, or other notice or action relating to the alleged lack of safety or efficacy of any product of the Company or its Subsidiaries or any alleged defect or violation with respect to a product of the Company or its Subsidiaries and, to the Company's knowledge, no third party has initiated, conducted or intends to initiate any such notice or action.

Any certificate signed by an officer of the Company and delivered to the Agent or to counsel for the Agent pursuant to or in connection with this Agreement shall be deemed to be a representation and warranty by the Company, as applicable, to the Agent as to the matters set forth therein.

7. Covenants of the Company. The Company covenants and agrees with Agent that:

(a) Registration Statement Amendments. After the date of this Agreement and during any period in which a Prospectus relating to any Placement Shares is required to be delivered by Agent under the Securities Act (including in circumstances where such requirement may be satisfied pursuant to Rule 172 under the Securities Act), (i) the Company will notify the Agent promptly of the time when any subsequent amendment to the Registration Statement, other than documents incorporated by reference, has been filed with the Commission and/or has become effective or any subsequent supplement to the Prospectus has been filed and of any request by the Commission for any amendment or supplement to the Registration Statement or Prospectus or for additional information, (ii) the Company will prepare and file with the Commission, promptly upon the Agent's request, any amendments or supplements to the Registration Statement or Prospectus that, in such Agent's reasonable opinion, may be necessary or advisable in connection with the distribution of the Placement Shares by the Agent (*provided*, *however*, that the failure of the Agent to make such request shall not relieve the Company of any obligation or liability hereunder, or affect the Agent's right to rely on the representations and warranties made by the Company in this Agreement and *provided*, *further*, that the only remedy the Agent shall have with respect to the failure to make such filing shall be to cease making sales under this Agreement until such amendment or supplement is filed); (iii) the Company will not file any amendment or supplement to the Registration Statement or Prospectus relating to the Placement Shares or a security convertible into the Placement Shares unless a copy thereof has been submitted to Agent within a reasonable period of time before the filing and the Agent has not reasonably objected in writing thereto within two (2) Business Days (*provided*, *however*, that (A) the failure of the Agent to make such objection shall not relieve the Company of any obligation or liability hereunder, or affect the Agent's right to rely on the representations and warranties made by the Company in this Agreement, *provided*, *further*, that the only remedy Agent shall have with respect to the failure by the Company to seek such consent shall be to cease making sales under this Agreement), and (B) the Company has no obligation to provide Agent any advance copies of such filing or to provide Agent an opportunity to object to such filing if such filing does not name Agent or does not relate to the transactions contemplated hereunder) and the Company will furnish to the Agent at the time of filing thereof a copy of any document that upon filing is deemed to be incorporated by reference into the Registration Statement or Prospectus, except for those documents available via EDGAR; and (iv) the Company will cause each amendment or supplement to the Prospectus to be filed with the Commission as required pursuant to the applicable paragraph of Rule 424(b) of the Securities Act or, in the case of any document to be incorporated therein by reference, to be filed with the Commission as required pursuant to the Exchange Act, within the time period prescribed (the determination to file or not file any amendment or supplement with the Commission under this Section 7(a), based on the Company's reasonable opinion or reasonable objections, shall be made exclusively by the Company).

(b) Notice of Commission Stop Orders. The Company will advise the Agent, promptly after it receives notice or obtains knowledge thereof, of the issuance or threatened issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement, of the suspension of the qualification of the Placement Shares for offering or sale in any jurisdiction, or of the initiation or threatening of any proceeding for any such purpose; and it will promptly use its commercially reasonable efforts to prevent the issuance of any stop order or to obtain its

withdrawal if such a stop order should be issued. The Company will advise the Agent promptly after it receives any request by the Commission for any amendments to the Registration Statement or any amendment or supplements to the Prospectus or any Issuer Free Writing Prospectus or for additional information related to the offering of the Placement Shares or for additional information related to the Registration Statement, the Prospectus or any Issuer Free Writing Prospectus.

(c) Delivery of Prospectus; Subsequent Changes. During any period in which a Prospectus relating to the Placement Shares is required to be delivered by the Agent under the Securities Act with respect to the offer and sale of the Placement Shares, (including in circumstances where such requirement may be satisfied pursuant to Rule 172 under the Securities Act), the Company will comply in all material respects with all requirements imposed upon it by the Securities Act, as from time to time in force, and to file on or before their respective due dates all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Sections 13(a), 13(c), 14, 15(d) or any other provision of or under the Exchange Act. If the Company has omitted any information from the Registration Statement pursuant to Rule 430B under the Securities Act, it will use its reasonable best efforts to comply with the provisions of and make all requisite filings with the Commission pursuant to said Rule 430B and to notify the Agent promptly of all such filings. If during such period any event occurs as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances then existing, not misleading, or if during such period it is necessary to amend or supplement the Registration Statement or Prospectus to comply with the Securities Act, the Company will promptly notify Agent to suspend the offering of Placement Shares during such period and the Company will promptly amend or supplement the Registration Statement or Prospectus (at the expense of the Company) so as to correct such statement or omission or effect such compliance; provided, however, that the Company may delay any such amendment or supplement if, in the reasonable judgment of the Company, it is in the best interest of the Company to do so.

(d) Listing of Placement Shares. During any period in which the Prospectus relating to the Placement Shares is required to be delivered by the Agent under the Securities Act with respect to the offer and sale of the Placement Shares, the Company will use its reasonable best efforts to cause the Placement Shares to be listed on the Exchange.

(e) Delivery of Registration Statement and Prospectus. The Company will furnish to the Agent and its counsel (at the expense of the Company) copies of the Registration Statement, the Prospectus (including all documents incorporated by reference therein) and all amendments and supplements to the Registration Statement or Prospectus that are filed with the Commission during any period in which a Prospectus relating to the Placement Shares is required to be delivered under the Securities Act (including all documents filed with the Commission during such period that are deemed to be incorporated by reference therein), in each case as soon as reasonably practicable and in such quantities as the Agent may from time to time reasonably request and, at the Agent's request, will also furnish copies of the Prospectus to each exchange or market on which sales of the Placement Shares may be made; *provided*, *however*, that the Company shall not be required to furnish any document (other than the Prospectus) to the Agent to the extent such document is available on EDGAR.

(f) Earnings Statement. The Company will make generally available to its security holders as soon as practicable, but in any event not later than 15 months after the end of the Company's current fiscal quarter, an earnings statement covering a 12-month period that satisfies the provisions of Section 11(a) and Rule 158 of the Securities Act.

(g) Use of Proceeds. The Company will use the Net Proceeds as described in the Prospectus in the section entitled "Use of Proceeds."

(h) Notice of Other Sales. Without the prior written consent of Agent, the Company will not, directly or indirectly, offer to sell, sell, contract to sell, grant any option to sell or otherwise dispose of any Common Stock (other than the Placement Shares offered pursuant to this Agreement) or securities convertible into or exchangeable for Common Stock, warrants or any rights to purchase or acquire, Common Stock during the period beginning on the fifth (5^{th}) Trading Day immediately prior to the date on which any Placement Notice is delivered to Agent hereunder and ending on the fifth (5^{th}) Trading Day immediately following the final Settlement Date with respect to Placement Shares sold pursuant to such Placement Notice (or, if the Placement Notice has been terminated or suspended prior to the sale of all Placement Shares covered by a Placement Notice, the date of such suspension or termination); and will not directly or indirectly in any other "at-the-market" or continuous equity transaction offer to sell, sell, contract to sell, grant any option to sell or otherwise dispose of any Common Stock (other than the Placement Shares offered pursuant to this Agreement) or securities convertible into or exchangeable for Common Stock, warrants or any rights to purchase or acquire, Common Stock prior to the later of the termination of this Agreement and the sixtieth (60^{th}) day immediately following the final Settlement Date with respect to Placement Shares sold pursuant to such Placement Notice; *provided*, *however*, that such restrictions specified in this Section 7(h) will not apply in connection with the Company's issuance or sale of (i) Common Stock, options to purchase Common Stock or other securities or Common Stock issuable upon the vesting, exercise, or settlement of restricted stock, options, or stock appreciation rights pursuant to any employee or director stock option or benefits plan, stock ownership plan or dividend reinvestment plan (but not Common Stock subject to a waiver to exceed plan limits in its dividend reinvestment plan) of the Company whether now in effect or hereafter implemented, (ii) Common Stock issuable upon conversion of securities or the vesting, exercise, or settlement of restricted stock, options, warrants, stock appreciation rights or securities convertible into or exchangeable for Common Stock or warrants or any rights to purchase or acquire Common Stock or other rights in effect or outstanding, and disclosed in filings by the Company available on EDGAR or otherwise in writing to the Agent and (iii) Common Stock or securities convertible into or exchangeable for shares of Common Stock as consideration for mergers, acquisitions, other business combinations or strategic alliances occurring after the date of this Agreement which are not issued for capital raising purposes.

(i) Change of Circumstances. The Company will, at any time during the pendency of a Placement Notice advise the Agent promptly after it shall have received notice or obtained knowledge thereof, of any information or fact that would alter or affect in any material respect any opinion, certificate, letter or other document required to be provided to the Agent pursuant to this Agreement.

(j) Due Diligence Cooperation. The Company will cooperate with any reasonable due diligence review conducted by the Agent or its representatives in connection with the transactions contemplated hereby, including, without limitation, providing information and making available documents and senior corporate officers, during regular business hours and at the Company's principal offices, as the Agent may reasonably request.

(k) Required Filings Relating to Placement of Placement Shares. The Company agrees that on such dates as the Securities Act shall require, the Company will (i) file a prospectus supplement with the Commission under the applicable paragraph of Rule 424(b) under the Securities Act (each and every filing date under Rule 424(b), a "**Filing Date**"), which prospectus supplement will set forth, within the relevant period, the amount of Placement Shares sold through the Agent, the Net Proceeds to the Company and the compensation payable by the Company to the Agent with respect to such Placement Shares, and (ii) deliver such number of copies of each such prospectus supplement to each exchange or market on which such sales were effected as may be required by the rules or regulations of such exchange or market.

(l) Representation Dates; Certificate. (1) Prior to the date of the first Placement Notice and (2) each time the Company:

(i) files the Prospectus relating to the Placement Shares or amends or supplements (other than a prospectus supplement relating solely to an offering of securities other than the Placement Shares) the Registration Statement or the Prospectus relating to the Placement Shares by means of a post-effective amendment, sticker, or supplement but not by means of incorporation of documents by reference into the Registration Statement or the Prospectus relating to the Placement Shares;

(ii) files an annual report on Form 10-K under the Exchange Act (including any Form 10-K/A containing amended financial statements or a material amendment to the previously filed Form 10-K);

(iii) files its quarterly reports on Form 10-Q under the Exchange Act; or

(iv) files a current report on Form 8-K containing amended financial statements (other than information "furnished" pursuant to Items 2.02 or 7.01 of Form 8-K or to provide disclosure pursuant to Item 8.01 of Form 8-K relating to the reclassification of certain properties as discontinued operations in accordance with Statement of Financial Accounting Standards No. 144) under the Exchange Act (each date of filing of one or more of the documents referred to in clauses (i) through (iv) shall be a "**Representation Date**");

the Company shall furnish the Agent (but in the case of clause (iv) above only if the Agent reasonably determines that the information contained in such Form 8-K is material) with a certificate dated as of the Representation Date, in the form and substance satisfactory to the Agent and its counsel, substantially similar to the form previously provided to the Agent and its counsel, modified, as necessary, to relate to the Registration Statement and the Prospectus as amended or supplemented. The requirement to provide a certificate under this Section 7(l) shall be waived for any Representation Date occurring at a time a Suspension is in effect, which waiver shall continue until

the earlier to occur of the date the Company delivers instructions for the sale of Placement Shares hereunder (which for such calendar quarter shall be considered a Representation Date) and the next occurring Representation Date. Notwithstanding the foregoing, if the Company subsequently decides to sell Placement Shares following a Representation Date when a Suspension was in effect and did not provide the Agent with a certificate under this Section 7(l), then before the Company delivers the instructions for the sale of Placement Shares or the Agent sells any Placement Shares pursuant to such instructions, the Company shall provide the Agent with a certificate in conformity with this Section 7(l) dated as of the date that the instructions for the sale of Placement Shares are issued.

(m) Legal Opinions. (1) Prior to the date of the first Placement Notice and (2) within five (5) Trading Days of each Representation Date with respect to which the Company is obligated to deliver a certificate pursuant to Section 7(l) for which no waiver is applicable and excluding the date of this Agreement, the Company shall cause to be furnished to the Agent separate written opinions of Pepper Hamilton LLP ("**Company Counsel**"), Kaplan Cook, PLLC ("**IDX Regulatory Counsel**") and Norris McLaughlin & Marcus, P.A. (" **CSO Regulatory Counsel**"), each in a form and substance satisfactory to the Agent and its counsel, substantially similar to the forms previously provided to the Agent and its counsel, modified, as necessary, to relate to the Registration Statement and the Prospectus as then amended or supplemented; *provided*, *however*, the Company shall be required to furnish to Agent no more than one opinion from each counsel hereunder per calendar quarter and the Company shall not be required to furnish any such opinions if the Company does not intend to deliver a Placement Notice in such calendar quarter until such time as the Company delivers its next Placement Notice; *provided*, *further*, that in lieu of such opinions for subsequent periodic filings under the Exchange Act, each counsel may furnish the Agent with a letter (a "**Reliance Letter**") to the effect that the Agent may rely on a prior opinion delivered under this Section 7(m) to the same extent as if it were dated the date of the Reliance Letter (except that statements in such prior opinion shall be deemed to relate to the Registration Statement and the Prospectus as amended or supplemented as of the date of the Reliance Letter).

(n) Comfort Letter. (1) Prior to the date of the first Placement Notice and (2) within five (5) Trading Days of each Representation Date with respect to which the Company is obligated to deliver a certificate pursuant to Section 7(l) for which no waiver is applicable and excluding the date of this Agreement, the Company shall cause its independent registered public accounting firm to furnish the Agent letters (the "**Comfort Letters**"), dated the date the Comfort Letter is delivered, which shall meet the requirements set forth in this Section 7(n); *provided*, that if requested by the Agent, the Company shall cause a Comfort Letter to be furnished to the Agent within ten (10) Trading Days of the date of occurrence of any material transaction or event, including the restatement of the Company's financial statements. The Comfort Letter from the Company's independent registered public accounting firm shall be in a form and substance satisfactory to the Agent, (i) confirming that they are an independent registered public accounting firm within the meaning of the Securities Act and the Public Company Accounting Oversight Board, (ii) stating, as of such date, the conclusions and findings of such firm with respect to the financial information and other matters ordinarily covered by accountants' "comfort letters" to underwriters in connection with registered public offerings (the first such letter, the "**Initial Comfort Letter**") and (iii) updating the Initial Comfort Letter with any information that would have been included in the Initial Comfort

Letter had it been given on such date and modified as necessary to relate to the Registration Statement and the Prospectus, as amended and supplemented to the date of such letter.

(o) Market Activities. The Company will not, directly or indirectly, (i) take any action designed to cause or result in, or that constitutes or might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of Placement Shares or (ii) sell, bid for, or purchase Common Stock in violation of Regulation M, or pay anyone any compensation for soliciting purchases of the Placement Shares other than the Agent.

(p) Investment Company Act. The Company will conduct its affairs in such a manner so as to reasonably ensure that neither it nor any of its Subsidiaries will be or become, at any time prior to the termination of this Agreement, required to register as an "investment company," as such term is defined in the Investment Company Act.

(q) No Offer to Sell. Other than an Issuer Free Writing Prospectus approved in advance by the Company and the Agent in its capacity as agent hereunder, neither the Agent nor the Company (including its agents and representatives, other than the Agent in its capacity as such) will make, use, prepare, authorize, approve or refer to any written communication (as defined in Rule 405 under the Securities Act), required to be filed with the Commission, that constitutes an offer to sell or solicitation of an offer to buy Placement Shares hereunder.

(r) Blue Sky and Other Qualifications. The Company will use its commercially reasonable efforts, in cooperation with the Agent, to qualify the Placement Shares for offering and sale, or to obtain an exemption for the Placement Shares to be offered and sold, under the applicable securities laws of such states and other jurisdictions (domestic or foreign) as the Agent may designate and to maintain such qualifications and exemptions in effect for so long as required for the distribution of the Placement Shares (but in no event for less than one year from the date of this Agreement); *provided*, *however*, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject. In each jurisdiction in which the Placement Shares have been so qualified or exempt, the Company will file such statements and reports as may be required by the laws of such jurisdiction to continue such qualification or exemption, as the case may be, in effect for so long as required for the distribution of the Placement Shares (but in no event for less than one year from the date of this Agreement).

(s) Sarbanes-Oxley Act. The Company and the Subsidiaries will maintain and keep accurate books and records reflecting their assets and maintain internal accounting controls in a manner designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States ("**GAAP**") and including those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company, (ii) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of the Company's consolidated financial statements in accordance with GAAP, (iii) that receipts and expenditures of

the Company are being made only in accordance with management's and the Company's directors' authorization, and (iv) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on its financial statements. The Company and the Subsidiaries will maintain such controls and other procedures, including, without limitation, those required by Sections 302 and 906 of the Sarbanes-Oxley Act, and the applicable regulations thereunder that are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms, including, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure and to ensure that material information relating to the Company or the Subsidiaries is made known to them by others within those entities, particularly during the period in which such periodic reports are being prepared.

(t) Officer's Certificate; Further Documentation. Prior to the date of the first Placement Notice, the Company shall deliver to the Agent a certificate of a duly authorized officer of the Company and attested to by an executive officer of the Company, dated as of such date, certifying as to (i) the Certificate of Incorporation of the Company, (ii) the By-laws of the Company, (iii) the resolutions of the Board of Directors of the Company authorizing the execution, delivery and performance of this Agreement and the issuance of the Placement Shares and (iv) the incumbency of the officers duly authorized to execute this Agreement and the other documents contemplated by this Agreement. Within five (5) Trading Days of each Representation Date, the Company shall have furnished to the Agent such further information, certificates and documents as the Agent may reasonably request.

8. Payment of Expenses. The Company will pay all expenses incident to the performance of its obligations under this Agreement, including (i) the preparation and filing of the Registration Statement, including any fees required by the Commission, and the printing or electronic delivery of the Prospectus as originally filed and of each amendment and supplement thereto, in such number as the Agent shall deem reasonably necessary, (ii) the printing and delivery to the Agent of this Agreement and such other documents as may be required in connection with the offering, purchase, sale, issuance or delivery of the Placement Shares, (iii) the preparation, issuance and delivery of the certificates, if any, for the Placement Shares to the Agent, including any stock or other transfer taxes and any capital duties, stamp duties or other duties or taxes payable upon the sale, issuance or delivery of the Placement Shares to the Agent, (iv) the fees and disbursements of the counsel, accountants and other advisors to the Company, (v) the reasonable and documented fees and expenses of Agent including but not limited to the fees and expenses of the counsel to the Agent, payable upon the execution of this Agreement, in an amount not to exceed $50,000, (vi) the qualification or exemption of the Placement Shares under state securities laws in accordance with the provisions of Section 7(r) hereof, including filing fees, but excluding fees of the Agent's counsel, (vii) the printing and delivery to the Agent of copies of any Permitted Issuer Free Writing Prospectus and the Prospectus and any amendments or supplements thereto in such number as the Agent shall deem reasonably necessary, (viii) the preparation, printing and delivery

to the Agent of copies of the blue sky survey, (ix) the fees and expenses of the transfer agent and registrar for the Common Stock, (x) the filing and other fees incident to any review by FINRA of the terms of the sale of the Placement Shares including the fees of the Agent's counsel (subject to the cap, set forth in clause (v) above), and (xi) the fees and expenses incurred in connection with the listing of the Placement Shares on the Exchange.

9. Conditions to Agent's Obligations. The obligations of the Agent hereunder with respect to a Placement will be subject to the continuing accuracy and completeness of the representations and warranties made by the Company herein, to the due performance by the Company of its obligations hereunder, to the completion by the Agent of a due diligence review satisfactory to it in its reasonable judgment, and to the continuing satisfaction (or waiver by the Agent in its sole discretion) of the following additional conditions:

(a) Registration Statement Effective. The Registration Statement shall have become effective and shall be available for the (i) resale of all Placement Shares issued to the Agent and not yet sold by the Agent and (ii) sale of all Placement Shares contemplated to be issued by any Placement Notice.

(b) No Material Notices. None of the following events shall have occurred and be continuing: (i) receipt by the Company of any request for additional information from the Commission or any other federal or state Governmental Authority during the period of effectiveness of the Registration Statement, the response to which would require any post-effective amendments or supplements to the Registration Statement or the Prospectus; (ii) the issuance by the Commission or any other federal or state Governmental Authority of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose; (iii) receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Placement Shares for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; or (iv) the occurrence of any event that makes any material statement made in the Registration Statement or the Prospectus or any material document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires the making of any changes in the Registration Statement, the Prospectus or documents so that, in the case of the Registration Statement, it will not contain any materially untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and, that in the case of the Prospectus, it will not contain any materially untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(c) No Misstatement or Material Omission. Agent shall not have advised the Company that the Registration Statement or Prospectus, or any amendment or supplement thereto, contains an untrue statement of fact that in the Agent's reasonable opinion is material, or omits to state a fact that in the Agent's reasonable opinion is material and is required to be stated therein or is necessary to make the statements therein not misleading.

(d) Material Changes. Except as contemplated in the Prospectus, or disclosed in the Company's reports filed with the Commission, there shall not have been any Material Adverse

Effect or any development that would reasonably be expected to cause a Material Adverse Effect, or a downgrading in or withdrawal of the rating assigned to any of the Company's securities (other than asset backed securities) by any rating organization or a public announcement by any rating organization that it has under surveillance or review its rating of any of the Company's securities (other than asset backed securities), the effect of which, in the case of any such action by a rating organization described above, in the reasonable judgment of the Agent (without relieving the Company of any obligation or liability it may otherwise have), is so material as to make it impracticable or inadvisable to proceed with the offering of the Placement Shares on the terms and in the manner contemplated in the Prospectus.

(e) Legal Opinions. The Agent shall have received the opinions of (i) Company Counsel, (ii) IDX Regulatory Counsel and (iii) CSO Regulatory Counsel, each as required to be delivered pursuant to Section 7(m) on or before the date on which such delivery of such opinion is required pursuant to Section 7(m).

(f) Comfort Letter. The Agent shall have received the Comfort Letter required to be delivered pursuant to Section 7(n) on or before the date on which such delivery of such Comfort Letter is required pursuant to Section 7(n).

(g) Representation Certificate. The Agent shall have received the certificate required to be delivered pursuant to Section 7(l) on or before the date on which delivery of such certificate is required pursuant to Section 7(l).

(h) No Suspension. Trading in the Common Stock shall not have been suspended on the Exchange and the Common Stock shall not have been delisted from the Exchange.

(i) Other Materials. On each date on which the Company is required to deliver a certificate pursuant to Section 7(l), the Company shall have furnished to the Agent such appropriate further information, opinions, certificates, letters and other documents as the Agent may reasonably request. All such opinions, certificates, letters and other documents will be in compliance with the provisions hereof.

(j) Securities Act Filings Made. All filings with the Commission required by Rule 424 under the Securities Act to have been filed prior to the issuance of any Placement Notice hereunder shall have been made within the applicable time period prescribed for such filing by Rule 424.

(k) Approval for Listing. The Placement Shares shall either have been approved for listing on the Exchange, subject only to notice of issuance, or the Company shall have filed an application for listing of the Placement Shares on the Exchange at, or prior to, the issuance of any Placement Notice.

(l) FINRA. FINRA shall have raised no objection to the terms of this offering and the amount of compensation allowable or payable to the Agent as described in the Prospectus.

(m) No Termination Event. There shall not have occurred any event that would permit the Agent to terminate this Agreement pursuant to Section 12(a).

10. Indemnification and Contribution.

(a) Company Indemnification. The Company agrees to indemnify and hold harmless the Agent, its partners, members, directors, officers, employees and agents and each person, if any, who controls the Agent within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, joint or several, arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto), or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading, or arising out of any untrue statement or alleged untrue statement of a material fact included in any related Issuer Free Writing Prospectus or the Prospectus (or any amendment or supplement thereto), or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, joint or several, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission; *provided* that any such settlement is effected with the written consent of the Company, which consent shall not unreasonably be delayed or withheld; and

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above,

provided, *however*, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made solely in reliance upon and in conformity with written information furnished to the Company by the Agent expressly for use in the Registration Statement (or any amendment thereto), or in any related Issuer Free Writing Prospectus (or any amendment or supplement thereto) or the Prospectus (or any amendment or supplement thereto).

(b) Agent Indemnification. Agent agrees to indemnify and hold harmless the Company and its directors and each officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in Section 10(a), as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendments thereto) or in any related Issuer Free Writing Prospectus (or any

amendment or supplement thereto) or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with information relating to the Agent and furnished to the Company in writing by the Agent expressly for use therein. The Company hereby acknowledges that the only information that the Agent has furnished to the Company expressly for use in the Registration Statement, the Prospectus or any Issuer Free Writing Prospectus (or any amendment or supplement thereto) are the statements set forth in the seventh and eighth paragraphs under the caption "Plan of Distribution" in the Prospectus.

(c) Procedure. Any party that proposes to assert the right to be indemnified under this Section 10 will, promptly after receipt of notice of commencement of any action against such party in respect of which a claim is to be made against an indemnifying party or parties under this Section 10, notify each such indemnifying party of the commencement of such action, enclosing a copy of all papers served, but the omission so to notify such indemnifying party will not relieve the indemnifying party from (i) any liability that it might have to any indemnified party otherwise than under this Section 10 and (ii) any liability that it may have to any indemnified party under the foregoing provision of this Section 10 unless, and only to the extent that, such omission results in the forfeiture of substantive rights or defenses by the indemnifying party. If any such action is brought against any indemnified party and it notifies the indemnifying party of its commencement, the indemnifying party will be entitled to participate in and, to the extent that it elects by delivering written notice to the indemnified party promptly after receiving notice of the commencement of the action from the indemnified party, jointly with any other indemnifying party similarly notified, to assume the defense of the action, with counsel reasonably satisfactory to the indemnified party, and after notice from the indemnifying party to the indemnified party of its election to assume the defense, the indemnifying party will not be liable to the indemnified party for any legal or other expenses except as provided below and except for the reasonable costs of investigation subsequently incurred by the indemnified party in connection with the defense. The indemnified party will have the right to employ its own counsel in any such action, but the fees, expenses and other charges of such counsel will be at the expense of such indemnified party unless (1) the employment of counsel by the indemnified party has been authorized in writing by the indemnifying party, (2) the indemnified party has reasonably concluded (based on advice of counsel) that there may be legal defenses available to it or other indemnified parties that are different from or in addition to those available to the indemnifying party, (3) a conflict or potential conflict exists (based on advice of counsel to the indemnified party) between the indemnified party and the indemnifying party (in which case the indemnifying party will not have the right to direct the defense of such action on behalf of the indemnified party) or (4) the indemnifying party has not in fact employed counsel to assume the defense of such action or counsel reasonably satisfactory to the indemnified party, in each case, within a reasonable time after receiving notice of the commencement of the action; in each of which cases the reasonable fees, disbursements and other charges of counsel will be at the expense of the indemnifying party or parties. It is understood that the indemnifying party or parties shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees, disbursements and other charges of more than one separate firm admitted to practice in such jurisdiction at any one time for all such indemnified party or parties. All such fees, disbursements and other charges will be reimbursed by the indemnifying party promptly as they are incurred. An indemnifying party will not, in any event, be liable for any settlement of any action or claim effected without its written consent. No indemnifying party shall,

without the prior written consent of each indemnified party, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding relating to the matters contemplated by this Section 10 (whether or not any indemnified party is a party thereto), unless such settlement, compromise or consent (1) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (2) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) Contribution. In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in the foregoing paragraphs of this Section 10 is applicable in accordance with its terms but for any reason is held to be unavailable from the Company or the Agent, the Company and the Agent will contribute to the total losses, claims, liabilities, expenses and damages (including any investigative, legal and other expenses reasonably incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claim asserted, but after deducting any contribution received by the Company from persons other than the Agent, such as persons who control the Company within the meaning of the Securities Act, officers of the Company who signed the Registration Statement and directors of the Company, who also may be liable for contribution) to which the Company and the Agent may be subject in such proportion as shall be appropriate to reflect the relative benefits received by the Company on the one hand and the Agent on the other hand. The relative benefits received by the Company on the one hand and the Agent on the other hand shall be deemed to be in the same proportion as the total net proceeds from the sale of the Placement Shares (before deducting expenses) received by the Company bear to the total compensation received by the Agent (before deducting expenses) from the sale of Placement Shares on behalf of the Company. If, but only if, the allocation provided by the foregoing sentence is not permitted by applicable law, the allocation of contribution shall be made in such proportion as is appropriate to reflect not only the relative benefits referred to in the foregoing sentence but also the relative fault of the Company, on the one hand, and the Agent, on the other hand, with respect to the statements or omission that resulted in such loss, claim, liability, expense or damage, or action in respect thereof, as well as any other relevant equitable considerations with respect to such offering. Such relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or the Agent, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Agent agree that it would not be just and equitable if contributions pursuant to this Section 10(d) were to be determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, liability, expense, or damage, or action in respect thereof, referred to above in this Section 10(d) shall be deemed to include, for the purpose of this Section 10(d), any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim to the extent consistent with Section 10(c) hereof. Notwithstanding the foregoing provisions of this Section 10(d), the Agent shall not be required to contribute any amount in excess of the commissions received by it under this Agreement and no person found guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person who was not guilty of such fraudulent

misrepresentation. For purposes of this Section 10(d), any person who controls a party to this Agreement within the meaning of the Securities Act, and any officers, directors, partners, employees or agents of the Agent, will have the same rights to contribution as that party, and each director of the Company and each officer of the Company who signed the Registration Statement will have the same rights to contribution as the Company, subject in each case to the provisions hereof. Any party entitled to contribution, promptly after receipt of notice of commencement of any action against such party in respect of which a claim for contribution may be made under this Section 10(d), will notify any such party or parties from whom contribution may be sought, but the omission to so notify will not relieve that party or parties from whom contribution may be sought from any other obligation it or they may have under this Section 10(d) except to the extent that the failure to so notify such other party materially prejudiced the substantive rights or defenses of the party from whom contribution is sought. Except for a settlement entered into pursuant to the last sentence of Section 10(c) hereof, no party will be liable for contribution with respect to any action or claim settled without its written consent if such consent is required pursuant to Section 10(c) hereof.

11. Representations and Agreements to Survive Delivery . The indemnity and contribution agreements contained in Section 10 of this Agreement and all representations and warranties of the Company herein or in certificates delivered pursuant hereto shall survive, as of their respective dates, regardless of (i) any investigation made by or on behalf of the Agent, any controlling persons, or the Company (or any of their respective officers, directors or controlling persons), (ii) delivery and acceptance of the Placement Shares and payment therefor or (iii) any termination of this Agreement.

12. Termination.

(a) The Agent may terminate this Agreement, by notice to the Company, as hereinafter specified at any time (1) if there has been, since the time of execution of this Agreement or since the date as of which information is given in the Prospectus, any change, or any development or event involving a prospective change, in the condition, financial or otherwise, or in the business, properties, earnings, results of operations or prospects of the Company and its Subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, which individually or in the aggregate, in the sole judgment of the Agent is material and adverse and makes it impractical or inadvisable to market the Placement Shares or to enforce contracts for the sale of the Placement Shares, (2) if there has occurred any material adverse change in the financial markets in the United States or the international financial markets, any outbreak of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions, in each case the effect of which is such as to make it, in the judgment of the Agent, impracticable or inadvisable to market the Placement Shares or to enforce contracts for the sale of the Placement Shares, (3) if trading in the Common Stock has been suspended or limited by the Commission or the Exchange, or if trading generally on the Exchange has been suspended or limited, or minimum prices for trading have been fixed on the Exchange, (4) if any suspension of trading of any securities of the Company on any exchange or in the over-the-counter market shall have occurred and be continuing, (5) if a major disruption of securities settlements or clearance services in the United States shall have occurred and be continuing, or (6) if a banking moratorium has been declared by either U.S. Federal or New York authorities. Any such termination shall be without liability of any party to any other party

except that the provisions of Section 8 (Payment of Expenses), Section 10 (Indemnification and Contribution), Section 11 (Representations and Agreements to Survive Delivery), Section 17 (Governing Law and Time; Waiver of Jury Trial) and Section 18 (Consent to Jurisdiction) hereof shall remain in full force and effect notwithstanding such termination. If the Agent elects to terminate this Agreement as provided in this Section 12(a), the Agent shall provide the required notice as specified in Section 13 (Notices).

(b) The Company shall have the right, by giving ten (10) days notice as hereinafter specified to terminate this Agreement in its sole discretion at any time after the date of this Agreement. Any such termination shall be without liability of any party to any other party except that the provisions of Section 8, Section 10, Section 11, Section 17 and Section 18 hereof shall remain in full force and effect notwithstanding such termination.

(c) The Agent shall have the right, by giving ten (10) days notice as hereinafter specified to terminate this Agreement in its sole discretion at any time after the date of this Agreement. Any such termination shall be without liability of any party to any other party except that the provisions of Section 8, Section 10, Section 11, Section 17 and Section 18 hereof shall remain in full force and effect notwithstanding such termination.

(d) This Agreement shall remain in full force and effect unless terminated pursuant to Sections 12(a), (b), or (c) above or otherwise by mutual agreement of the parties; *provided*, *however*, that any such termination by mutual agreement shall in all cases be deemed to provide that Section 8, Section 10, Section 11, Section 17 and Section 18 shall remain in full force and effect.

(e) Any termination of this Agreement shall be effective on the date specified in such notice of termination; *provided*, *however*, that such termination shall not be effective until the close of business on the date of receipt of such notice by the Agent or the Company, as the case may be. If such termination shall occur prior to the Settlement Date for any sale of Placement Shares, such Placement Shares shall settle in accordance with the provisions of this Agreement.

13. Notices. All notices or other communications required or permitted to be given by any party to any other party pursuant to the terms of this Agreement shall be in writing, unless otherwise specified, and if sent to the Agent, shall be delivered to:

Cantor Fitzgerald & Co.
499 Park Avenue
New York, NY 10022
Attention: Capital Markets/Jeffrey Lumby
Facsimile: (212) 307-3730
Email: jlumby@cantor.com

with copies to:

Cantor Fitzgerald & Co.
499 Park Avenue

New York, NY 10022
Attention: General Counsel
Facsimile: (212) 829-4708

and with a copy to:

Cooley LLP
1114 Avenue of the Americas
New York, NY 10036
Attention: Daniel I. Goldberg, Esq.
Facsimile: (212) 479-6275
Email dgoldberg@cooley.com

and if to the Company, shall be delivered to:

PDI, Inc.
300 Interpace Parkway
Parsippany, NJ 07054
Attention: Graham Miao
Facsimile: (862) 207-7824
Email: gmiao@pdi-inc.com

with a copy to:

Pepper Hamilton LLP
3000 Two Logan Square
18th and Arch Streets
Philadelphia, PA 19103
Attention: Steven J. Abrams, Esq.
Facsimile: (215) 981-4750
Email: abramss@pepperlaw.com

Each party to this Agreement may change such address for notices by sending to the parties to this Agreement written notice of a new address for such purpose. Each such notice or other communication shall be deemed given (i) when delivered personally or by verifiable facsimile transmission (with an original to follow) on or before 4:30 p.m., New York City time, on a Business Day or, if such day is not a Business Day, on the next succeeding Business Day, (ii) by Electronic Notice as set forth in the paragraph below, (iii) on the next Business Day after timely delivery to a nationally-recognized overnight courier and (iv) on the Business Day actually received if deposited in the U.S. mail (certified or registered mail, return receipt requested, postage prepaid). For purposes of this Agreement, "**Business Day**" shall mean any day on which the Exchange and commercial banks in the City of New York are open for business.

An electronic communication ("**Electronic Notice**") shall be deemed written notice for purposes of this Section 13 if sent to the electronic mail address specified by the receiving party

under separate cover. Electronic Notice shall be deemed received at the time the party sending Electronic Notice receives verification of receipt by the receiving party. Any party receiving Electronic Notice may request and shall be entitled to receive the notice on paper, in a nonelectronic form ("**Nonelectronic Notice**") which shall be sent to the requesting party within ten (10) days of receipt of the written request for Nonelectronic Notice.

14. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Company and the Agent and their respective successors and the parties referred to in Section 10 hereof. References to any of the parties contained in this Agreement shall be deemed to include the successors and permitted assigns of such party. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement. Neither party may assign its rights or obligations under this Agreement without the prior written consent of the other party; *provided*, *however*, that the Agent may assign its rights and obligations hereunder to an affiliate, so long as such affiliate is a registered broker dealer, thereof without obtaining the Company's consent.

15. Adjustments for Stock Splits. The parties acknowledge and agree that all share-related numbers contained in this Agreement shall be adjusted to take into account any stock split, stock dividend or similar event effected with respect to the Placement Shares.

16. Entire Agreement; Amendment; Severability; Waiver. This Agreement (including all schedules and exhibits attached hereto, Placement Notices issued pursuant hereto and the Non-Disclosure Agreement, dated October 2, 2015, by and between the Company and the Agent) constitutes the entire agreement and supersedes all other prior and contemporaneous agreements and undertakings, both written and oral, among the parties hereto with regard to the subject matter hereof. Neither this Agreement nor any term hereof may be amended except pursuant to a written instrument executed by the Company and the Agent. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable as written by a court of competent jurisdiction, then such provision shall be given full force and effect to the fullest possible extent that it is valid, legal and enforceable, and the remainder of the terms and provisions herein shall be construed as if such invalid, illegal or unenforceable term or provision was not contained herein, but only to the extent that giving effect to such provision and the remainder of the terms and provisions hereof shall be in accordance with the intent of the parties as reflected in this Agreement. No implied waiver by a party shall arise in the absence of a waiver in writing signed by such party. No failure or delay in exercising any right, power, or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power, or privilege hereunder.

17. **GOVERNING LAW AND TIME; WAIVER OF JURY TRIAL. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAWS. SPECIFIED TIMES OF DAY REFER TO NEW YORK CITY TIME. EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO**

TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

18. **CONSENT TO JURISDICTION. EACH PARTY HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS SITTING IN THE CITY OF NEW YORK, BOROUGH OF MANHATTAN, FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH ANY TRANSACTION CONTEMPLATED HEREBY, AND HEREBY IRREVOCABLY WAIVES, AND AGREES NOT TO ASSERT IN ANY SUIT, ACTION OR PROCEEDING, ANY CLAIM THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF ANY SUCH COURT, THAT SUCH SUIT, ACTION OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM OR THAT THE VENUE OF SUCH SUIT, ACTION OR PROCEEDING IS IMPROPER. EACH PARTY HEREBY IRREVOCABLY WAIVES PERSONAL SERVICE OF PROCESS AND CONSENTS TO PROCESS BEING SERVED IN ANY SUCH SUIT, ACTION OR PROCEEDING BY MAILING A COPY THEREOF (CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED) TO SUCH PARTY AT THE ADDRESS IN EFFECT FOR NOTICES TO IT UNDER THIS AGREEMENT AND AGREES THAT SUCH SERVICE SHALL CONSTITUTE GOOD AND SUFFICIENT SERVICE OF PROCESS AND NOTICE THEREOF. NOTHING CONTAINED HEREIN SHALL BE DEEMED TO LIMIT IN ANY WAY ANY RIGHT TO SERVE PROCESS IN ANY MANNER PERMITTED BY LAW.**

19. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed Agreement by one party to the other may be made by facsimile or electronic transmission.

20. Construction. The section and exhibit headings herein are for convenience only and shall not affect the construction hereof. References herein to any law, statute, ordinance, code, regulation, rule or other requirement of any Governmental Authority shall be deemed to refer to such law, statute, ordinance, code, regulation, rule or other requirement of any Governmental Authority as amended, reenacted, supplemented or superseded in whole or in part and in effect from time to time and also to all rules and regulations promulgated thereunder.

21. Permitted Free Writing Prospectuses. The Company represents, warrants and agrees that, unless it obtains the prior written consent of the Agent, and the Agent represents, warrants and agrees that, unless it obtains the prior written consent of the Company, it has not made and will not make any offer relating to the Placement Shares that would constitute an Issuer Free Writing Prospectus, or that would otherwise constitute a "free writing prospectus," as defined in Rule 405, required to be filed with the Commission. Any such free writing prospectus consented to by the Agent or by the Company, as the case may be, is hereinafter referred to as a "Permitted Free Writing Prospectus." The Company represents and warrants that it has treated and agrees that it will treat each Permitted Free Writing Prospectus as an "issuer free writing prospectus," as defined in Rule 433, and has complied and will comply with the requirements of Rule 433 applicable to any Permitted Free Writing Prospectus, including timely filing with the Commission where required,

legending and record keeping. For the purposes of clarity, the parties hereto agree that all free writing prospectuses, if any, listed in Exhibit 21 hereto are Permitted Free Writing Prospectuses.

22. Absence of Fiduciary Relationship . The Company acknowledges and agrees that:

(a) the Agent is acting solely as agent in connection with the public offering of the Placement Shares and in connection with each transaction contemplated by this Agreement and the process leading to such transactions, and no fiduciary or advisory relationship between the Company or any of its respective affiliates, stockholders (or other equity holders), creditors or employees or any other party, on the one hand, and the Agent, on the other hand, has been or will be created in respect of any of the transactions contemplated by this Agreement, irrespective of whether or not the Agent has advised or is advising the Company on other matters, and the Agent has no obligation to the Company with respect to the transactions contemplated by this Agreement except the obligations expressly set forth in this Agreement;

(b) it is capable of evaluating and understanding, and understands and accepts, the terms, risks and conditions of the transactions contemplated by this Agreement;

(c) neither the Agent nor its affiliates have provided any legal, accounting, regulatory or tax advice with respect to the transactions contemplated by this Agreement and it has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate;

(d) it is aware that the Agent and its affiliates are engaged in a broad range of transactions which may involve interests that differ from those of the Company and the Agent and its affiliates have no obligation to disclose such interests and transactions to the Company by virtue of any fiduciary, advisory or agency relationship or otherwise; and

(e) it waives, to the fullest extent permitted by law, any claims it may have against the Agent or its affiliates for breach of fiduciary duty or alleged breach of fiduciary duty in connection with the sale of Placement Shares under this Agreement and agrees that the Agent and its affiliates shall not have any liability (whether direct or indirect, in contract, tort or otherwise) to it in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty claim on its behalf or in right of it or the Company, employees or creditors of Company, other than in respect of the Agent's obligations under this Agreement and to keep information provided by the Company to the Agent and the Agent's counsel confidential to the extent not otherwise publicly-available.

23. Definitions. As used in this Agreement, the following terms have the respective meanings set forth below:

"**Applicable Time**" means (i) each Representation Date and (ii) the time of each sale of any Placement Shares pursuant to this Agreement.

"**Governmental Authority**" means (i) any federal, provincial, state, local, municipal, national or international government or governmental authority, regulatory or administrative agency, governmental commission, department, board, bureau, agency or instrumentality, court, tribunal,

arbitrator or arbitral body (public or private); (ii) any self-regulatory organization; or (iii) any political subdivision of any of the foregoing.

"**Issuer Free Writing Prospectus**" means any "issuer free writing prospectus," as defined in Rule 433, relating to the Placement Shares that (1) is required to be filed with the Commission by the Company, (2) is a "road show" that is a "written communication" within the meaning of Rule 433(d)(8)(i) whether or not required to be filed with the Commission, or (3) is exempt from filing pursuant to Rule 433(d)(5)(i) because it contains a description of the Placement Shares or of the offering that does not reflect the final terms, in each case in the form filed or required to be filed with the Commission or, if not required to be filed, in the form retained in the Company's records pursuant to Rule 433(g) under the Securities Act Regulations.

"**Rule 164**," "**Rule 172**," "**Rule 405**," "**Rule 415**," "**Rule 424**," "**Rule 424(b)**," "**Rule 430B**," and "**Rule 433**" refer to such rules under the Securities Act Regulations.

All references in this Agreement to financial statements and schedules and other information that is "contained," "included" or "stated" in the Registration Statement or the Prospectus (and all other references of like import) shall be deemed to mean and include all such financial statements and schedules and other information that is incorporated by reference in the Registration Statement or the Prospectus, as the case may be.

All references in this Agreement to the Registration Statement, the Prospectus or any amendment or supplement to any of the foregoing shall be deemed to include the copy filed with the Commission pursuant to EDGAR; all references in this Agreement to any Issuer Free Writing Prospectus (other than any Issuer Free Writing Prospectuses that, pursuant to Rule 433, are not required to be filed with the Commission) shall be deemed to include the copy thereof filed with the Commission pursuant to EDGAR; and all references in this Agreement to "supplements" to the Prospectus shall include, without limitation, any supplements, "wrappers" or similar materials prepared in connection with any offering, sale or private placement of any Placement Shares by the Agent outside of the United States.

[***Signature Page Follows***]

If the foregoing correctly sets forth the understanding between the Company and the Agent, please so indicate in the space provided below for that purpose, whereupon this letter shall constitute a binding agreement between the Company and the Agent.

Very truly yours,

PDI, INC.

By: /s/ Nancy S. Lurker
Name: Nancy S. Lurker
Title: Chief Executive Officer

ACCEPTED as of the date first-above written:

CANTOR FITZGERALD & CO.

By: /s/ Jeffrey Lumby
Name: Jeffrey Lumby
Title: Senior Managing Director

SCHEDULE 1

Form of Placement Notice

From: PDI, Inc.

To: Cantor Fitzgerald & Co.
Attention: [•]

Subject: Placement Notice

Date: [•], 201[5]

Ladies and Gentlemen:

Pursuant to the terms and subject to the conditions contained in the Sales Agreement between PDI, Inc., a Delaware corporation (the "**Company**"), and Cantor Fitzgerald & Co. ("**Agent**"), dated November 2, 2015, the Company hereby requests that the Agent sell up to [•] of the Company's common stock, par value $0.01 per share, at a minimum market price of $[•] per share, during the time period beginning [month, day, time] and ending [month, day, time].

SCHEDULE 2

Compensation

The Company shall pay to the Agent in cash, upon each sale of Placement Shares pursuant to this Agreement, an amount equal to 3.0% of the aggregate gross proceeds from each sale of Placement Shares.

SCHEDULE 3

Notice Parties

The Company

Nancy S. Lurker (nlurker1@pdi-inc.com)

Graham Miao (gmiao@pdi-inc.com)

The Agent

Jeff Lumby (jlumby@cantor.com)

Josh Feldman (jfeldman@cantor.com)

Sameer Vasudev (svasudev@cantor.com)

With copies to:

CFControlledEquityOffering@cantor.com

SCHEDULE 4

Subsidiaries

Incorporated by reference to Exhibit 21.1 of the Company's most recently filed Form 10-K.

Exhibit 21

Permitted Free Writing Prospectus

None.

Exhibit 10.2

LIMITED WAIVER, CONSENT AND AMENDMENT NO. 2 TO NOTE

This Limited Waiver, Consent and Amendment No. 2 to Note ("Waiver and Consent"), dated as of October 30, 2015, is entered into by and among Redpath Equityholder Representative, LLC, a Delaware limited liability company ("Payee"), PDI, Inc., a Delaware corporation ("PDI") and Interpace Diagnostics, LLC a Delaware limited liability company ("Parent" and together with PDI, the "PDI Parties"). Capitalized terms used but not defined herein shall have the meanings set forth in the Subordination Agreement (as defined below).

WHEREAS, the PDI Parties entered into a Non-Negotiable Subordinated Secured Promissory Note dated October 31, 2014 (as amended by that certain Amendment No. 1 to Note dated as of July 30, 2015, the "Redpath Subordinated Note") in favor of Payee in the principal amount of Ten Million Six Hundred Thousand Seventy Dollars ($10,670,000) (the "Subordinated Debt").

WHEREAS, PDI entered into a Credit Agreement (the "Senior Credit Agreement"), dated as of October 31, 2014, by and among PDI, as borrower, the financial institutions party thereto from time to time as lenders (the "Senior Lenders"), and SWK Funding LLC, as agent (the "Senior Agent"), pursuant to which the Senior Lenders agreed to make a term loan to PDI in the principal amount equal to twenty million dollars ($20,000,000) upon the terms and conditions set forth in the Senior Credit Agreement (the "Senior Credit Facility");

WHEREAS, in connection with the Redpath Subordinated Note and the Senior Credit Agreement, the PDI Parties, Payee and Senior Agent entered into that certain Subordination and Intercreditor Agreement (the "Subordination Agreement"), dated as of October 31, 2014;

WHEREAS, PDI desires to enter into an Asset Purchase Agreement (the "APA") by and between PDI and Publicis Touchpoint Solutions, Inc. (the "Purchaser") pursuant to which PDI shall sell and Purchaser shall purchase substantially all of the assets, the goodwill and ongoing business comprising PDI's commercial services business focused on providing outsourced pharmaceutical, biotechnology, medical device and diagnostic sales teams, medical science liaison and clinical nurse educator teams and the PDOne digital sales platform to the Seller's corporate customers (the "CSB Collateral") upon the terms and conditions set forth in the APA (the "CSB Transaction");

WHEREAS, the PDI Parties have requested that Payee consent to the CSB Transaction;

WHEREAS, the proceeds of the sale of the CSB Collateral (the "CSB Proceeds") shall be used, in part, to repay the Senior Credit Facility, and the liens over the Collateral in favor of Senior Agent, for the benefit of the Senior Lenders, shall be released (the "Senior Loan Payoff");

WHEREAS, Section 2.7 of the Subordination Agreement provides that in the event of any sale, transfer or other disposition of the Collateral, the proceeds resulting therefrom, following the indefeasible payment in full of the Senior Facility, shall be applied to the Subordinated Debt;

WHEREAS, the PDI Parties have requested a waiver of Section 2.7 of the Subordination Agreement, to permit PDI not to apply the CSB Proceeds to the Subordinated Debt and to continue to make payments on the Subordinated Debt in accordance with Section 4 of the Redpath Subordinated Note;

WHEREAS, the PDI Parties and certain of their affiliates anticipate entering into a revolving loan facility to be secured by a first lien security interest in accounts receivable generated from the sale of diagnostic products marketed by certain Loan Parties (collectively, the "IDX Collateral") and a second lien security interest in all other Collateral (junior to the lien on such collateral in favor of Payee), which loan facility will be on substantially the same terms as are set forth in the term sheet (the "AR Loan Termsheet") delivered by Durham Capital Corporation (together with any designee, the "AR Lender") to PDI on October 30, 2015 which is attached hereto as Exhibit A (the "AR Loan Facility");

WHEREAS, the PDI Parties have requested that Payee consent to the AR Loan Facility upon the terms and conditions set forth herein;

WHEREAS, in connection with the Payee's consent to the CSB Transaction and the Payee's consent to the AR Loan Facility, the PDI Parties and the Payee have agreed to certain matters, including, without limitation certain amendments to the Redpath Subordinated Note as more particularly set forth herein;

NOW, THEREFORE, intending to be legally bound hereby, the Parties hereto agree as follows:

1. Consent to AR Facility. So long as no Subordinated Debt Default has occurred and is continuing, Payee hereby consents to the AR Loan Facility on the terms set forth in the AR Loan Termsheet and shall work together with PDI in good faith, and at PDI's sole cost and expense, to negotiate and enter into a subordination agreement and amendments to such Subordinated Debt Documents as may be necessary, to permit such indebtedness, to subordinate Payee's liens on the IDX Collateral (provided that the lien of the Payee in all Collateral other than the IDX Collateral shall be a first priority lien), and to enter into such third party documents as may be reasonably

requested by PDI and/or such AR Lender on terms and conditions that are reasonably acceptable to PDI, the AR Lender and Payee.

2. Consent to CSB Transaction; Acknowledgement of Lien Release. Payee hereby consents to the CSB Transaction in accordance with the terms of the APA. Payee acknowledges that upon consummation of the CSB Transaction in accordance with the terms of the APA, all of Payee's liens in the CSB Collateral shall be released.

3. Waiver of CSB Proceeds. Subject to the terms and conditions of this Waiver and Consent, the provisions of Section 2.7 of the Subordination Agreement are hereby waived solely to permit the PDI Parties to not apply the CSB Proceeds to the Subordinated Debt and to continue to make payments on the Subordinated Debt in accordance with Section 4 of the Redpath Subordinated Note, as amended hereby. Payee further acknowledges and agrees that no lien in favor of Payee shall attach to the CSB Proceeds.

4. Reaffirmation. Upon consummation of the CSB Transaction and the Senior Facility Payoff, and subject to the AR Loan Facility, (i) all liens and security interests granted to the Payee under the Subordinated Debt Documents (other than the liens and security interests in the CSB Collateral) shall remain in force and effect and shall continue to secure the obligations under the Subordinated Debt Documents; (ii) the validity and perfection of the liens and security interests granted under the Subordinated Debt Documents (other than the liens and security interests in the CSB Collateral) will not be impaired by the execution and delivery of this Waiver and Consent; and (iii) subject to the AR Loan Facility, Payee shall have a first priority lien on the Collateral (other than the CSB Collateral);

5. Limitation of Waiver. Without limiting the generality of Section 2.7 of the Subordination Agreement, the waiver set forth in Section 3 hereof shall be limited precisely as written and relates solely to the provisions of Section 2.7 of the Subordination Agreement in the manner and to the extent described above and nothing in this Waiver and Consent shall be deemed to:

(a) Constitute a waiver of compliance by PDI with respect to any other term, provision or condition of the Subordination Agreement or any other Subordinated Debt Document, or any other instrument or agreement referred to therein; or

(b) Prejudice any right or remedy that the Payee may now have or may have in the future under or in connection with the Subordination Agreement and any other Subordinated Debt Document, or any other instrument or agreement referred to therein.

6. Amendment of Redpath Subordinated Note. Section 4 of the Redpath Subordinated Note shall be amended to insert the following sentence at the end of that Section, as follows:

"Notwithstanding the foregoing, upon the prior written request by Payee (which request by Payee shall be made in its reasonable discretion), PDI shall make a one-time principal payment in the amount of $1,333,750 on July 1, 2016. If Payee elects to request such payment, it shall provide written notice thereof to PDI on April 30, 2016. The parties acknowledge and agree that such payment, if requested by Payee, shall have the effect of accelerating the regularly scheduled payment in the amount of $1,333,750 that would otherwise be due and owing by PDI on July 1, 2018."

7. Contingent Consideration Agreement. The Contingent Consideration Agreement entered into by and among the PDI Parties and the Payee on October 31, 2014 (the "CCA") provides for the issuance of certain shares of PDI Common Stock (as defined in the CCA) upon the occurrence of certain milestone events. 500,000 shares of PDI Common Stock have been issued previously to the Equityholders (as defined in the CCA). An additional 500,000 shares of PDI Common Stock are to be issued upon the "Commercial Launch of Pathfinder TG for the management of Barrett's esophagus". Section 1(b) of the CCA provides for acceleration of the issuance of such 500,000 shares of PDI Common Stock. The PDI Parties agree that such 500,000 shares of PDI Common Stock shall be deemed to be earned by the Equityholders as of the date of closing of the CSB Transaction and such shares shall be issued to the Equityholders as of the date of the consummation of the CSB Transaction. Thereafter the PDI Parties shall have no further obligations to issue shares of PDI Common Stock to the Equityholders under the terms of the CCA.

8. No Modifications. Except as specifically provided herein, nothing contained in this Waiver and Consent shall be deemed or construed to amend, supplement or modify the Subordination Agreement (including, without limitation, the provisions of Section 2.7 thereof), the Redpath Subordinated Note or any other Subordinated Debt Document or otherwise affect the rights and obligations of any party thereto, all of which remain in full force and effect.

9. Fee; Expenses. Upon the consummation of the CSB Transaction, the PDI Parties hereby agree to pay a waiver and consent fee to the Payee in an amount equal to 1% of the outstanding principal balance of the Subordinated Debt. Furthermore, the PDI Parties agree to pay the costs and expenses of the Payee in connection with this Waiver and Consent and the matters contemplated hereby, including, without limitation, the fees and expenses of legal counsel to the Payee, regardless of whether the CSB Transaction or the AR Loan Facility are consummated.

10. Successors and Assigns. This Waiver and Consent shall inure to the benefit of and be binding upon PDI, Payee and each of their respective successors and assigns.

11. GOVERNING LAW. THIS WAIVER AND CONSENT SHALL BE MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK.

12. Counterparts. This Waiver and Consent may be executed in any number of counterparts, all of which shall constitute one and the same document, and any party hereto may execute this Waiver and Consent by signing and delivering one or more counterparts. Delivery of an executed counterpart of this Waiver and Consent electronically or by facsimile shall be effective as delivery of an original executed counterpart of this Waiver and Consent.

[SIGNATURE PAGE FOLLOWS]

The undersigned has executed this Waiver and Consent as of the date first above written.

REDPATH EQUITYHOLDER REPRESENTATIVE, LLC

By: /s/ Brian G. Murphy
Name: Brian G. Murphy
Title: General Partner

PDI, INC.

By: /s/ Nancy Lurker
Name: Nancy Lurker
Title: Chief Executive Officer

The undersigned hereby acknowledges Sections 4 and 5 above on the date first above written.

INTERPACE DIAGNOSTICS, LLC

By: /s/ Nancy Lurker
Name: Nancy Lurker
Title: President and Chief Executive Officer

Exhibit A: AR Loan Termsheet

DURHAM CAPITAL CORPORATION

590 Madison Avenue • 21st Floor • New York, New York 10022 • 212-482-1000

October 30, 2015

PDI, Inc.
Morris Corporate Center 1
Building A
300 Interpace Parkway
Parsippany, NJ 07054

Ladies and Gentlemen,

In accordance with our recent discussion, Durham Capital Corporation together with its third party lenders and/or assigns ("Durham") is pleased to propose the following financing arrangement for PDI, Inc. or its successors ("PDI"). This is not a Commitment Letter and in no way should be considered a commitment to provide financing nor is this an agreement to deliver a Commitment Letter and/or provide financing. All dollars are in US dollars.

Senior Secured Revolving Credit Facility:	$10,000,000.
Maturity:	3 years
Interest Rate:	Libor + 5.00%
Origination Fee:	1.75%
Amortization:	Interest only
Unused Line Fee:	0.50%
Collateral:	As collateral for all its loans and advances, Durham would have a first lien security interest in accounts receivable generated from the sale of diagnostic products and a second lien security interest in all other assets of the company as carved out in SWK Credit Agreement (10.21 Approved AR Loan Facility). Lender acknowledges that its lien on collateral other than AR will be junior to the lien in favor of RedPath Equityholder Representative, LLC on all non-accounts receivable assets. Loan to value shall not exceed 80%.
Guarantees:	Guaranteed by PDI or its successors.

Covenants:	Loan to value shall not exceed 80%. An intercreditor agreement with SWK Funding LLC is required pursuant to the terms of Section 10.21 of the SWK Credit Agreement and such other documents as may be required pursuant to Section 3.3 of the Subordination and Intercreditor Agreement among PDI, SWK and and RedPath Equityholder Representative, LLC (the "Subordination Agreement").
Inspection:	The site inspection has not been completed. A review of the books and records of the company is required. A valuation report for PDI is required.
Conditions Precedent:	The following are some, but obviously not all, of the conditions precedent to any loan approval by Durham to Borrower: a) Borrower shall be a corporation in good standing in the state of its incorporation and qualified to do business in states and countries where it has collateral. b) Loan origination costs including, but not limited to, audit fees, due diligence fees, reasonable attorneys' fees, search fees, and documentation and filing fees shall be paid by Borrower. Should this financing fail to close, PDI shall not incur any legal expenses or other loan origination costs with the exception of the Application Fee. c) Completion of a field survey by Durham examiners. d) Durham's senior credit committee's review and approval e) Borrower shall have executed and delivered such documents, instruments, security agreements, insurance financing statements, verifications, non-offset letters, tax lien and litigation searches, good standing certificates, copies of building leases, landlord's waivers, trust deeds or mortgages, opinions of counsel and done such other acts as Durham may request in order to obtain Durham's legal approval to effect the completion of the financing arrangements herein contemplated. All of the foregoing must be in a form satisfactory to Durham and Durham's counsel, loans and advances shall be made pursuant to, and subject to, the terms of financing documents executed at the closing.

f) Durham will receive satisfactory reference checks for key management.

g) Written consent of SWK, in accordance with the terms of the SWK Credit Agreement, shall have been received.

h) An intercreditor agreement between Durham and SWK, and such other documents as may be reasonably required pursuant to Section 3.3 of the Subordination Agreement, shall have been executed and delivered.

Application Fee:	In order for us to commence with the financing process, we require a non-refundable fee in the amount of $50,000. Upon the initial closing and funding of the transaction contemplated herein, said $50,000 shall be credited to the Origination Fee.
Use of Proceeds:	The purpose of this financing would be to provide funding for operations and expansion and other general corporate purposes.

Since this letter is not a commitment to make a loan, it should not be relied upon by any third party. If the foregoing correctly sets forth your understanding of the financing arrangements which have been described, please sign below.

Sincerely yours,

DURHAM CAPITAL CORPORATION

By: /s/ Sylvester F. Minter
Sylvester F. Miniter
President

Agreed and Accepted this 30th day of October 2015

PDI, Inc.

By: /s/ Graham Miao

Graham Miao

Title: Chief Financial Officer

PROSPECTUS SUPPLEMENT **Exhibit 99.1**

(To Prospectus dated October 9, 2015) **Registration No. 333-207263**

PDI, Inc.

Up to $5,000,000
Common Stock

We have entered into a Controlled Equity Offering[SM] sales agreement with Cantor Fitzgerald & Co., or Cantor, relating to shares of our common stock offered by this prospectus supplement and the accompanying prospectus. In accordance with the terms of the sales agreement, we may offer and sell shares of our common stock having an aggregate offering price of up to $5,000,000 from time to time through Cantor as our sales agent.

The aggregate market value of our outstanding common stock held by non-affiliates was $15,115,138 based on 16,720,037 shares of outstanding common stock, of which 7,129,782 shares are held by non-affiliates, and a per share price of $2.12 based on the closing sale price of our common stock on September 4, 2015. We have not offered any securities pursuant to General Instruction I.B.6. of Form S-3 during the prior 12 calendar month period that ends on and includes the date of this prospectus supplement. Pursuant to General Instruction I.B.6 of Form S-3, in no event will we sell securities registered on this registration statement in a public primary offering with a value exceeding more than one-third of our public float in any 12-month period so long as our public float remains below $75.0 million.

Our common stock is listed on NASDAQ Global Market, or NASDAQ, under the symbol "PDII." The last reported sale price of our common stock on NASDAQ on October 30, 2015 was $1.63 per share.

Cantor may sell shares of our common stock by methods deemed to be an "at-the-market" offering as defined in Rule 415 promulgated under the Securities Act of 1933, as amended, or the Securities Act, including sales made directly on NASDAQ, on any other existing trading market for our common stock or to or through a market maker. In addition, with our prior written approval, Cantor may also sell shares of our common stock by any other method permitted by law, including in negotiated transactions. Cantor will act as sales agent using its commercially reasonable efforts consistent with its normal trading and sales practices and applicable state and federal laws, rules and regulations and the rules of The NASDAQ Stock Market LLC. There is no arrangement for funds to be received in an escrow, trust or similar arrangement.

Cantor will be entitled to compensation at a fixed commission rate equal to 3.0% of the gross sales price of all shares sold through it as sales agent under the sales agreement. In connection with the sale of our common stock on our behalf, Cantor will be deemed to be an "underwriter" within the meaning of the Securities Act, and the compensation paid to Cantor will be deemed to be underwriting commissions or discounts.

Investing in our securities involves a high degree of risk. You should review carefully the risks and uncertainties described under the heading "Risk Factors" on page S-7 of this prospectus supplement, page 2 of the accompanying prospectus and under similar headings in the other documents that are incorporated by reference in this prospectus supplement and the accompanying prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

CANTOR Fitzgerald

The date of this prospectus supplement is November 2, 2015.

TABLE OF CONTENTS

PROSPECTUS SUPPLEMENT

PROSPECTUS

ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectus are part of a "shelf" registration statement on Form S-3 (File No. 333-207263) that we initially filed with the Securities and Exchange Commission, or the SEC, on October 2, 2015, and that was declared effective by the SEC on October 9, 2015. This document is in two parts. The first part is this prospectus supplement which describes the terms of this offering of our common stock and adds to and updates the information contained in the accompanying prospectus. The second part, the accompanying prospectus, provides more general information, some of which may not apply to this offering. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. To the extent there is a conflict between the information contained in this prospectus supplement and the information contained in the accompanying prospectus, you should rely on the information in this prospectus supplement.

This prospectus supplement and the accompanying prospectus relate to the offering of shares of our common stock. Before buying any of the shares of common stock offered hereby, we urge you to read carefully this prospectus supplement and the accompanying prospectus, together with the information incorporated herein by reference as described below under the heading "Incorporation of Certain Information by Reference." This prospectus supplement contains information about the common stock offered hereby and may add to, update or change information in the accompanying prospectus.

You should rely only on the information contained in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus. We have not, and Cantor has not, authorized anyone to provide you with different or additional information.

We are not making offers to sell or solicitations to buy our common stock in any jurisdiction in which an offer or solicitation is not authorized or in which the person making that offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make an offer or solicitation. You should assume that the information in this prospectus supplement and the accompanying prospectus is accurate only as of the date on the front of the respective document and that any information that we have incorporated by reference is accurate only as of the date of the document incorporated by reference, regardless of the time of delivery of this prospectus supplement or the accompanying prospectus or the time of any sale of a security.

This prospectus supplement and the accompanying prospectus contain summaries of certain provisions contained in some of the documents described herein, but reference is made to the actual documents for complete information. All of the summaries are qualified in their entirety by the actual documents. Copies of some of the documents referred to herein have been filed, will be filed or will be incorporated herein by reference as exhibits to the registration statement, and you may obtain copies of those documents as described below under the section entitled "Where You Can Find More Information."

We further note that the representations, warranties and covenants made by us in any agreement that is filed as an exhibit to any document that is incorporated by reference herein were made solely for the benefit of the parties to such agreement, including, in some cases, for the purpose of allocating risk among the parties to such agreements, and should not be deemed to be a representation, warranty or covenant to you. Moreover, such representations, warranties or covenants were accurate only as of the date when made. Accordingly, such representations, warranties and covenants should not be relied on as accurately representing the current state of our affairs.

This prospectus supplement and the accompanying prospectus contain and incorporate by reference market data and industry statistics and forecasts that are based on independent industry publications and other publicly-available information. Although we believe these sources are reliable, we do not guarantee the accuracy or completeness of this information and we have not independently verified this information. Although we are not aware of any misstatements regarding the market and industry data presented in this prospectus supplement, accompanying prospectus or the documents incorporated herein by reference, these estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the headings "Risk Factors" in this prospectus supplement and the accompanying prospectus, and under similar

headings in the other documents that are incorporated herein by reference. Accordingly, investors should not place undue reliance on this information.

Unless the context otherwise requires, in this prospectus supplement, “PDI,” “Company,” “we,” “us” and “our” refer to PDI, Inc. and its consolidated subsidiaries.

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights selected information about us and this offering and does not contain all of the information that you should consider in making your investment decision. You should carefully read this entire prospectus supplement and the accompanying prospectus, including the risks and uncertainties discussed under the heading "Risk Factors" beginning on page S-7 of this prospectus supplement, page 2 of the accompanying prospectus and the information incorporated by reference herein and therein, including our financial statements, before making an investment decision. If you invest in our securities, you are assuming a high degree of risk.

Our Company

We are a leading healthcare commercialization company providing go-to-market strategy and execution to established and emerging pharmaceutical, biotechnology, diagnostics and healthcare companies in the United States through our Commercial Services segment, and developing and commercializing molecular diagnostic tests through our Interpace Diagnostics segment. Our Commercial Services segment is focused on providing outsourced pharmaceutical, biotechnology, medical device and diagnostic sales teams to our corporate customers. Through this business, we offer a range of complementary sales support services designed to achieve our customers' strategic and financial objectives. Our Interpace Diagnostics segment is focused on developing and commercializing molecular diagnostic tests, leveraging the latest technology and personalized medicine for better patient diagnosis and management. Through our Interpace Diagnostics segment, we aim to provide physicians and patients with diagnostic options for detecting genetic and other molecular alterations that are associated with gastrointestinal and endocrine cancers. Our customers in our Interpace Diagnostics segment consist primarily of physicians, hospitals and clinics.

You can get more information regarding our business and industry by reading our most recent Annual Report on Form 10-K and the other reports we file with the SEC. See "Where You Can Find More Information" and "Incorporation of Information by Reference."

Recent Developments

On October 30, 2015, we entered into an Asset Purchase Agreement, or the Asset Purchase Agreement, with Publicis Touchpoint Solutions, Inc., an indirect wholly owned subsidiary of Publicis Groupe S.A., or the Buyer. Pursuant to the Asset Purchase Agreement, we will sell to the Buyer substantially all of the assets, the goodwill and ongoing business comprising our outsourced product commercialization and promotion solutions business, or the Commercial Services segment, and the Buyer will assume certain specified liabilities, upon the terms and subject to the conditions of the Asset Purchase Agreement, or the Asset Sale.

At the closing of the Asset Sale, the Buyer will pay us (i) $25,780,895 in cash plus (ii) up to $7.1 million upon the occurrence of certain events specified in the Asset Purchase Agreement, which aggregate closing payment will be subject to a working capital adjustment as provided in the Asset Purchase Agreement. In addition, we are entitled to receive an additional payment based on an earn-out arrangement equal to one-third of all revenues generated by the Commercial Services segment under certain specified contracts and client relationships in 2016, less the amount paid to us at the closing of the Asset Sale.

The Asset Sale and the Asset Purchase Agreement have been unanimously approved by our Board of Directors. We are calling for and holding a meeting of our stockholders to authorize the Asset Sale.

The Asset Purchase Agreement may be terminated under certain circumstances, including, but not limited to, by either party if the closing of the Asset Sale does not occur by January 31, 2016, and we may be required to pay a termination fee equal to 3.5% of the amount payable to us at the closing of the Asset Sale if the Asset Purchase Agreement is terminated under certain circumstances as set forth in the Asset Purchase Agreement.

In connection with the entry into the Asset Purchase Agreement on October 30, 2015, certain of our stockholders, including our executive officers, entered into voting agreements with the Buyer pursuant to which, among other things, they agreed, subject to certain conditions, to vote certain shares of our common stock owned beneficially or of record by them and representing approximately 46% in the aggregate of our shares of common stock outstanding as of October 7, 2015, in favor of the authorization of the Asset Sale pursuant to the Asset Purchase Agreement at a special meeting of the stockholders.

The foregoing description of the Asset Purchase Agreement and the transactions contemplated thereby is not complete and is subject to and qualified in its entirety by reference to the Asset Purchase Agreement, a copy of which is filed as an exhibit to a Current Report on Form 8-K on the date of this prospectus supplement and is incorporated herein by reference.

Following the Asset Sale, we will be a company focused on developing and commercializing molecular diagnostic tests.

We are currently finalizing our financial results for the third quarter of 2015. While complete financial information and operating data are not available, based on information currently available, we estimate that as of September 30, 2015 we had approximately $9.0 million of cash and cash equivalents, and for the three months ended September 30, 2015, we recorded approximately $36.6 million of revenue, including $34.1 million relating to the Commercial Services segment and $2.5 million of revenue relating to the Interpace Diagnostics segment. These preliminary estimates have been prepared by, and are the responsibility of, our management. Our independent registered public accounting firm, BDO USA LLP, has not audited or reviewed, and does not express an opinion with respect to, these estimates. Our actual cash and cash equivalents as of September 30, 2015 and our actual revenue for the three months ended September 30, 2015 may differ from these estimates due to the completion of our closing procedures with respect to the three months ended September 30, 2015, final adjustments and other developments that may arise between now and the time the financial results for the quarter are finalized. We expect to complete our closing procedures with respect to the third quarter of 2015 after this offering has commenced. Accordingly, our condensed consolidated financial statements as of, and for the three and nine-month periods ended, September 30, 2015 will not be available until after this offering has commenced.

Corporate Information

We were originally incorporated in New Jersey in 1986 and began commercial operations in 1987. In connection with our initial public offering, we re-incorporated in Delaware in 1998. We conduct our Commercial Services segment through our parent company, PDI, Inc. and our wholly-owned subsidiary, PDI BioPharma, LLC, which was formed in New Jersey in 2011. We conduct our Interpace Diagnostics segment through our wholly-owned subsidiaries, Interpace Diagnostics, LLC, which was formed in Delaware in 2013 and Interpace Diagnostics Corporation (formerly known as RedPath Integrated Pathology, Inc.), which was formed in Delaware in 2007. Our executive offices are located at Morris Corporate Center 1, Building A, 300 Interpace Parkway, Parsippany, New Jersey 07054. Our telephone number is (800) 242-7494.

THE OFFERING

Common stock offered by us pursuant to this prospectus supplement	Shares of common stock having an aggregate offering price of up to $5,000,000
Common stock estimated to be outstanding immediately after this offering	Assuming all 3,067,485 of our common stock is sold in this offering at an assumed offering price of $1.63 per share, which was the last reported sale price of our common stock on NASDAQ on October 30, 2015, we would have had 19,783,284 shares of common stock outstanding as of June 30, 2015. The actual number of shares issued will vary depending on the sales price under this offering.
Manner of offering	"At-the-market" offering made from time to time through our sales agent, Cantor. See "Plan of Distribution" on page S-17 of this prospectus supplement.
Use of Proceeds	We anticipate that the net proceeds from this offering will be used for general corporate purposes, including working capital, continued development of our products, acquisitions of assets or businesses and other business opportunities. See "Use of Proceeds" on page S-15 of this prospectus supplement.
Risk Factors	An investment in our common stock involves a high degree of risk. See the information contained in or incorporated by reference under "Risk Factors" on page S-7 of this prospectus supplement, page 2 of the accompanying prospectus, page 19 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and under similar headings in the other documents that are incorporated by reference herein, as well as the other information included in or incorporated by reference in this prospectus supplement and the accompanying prospectus.
NASDAQ symbol	Our common stock is quoted and traded on NASDAQ under the symbol "PDII."

The number of shares of our common stock to be outstanding immediately after this offering is based on 16,715,799 shares of common stock outstanding as of June 30, 2015. Unless specifically stated otherwise, the information in this prospectus supplement is as of June 30, 2015 and excludes:

- 10,000 shares of common stock issuable to a director upon the exercise of stock options outstanding as of June 30, 2015, at a weighted average exercise price of $14.40 per share, of which options to purchase 10,000 shares of common stock were then exercisable;
- 1,747,294 shares of common stock issuable upon the settlement of restricted stock units, or RSUs, issued to our employees and directors, of which no shares of common stock are vested;
- 1,229,130 shares of common stock issuable upon settlement of stock appreciate rights, or SARs, issued to certain executive officers and members of senior management as of June 30, 2015, at a weighted average exercise price of $4.69 per share, of which 474,612 shares of common stock were then vested and exercisable;
- 500,000 shares of common stock issuable to the equityholders of RedPath Integrated Pathology, Inc. upon the closing of the Asset Sale pursuant to the Contingent Consideration Agreement, dated

October 31, 2014, by and among PDI, Inc., Interpace Diagnostics, LLC and RedPath Equityholder Representative, LLC; and

- 666,354 shares of common stock reserved for future issuance under our 2004 2nd Amended and Restated Stock Award and Incentive Plan, 2000 Omnibus Incentive Compensation Plan and 1998 Stock Option Plan as June 30, 2015.

RISK FACTORS

Investing in our common stock involves a high degree of risk. Before investing in our common stock, you should carefully consider the risks described below, together with all of the other information contained in this prospectus supplement and the accompanying prospectus and incorporated by reference herein and therein, including from our most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q. Some of these factors relate principally to our business and the industry in which we operate. Other factors relate principally to your investment in our securities. The risks and uncertainties described therein and below are not the only risks facing us. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also materially and adversely affect our business and operations.

If any of the matters included in the following risks were to occur, our business, financial condition, results of operations, cash flows or prospects could be materially and adversely affected. In such case, you may lose all or part of your investment.

Risks Related to this Offering

We have broad discretion in the use of the net proceeds of this offering and, despite our efforts, we may use the proceeds in a manner that does not improve our operating results or increase the value of your investment.

We currently anticipate that the net proceeds from this offering will be used for general corporate purposes, including working capital, continued development of our products, acquisitions of assets or businesses and other business opportunities. However, we have not determined the specific allocation of the net proceeds among these potential uses. Our management will have broad discretion over the use and investment of the net proceeds of this offering, and, accordingly, investors in this offering will need to rely upon the judgment of our management with respect to the use of proceeds, with only limited information concerning our specific intentions. These proceeds could be applied in ways that do not improve our operating results or increase the value of your investment. Please see the section entitled “Use of Proceeds” on page S-15 of this prospectus supplement for further information.

If you purchase the common stock sold in this offering, you will experience immediate dilution as a result of this offering and future equity issuances.

Because the price per share of our common stock being offered may be higher than the book value per share of our common stock, you may suffer immediate substantial dilution in the net tangible book value of the common stock you purchase in this offering. See the section entitled “Dilution” on page S-15 of this prospectus supplement for a more detailed discussion of the dilution you will incur if you purchase common stock in this offering.

Because the sales of the shares offered hereby will be made directly into the market or in negotiated transactions, the prices at which we sell these shares will vary and these variations may be significant. Purchasers of the shares we sell, as well as our existing stockholders, will experience significant dilution if we sell shares at prices significantly below the price at which they invested.

The issuance of additional shares of our common stock in future offerings could be dilutive to stockholders if they do not invest in future offerings. Moreover, to the extent that we issue options or warrants to purchase, or

securities convertible into or exchangeable for, shares of our common stock in the future and those options, warrants or other securities are exercised, converted or exchanged, stockholders may experience further dilution.

Risks Related to the Asset Sale

The announcement and pendency of the Asset Sale, whether or not consummated, may adversely affect our business.

The announcement and pendency of the Asset Sale, whether or not consummated, may adversely affect the trading price of our common stock, our business or our relationships with customers, suppliers and employees. As a result of the announcement and pendency of the Asset Sale, third parties may be unwilling to enter into material agreements with respect to our Commercial Services segment. New or existing customers and business partners may prefer to enter into agreements with our competitors who have not expressed an intention to sell a portion of their business because customers and business partners may perceive that such new relationships are likely to be more stable. In addition, pending the completion of the Asset Sale, we may be unable to attract and retain key personnel as employees working in the Commercial Services segment or otherwise may become concerned about the future of the business and lose focus or seek other employment. Furthermore, our management's focus and attention and employee resources may be diverted from operational matters during the pendency of the Asset Sale. The Asset Purchase Agreement also imposes certain restrictions on the conduct of our business prior to the completion of the Asset Sale, which could delay or prevent us from undertaking business opportunities that may arise pending completion of the Asset Sale. In the event that the Asset Sale is not completed, the announcement of the termination of the Asset Purchase Agreement may also adversely affect the trading price of our common stock, our business or our relationships with customers, suppliers and employees.

We cannot be sure if or when the Asset Sale will be completed.

The consummation of the Asset Sale is subject to the satisfaction or waiver of various conditions, including the authorization of the Asset Sale by our stockholders. We cannot guarantee that the closing conditions set forth in the Asset Purchase Agreement will be satisfied. If we are unable to satisfy the closing conditions in the Buyer's favor, or if other mutual closing conditions are not satisfied, the Buyer will not be obligated to complete the Asset Sale.

If the Asset Sale is not completed, our board of directors, in discharging its fiduciary obligations to our stockholders, will evaluate other strategic alternatives that may be available, which alternatives may not be as favorable to our stockholders as the Asset Sale. Any future sale of substantially all of our assets or other transactions may be subject to further stockholder approval.

If we fail to complete the Asset Sale, the failure to maintain existing business relationships or enter into new ones could adversely affect our business, results of operations, and financial condition. If we fail to complete the Asset Sale, we expect that we will also retain and continue to operate the Commercial Services segment. The potential for loss or disaffection of employees or customers of the Commercial Services segment following a failure to consummate the Asset Sale could have a material, negative impact on the value of our business.

In addition, if the Asset Sale is not consummated, our management and other employees will have expended extensive time and effort and their focus and attention will have been diverted from operational matters during the pendency of the transaction, and we will have incurred significant third party transaction costs, in each case, without any commensurate benefit, which may have a material and adverse effect on our stock price and results of operations.

The Asset Purchase Agreement limits our ability to pursue alternatives to the Asset Sale.

The Asset Purchase Agreement contains provisions that make it more difficult for us to sell the Commercial Services segment to any party other than the Buyer. These provisions include the prohibition on our ability to solicit competing proposals and the requirement that we pay a termination fee if the Asset Purchase Agreement is terminated in specified circumstances. These provisions could make it less advantageous for a third party that might have an interest in acquiring us or all of or a significant part of the Commercial Services segment to consider or propose an alternative transaction, even if that party were prepared to pay consideration with a higher value than the consideration to be paid by the Buyer.

The Asset Purchase Agreement will expose us to contingent liabilities that could have a material adverse effect on our financial condition.

We have agreed to indemnify the Buyer for damages resulting from or arising out of any inaccuracy or breach of any representation, warranty or covenant of ours in the Asset Purchase Agreement, any and all liabilities of ours not assumed by the Buyer in the Asset Sale and for certain other matters. Significant indemnification claims by the Buyer could have a material adverse effect on our financial condition. We will not be obligated to indemnify the Buyer for any breach of certain of the representations and warranties by us under the Asset Purchase Agreement until the aggregate amount of claims for indemnification exceed $250,000. In the event that claims for indemnification for breach of most of the representations and warranties made by us under the Asset Purchase Agreement exceed this threshold, we will be obligated to indemnify the Buyer for any damages or loss resulting from such breach up to 25% of the total purchase price paid or due and payable by the Buyer to us. Claims for indemnification for breaches of covenants made by us under the Asset Purchase Agreement and for breaches of representations and warranties classified as fundamental representations or any provision of the Asset Purchase Agreement relating to taxes will not be subject to the deductible or aggregate liability cap described above.

Because the Commercial Services segment represented approximately 98.8% of our consolidated revenue for the fiscal year ended December 31, 2014, if the Asset Sale is completed, our business following the Asset Sale will be substantially different and may never achieve or sustain profitability.

The Commercial Services segment represented approximately 98.8% of our consolidated revenue for the fiscal year ended December 31, 2014 while the revenue generated from our Interpace Diagnostics segment was $1.5 million for the fiscal year ended December 31, 2014, or 1.2% of our consolidated revenue for the same period. We intend to use the net proceeds from the Asset Sale to pay the balance of the outstanding loan under the Credit Agreement, dated October 31, 2014, by and among the Company, SWK Funding LLC and the financial institutions party thereto from time to time as lenders, or the Credit Agreement, and related fees, to fund our future business activities, including our Interpace Diagnostics segment, and for general working capital purposes. Although we expect the revenue generated from our Interpace Diagnostics segment to grow in the future, there can be no assurance that we will achieve revenue sufficient to offset expenses. Additionally, we believe that we will need additional funding in the near future to finance the development and operation of our business activities, including our Interpace Diagnostics segment. Additional funding may not be available to us on acceptable terms, or at all.

Furthermore, there is no guarantee that we will be able to achieve sustained growth in our Interpace Diagnostics segment, achieve or sustain profitability in our Interpace Diagnostics segment, or generate positive cash flows from our Interpace Diagnostics segment, or in new products or business opportunities we may pursue.

In addition, since our focus following the closing of the Asset Sale will be on our Interpace Diagnostics segment, our management may face even greater expectations from investors and analysts to more quickly produce improved quarterly financial results for our Interpace Diagnostics segment as compared to the periods prior to the Asset Sale. This might cause distractions for our management and our board of directors and might at times conflict with our desire to build long-term stockholder value.

Because our business will initially be smaller following the completion of the Asset Sale, there is a possibility that our common stock may be delisted from NASDAQ if we fail to satisfy the continued listing standards of that market.

Even though we currently satisfy the continued listing standards for NASDAQ, initially following the completion of the Asset Sale, our business will be smaller, and, therefore, we may fail to satisfy the continued listing standards of NASDAQ. In the event that we are unable to satisfy the continued listing standards of NASDAQ, our common stock may be delisted from that market. Any delisting of our common stock from NASDAQ could adversely affect our ability to attract new investors, decrease the liquidity of our outstanding shares of common stock, reduce our flexibility to raise additional capital, reduce the price at which our common stock trades and increase the transaction costs inherent in trading such shares with overall negative effects for our stockholders. In addition, delisting of our common stock could deter broker-dealers from making a market in or otherwise seeking or generating interest in our common stock, and might deter certain institutions and persons from investing in our securities at all. For these reasons and others, delisting could adversely affect the price of our common stock and our business, financial condition and results of operations.

A portion of the purchase price is contingent and we may not receive those payments.

Up to $7.1 million of the purchase price is subject to the entry by us prior to the closing of both a binding contract and a corresponding statement of work with one of our prospective clients that has been approved by the Buyer and is projected to result in revenue in 2016 in an amount equal to or greater than $25.0 million. If the determinations of this event and the amount of this payment are not agreed by the parties, then the determinations shall be made in good faith by the Buyer. We are also entitled to receive an earn-out payment equal to one-third of the 2016 revenues generated by the Commercial Services segment under certain specified contracts and client relationships, less the amount paid to us at the closing of the Asset Sale. The Asset Purchase Agreement also allows the Buyer to withhold monies due under the earn-out arrangement if indemnification claims are asserted. The Buyer has broad discretion to operate its post-closing business and may choose to do so in a manner which may or may not result in the payment to us of this earn-out payment.

Our stockholders will not receive any distribution from the Asset Sale, and may never receive any return of value.

We do not intend to distribute to stockholders any cash proceeds from the Asset Sale. Instead, we intend to use the net proceeds from the Asset Sale to pay the balance of the outstanding loan under the Credit Agreement and related fees, to fund our future business activities, including our Interpace Diagnostics segment, and for general working capital purposes. Any future decision for the use of those funds will be made by our board of directors.

In addition, we have not declared any cash dividends and do not intend to declare or pay any cash dividends in the foreseeable future. Future earnings, if any, will be used to finance the future operation and growth of our business. Stockholders also do not have appraisal rights in connection with the Asset Sale. Stockholders will not receive any liquidity from the Asset Sale and the only return to them will be based on any future appreciation in our stock price or upon a future sale or liquidation of our company. Much depends on our future business, including the success or failure of our Interpace Diagnostics segment. There are no assurances that we will be successful, and current stockholders may never get a return on their investment.

We may undergo, or may already have undergone, an "ownership change" within the meaning of Section 382 of the Internal Revenue Code of 1986, as amended, which could affect our ability to offset gains, if any, realized in the Asset Sale against our deferred tax assets.

Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, contains rules that limit the ability of a company that undergoes an ownership change to utilize its net operating losses and tax credits existing as of the date of such ownership change. Under the rules, such an ownership change is generally any change in ownership of more than 50% of a company's stock within a rolling three-year period. The rules generally operate by focusing on changes in ownership among stockholders considered by the rules as owning, directly or indirectly, 5%

or more of the stock of a company and any change in ownership arising from new issuances of stock by the company.

If we were to undergo one or more "ownership changes" within the meaning of Section 382 of the Code, or if one has already occurred, our deferred tax assets resulting from net operating loss carryforwards and deductible temporary differences existing as of the date of each ownership change may be unavailable, in whole or in part, to offset gains, if any, from the Asset Sale. If we are unable to offset fully for U.S. federal income tax purposes gains, if any, realized in respect of the Asset Sale with the tax loss carry-forwards, we may incur additional U.S. federal income tax.

Our executive officers and directors may have interests in the Asset Sale other than, or in addition to, the interests of our stockholders generally.

Members of our board of directors and our executive officers may have interests in the Asset Sale that are different from, or are in addition to, the interests of our stockholders generally. Our board of directors was aware of these interests and considered them, among other matters, in approving the Asset Purchase Agreement.

Our Chief Executive Officer is entitled to certain benefits pursuant to her employment separation agreement with us if her employment is terminated in connection with a change of control. Our other executive officers may also be entitled to certain benefits in accordance with their respective employment separation agreements in the event of a change of control of the Company. In addition, in general, non-performance based SARs, RSUs and restricted stock awarded to our employees, including those awarded to our executive officers, vest upon a change of control. Also the time-based component of any equity award subject to performance goals would be deemed satisfied, however, the applicable performance goals would still need to be satisfied before such award would vest. The consummation of the Asset Sale would constitute a "change of control" under these agreements.

After we pay the balance of the outstanding loan under the Credit Agreement and related fees, we may not be able to continue as a going concern if we do not generate sufficient revenue or obtain additional financing.

We intend to use a significant portion of the net proceeds received at the closing of the Asset Sale to pay the balance of the outstanding loan under the Credit Agreement and related fees. Although we expect the revenue generated from our Interpace Diagnostics segment to grow in the future, there can be no assurance that we will achieve revenue sufficient to offset expenses. Additionally, we believe that we will need additional funding in the near future to finance the development and operation of our business activities, including our Interpace Diagnostics segment, which funding may not be available to us on acceptable terms, or at all. If we do not generate sufficient revenue or obtain additional financing, we may not be able to continue as a going concern. If we are unable to continue as a going concern, investors may lose all of their investment in us.

We may be exposed to litigation related to the Asset Sale from the holders of our common stock.

Transactions such as the Asset Sale are often subject to lawsuits by stockholders. Because the holders of our common stock will not receive any consideration from the Asset Sale, it is possible that they may sue us or our board of directors. Such lawsuits could result in substantial costs and divert our management's attention from other business concerns, which could seriously harm our business.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein contain forward-looking statements. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "could," "would," "expects," "plans," "anticipates," "believes," "estimates," "projects," "predicts," "potential" and similar expressions intended to identify forward-looking statements.

The forward-looking statements in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein include, among other things, statements about:

- our ability to profitably grow our Interpace Diagnostics segment, including our ability to successfully compete in the market;
- our ability to successfully negotiate contracts in our Commercial Services segment with reasonable margins and favorable payment terms;
- our ability to receive stockholder approval, and satisfy the closing conditions, for the Asset Sale;
- our ability to profitably grow our business without our Commercial Services segment;
- our ability to collect the portion of the purchase price for the Asset Sale that is tied to an earn-out arrangement;
- our ability to obtain broad adoption of and reimbursement for our molecular diagnostic tests in a changing reimbursement environment;
- the demand for our molecular diagnostic tests from physicians and patients;
- whether we are able to successfully utilize our operating experience from our Commercial Services segment to sell our molecular diagnostic tests;
- our dependence on third parties for the supply of some of the materials used in our molecular diagnostic tests;
- our plans to develop, acquire and commercialize our existing and planned molecular diagnostic tests, as applicable;
- the effect current and future laws, licensing requirements and regulation have on our Commercial Services and Interpace Diagnostics segments;
- our exposure to environmental liability as a result of our Interpace Diagnostics segment;

- the susceptibility of our information systems to security breaches, loss of data and other disruptions;
- our compliance with our license agreements and our ability to protect and defend our intellectual property rights;
- product liability claims against us;
- our involvement in current and future litigation against us;
- our billing practices and our ability to collect on claims for the sale of our molecular diagnostic tests;
- in our Commercial Services segment, early termination of a significant services contract, the loss of one or more of our significant customers or a material reduction in service revenues from such customers;
- our customer concentration risk in our Commercial Services segment in light of continued consolidation within the pharmaceutical industry and our current business development opportunities;
- our ability to meet performance goals in incentive-based arrangements with customers in our Commercial Services segment;
- our ability to attract and retain qualified sales representatives and other key employees and management personnel;
- changes in outsourcing trends or a reduction in promotional and sales expenditures in the pharmaceutical, biotechnology and healthcare industries;
- competition in the industries in which we operate or expect to operate;
- our ability to obtain additional funds in order to implement our business models and strategies;
- our ability to satisfy our debt, royalty and milestone obligations and comply with our debt covenants;
- our ability to successfully identify, complete and integrate any future acquisitions or successfully complete and integrate our Interpace Diagnostics segment and the effects of any such items on our revenues, profitability and ongoing business;
- failure of third-party service providers to perform their obligations to us;
- the results of any future impairment testing for goodwill and other intangible assets;
- the effect our largest stockholder may have on us;

- volatility of our stock price and fluctuations in our quarterly and annual revenues and earnings;
- failure to satisfy NASDAQ's continued listing standards;
- the ability to utilize our net operating losses and tax credits;
- our ability to continue as a going concern; and
- exposure to litigation relating to the Asset Sale or otherwise.

Forward-looking statements are only predictions and are not guarantees of future performance. These statements are based on current expectations and assumptions involving judgments about, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. These predictions are also affected by known and unknown risks, uncertainties and other factors that may cause our actual results to be materially different from those expressed or implied by any forward-looking statement. Many of these factors are beyond our ability to control or predict.

You should read this prospectus supplement, the accompanying prospectus and the documents that we incorporate by reference herein and therein completely and with the understanding that our actual future results may be materially different from what we expect. These forward-looking statements speak only as of the date when made. We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Before making an investment decision, you should carefully consider the risk factors discussed and incorporated by reference in this prospectus supplement and the accompanying prospectus.

USE OF PROCEEDS

We intend to use the net proceeds from this offering for general corporate purposes, including working capital, continued development of our products, acquisitions of assets or businesses and other business opportunities.

As of the date of this prospectus supplement, we cannot specify with certainty all of the particular uses for the net proceeds to us from this offering. Accordingly, our management will have broad discretion in the application of these proceeds.

Pending the use of the net proceeds, we intend to invest the net proceeds in short-term, interest-bearing instruments and investment grade securities.

DILUTION

Purchasers of common stock in this offering will experience immediate dilution to the extent of the difference between the public offering price per share of common stock, and the net tangible book value per share of common stock immediately after this offering.

Our net tangible book value as of June 30, 2015 was approximately $(50.8) million, or $(3.04) per share. After giving effect to the assumed sale by us of an aggregate of $5,000,000 in shares of common stock in this offering at an assumed offering price of $1.63 per share, which was the last reported sale price of our common stock on NASDAQ on October 30, 2015, and after deducting commissions and estimated offering expenses payable by us, our as adjusted net tangible book value, as of June 30, 2015, would have been approximately $(46.0) million, or $(2.32) per share of common stock. This represents an immediate increase in the net tangible book value of $0.72 per share to our existing stockholders and an immediate dilution in the net tangible book value of $(0.69) per share of common stock to investors purchasing common stock in this offering. The following table illustrates this calculation on a per share basis:

Assumed offering price per share of common stock		$ 1.63
Net tangible book value per share as of June 30, 2015	$ (3.04)	
Increase in net tangible book value per share after this offering	$ 0.72	
As adjusted net tangible book value per share as of June 30, 2015, after giving effect to this offering		$ (2.32)
Dilution per share to investors participating in this offering		$ (0.69)

The table above assumes for illustrative purposes that an aggregate of 3,067,485 shares of our common stock are sold at a price of $1.63 per share, which was the last reported sale price of our common stock on NASDAQ on October 30, 2015. The shares sold in this offering, if any, will be sold from time to time at various prices. An increase of $0.25 per share in the price at which the shares are sold from the assumed offering price of $1.63 per share shown in the table above, assuming all of our common stock in the gross aggregate amount of $5,000,000 sold at that price, would have a decrease of $0.05 in our as adjusted net tangible book value per share

after the offering and would have a decrease of $0.20 in the dilution in net tangible book value per share to new investors in this offering, after deducting commissions and estimated offering expenses payable by us. A decrease of $0.25 per share in the price at which the shares are sold from the assumed offering price of $1.63 per share shown in the table above, assuming all of our common stock in the gross aggregate amount of $5,000,000 is sold at that price, would have an increase of $0.06 in our as adjusted net tangible book value per share after the offering and would have an increase of $0.19 in the dilution in net tangible book value per share to new investors in this offering, after deducting commissions and estimated offering expenses payable by us. This information is supplied for illustrative purposes only and may differ based on the actual offering price and the actual number of shares offered.

The number of shares of our common stock to be outstanding immediately after this offering is based on 16,715,799 shares of common stock outstanding as of June 30, 2015. Unless specifically stated otherwise, the information in this prospectus supplement is as of June 30, 2015 and excludes:

- 10,000 shares of common stock issuable to a director upon the exercise of stock options outstanding as of June 30, 2015, at a weighted average exercise price of $14.40 per share, of which options to purchase 10,000 shares of common stock were then exercisable;
- 1,747,294 shares of common stock issuable upon the settlement of RSUs issued to our employees and directors, of which no shares of common stock are vested;
- 1,229,130 shares of common stock issuable upon settlement of SARs issued to certain executive officers and members of senior management as of June 30, 2015, at a weighted average exercise price of $4.69 per share, of which 474,612 shares of common stock were then vested and exercisable;
- 500,000 shares of common stock issuable to the equityholders of RedPath Integrated Pathology, Inc. upon the closing of the Asset Sale pursuant to the Contingent Consideration Agreement, dated October 31, 2014, by and among PDI, Inc., Interpace Diagnostics, LLC and RedPath Equityholder Representative, LLC; and
- 666,354 shares of common stock reserved for future issuance under our 2004 2nd Amended and Restated Stock Award and Incentive Plan, 2000 Omnibus Incentive Compensation Plan and 1998 Stock Option Plan as June 30, 2015.

PLAN OF DISTRIBUTION

We have entered into a Controlled Equity Offering[SM] sales agreement with Cantor, under which we may issue and sell from time to time shares of our common stock through Cantor, acting as agent. Pursuant to this prospectus supplement, we may offer and sell shares of our common stock having an aggregate gross sales price of up to $5,000,000. The sales agreement will be filed as an exhibit to a Current Report on Form 8-K filed under the Securities Exchange Act of 1934, or the Exchange Act, and incorporated by reference in this prospectus supplement. Sales of our shares of common stock, if any, will be made by means of ordinary brokers' transactions on NASDAQ at market prices.

Cantor will offer our common stock subject to the terms and conditions of the sales agreement on a daily basis or as otherwise agreed upon by us and Cantor. We will designate the maximum amount of our common stock to be sold through Cantor on a daily basis or otherwise determine such maximum amount together with Cantor. Subject to the terms and conditions of the sales agreement, Cantor will use its commercially reasonable efforts as the agent to sell on our behalf all of the designated shares of our common stock. We may instruct Cantor not to sell our common stock if the sales cannot be effected at or above the price designated by us in any such instruction. We may suspend the offering of our common stock under the sales agreement by notifying Cantor. Cantor may suspend the offering of our common stock under the agreement by notifying us of such suspension.

Cantor will receive from us a commission equal to 3.0% of the gross sales price per share for any shares sold through it as our agent under the sales agreement. We have agreed to reimburse Cantor for up to $50,000 of their legal expenses in certain circumstances. We estimate that the total expenses of the offering payable by us, excluding commissions and reimbursements payable to Cantor under the sales agreement, will be approximately $150,000.

Settlement for sales of our common stock will occur, unless the parties agree otherwise, on the third business day following the date on which any sales were made in return for payment of the net proceeds to us. Sales of our common stock as contemplated in this prospectus will be settled through facilities of The Depository Trust Company or by such other means as we and Cantor may agree upon. There is no arrangement for funds to be received in an escrow, trust or similar arrangement.

In connection with the sale of our common stock on our behalf, Cantor will be deemed to be an "underwriter" within the meaning of the Securities Act, and the compensation paid to Cantor will be deemed to be underwriting commissions. We have agreed in the sales agreement to provide indemnification and contribution to Cantor against certain civil liabilities, including liabilities under the Securities Act.

The offering of our common stock pursuant to the sales agreement will terminate upon the termination of the sales agreement as permitted therein.

Cantor and its affiliates may in the future provide various investment banking, commercial banking and other financial services for us and our affiliates, for which services they may in the future receive customary fees. To the extent required by Regulation M, Cantor will not engage in any market making activities involving our common stock while the offering is ongoing under this prospectus supplement.

This prospectus supplement and the accompanying base prospectus in electronic format may be made available on a website maintained by Cantor, and Cantor may distribute this prospectus supplement and the accompanying prospectus electronically.

LEGAL MATTERS

The validity of the shares of common stock offering by this prospectus is being passed upon for us by Pepper Hamilton LLP, Philadelphia, Pennsylvania. Cantor is being represented in connection with this offering by Cooley LLP, New York, New York.

EXPERTS

The financial statements and schedule of PDI, Inc. as of December 31, 2014 and 2013 and for each of the two years in the period ended December 31, 2014, the financial statements of RedPath Integrated Pathology, Inc. as of December 31, 2013 and for the year in the period ended December 31, 2013, and the financial statements of the Acquired Property of Asuragen, Inc. as of December 31, 2013 and 2012 and for each of the two years in the period ended December 31, 2013, as incorporated by reference in this prospectus supplement have been so incorporated in reliance on the reports of BDO USA, LLP, an independent registered public accounting firm, incorporated herein by reference, given on the authority of said firm as experts in auditing and accounting.

The financial statements of RedPath Integrated Pathology, Inc. as of December 31, 2012 and for the year in the period ended December 31, 2012 incorporated by reference in this prospectus supplement have been so incorporated in reliance on the report of Alpern Rosenthal LLP, independent auditors, incorporated herein by reference, given on the authority of said firm as experts in auditing and accounting.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

On October 30, 2015, we agreed to sell certain assets and ongoing business comprising our Commercial Services segment to the Buyer in the Asset Sale. See "Prospectus Supplement Summary - Recent Developments."

The unaudited pro forma condensed consolidated financial statements were prepared to assist readers in understanding the nature and effects of the Asset Sale. The unaudited pro forma condensed consolidated statements of operations for the six months ended June 30, 2015, and for the years ended December 31, 2014 and December 31, 2013 have been prepared with the assumption that the Asset Sale was completed as of January 1, 2013. The Unaudited Pro Forma Condensed Consolidated Balance Sheet as of June 30, 2015 has been prepared with the assumption that the Asset Sale was completed as of the balance sheet date.

The unaudited pro forma condensed consolidated financial information is prepared in accordance with Article 11 of Regulation S-X. The historical consolidated financial information has been adjusted in the accompanying unaudited pro forma condensed consolidated financial information to give effect to pro forma events that are (i) directly attributable to the Asset Sale, (ii) factually supportable, and (iii) with respect to the Unaudited Pro Forma Condensed Consolidated Statements of Operations, expected to have a continuing impact on the consolidated results.

The unaudited pro forma condensed consolidated financial statements do not purport to be indicative of the results of operations or the financial position which would have actually resulted if the Asset Sale had been completed on the dates indicated, or which may result in the future.

The unaudited pro forma financial information has been prepared by us based upon assumptions deemed appropriate by our management. An explanation of certain assumptions is set forth under the notes to unaudited pro forma condensed consolidated financial statements.

The unaudited pro forma financial information should be read in conjunction with the our historical consolidated financial statements and notes thereto contained in our Annual Report on Form 10-K for the year ended December 31, 2014, Quarterly Report on Form 10-Q for the quarter ended March 31, 2015 and Quarterly Report on Form 10-Q for the quarter ended June 30, 2015.

PDI, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
As of June 30, 2015
(in thousands, except share data)

	PDI, Inc.	Sale of Assets and Liabilities of the Commercial Services Business (e), (f)	Adjustments		Pro Forma
ASSETS					
Current assets:					
Cash and cash equivalents	$ 14,397	$ —	$ 6,920	(g)	$ 21,317
Short-term investments	108	—	—		108
Accounts receivable, net	11,924	(8,099)	—		3,825
Unbilled costs and accrued profits on contracts in progress	6,228	(6,137)	—		91
Other current assets	6,634	—	—		6,634
Total current assets	39,291	(14,236)	6,920		31,975
Property and equipment, net	3,083	(1,529)	—		1,554
Goodwill	15,666	—	—		15,666
Other intangible assets, net	45,448	—	—		45,448
Other long-term assets	4,085	—	10,220	(h)	14,305
Total assets	$ 107,573	$ (15,765)	$ 17,140		$ 108,948
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	$ 4,350	$ —	$ —		$ 4,350
Unearned contract revenue	6,870	(6,870)	—		—
Accrued salary and bonus	11,005	(7,095)	—		3,910
Other accrued expenses	12,706	(5,310)	3,686	(i)	11,082
Total current liabilities	34,931	(19,275)	3,686		19,342
Contingent consideration	25,909	—	—		25,909
Long-term debt, net of debt discount	27,694	—	(19,689)	(j)	8,005
Other long-term liabilities	8,741	—	(150)	(k)	8,591
Total liabilities	97,275	(19,275)	(16,153)		61,847
Commitments and contingencies					
Stockholders' equity:					
Preferred stock, $0.01 par value; 5,000,000 shares authorized, no shares issued and outstanding	—	—	—		—
Common stock, $0.01 par value; 40,000,000 shares authorized; 17,434,900 shares issued,					
16,715,799 shares outstanding	174	—	—		174
Additional paid-in capital	129,106	—	(3,352)	(l)	125,754
Accumulated deficit	(110,742)	3,510	29,856	(m)	(77,376)
Accumulated other comprehensive income	16	—	—		16
Treasury stock, at cost (719,101 shares)	(8,256)	—	6,789	(n)	(1,467)
Total stockholders' equity	10,298	3,510	33,293		47,101
Total liabilities and stockholders' equity	$ 107,573	$ (15,765)	$ 17,140		$ 108,948

The accompanying notes are an integral part of these unaudited pro forma condensed consolidated financial statements

PDI, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(in thousands, except per share data)

	Pro Forma Six Months Ended June 30, 2015				
	PDI, Inc.	Sale of the Commercial Services Business (a)	Adjustments		Pro Forma
Revenue, net					
Commercial Services	$ 70,289	$ (70,289)	$ —		$ —
Interpace Diagnostics	4,370	—	—		4,370
Total revenue, net	74,659	(70,289)	—		4,370
Cost of revenue					
Commercial Services	57,493	(57,493)	—		—
Interpace Diagnostics	3,425	—	—		3,425
Total cost of revenue	60,918	(57,493)	—		3,425
Gross profit	13,741	(12,796)	—		945
Sales and marketing	5,511	—	—		5,511
Research and development	646	—	—		646
General and administrative	14,565	(9,893)	(67)	(b)	4,605
Acquisition related amortization expense	1,839	—	—		1,839
Total operating expenses	22,561	(9,893)	(67)		12,601
Operating loss	(8,820)	(2,903)	67		(11,656)
Interest expense	(1,732)	—	1,463	(b)	(269)
Other expense, net	(155)	—	—		(155)
Loss from continuing operations before income tax	(10,707)	(2,903)	1,530		(12,080)
(Benefit) provision for income tax	(250)	(152)	—	(c)	(402)
Loss from continuing operations	$ (10,457)	$ (2,751)	$ 1,530		$ (11,678)
Basic and diluted loss per share of common stock from:					
Continuing operations	$ (0.69)				$ (0.67)
Weighted average number of common shares and common share equivalents outstanding:					
Basic	15,121		2,247	(d)	17,368
Diluted	15,121		2,247	(d)	17,368

The accompanying notes are an integral part of these unaudited pro forma condensed consolidated financial statements

PDI, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(in thousands, except per share data)

	Pro Forma Year Ended December 31, 2014				
	PDI, Inc.	Sale of the Commercial Services Business (a)	Adjustments		Pro Forma
Revenue, net					
Commercial Services	$ 118,461	$ (118,461)	$ —		$ —
Interpace Diagnostics	1,474	—	—		1,474
Total revenue, net	119,935	(118,461)	—		1,474
Cost of revenue					
Commercial Services	100,126	(100,126)	—		—
Interpace Diagnostics	1,268	—	—		1,268
Total cost of revenue	101,394	(100,126)	—		1,268
Gross profit	18,541	(18,335)	—		206
Sales and marketing	336	—	—		336
Research and development	92	—	—		92
General and administrative	28,724	(18,646)	(21)	(b)	10,057
Acquisition related amortization expense	773	—	—		773
Asset impairments	2,086				2,086
Total operating expenses	32,011	(18,646)	(21)		13,344
Operating (loss) income	(13,470)	311	21		(13,138)
Interest expense	(602)	—	487	(b)	(115)
Other expense, net	(68)	—	—		(68)
(Loss) income from continuing operations before income tax	(14,140)	311	508		(13,321)
Benefit for income tax	(4,738)	(292)	—	(c)	(5,030)
(Loss) income from continuing operations	$ (9,402)	$ 603	$ 508		$ (8,291)
Basic and diluted loss per share of common stock from:					
Continuing operations	$ (0.63)				$ (0.48)
Weighted average number of common shares and common share equivalents outstanding:					
Basic	14,901		2,247	(d)	17,148
Diluted	14,901		2,247	(d)	17,148

The accompanying notes are an integral part of these unaudited pro forma condensed consolidated financial statements

PDI, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(in thousands, except per share data)

	Pro Forma Year Ended December 31, 2013			
	PDI, Inc.	Sale of Commercial Services Business (a)	Adjustments	Pro Forma
Revenue, net				
Commercial Services	$ 146,534	$ (146,534)	$ —	$ —
Interpace Diagnostics	—	—	—	—
Total revenue, net	146,534	(146,534)	—	—
Cost of revenue				
Commercial Services	122,737	(122,737)	—	—
Interpace Diagnostics	292	—	—	292
Total cost of revenue	123,029	(122,737)	—	292
Gross profit	23,505	(23,797)	—	(292)
General and administrative	24,942	(22,180)		2,762
Total operating expenses	24,942	(22,180)	—	2,762
Operating loss	(1,437)	(1,617)	—	(3,054)
Interest expense	—	—		—
Other expense, net	(59)	—	—	(59)
Loss from continuing operations before income tax	(1,496)	(1,617)	—	(3,113)
Provision for income tax	180	(180)	—	—
Loss from continuing operations	$ (1,676)	$ (1,437)	$ —	$ (3,113)
Basic and diluted loss per share of common stock from:				
Continuing operations	$ (0.11)			$ (0.18)
Weighted average number of common shares and common share equivalents outstanding:				
Basic	14,718		2,247 (d)	16,965
Diluted	14,718		2,247 (d)	16,965

The accompanying notes are an integral part of these unaudited pro forma condensed consolidated financial statements

PDI, INC.
NOTES TO PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(in thousands)

1. PLANNED ASSET SALE TRANSACTION TO PUBLICIS TOUCHPOINT SOLUTIONS, INC.

On October 30, 2015, PDI, Inc. agreed to sell certain assets and ongoing business comprising its Commercial Services Business (CSO) to Publicis Touchpoint Solutions, Inc. for up to approximately $33 million in cash, $7 million of which is contingent upon securing certain CSO clients, subject to a working capital adjustment, and the assumption by the Buyer of certain specified liabilities pursuant to the Asset Purchase Agreement. In addition, up to $15 million of the total purchase price is subject to an earn-out arrangement relating to the revenues generated by the Commercial Services Business in 2016. We will retain all of our other assets, including the assets related to our Interpace Diagnostics business. We will also retain all of our other debts and liabilities, including expenses related to our Interpace Diagnostics business and headquarters personnel, our remaining senior executives, certain corporate vendors and professional advisors.

2. UNAUDITED PRO FORMA ADJUSTMENTS

The following notes describe the basis for and/or assumptions regarding certain of the pro forma adjustments included in PDI, Inc.'s unaudited pro forma condensed consolidated financial statements:

(a) The amounts being eliminated represent the revenues, cost of revenues, and operating and other expenses that are attributable to the sale of the Commercial Services Business.

(b) Amount represents the expenses associated with the Credit Agreement, dated October 31, 2014, by and between PDI, Inc. and SWK Funding LLC, that would not have been incurred assuming a portion of the net proceeds from the Asset Sale was used to repay outstanding borrowings under the Credit Agreement as of the beginning of the period presented. The expenses include the amortization of deferred costs and loan origination fees, which are recorded as *General and administrative expenses*, and interest expense and the accretion of exit fees, which are recorded as *Interest expense* . The remaining amount of interest expense primarily represents interest on the Note to former Equityholders of RedPath.

(c) Due to the existence of significant net operating loss carryforwards for PDI, Inc., any income tax expense resulting from the Asset Sale would be offset. Therefore, no pro forma adjustment for income tax expense has been presented in connection with the Asset Sale.

(d) Weighted average shares outstanding have been adjusted as of June 30, 2015 to reflect the accelerated vesting of shares held by employees and directors upon the completion of the Asset Sale and the acceleration of the Common Stock Milestone due to former RedPath Equityholders resulting from the change in control.

(e) Represents the disposition of the assets and liabilities that are being transferred as part of the Asset Sale.

(f) Net book value of CSO Business:

CSO Business assets to be sold	$	15,765
CSO Business liabilities to be assumed		(19,275)
Net book value of CSO Business	$	(3,510)

(g) To record sales proceeds, net of estimated closing costs, for the sale of assets and liabilities of the CSO business, less the assumed repayment of outstanding borrowings under the Credit Agreement. The Cash proceeds were calculated based on management's estimate of the probability of certain scenarios as defined in the Asset Purchase Agreement.

(in thousands)

Cash proceeds	$	30,800
Transaction costs to be incurred at closing (bank fees, legal, accounting, investment banking)		(1,880)
Sales proceeds at closing, net	$	28,920
Less: repayment of outstanding borrowing under Credit Agreement		(20,000)
Less: payment of exit and prepayment fees due under Credit Agreement	$	(2,000)
Net cash from Sale of Commercial Services Business	$	6,920

(h) Adjustments to Other long-term assets:

Contingent consideration from the Asset Sale. Represents the present value of the portion of the sale price subject to an earn-out arrangement related to the revenues generated by the Commercial Services Business in 2016.	$	10,430
Accelerated amortization of deferred financing costs capitalized under Credit Agreement		(210)
	$	10,220

(i) Adjustment to Other Accrued Expenses:

Working capital adjustment associated with Asset Sale	$	4,039
Reversal of interest payable under Credit Agreement		(353)
	$	3,686

(j) Adjustments to Long-term debt:

Repayment of outstanding borrowing under Credit Agreement	$	(20,000)
Accelerated amortization of loan origination fees capitalized under Credit Agreement		311
	$	(19,689)

(k) Adjustment to Long-term liabilities:

Reversal of accretion of exit fees under Credit Agreement	$	(150)

(l) Adjustments to Additional paid-in-capital:

Stock compensation expense resulting from accelerated vesting	$	3,437
Issuance of 500,000 shares to former RedPath Equityholders resulting from accelerated vesting due to change in control		(6,789)
	$	(3,352)

(m) Adjustments to Accumulated deficit:

(in thousands)

Cash proceeds, excluding net liabilities disposed of	$	30,800
Exit and prepayment fees due under Credit agreement		(3,880)
Contingent consideration and accelerated amortization of fees capitalized under Credit Agreement		10,220
Working capital adjustment and reversal of interest payable under Credit Agreement		(3,686)
Accelerated amortization of deferred financing costs capitalized under Credit Agreement		(311)
To reverse accretion of exit fees under Credit Agreement		150
Stock compensation expense resulting from accelerated vesting		(3,437)
	$	29,856

(n) Adjustments to Treasury Stock:

Issuance of 500,000 shares to former RedPath Equityholders resulting from accelerated vesting due to change in control	$	6,789

Unaudited Combined Financial Statements for the Commercial Services Business

PDI has prepared unaudited combined financial statements for the Commercial Services Business. The Unaudited Combined Statements of Operations and the Unaudited Combined Statements of Cash Flows were prepared for the six months ended June 30, 2015 and June 30, 2014, and for the fiscal years ended December 31, 2014 and December 31, 2013. The Unaudited Combined Balance Sheets were prepared as of June 30, 2015, December 31, 2014 and December 31, 2013.

COMMERCIAL SERVICES BUSINESS (A BUSINESS OF PDI, INC.)
UNAUDITED COMBINED BALANCE SHEETS
(in thousands)

	June 30, 2015	December 31, 2014	December 31, 2013
ASSETS			
Current assets:			
Cash and cash equivalents	$ —	$ —	$ —
Accounts receivable, net	8,099	4,669	1,890
Unbilled costs and accrued profits on contracts in progress	6,137	5,684	7,982
Other current assets	1,361	1,853	2,516
Total current assets	15,597	12,206	12,388
Property and equipment, net	1,529	1,969	1,367
Total assets	$ 17,126	$ 14,175	$ 13,755
LIABILITIES AND NET PARENT INVESTMENT			
Current liabilities:			
Accounts payable	$ 2,459	$ 2,077	$ 1,614
Unearned contract revenue	6,870	6,752	7,346
Accrued salary and bonus	9,036	5,580	7,974
Other accrued expenses	6,214	4,857	4,584
Total current liabilities	24,579	19,266	21,518
Other long-term liabilities	3,350	3,265	3,109
Total liabilities	27,929	22,531	24,627
Commitments and contingencies (Note 5)			
Net parent investment	(10,803)	(8,356)	(10,872)
Total liabilities and net parent investment	$ 17,126	$ 14,175	$ 13,755

The accompanying notes are an integral part of these unaudited combined financial statements

COMMERCIAL SERVICES BUSINESS (A BUSINESS OF PDI, INC.)
UNAUDITED COMBINED STATEMENTS OF OPERATIONS
(in thousands)

	Six Months Ended June 30,		Years Ended December 31,	
	2015	**2014**	**2014**	**2013**
Revenue, net	70,289	62,840	118,461	146,534
Cost of revenue	57,493	52,153	100,126	122,737
Gross profit	12,796	10,687	18,335	23,797
General and administrative expenses	9,893	9,008	18,646	22,180
Operating income (loss)	2,903	1,679	(311)	1,617
Provision for income tax	152	130	292	180
Net income (loss)	$ 2,751	$ 1,549	$ (603)	$ 1,437

The accompanying notes are an integral part of these unaudited combined financial statements

COMMERCIAL SERVICES BUSINESS (A BUSINESS OF PDI, INC.)
UNAUDITED COMBINED STATEMENTS OF CASH FLOWS
(in thousands)

	For The Six Months Ended June 30,		For The Years Ended December 31,	
	2015	**2014**	**2014**	**2013**
Cash Flows From Operating Activities				
Net income (loss)	$ 2,751	$ 1,549	$ (603)	$ 1,437
Adjustments to reconcile net income/(loss) to net cash used in operating activities:				
Depreciation and amortization	445	173	595	842
Stock-based compensation	608	772	1,275	1,292
Other changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(3,430)	(1,422)	(2,779)	6,988
(Increase) decrease in unbilled costs	(453)	1,045	2,297	(6,027)
Decrease in other current assets	491	570	663	162
Increase (decrease) in accounts payable	381	62	463	(997)
Increase (decrease) in unearned contract revenue	119	(1,173)	1,442	(1,267)
Increase (decrease) in accrued salaries and bonus	3,456	(2,185)	(2,394)	1,677
Increase (decrease) in accrued liabilities	1,357	(373)	(1,763)	(3,367)
Increase in long-term liabilities	85	78	156	142
Net cash provided by (used in) operating activities	5,810	(904)	(648)	882
Cash Flows From Investing Activities				
Purchase of property and equipment	—	(233)	(959)	(629)
Net cash used in investing activities	—	(233)	(959)	(629)
Cash Flows From Financing Activities				
Intercompany activity and transfers, net	(5,810)	1,137	1,607	(253)
Net cash provided by (used in) financing activities	(5,810)	1,137	1,607	(253)
Net change in cash and cash equivalents	—	—	—	—
Cash and cash equivalents – beginning	—	—	—	—
Cash and cash equivalents – ending	$ —	$ —	$ —	$ —

The accompanying notes are an integral part of these unaudited combined financial statements

1. Nature of Business and Significant Accounting Policies

Nature of Business and Basis of Presentation

PDI, Inc., together with its wholly-owned subsidiaries, is a leading provider of outsourced commercial services to established and emerging pharmaceutical, biotechnology and healthcare companies in the United States and is also developing and commercializing molecular diagnostic tests to detect genetic alterations that are associated with gastrointestinal and endocrine cancers. PDI provides these services through its two reporting segments: Commercial Services and Interpace Diagnostics.

The business to be sold, the Commercial Services Business (the "Company" the "CSO Business"), is a leading provider of outsourced sales teams that target healthcare providers, offering a range of complementary sales support services designed to achieve its customers' strategic and financial product objectives. In addition to outsourced sales teams in the United States, the Company also provides other promotional services, including clinical educator services, teledetailing and full product commercialization services. The CSO Business offers customers a range of both personal and non-personal promotional options for the commercialization of their products throughout their lifecycles, from development through maturity. These services include product distribution, personal and non-personal product detailing, full supply chain management, operations, sales, marketing, compliance, and regulatory/medical management. The Company provides innovative and flexible service offerings designed to drive customers' businesses forward and successfully respond to a continually changing market. The Company's services provide a vital link between its customers and the medical community through the communication of product information to physicians and other healthcare professionals for use in the care of their patients.

The CSO Business operates from PDI's U.S.-based headquarters. Due to existing functions and facilities shared among PDI's two operating segments, certain working capital and property and equipment have been attributed to the CSO Business and certain operating expenses, including general corporate overhead, have been allocated to the CSO Business.

The Company used underlying activity drivers as a basis of allocation, including management estimates of the proportion of shared employees' time spent supporting each segment and the headcount associated with headquarters based functions. The resulting percentages are applied to compensation and other applicable shared costs.

Management believes such allocations are reasonable; however, they may not be indicative of the actual results of the CSO Business had it been operating as an independent company for the periods presented or the amounts that will be incurred in the future. See *Cash Management and Expense Allocation* for further information regarding general corporate overhead allocations.

Standalone financial statements have not been historically prepared for the CSO business. The accompanying unaudited combined financial statements have been derived from the consolidated financial statements of PDI, and include the revenue, costs of revenue, operating and other expenses associated with the Asset Sale. These financial statements are presented without audit. The assets and liabilities included in the accompanying balance sheets are substantially all of the assets and liabilities primarily related to or used in the CSO Business.

Operating results for the six months ended June 30, 2015 and 2014 and the years ended December 31, 2014 and 2013 are not necessarily indicative of the results that may be expected for any future period. The Unaudited Financial Statements should be read in conjunction with PDI’s Annual Report on Form 10-K for the year ended December 31, 2014 and its Quarterly Report on Form 10-Q for the quarters ended March 31, 2015 and June 30, 2015, as filed with the SEC. In the opinion of management, the unaudited financial statements include all adjustments necessary to present fairly the financial position and operating results of the Asset Sale for the periods presented. The Asset Sale is subject to shareholder approval by PDI’s shareholders and other closing conditions.

Cash Management and Expense Allocation

PDI has a centralized corporate cash management function which funds its operations as needed. The cash on hand after the consummation of the Asset Sale will not be transferred to the buyer. It will remain as an asset of PDI, Inc.

The CSO Business was allocated corporate overhead expenses from PDI for shared corporate-related functions based on the relative proportion of headcount of the CSO Business and management's estimate of the proportion of shared employees' time spent. Corporate overhead expenses are primarily related to centralized corporate functions, including corporate executive management, accounting and finance, investor relations and legal. The CSO Business was allocated $2.5 million and $1.9 million for the six month periods ended June 30, 2015 and 2014, respectively, of general corporate expenses incurred by PDI which are included within selling, general and administrative expenses in the Unaudited Combined Statements of Operations. During the years ended December 31, 2014 and 2013, the CSO Business was allocated general corporate expenses of $4.7 million and $8.0 million, respectively.

Accounting Estimates

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the amounts of assets and liabilities reported and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management's estimates are based on historical experience, facts and circumstances available at the time, and various other assumptions that are believed to be reasonable under the circumstances. Significant estimates include accounting for business combinations, valuation allowances related to deferred income taxes, self-insurance loss accruals, allowances for doubtful accounts and notes, income tax accruals, asset impairments and facilities realignment accruals. The Company periodically reviews these matters and reflects changes in estimates as appropriate. Actual results could materially differ from those estimates.

Receivables and Allowance for Doubtful Accounts

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. Management reviews a customer's credit history before extending credit. The Company records a provision for estimated losses based upon the inability of its customers to make required payments using historical experience and periodically adjusts these provisions to reflect actual experience. Additionally, the Company will establish a specific allowance for doubtful accounts when it becomes aware of a specific customer's inability or unwillingness to meet its financial obligations (e.g., bankruptcy filing). There was a $9,000 allowance for doubtful accounts for trade accounts receivables as of December 31, 2013 and no allowance for doubtful accounts as of December 31, 2014 and June 30, 2015.

Unbilled Costs and Accrued Profits on Contracts in Progress

In general, contractual provisions, including predetermined payment schedules or submission of appropriate billing detail, establish the prerequisites for billings. Unbilled costs and accrued profits on contracts in progress arise when services have been rendered and payment is assured but customers have not been billed. These amounts are classified as a current asset.

Unearned Contract Revenue

Normally, the customers agree to pay the Company a portion of the fee due under a contract in advance of performance of services because of large recruiting and employee development costs associated with the initial phase of a contract performance and effort required in the development of interactive digital communications. The excess of amounts billed over revenue recognized represents unearned contract revenue, which is classified as a current liability.

Long-Lived Assets

The Company reviews the recoverability of long-lived assets whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the carrying amount of the asset, an impairment loss is recognized by reducing the recorded value of the asset to its fair value measured by future discounted cash flows. This analysis requires estimates of the amount and timing of projected cash flows and, where applicable, judgments associated with, among other factors,

the appropriate discount rate. Such estimates are critical in determining whether any impairment charge should be recorded and the amount of such charge if an impairment loss is deemed to be necessary.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation and amortization is recognized on a straight-line basis, using the estimated useful lives of: seven to ten years for furniture and fixtures; two to five years for office and computer equipment and leasehold improvements are amortized over the shorter of the estimated service lives or the terms of the related leases which are currently four to five years. Repairs and maintenance are charged to expense as incurred. Upon disposition, the asset and related accumulated depreciation are removed from the related accounts and any gains or losses are reflected in operations.

Software Costs

Internal-Use Software - It is the Company's policy to capitalize certain costs incurred in connection with developing or obtaining internal-use software. Capitalized software costs are included in property and equipment on the consolidated balance sheet and amortized over the software's useful life, generally three to seven years. Software costs that do not meet capitalization criteria are expensed immediately.

External-Use Software - It is the Company's policy to capitalize certain costs incurred in connection with developing or obtaining external-use software. Capitalized software costs are included in property and equipment on the consolidated balance sheet and amortized over the software's useful life, generally three years. Software costs that do not meet capitalization criteria are expensed immediately.

See Note 2, Property and Equipment for further information.

Self-Insurance Accruals

The Company is self-insured for benefits paid under employee healthcare programs. The Company's liability for healthcare claims is estimated using an underwriting determination which is based on the current year's average lag days between when a claim is incurred and when it is paid. The Company maintains stop-loss coverage with third-party insurers to limit its total exposure on all of these programs. At June 30, 2015 and December 31, 2014 and 2013, self-insurance accruals attributable to CSO totaled $0.4 million, $0.5 million and $1.0 million, respectively, and are included in other accrued expenses on the balance sheet.

Revenue and Cost of Services

The Company recognizes revenue from services rendered when the following four revenue recognition criteria are met: persuasive evidence of an arrangement exists; services have been rendered; the selling price is fixed or determinable; and collectability is reasonably assured. The Company's contracts containing multiple deliverables are accounted for in accordance with ASC 605-25, Revenue Recognition: Multiple Element Arrangements.

Revenue under contracts is generally based on the number of sales representatives utilized or the number of physician details made and, when applicable, the commercial operations services provided. If contracts include full commercial operations services, the Company has determined that there are two units of accounting in these arrangements: the sales team providing product detailing services; and the commercial operations providing full supply chain management, operations, marketing, compliance, and regulatory/medical management services. Revenue is generally recognized on a straight-line basis over the contract period or as the physician details are performed. A portion of revenues earned under certain contracts may be risk-based. The risk-based metrics may be based on activity metrics such as call activity, turnover, or other agreed upon measures, or on contractually defined percentages of prescriptions written. Revenue from risk-based metrics is recognized in the period which the metrics have been attained and when we are reasonably assured that payment will be made. Many of the Company's product detailing contracts also allow for additional periodic incentive fees to be earned if certain activities have occurred or client specific sales performance benchmarks have been attained. Revenue from incentive fees is recognized in the period earned when the performance benchmarks have been attained and when the Company is reasonably assured that payment will be made. Many contracts also stipulate penalties if agreed

upon performance benchmarks have not been met. Revenue is recognized net of any potential penalties until the performance criteria relating to the penalties have been achieved. Commission based revenue is recognized when performance is completed.

The Company's contracts are generally for terms of one to three years and may be renewed or extended. The majority of these contracts, however, are terminable by the customer without cause upon 30 days' to 180 days' prior written notice. Certain contracts include provisions mandating that such notice may not be provided prior to a pre-determined future date and also provide for termination payments if the customer terminates the agreement without cause. Typically, however, the total compensation provided by minimum service periods (otherwise referred to as minimum purchase obligations) and termination payments within any individual agreement will not fully offset the revenue the Company would have earned from fully executing the contract or the costs the Company may incur as a result of its early termination.

The Company maintains continuing relationships with its customers which may lead to multiple ongoing contracts with one customer. In situations where the Company enters into multiple contracts with one customer at or near the same time, the Company evaluates the various factors involved in negotiating the arrangements in order to determine if the contracts were negotiated in contemplation of one and other and should be accounted for as a single agreement.

The loss or termination of large pharmaceutical detailing contracts could have a material adverse effect on the Company's financial condition, results of operations and cash flow. Historically, the Company has derived a significant portion of its service revenue from a limited number of customers. Concentration of business in the pharmaceutical industry is common and the industry continues to consolidate. As a result, the Company is likely to continue to experience further customer concentration in future periods. See Note 7, Significant Customers, for additional information related to customers' who represented 10% or more of the Company's revenue.

Cost of services consists primarily of the costs associated with executing product detailing programs, performance based contracts or other sales and marketing services identified in the contract and includes personnel costs and other direct costs, as well as the initial direct costs associated with staffing a product detailing program. Personnel costs, which constitute the largest portion of cost of services, include all labor related costs, such as salaries, bonuses, fringe benefits and payroll taxes for the sales representatives, sales managers and professional staff that are directly responsible for executing a particular program. Other direct costs include, but are not limited to, facility rental fees, travel expenses, sample expenses and other promotional expenses.

Initial direct program costs are the costs associated with initiating a product detailing program, such as recruiting and hiring and certain other direct incremental costs, excluding pass through costs that are billed to customers. Other direct costs include, but are not limited to, facility rental fees, travel expenses, sample expenses and other promotional expenses. Initial direct program costs are deferred and amortized to expense in proportion to the revenue recognized as driven by the terms of the underlying contract. As of June 30, 2015, December 31, 2014 and 2013, the Company deferred $0.2 million, $0.4 million and $2.3 million of initial direct program costs, respectively. During each of the years ended December 31, 2014 and 2013, the Company amortized $0.9 million of initial direct program costs into expense. During each of the six month periods ended June 30, 2015 and 2014, the Company amortized $0.5 million of initial direct program costs into expense. All personnel costs and other direct costs, excluding initial direct program costs, are expensed as incurred.

Reimbursable out-of-pocket expenses include those relating to travel, meals and entertainment, product sample distribution costs and other similar costs for which the Company is reimbursed at cost by its customers. Reimbursements received for out-of-pocket expenses incurred are characterized as revenue and an identical amount is included as cost of services in the consolidated statements of comprehensive loss. For the six months ended June 30, 2015 and June 30, 2014 and for the years ended December 31, 2014 and 2013, reimbursable out-of-pocket expenses were $14.6 million, $14.1 million, $27.4 million and $30.8 million, respectively.

Training costs include the costs of training the sales representatives and managers on a particular product detailing program so that they are qualified to properly perform the services specified in the related contract. For the majority of the Company's contracts, training costs are reimbursable out-of-pocket expenses.

Stock-Based Compensation

The compensation cost associated with the granting of stock-based awards is based on the grant date fair value of the stock award. The Company recognizes the compensation cost, net of estimated forfeitures, over the shorter of the vesting period or the period from the grant date to the date when retirement eligibility is achieved. Forfeitures are initially estimated based on historical information and subsequently updated over the life of the awards to ultimately reflect actual forfeitures. As a result, changes in forfeiture activity can influence the amount of stock compensation cost recognized from period to period.

The Company primarily uses the Black-Scholes option pricing model to determine the fair value of stock options and stock-based stock appreciation rights (SARs). The determination of the fair value of stock-based payment awards is made on the date of grant and is affected by the Company's stock price as well as assumptions made regarding a number of complex and subjective variables. These assumptions include: expected stock price volatility over the term of the awards; actual and projected employee stock option exercise behaviors; the risk-free interest rate; and expected dividend yield. The fair value of restricted stock units (RSUs) and restricted shares is equal to the closing stock price on the date of grant.

See Note 6, Stock-Based Compensation for further information.

Parent Company Net Investment

In the Combined Balance Sheets, parent company net investment represents the Parent's historical investment in the CSO business, accumulated net earnings after taxes, and the net effect of transactions with, and allocations from, the Parent.

Earnings per share data has not been presented in the accompanying combined financial statements because the CSO business does not operate as a separate legal entity with its own capital structure.

Income taxes

For purposes of the stand-alone financial statements of the CSO Business, income tax was calculated at statutory rates adjusted for applicable permanent differences, as if the CSO Business was a separate taxpayer utilizing the "Separate Return Method", even though it has been included in the consolidated tax return of PDI. Deferred tax assets and liabilities for the future tax consequences attributable to differences between financial statement carrying amounts of assets and liabilities and their respective tax bases are recognized and included in the accompanying Unaudited Condensed Combined Balance Sheets for the CSO Business. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be realized or settled.

Historically, since the CSO Business has been included in the consolidated tax return of PDI, it has not determined its net operating loss carryforward balances on a stand-alone basis. For purposes of the stand-alone financial statements of the CSO Business the Company estimated the net operating loss to be the consolidated PDI net operating loss, less the net operating losses of the diagnostic business since inception and net operating losses of certain discontinued operations for the periods 2010 through 2014.

The Company's management performed an analysis to determine whether the expected future income of the CSO business would more likely than not be sufficient to realize its deferred tax assets. The CSO business recent operating results and projections of future income weighed heavily in the managements overall assessment. As a result of this analysis, the CSO business maintains a full valuation allowance against its federal and state net deferred tax assets at June 30, 2015, December 31, 2014 and December 31, 2013 as management believes that it is more likely than not that these assets will not be realized.

(tabular information in thousands, except per share data)

Reclassifications

The Company reclassified certain prior period activities and balances to conform to the current year presentation.

2. Property and Equipment

Property and equipment consisted of the following as of December 31, 2014 and 2013:

	June 30, 2015	December 31, 2014	December 31, 2013
Furniture and fixtures	$ 2,325	$ 2,320	$ 2,132
Office equipment	979	979	994
Computer equipment	4,446	4,446	3,487
Internal-use software	9,685	9,685	9,685
Leasehold improvements	3,874	3,874	3,809
	21,309	21,304	20,107
Less accumulated depreciation	(19,780)	(19,335)	(18,740)
	$ 1,529	$ 1,969	$ 1,367

Depreciation and amortization expense was approximately $0.4 million, $0.2 million, $0.6 million and $0.8 million for the six months ended June 30, 2015 and 2014 and for the years ended December 31, 2014 and 2013, respectively.

3. Retirement Plans

The Company offers an employee 401(k) saving plan. The total contribution expense related to the 401(k) plan for the six months ended June 30, 2015 and June 30, 2014 and for the years ended December 31, 2014 and December 31, 2013 was approximately $0.4 million, $0.4 million, $0.8 million and $0.7 million, respectively.

4. Accrued Expenses

Other accrued expenses consisted of the following as of June 30, 2015, December 31, 2014, and December 31, 2013:

	June 30, 2015	December 31, 2014	December 31, 2013
Accrued pass-through costs	$ 2,198	$ 1,043	$ 2,089
Self insurance accruals	413	350	848
All others	3,603	3,464	1,647
	$ 6,214	$ 4,857	$ 4,584

5. Commitments and Contingencies

The Company leases automobiles under agreements leased for use by employees for a lease term of one year from the date of delivery with the option to renew and was included in *cost of services* in the Unaudited Combined Statements of Operations. Total auto expense under these agreements for the years ended December 31, 2014 and 2013 was approximately $5.1 million and $4.1 million, respectively.

Litigation

Due to the nature of the businesses in which the Company is engaged, such as product detailing and in the past, the distribution of products, it is subject to certain risks. Such risks include, among others, risk of liability for personal injury or death to persons using products the Company promotes or distributes. There can be no assurance that substantial claims or liabilities will not arise in the future due to the nature of the Company's business activities and recent increases in litigation related to healthcare products, including pharmaceuticals. The Company seeks to reduce its potential liability under its service agreements through measures such as contractual indemnification provisions with customers (the scope of which may vary from customer to customer, and the performance of which is not secured) and insurance. The Company could, however, also be held liable for errors and omissions of its employees in connection with the services it performs that are outside the scope of any indemnity or insurance policy. The Company could be materially adversely affected if it were required to pay damages or incur defense costs in connection with a claim that is outside the scope of an indemnification agreement; if the indemnity, although applicable, is not performed in accordance with its terms; or if the Company's liability exceeds the amount of applicable insurance or indemnity.

The Company routinely assesses its litigation and threatened litigation as to the probability of ultimately incurring a liability, and records its best estimate of the ultimate loss in situations where the Company assesses the likelihood of loss as probable. The Company accrues for a liability when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Significant judgment is required in both the determination of probability and the determination as to whether a loss is reasonably estimable. In addition, in the event the Company determines that a loss is not probable, but is reasonably possible, and it becomes possible to develop what the Company believes to be a reasonable range of possible loss, then the Company will include disclosures related to such matter as appropriate and in compliance with ASC 450. To the extent there is a reasonable possibility that the losses could exceed the amounts already accrued, the Company will, as applicable, adjust the accrual in the period the determination is made, disclose an estimate of the additional loss or range of loss, indicate that the estimate is immaterial with respect to its financial statements as a whole or, if the amount of such adjustment cannot be reasonably estimated, disclose that an estimate cannot be made. As of December 31, 2014 and 2013, the Company's accrual for litigation and threatened litigation was not material to the consolidated financial statements.

6. Stock-Based Compensation

PDI, Inc has one equity incentive compensation plan, under which it issues equity-based awards to employees and members of the board of directors. The stock-based compensation expense included in the Unaudited Financial Statements represents the portion of PDI's total stock-based compensation expense attributed to employees directly supporting the CSO business and also an allocation of indirect expense attributed to shared employees performing corporate functions.

7. Significant Customers

During the years ended December 31, 2014 and 2013, The Company had several significant customers for which it provided services under specific contractual arrangements. The following sets forth the net revenue generated by customers who accounted for more than 10% of CSO's revenue during each of the periods presented.

(tabular information in thousands, except per share data)

	Six Months Ended June 30,		Years Ended December 31,	
Customer	2015	2014	2014	2013
A	$ 27,120	$ 29,274	$ 57,039	$ 70,827
B	$ 10,746	$ 14,039	$ 26,825	$ 27,976
C	$ 12,757	$ —	$ —	$ —

For the six months ended June 30, 2015 and 2014 and years ended December 31, 2014 and 2013, The Company's largest customers, each representing 10% or more of its revenue, accounted for, in the aggregate, approximately 72.0%, 68.9%, 70.8% and 67.4%, respectively, of its revenue. At June 30, 2015, December 31, 2014 and 2013, the Company's largest customers represented 73.1%, 71.8% and 86.2%, respectively, of the aggregate of its outstanding Accounts receivable and Unbilled receivable balances.

The following sets forth the significant customers who accounted for more than 10% of the Accounts receivable and Unbilled receivable balances as of June 30, 2015, December 31, 2014 and 2013.

	Six Months Ended June 30,	Years Ended December 31,	
Customer	2015	2014	2013
A	$ 7,527	$ 7,341	$ 9,153
C	$ 2,874	$ —	$ —

8. Income Taxes

The provision for or benefit from income taxes on continuing operations for the years ended December 31, 2014 and 2013 is comprised of the following:

	Six Months Ended June 30,		Year Ended December 31,	
	2015	2014	2014	2013
Current:				
Federal	$ —	$ —	$ —	$ —
State	152	130	292	180
Total current	152	130	292	180
Deferred:				
Federal	—	—	—	—
State	—	—	—	—
Total deferred	—	—	—	—
Provision for income taxes	$ 152	$ 130	$ 292	$ 180

The tax effects of significant items comprising the CSO business deferred tax assets and (liabilities) as of December 31, 2014 are as follows:

(tabular information in thousands, except per share data)

	2014	2013
Deferred tax assets included in other current assets:		
Allowances and reserves	$ 855	$ 917
Compensation	3,312	3,982
Valuation allowance on deferred tax assets	(4,167)	(4,899)
Current deferred tax assets	$ —	$ —
Noncurrent deferred tax assets and liabilities:		
State net operating loss carryforwards	$ 4,157	$ 4,361
Federal net operating loss carryforwards	27,404	25,782
State taxes	1,124	1,124
Self insurance and other reserves	334	361
Property, plant and equipment	2,059	2,187
Intangible assets	—	68
Other reserves - restructuring	181	391
Deferred revenue	5	6
Valuation allowance on deferred tax assets	(35,264)	(34,280)
Noncurrent deferred tax liabilities, net	$ —	$ —

Federal tax attribute carryforwards at December 31, 2014 and December 31 2013, consist primarily of approximately $78.3 and $73.7 million of federal net operating losses, respectively. In addition, the CSO Business has approximately $78.3 and $73.7 million of state net operating losses carryforwards, respectively. The utilization of the federal carryforwards as an available offset to future taxable income is subject to limitations under federal income tax laws. If the federal net operating losses are not utilized, they begin to expire in 2027, and current state net operating losses not utilized begin to expire this year.

A reconciliation of the difference between the federal statutory tax rates and the CSO Business effective tax rate is as follows:

	2014	2013
Federal statutory rate	35.0 %	35.0 %
State income tax rate, net of Federal tax benefit	(31.1)%	5.8 %
Valuation allowance	22.6 %	(47.5)%
Non-deductible items	(70.3)%	9.1 %
Other taxes	— %	— %
Net change in Federal and state reserves	(50.1)%	8.8 %
Effective tax rate	(93.9)%	11.2 %

The following table summarizes the change in uncertain tax benefit reserves for the CSO business for the two years ended December 31, 2014:

(tabular information in thousands, except per share data)

	Unrecognized Tax Benefits
Balance of unrecognized benefits as of January 1, 2013	$ 1,117
Additions for tax positions related to the current year	—
Additions for tax positions of prior years	—
Reductions for tax positions of prior years	—
Balance as of December 31, 2013	$ 1,117
Additions for tax positions related to the current year	—
Additions for tax positions of prior years	—
Reductions for tax positions of prior years	—
Balance as of December 31, 2014	$ 1,117

9. Subsequent Events

On October 30, 2015, PDI, Inc. agreed to sell certain assets and ongoing business comprising its Commercial Services Business (CSO) to Publicis Touchpoint Solutions, Inc. for up to approximately $33 million in cash, $7 million of which is contingent upon securing certain CSO clients, subject to a working capital adjustment, and the assumption by the Buyer of certain specified liabilities pursuant to the Asset Purchase Agreement. In addition, up to $15 million of the total purchase price is subject to an earn-out arrangement relating to the revenues generated by the Commercial Services Business in 2016. We will retain all of our other assets, including the assets related to our Interpace Diagnostics business. We will also retain all of our other debts and liabilities, including expenses related to our Interpace Diagnostics business and headquarters personnel, our remaining senior executives, certain corporate vendors and professional advisors.

WHERE YOU CAN FIND MORE INFORMATION

This prospectus supplement and the accompanying prospectus are part of the registration statement on Form S-3 we filed with the SEC under the Securities Act and do not contain all the information set forth in the registration statement. Whenever a reference is made in this prospectus supplement and the accompanying prospectus to any of our contracts, agreements or other documents, the reference may not be complete and you should refer to the exhibits that are a part of the registration statement or the exhibits to the reports or other documents incorporated herein by reference for a copy of such contract, agreement or other document. Because we are subject to the information and reporting requirements of the Exchange Act, we file annual, quarterly and current reports, proxy statements and other information with the SEC. You may obtain information on the operation of the SEC's public reference facilities by calling the SEC at 1-800-SEC-0330. You can request copies of these documents, upon payment of a duplicating fee, by writing to the SEC at its principal office at 100 F Street NE, Room 1580, Washington, D.C. 20549-1004. The SEC maintains an Internet website at http://www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Our SEC filings are accessible through the Internet at that website. Our reports on Forms 10-K, 10-Q and 8-K, and amendments to those reports, are also available for download, free of charge, as soon as reasonably practicable after these reports are filed with the SEC, at our website at www.pdi-inc.com. The content contained in, or that can be accessed through, our website is not a part of this prospectus. In addition, you may request copies of these filings at no cost, by writing or telephoning us at the following address or telephone number:

PDI, Inc.
Morris Corporate Center I, Building A
300 Interpace Parkway, Parsippany, NJ 07054
(800) 242-7494

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to "incorporate by reference" the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below:

- Our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 that we filed with the SEC on March 5, 2015 (including the portions of our Definitive Proxy Statement on Schedule 14A that we filed with the SEC on April 30, 2015 incorporated by reference therein);
- Our Amendment No. 1 to Quarterly Report on Form 10-Q/A for the fiscal quarter ended September 30, 2014 that we filed with the SEC on April 10, 2015, our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2015 that we filed with the SEC on May 12, 2015, and our Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2015 that we filed with the SEC on August 14, 2015;
- Our Current Reports on Form 8-K and Form 8-K/A that we filed with the SEC on October 29, 2014, January 16, 2015, June 8, 2015, June 9, 2015 and November 2, 2015; and

- The description of the our common stock contained in our Form 8-A that we filed with the SEC on May 13, 1998 pursuant to the Exchange Act and any amendment or report filed for the purpose of further updating such description.

We also incorporate by reference any future filings (except as specifically enumerated above, other than any filings or portions of such reports that are not deemed "filed" under the Exchange Act in accordance with the Exchange Act and applicable SEC rules, including current reports furnished under Item 2.02 or Item 7.01 of Form 8-K and exhibits filed on such form that are related to such items unless such Form 8-K expressly provides to the contrary) made with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, including those made after the date of the initial filing of the registration statement of which this prospectus supplement forms a part, until we file a post-effective amendment that indicates the termination of the offering of the securities made by this prospectus supplement and will become a part of this prospectus supplement from the date that such documents are filed with the SEC. Information in such future filings updates and supplements the information provided in this prospectus supplement. Any statements in any such future filings will automatically be deemed to modify and supersede any information in any document we previously filed with the SEC that is incorporated or deemed to be incorporated herein by reference to the extent that statements in the later filed document modify or replace such earlier statements.

To obtain copies of these filings, see "Where You Can Find More Information" on page S-40.

PROSPECTUS

PDI, Inc.

$100,000,000
Common Stock, Preferred Stock,
Warrants, Units and Subscription Rights

This prospectus covers our offer and sale from time to time of any combination of common stock, preferred stock, warrants, units or subscription rights described in this prospectus in one or more offerings. This prospectus provides a general description of the securities we may offer and sell. Each time we offer and sell securities we will provide specific terms of the securities offered in a supplement to this prospectus. The prospectus supplement may also add, update or change information contained in this prospectus. The aggregate offering price of all securities sold by us under this prospectus may not exceed $100,000,000.

The aggregate market value of our outstanding common stock held by non-affiliates was $15,115,138 based on 16,720,037 shares of outstanding common stock, of which 7,129,782 shares are held by non-affiliates, and a per share price of $2.12 based on the closing sale price of our common stock on September 4, 2015. We have not offered any securities pursuant to General Instruction I.B.6. of Form S-3 during the prior 12 calendar month period that ends on and includes the date of this prospectus. Pursuant to General Instruction I.B.6 of Form S-3, in no event will we sell securities registered on this registration statement in a public primary offering with a value exceeding more than one-third of our public float in any 12-month period so long as our public float remains below $75.0 million.

The securities may be offered and sold by us from time to time at fixed prices, at market prices or at negotiated prices, and may be offered and sold to or through one or more underwriters, dealers or agents or directly to purchasers on a continuous or delayed basis. See "Plan of Distribution" in this prospectus and in the applicable prospectus supplement.

Our common stock is currently listed on NASDAQ under the symbol "PDII". On October 7, 2015, the last reported sale price of our common stock on NASDAQ was $1.71 per share.

You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized any other person to provide you with different information.

Investing in these securities involves risks, including those set forth in the "Risk Factors" section of our most recent Annual Report on Form 10-K, as revised or supplemented by our Quarterly Reports on Form 10-Q filed with the U.S. Securities and Exchange Commission since the filing of our most recent Annual Report on Form 10-K, each of which is incorporated by reference into this prospectus. We may include specific risk factors in supplements to this prospectus under the caption "Risk Factors." This prospectus may not be used to sell our securities unless accompanied by a prospectus supplement.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful and complete. Any representation to the contrary is a criminal offense.

This prospectus is dated October 9, 2015.

We have not authorized any dealer, salesman or other person to give any information or to make any representation other than those contained or incorporated by reference in this prospectus and any accompanying supplement to this prospectus. You must not rely upon any information or representation not contained or incorporated by reference in this prospectus or any accompanying prospectus supplement. This prospectus and any accompanying supplement to this prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the registered securities to which they relate, nor do this prospectus and any accompanying supplement to this prospectus constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. "PDI," "Company," "we," "us" and "our" refer to PDI, Inc. and its consolidated subsidiaries.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the U.S. Securities and Exchange Commission, or the SEC. This prospectus covers the primary offering by us of up to an aggregate of $100,000,000 of securities. We may offer and sell any combination of the securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities we may offer and sell. Each time we offer and sell securities under this prospectus, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described under the heading "Where You Can Find More Information."

We have filed or incorporated by reference exhibits to the registration statement of which this prospectus forms a part. You should read the exhibits carefully for provisions that may be important to you.

This prospectus may not be used to consummate a sale of securities unless it is accompanied by a prospectus supplement.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file with the SEC at the SEC's public reference room at 100 F Street NE, Room 1580, Washington, D.C. 20549. You may obtain information on the operation of the SEC's public reference facilities by calling the SEC at 1-800-SEC-0330. You can request copies of these documents, upon payment of a duplicating fee, by writing to the SEC at its principal office at 100 F Street NE, Room 1580, Washington, D.C. 20549-1004. The SEC maintains an Internet website at http://www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Our SEC filings are accessible through the Internet at that website. Our reports on Forms 10-K, 10-Q and 8-K, and amendments to those reports, are also available for download, free of charge, as soon as reasonably practicable after these reports are filed with the SEC, at our website at www.pdi-inc.com. The content contained in, or that can be accessed through, our website is not a part of this prospectus.

INCORPORATION OF INFORMATION BY REFERENCE

The SEC allows us to "incorporate by reference" the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below:

- Our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 that we filed with the SEC on March 5, 2015;
- Our Amendment No. 1 to Quarterly Report on Form 10-Q/A for the fiscal quarter ended September 30, 2014 that we filed with the SEC on April 10, 2015, our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2015 that we filed with the SEC on May 12, 2015, and our Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2015 that we filed with the SEC on August 14, 2015;
- Our Current Reports on Form 8-K and Form 8-K/A filed with the SEC on October 29, 2014, January 16, 2015, June 8, 2015 and June 9, 2015;
- The description of the our common stock contained in our Form 8-A filed with the SEC on May 13, 1998 pursuant to the Securities Exchange Act of 1934, as amended, or the Exchange Act, and any amendment or report filed for the purpose of further updating such description;

- All documents filed by us with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of the initial filing of the registration statement of which this prospectus is a part and prior to the effectiveness of such registration statement; and
- All documents filed by us with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act on or after the date of this prospectus and before we stop offering the securities under this prospectus.

We will provide without charge to each person, including any beneficial owner, to whom this prospectus is delivered, upon his or her written or oral request, a copy of any or all documents referred to above which have been or may be incorporated by reference into this prospectus but not delivered with this prospectus excluding exhibits to those documents unless they are specifically incorporated by reference into those documents. You can request those documents by writing to us at the following address or by calling us at the telephone number listed below:

PDI, Inc.
Morris Corporate Center I, Building A
300 Interpace Parkway, Parsippany, NJ 07054
(800) 242-7494

The most recent information that we file with the SEC automatically updates and supersedes older information. The information contained in any such filing will be deemed to be a part of this prospectus, commencing on the date on which the filing is made.

Information furnished under Items 2.02 or 7.01 (or corresponding information furnished under Item 9.01 or included as an exhibit) in any past or future Current Report on Form 8-K that we furnish to the SEC, unless otherwise specified in such report, is not incorporated by reference in this prospectus.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference in this prospectus contain forward-looking statements. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “could,” “would,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “projects,” “predicts,” “potential” and similar expressions intended to identify forward-looking statements.

These forward-looking statements are based on management’s beliefs and assumptions and on information currently available to our management. Our management believes that these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results, events and developments to differ materially from our historical experience and our present expectations or projections. Before making an investment decision, you should carefully consider these risks as well as any other information we include or incorporate by reference in this prospectus or include in any applicable prospectus supplement. You should read this prospectus and the documents that we have filed as exhibits to the registration statement of which this prospectus forms a part in their entireties.

RISK FACTORS

Our business is influenced by many factors that are difficult to predict, and that involve uncertainties that may materially affect actual operating results, cash flows and financial condition. Before making an investment decision, you should carefully consider these risks, including those set forth in the “Risk Factors” section of our most recent Annual Report on Form 10-K, as revised or supplemented by our Quarterly Reports on Form 10-Q filed with the SEC since the filing of our most recent Annual Report on Form 10-K, each of which is incorporated by

reference into this prospectus, and you should also carefully consider any other information we include or incorporate by reference in this prospectus or include in any applicable prospectus supplement.

PDI, INC.

Overview

We are a leading healthcare commercialization company providing go-to-market strategy and execution to established and emerging pharmaceutical, biotechnology, diagnostics and healthcare companies in the United States through our Commercial Services segment, and developing and commercializing molecular diagnostic tests through our Interpace Diagnostics segment. Our Commercial Services segment is focused on providing outsourced pharmaceutical, biotechnology, medical device and diagnostic sales teams to our corporate customers. Through this business, we offer a range of complementary sales support services designed to achieve our customers' strategic and financial objectives. Our Interpace Diagnostics segment is focused on developing and commercializing molecular diagnostic tests, leveraging the latest technology and personalized medicine for better patient diagnosis and management. Through our Interpace Diagnostics segment, we aim to provide physicians and patients with diagnostic options for detecting genetic and other molecular alterations that are associated with gastrointestinal and endocrine cancers. Our customers in our Interpace Diagnostics segment consist primarily of physicians, hospitals and clinics.

You can get more information regarding our business and industry by reading our most recent Annual Report on Form 10-K and the other reports we file with the SEC. See "Where You Can Find More Information" and "Incorporation of Information by Reference."

Corporate Information

We were originally incorporated in New Jersey in 1986 and began commercial operations in 1987. In connection with our initial public offering, we re-incorporated in Delaware in 1998. We conduct our Commercial Services segment through our parent company, PDI, Inc. and our wholly-owned subsidiary, PDI BioPharma, LLC, which was formed in New Jersey in 2011. We conduct our Interpace Diagnostics segment through our wholly-owned subsidiaries, Interpace Diagnostics, LLC, which was formed in Delaware in 2013 and Interpace Diagnostics Corporation (formerly known as RedPath Integrated Pathology, Inc.), which was formed in Delaware in 2007. Our executive offices are located at Morris Corporate Center 1, Building A, 300 Interpace Parkway, Parsippany, New Jersey 07054. Our telephone number is (800) 242-7494.

USE OF PROCEEDS

Unless otherwise indicated in a prospectus supplement, we anticipate that the net proceeds from our sale of any securities will be used for general corporate purposes, including working capital, continued development of our products, acquisitions of assets or businesses, retirement of debt and other business opportunities.

DESCRIPTION OF SECURITIES

We may offer shares of our common stock and preferred stock, warrants or units or subscription rights to purchase any of such securities, with a total value of up to $100,000,000, from time to time in one or more offerings under this prospectus at prices and on terms to be determined by market conditions at the time of the offering. This prospectus provides you with a general description of the securities that we may offer. In connection with each offering, we will provide a prospectus supplement that will describe the specific amounts, prices and terms of the securities being offered, including, to the extent applicable:

- designation or classification;

- aggregate offering price;
- rates and times of payment of dividends;
- redemption, conversion or exchange terms;
- conversion or exchange prices or rates and any provisions for changes to or adjustments in the conversion or exchange prices or rates and in the securities or other property receivable upon conversion or exchange;
- ranking;
- restrictive covenants;
- voting or other rights; and
- important federal income tax considerations.

The prospectus supplement also may add, update or change information contained in this prospectus or in documents we have incorporated by reference. However, no prospectus supplement will offer a security that is not included in the Registration Statement at the time of its effectiveness or offer a security of a type that is not described in this prospectus.

DESCRIPTION OF CAPITAL STOCK

Our authorized capital stock consists of 40,000,000 shares of common stock, par value $0.01 per share, and 5,000,000 shares of preferred stock, par value $0.01 per share. As of October 7, 2015, 16,720,037 shares of our common stock, and no shares of our preferred stock, were outstanding.

The following is qualified in its entirety by reference to our certificate of incorporation, as amended, and our amended and restated bylaws, and by the provisions of applicable law. A copy of our certificate of incorporation, as amended, and our amended and restated bylaws are included as exhibits to our most recent Annual Report on Form 10-K.

Common Stock

Holders of our common stock are entitled to one vote for each share on all matters submitted to a vote of stockholders, and do not have cumulative voting rights. Generally, in matters other than the election of directors, the affirmative vote of a majority of the votes cast authorizes such an action, except where Delaware General Corporation Law prescribes a different percentage of votes or a different exercise of voting power. For the election of directors, directors are elected by a plurality of the votes of the shares present in person or represented by proxy and entitled to vote. Holders of our common stock are entitled to receive, as, when and if declared by our board of directors from time to time, such dividends and other distributions in cash, stock or property from our assets or funds legally available for such purposes, subject to any preferential dividend or other rights of any then outstanding preferred stock.

No preemptive, conversion, or other subscription rights apply to our common stock. All outstanding shares of our common stock are fully paid and non-assessable. In the event of our liquidation, dissolution or winding up, holders of our common stock are entitled to share ratably in the assets available for distribution, subject to any preferential or other rights of any then outstanding preferred stock. The voting, dividend and liquidation rights of the holders of our common stock are subject to and qualified by the rights of the holders of the preferred stock.

Preferred Stock

Our board of directors has the authority, without action by our stockholders, to designate and issue preferred stock in one or more classes or one or more series of stock within any class and to designate the rights, preferences and privileges of each class or series, which may be greater than the rights of our common stock. It is not possible to state the actual effect of the issuance of any shares of preferred stock upon the rights of holders of our common stock until our board of directors determines the specific rights of the holders of such preferred stock. However, the effects might include, among other things:

- restricting dividends on the common stock;
- diluting the voting power of the common stock;
- impairing the liquidation rights of the common stock; or
- delaying or preventing a change in our control without further action by the stockholders.

Anti-Takeover Effects of Provisions of Our Certificate of Incorporation, as Amended, Our Amended and Restated Bylaws and Delaware Law

Provisions of Delaware law and our certificate of incorporation, as amended, and amended and restated bylaws could make the following more difficult:

- the acquisition of us by means of a tender offer;
- the acquisition of us by means of a proxy contest or otherwise; or
- the removal of our incumbent officers and directors.

These provisions, summarized below, are expected to discourage certain types of coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe the benefits of increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging such proposals because negotiation of such proposals could result in an improvement of their terms:

- *Classified Board of Directors*. Under our certificate of incorporation, as amended, our board of directors is divided into three classes of directors serving staggered three-year terms which means that the entire board of directors will not be up for election each year.
- *Stockholder meetings*. Under our certificate of incorporation, as amended, only our board of directors, the chairman of our board of directors and the chief executive officer (or the president if there is no chief executive officer) may call special meetings of stockholders.
- *Preferred stock*. Under our certificate of incorporation, as amended, we are authorized to issue 5,000,000 shares of preferred stock, which could make it more difficult for a third party to acquire voting control of our company.
- *Requirements for advance notification of stockholder proposals and director nominations.* Our amended and restated bylaws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors. These provisions may preclude stockholders from bringing matters before an annual meeting of stockholders or from making nominations for directors at an annual meeting of stockholders.
- *No action by written consent*. Under our certificate of incorporation, as amended, stockholders may only take action at an annual or special meeting of stockholders and may not act by written

consent when our capital stock is registered under Section 12 of the Exchange Act or any similar successor statute.

- *Supermajority voting*. In order to amend certain provisions of our certificate of incorporation, as amended, including the prohibition on action by written consent of stockholders and the provision relating to calling of a special meeting of stockholders, the affirmative vote of holders of at least 75% of our outstanding capital stock is required.

- *Delaware anti-takeover law.* We are subject to Section 203 of the Delaware General Corporation Law, an anti-takeover law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years following the date the person became an interested stockholder, unless the "business combination" or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns or within three years prior to the determination of interested stockholder status, owned, 15% or more of a corporation's voting stock. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by our board of directors, including discouraging attempts that might result in a premium over the market price for the shares of common stock held by stockholders.

- *No cumulative voting*. Our certificate of incorporation, as amended, does not provide for cumulative voting.

- Limitation of Liability

Our certificate of incorporation, as amended, limits the liability of directors and officers to the fullest extent permitted by Delaware law and require that we indemnify our directors and officers to such extent, except that we will not be obligated to indemnify any such person for claims brought voluntarily and not by way of defense, or for any amounts paid in settlement of an action without our prior written consent.

In addition, our certificate of incorporation, as amended, provides that a director is not personally liable to us or our stockholders for monetary damages for breach of his or her fiduciary duty as director, except for liability (i) for any breach of the director's duty of loyalty to us or our stockholders; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for willful or negligent conduct in paying dividends or repurchasing stock out of any other lawfully available funds, or (iv) for any transaction from which the director derives an improper personal benefit.

Listing

Our common stock is listed on The NASDAQ Global Market under the symbol "PDII."

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is American Stock Transfer and Trust Company, LLC. Its address is 6201 15th Avenue, Brooklyn, NY 11219, and its telephone number is (718) 921-8200.

DESCRIPTION OF WARRANTS

We may issue warrants to purchase common stock, preferred stock or other securities or any combination of the foregoing. We may issue warrants independently or together with other securities. Warrants sold with other

securities may be attached to or separate from the other securities. We will issue warrants under one or more warrant agreements between us and a warrant agent that we will name in the prospectus supplement.

The prospectus supplement relating to any warrants that we may offer will include specific terms relating to the offering. We will file the form of any warrant agreement with the SEC, and you should read the warrant agreement for provisions that may be important to you. The prospectus supplement will include some or all of the following terms:

- the title of the warrants;
- the aggregate number of warrants offered;
- the designation, number and terms of the common stock, preferred stock or other securities purchasable upon exercise of the warrants, and procedures by which those numbers may be adjusted;
- the exercise price of the warrants;
- the dates or periods during which the warrants are exercisable;
- the designation and terms of any securities with which the warrants are issued;
- if the warrants are issued as a unit with another security, the date, if any, on and after which the warrants and the other security will be separately transferable;
- if the exercise price is not payable in U.S. dollars, the foreign currency, currency unit or composite currency in which the exercise price is denominated;
- any minimum or maximum amount of warrants that may be exercised at any one time;
- any terms, procedures and limitations relating to the transferability, exchange, exercise, amendment or termination of the warrants; and
- any adjustments to the terms of the warrants resulting from the occurrence of certain events or from the entry into or consummation by us of certain transactions.

DESCRIPTION OF UNITS

As specified in any applicable prospectus supplement, we may issue units consisting of one or more warrants, shares of preferred stock, shares of common stock or any combination of such securities.

DESCRIPTION OF SUBSCRIPTION RIGHTS

As specified in any applicable prospectus supplement, we may issue subscription rights consisting of one or more shares of preferred stock, shares of common stock or any combination of such securities.

PLAN OF DISTRIBUTION

We may sell the securities in one or more of the following ways (or in any combination) from time to time:

- through underwriters or dealers;

- directly to a limited number of purchasers or to a single purchaser; or
- through agents.

Each time we offer and sell securities under this prospectus, we will file a prospectus supplement. The prospectus supplement will state the terms of the offering of the securities, including:

- the name or names of any underwriters, dealers or agents;
- the purchase price of such securities and the proceeds to be received by us, if any;
- any underwriting discounts or agency fees and other items constituting underwriters' or agents' compensation;
- any public offering price;
- any discounts or concessions allowed or reallowed or paid to dealers; and
- any securities exchanges on which the securities may be listed.

Any public offering price and any discounts or concessions allowed or reallowed or paid to dealers may be changed from time to time.

If we use underwriters in the sale, the securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including:

- negotiated transactions;
- at a fixed public offering price or prices, which may be changed;
- at market prices prevailing at the time of sale;
- at prices related to prevailing market prices; or
- at negotiated prices.

Unless otherwise stated in a prospectus supplement, the obligations of the underwriters to purchase any securities will be conditioned on customary closing conditions and the underwriters will be obligated to purchase all of such series of securities, if any are purchased.

We may sell the securities through agents from time to time and may enter into arrangements for "at-the-market" offerings or similar transactions. The prospectus supplement will name any agent involved in the offer or sale of the securities and any commissions we pay to them. Generally, any agent will be acting on a best efforts basis for the period of its appointment. An agent may also choose to purchase securities for its own account, as principal.

We may authorize underwriters, dealers or agents to solicit offers by certain purchasers to purchase the securities from us at the public offering price set forth in the prospectus supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future. The contracts will be subject only to those conditions set forth in the prospectus supplement, and the prospectus supplement will set forth any commissions we pay for solicitation of these contracts.

In offering the shares covered by this prospectus, any broker-dealers and any other participating broker-dealers who execute sales, may be deemed to be "underwriters" within the meaning of the Securities Act in connection with these sales. Any profits realized by such broker-dealers may be deemed to be underwriting discounts and commissions.

Underwriters and agents may be entitled under agreements entered into with us to indemnification by us against certain civil liabilities, including liabilities under the Securities Act, or to contribution with respect to payments which the underwriters or agents may be required to make. Underwriters and agents may be customers of, engage in transactions with, or perform services for us and our affiliates in the ordinary course of business.

Each series of securities will be a new issue of securities and will have no established trading market other than the common stock which is listed on the NASDAQ Global Market. Any underwriters to whom securities are sold for public offering and sale may make a market in the securities, but such underwriters will not be obligated to do so and may discontinue any market making at any time without notice. The securities, other than the common stock, may or may not be listed on a national securities exchange.

The underwriters, dealers and agents may engage in other transactions with us, or perform other services for us, in the ordinary course of their business.

EXPERTS

The financial statements and schedule of PDI, Inc. as of December 31, 2014 and 2013 and for each of the two years in the period ended December 31, 2014, the financial statements of RedPath Integrated Pathology, Inc. as of December 31, 2013 and for the year in the period ended December 31, 2013, and the financial statements of the Acquired Property of Asuragen, Inc. as of December 31, 2013 and 2012 and for each of the two years in the period ended December 31, 2013, as incorporated by reference in this prospectus have been so incorporated in reliance on the reports of BDO USA, LLP, an independent registered public accounting firm, incorporated herein by reference, given on the authority of said firm as experts in auditing and accounting.

The financial statements of RedPath Integrated Pathology, Inc. as of December 31, 2012 and for the year in the period ended December 31, 2012 incorporated by reference in this prospectus have been so incorporated in reliance on the report of Alpern Rosenthal LLP, independent auditors, incorporated herein by reference, given on the authority of said firm as experts in auditing and accounting.

LEGAL MATTERS

Pepper Hamilton LLP will provide us with an opinion as to certain legal matters in connection with the securities being offered hereby.

UPDATED FINANCIAL INFORMATION

On October 31, 2014, PDI and its wholly-owned subsidiary, Interpace Diagnostics, LLC, entered into an Agreement and Plan of Merger to acquire RedPath Integrated Pathology, Inc., a molecular diagnostics company.

Item 11 of Form S-3 requires that we include in this prospectus, to the extent not incorporated by reference herein from certain other reports we have filed with the SEC, information required by Rule 3-05 and Article 11 of Regulation S-X. Our unaudited pro forma combined condensed statement of operations for the fiscal year ended December 31, 2014 is attached hereto as Exhibit 99.1 and is incorporated by reference herein.

PDI. Inc.

Up to $5,000,000
Common Stock

Prospectus Supplement

November 2, 2015