

**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, 2016

Interpace Diagnostics Group, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-24249
(Commission
File Number)

22-2919486
(IRS Employer
Identification No.)

Morris Corporate Center 1, Building A
300 Interpace Parkway
Parsippany, NJ 07054
(Address, including zip code, of Principal Executive Offices)

(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))
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Item 1.01. Entry into a Material Definitive Agreement.

Effective October 31, 2016, Interpace Diagnostics Group, Inc. (the “Company”), Interpace Diagnostics, LLC, a subsidiary of the Company (“Interpace LLC”), and RedPath Equityholder Representative, LLC (the “Equityholder Representative”), entered into a Fourth Amendment To Non-Negotiable Subordinated Secured Promissory Note (the “Fourth Amendment”) to extend until November 20, 2016, subject to the terms of the Fourth Amendment, the due date for the first quarterly payment of principal under that certain Non-Negotiable Subordinated Secured Promissory Note, dated as of October 31, 2014 (as amended, the “Note”) by the Company and Interpace LLC, in favor of the Equityholder Representative, on behalf of the former equity holders of RedPath Integrated Pathology, Inc. (“RedPath”).

The Note, which was entered into in connection with the Company’s acquisition of RedPath on October 31, 2014, is for the principal amount of \$10.67 million, is interest-free and was to be paid in eight equal consecutive quarterly installments beginning November 1, 2016. The interest rate will be 5.0% in the event of a default under the Note, which include the failure to make any payment of principal due under the Note within ten business days after the date such payment is due (subject to certain exceptions), the making of an assignment for the benefit of creditors generally and suffering proceedings under any law related to bankruptcy, insolvency, liquidation and such proceeding is not dismissed or stayed within 60 days. The obligations of the Company under the Note are guaranteed by the Company and its subsidiaries pursuant to a Guarantee and Collateral Agreement pursuant to which the Company and its subsidiaries also granted a security interest in substantially all of their respective assets, including intellectual property, to secure their obligations to the Equityholder Representative.

Pursuant to the Fourth Amendment, the Company is required to make eight installment payments of principal, with each payment equal to \$1,333,750, together with accrued and unpaid interest, if any. The first payment is due on November 20, 2016, and subsequent payments are to be made on the first day of each fiscal quarter, beginning on January 1, 2017. If not paid sooner, all principal and accrued interest will be due and payable on October 1, 2018.

The foregoing summary of the Fourth Amendment is not complete and is subject to and qualified in its entirety by reference to the Fourth Amendment, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Commerce Health Ventures, L.P., an affiliate of NewSpring Capital, was a stockholder of RedPath and serves as the Equityholder Representative. In connection with the Company’s acquisition of RedPath, the Company entered into a Contingent Consideration Agreement with the Equityholder Representative, the Company issued the Note, and the Company assumed a liability for a January 2013 settlement agreement entered into by RedPath with the Department of Justice. From October 30, 2015 to September 13, 2016, Kapila Ratnam, a partner at NewSpring Capital, served as a director of the Company. Additional information regarding these transactions can be found in the Company’s filings with the U.S. Securities and Exchange Commission.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.03.

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

On October 30, 2016, the Company and Jack E. Stover, President and Chief Executive Officer of the Company, entered into an employment agreement (the "Employment Agreement"), which was effective as of October 28, 2016. Under the Employment Agreement, Mr. Stover is to receive an annual base salary of \$300,000 and is eligible to receive an annual performance bonus with a target of 50% of his base salary, based on the attainment of certain quarterly performance targets (as set by the Board of Directors of the Company (the "Board")) with respect to the following components: EBITDA, Revenue, Operational Performance and Cash Management. Pursuant to the Employment Agreement, the Company and Mr. Stover agreed that the performance targets for the first two quarters of 2016 were met at 100% of target or \$75,000. Mr. Stover is entitled to receive payment of this amount, as a partial payment of his 2016 performance bonus, on October 31, 2016.

In addition, upon the occurrence of a "Transaction" (as such term is defined in the Employment Agreement), Mr. Stover, provided he remains employed through the closing of such Transaction, would receive a bonus equal to 3% of the net transaction proceeds received in connection with such Transaction. Under the Employment Agreement, a "Transaction" includes, subject to certain exceptions, (i) any merger by the Company into another corporation or corporations which results in the stockholders of the Company immediately prior to such transaction owning less than 51% of the surviving corporation; (ii) any acquisition (by purchase, lease or otherwise) of all or substantially all of the assets of the Company by any person, corporation or other entity or group thereof acting jointly; (iii) the acquisition of beneficial ownership of voting securities of the Company or rights to acquire voting securities of the Company by any other person, corporation or other entity or group thereof acting jointly, in such amount or amounts as would permit such person, corporation or other entity or group thereof acting jointly to elect a majority of the members of the Board, as then constituted; (iv) the acquisition of beneficial ownership, directly or indirectly, of voting securities and rights to acquire voting securities having voting power equal to 51% or more of the combined voting power of the Company's then outstanding voting securities by any person, corporation or other entity or group thereof acting jointly; or (v) a public or private offering of securities of the Company.

Under the Employment Agreement, in the event of a termination by the Company without "Cause" or a resignation by Mr. Stover for "Good Reason" (as such terms are defined in the Employment Agreement), Mr. Stover would be entitled to receive monthly payments of \$25,000 for nine months following such termination and, provided that Mr. Stover timely elected COBRA continuation coverage, the Company would pay his applicable COBRA premium for 12 months following such termination. Such payments and benefits would be subject to an effective release of claims and would cease upon breach by Mr. Stover of any applicable restrictive covenants.

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

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

Exhibit Number **Description**

10.1	Fourth Amendment To Non-Negotiable Subordinated Secured Promissory Note, dated as of October 31, 2016, by and among Interpace Diagnostics Group, Inc., Interpace Diagnostics, LLC and RedPath Equityholder Representative, LLC
10.2	Employment Agreement, dated as of October 28, 2016, by and between Interpace Diagnostics Group, Inc. and Jack E. Stover

SIGNATURES

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.

Interpace Diagnostics Group, Inc.

Date: November 3, 2016

By: /s/ Jack E. Stover

Name: Jack E. Stover

Title: President and Chief Executive Officer

EXHIBIT INDEX

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FOURTH AMENDMENT TO NON-NEGOTIABLE SUBORDINATED SECURED PROMISSORY NOTE

THIS FOURTH AMENDMENT TO NON-NEGOTIABLE SUBORDINATED SECURED PROMISSORY NOTE (this "Fourth Amendment") is entered into as of October 31, 2016 between **INTERPACE DIAGNOSTICS GROUP, INC.**, a Delaware corporation formerly known as **PDI, INC.**, a Delaware corporation ("IDG"), **INTERPACE DIAGNOSTICS, LLC**, a Delaware limited liability company ("Parent"), together with IDG, the "IDG Parties" or "Borrower Parties") and **REDPATH EQUITYHOLDER REPRESENTATIVE, LLC** ("Lender").

WITNESSETH:

WHEREAS, the IDG Parties and Lender have entered into that certain 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 as further amended by that certain Limited Waiver, Consent and Amendment No. 2 to the Note dated as of October 30, 2015 and as further amended by that certain Third Amendment to Non-Negotiable Subordinated Secured Promissory Note dated as of September 30, 2016 (as the same may be further amended, modified, supplemented, extended or restated from time to time, the "Note");

WHEREAS, pursuant to the Note, Lender agreed to extend to the IDG Parties, and the IDG Parties agreed to repay, financing in the original principal amount of \$11,000,000.00 which was subsequently reduced to \$10,670,000 (the "Loan").

WHEREAS, repayment of the Loan is secured by, among other things, (1) that certain Guarantee and Collateral Agreement dated as of October 31, 2014 (as amended or modified from time to time, the "Guaranty") executed by IDG, Parent, Group DCA, LLC, PDI BioPharma, LLC f/k/a Interpace BioPharma, LLC, Interpace Diagnostics Lab Inc. f/k/a JS Genetics, Inc., and Interpace Diagnostics Corporation, successor-by-merger to Redpath Acquisition Sub, Inc. ("Interpace Diagnostics Corporation" and collectively, the "Guaranty Parties") in favor of Lender, and (2) that certain Intellectual Property Security Agreement dated November 1, 2014 ("IP Security Agreement") executed by Interpace Diagnostics Corporation in favor of Lender.

WHEREAS, the Note, Guaranty, and IP Security Agreement, together with all other documents relating to or governing the Loan shall be referred to as the "Loan Documents."

WHEREAS, the IDG Parties have requested that Lender modify terms set forth in the Note, including, among other things, an extension of the due date for the first installment payment due under the Note, and in connection therewith, the IDG Parties and Lender have agreed to amend the Note on the terms and conditions set forth in this Fourth Amendment, in the manner hereinafter set forth;

WHEREAS, the IDG Parties have confirmed to Lender that the IDG Parties have no defenses to or offsets of any kind against any of the indebtedness due under the Note; and

WHEREAS, this Fourth Amendment shall amend and continue to evidence the indebtedness outstanding under the Note but not be a payment, satisfaction, cancellation or novation of the Note.

NOW, THEREFORE, the parties hereto, for good and valuable consideration, the receipt and sufficiency thereof being hereby acknowledged, and intending to be legally bound hereby, covenant and agree as follows, to be effective as of the Effective Date:

1. The Recitals set forth above are hereby incorporated herein by reference.
2. Any initially capitalized terms used in this Fourth Amendment without definition shall have the meanings assigned to those terms in the Note. To the extent that any term or provision of this Amendment is or may be inconsistent with any term or provision in the Note, the terms and provisions of this Fourth Amendment shall control.
3. Amendments to Note. Section 4 of the Note is amended and restated as follows:

“Payments. Subject to Section 8 of this Note, PDI shall make (8) installment payments of principal, each equal to One Million Three Hundred Thirty-Three Thousand Seven Hundred Fifty Dollars (\$1,333,750) together with accrued and unpaid interest thereon as computed under Section 2 herein, if any. The first payment shall be due on November 20, 2016, and subsequent payments shall be made on the first day of each fiscal quarter, beginning on January 1, 2017. If not paid sooner, all principal and accrued interest herein shall be due and payable on October 1, 2018.”
4. The IDG Parties hereby represent and warrant that all security interests and liens in the collateral as security for the obligations of the IDG Parties to Lender under Note and Loan Documents related thereto, including the liens, security interests, mortgages, and pledges granted by the IDG Parties under the Guaranty and IP Security Agreement, are valid and enforceable and shall continue unimpaired and in full force and effect, and shall continue to cover and secure all of the IDG Parties’ existing and future obligations to Lender, as modified by this Fourth Amendment.
5. Nothing contained herein shall operate to release any Borrower Party, any Guarantor Party or any other person or persons from their liability to keep and perform the provisions, conditions, obligations, and agreements contained in the Note and the related Loan Documents, except as herein modified, and each Borrower Party and each Guarantor Party, by its joinder hereto, hereby reaffirms that each and every provision, condition, obligation, and agreement in the Loan Documents shall continue in full force and effect, except as herein modified. This Fourth Amendment shall not constitute or be construed as a waiver of any Event of Default or event which with the giving of notice or the passage of time or both would constitute an Event of Default by Borrowers under any of the existing Loan Documents or any of Lender’s rights and remedies with respect thereto. The validity, priority and perfection of all security interests and other liens granted or created by the Loan Documents is hereby acknowledged and confirmed, and the Loan Documents shall continue to secure the Loans, as amended by this Amendment, without any change, loss or impairment of the priority of such security interests or other liens.

6. This Fourth Amendment may be signed in any number of counterpart copies and by the parties to this Fourth Amendment on separate counterparts, but all such copies shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Fourth Amendment by facsimile or by .pdf transmission shall be effective as delivery of a manually executed counterpart. Any party so executing this Fourth Amendment by facsimile transmission shall promptly deliver a manually executed counterpart, provided that any failure to do so shall not affect the validity of the counterpart executed by facsimile transmission.

7. This Fourth Amendment will be binding upon and inure to the benefit of the IDG Parties and Lender and their respective heirs, executors, administrators, successors and assigns.

8 . Guarantor Consent. By executing this Fourth Amendment, the Guarantor Parties expressly consent to the amendments herein and reaffirm all guarantees and security agreements, including, without limitation, the Guaranty and the IP Security Agreement, executed by Guarantor Parties in favor of Lender which are related to debts owed by the IDG Parties to Lender.

[signature pages follow]

IN WITNESS WHEREOF, the parties have caused this Fourth Amendment to be executed by their duly authorized officers as of the date shown above.

BORROWER PARTIES:

INTERPACE DIAGNOSTICS GROUP, INC., a Delaware corporation, formerly known as **PDI, INC.**, a Delaware Corporation

By: /s/ Jack E. Stover
Name: Jack E. Stover
Title: President & CEO

INTERPACE DIAGNOSTICS, LLC, a Delaware limited liability corporation

By: /s/ Jack E. Stover
Name: Jack E. Stover
Title: President & CEO

GUARANTOR PARTIES:

GROUP DCA, LLC, a Delaware limited liability company

By: /s/ Jack E. Stover
Name: Jack E. Stover
Title: President & CEO

PDI BIOPHARMA, LLC, a New Jersey limited liability company, f/k/a Interpace BioPharma, LLC, a New Jersey limited liability company

By: /s/ Jack E. Stover
Name: Jack E. Stover
Title: President & CEO

[signatures continued on following page]

[signatures continued from previous page]

INTERPACE DIAGNOSTICS LAB INC., a
Delaware corporation, f/k/a/ JS Genetics, Inc., a
Delaware corporation

By: /s/ Jack E. Stover

Name: Jack E. Stover

Title: President & CEO

INTERPACE DIAGNOSTICS CORPORATION, a
Delaware corporation, successor-by-merger to
Redpath Acquisition Sub, Inc., a Delaware corporation

By: /s/ Jack E. Stover

Name: Jack E. Stover

Title: President & CEO

[signatures continued from previous page]

LENDER:

**REDPATH EQUITYHOLDER
REPRESENTATIVE, LLC, a Delaware LLC**

By: /s/ Jon Schwartz

Name: Jon Schwartz

Title: CFO

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement"), is entered into as of October 28, 2016 (the "Effective Date"), by and between **Interpace Diagnostics Group, Inc.** (together with Interpace Diagnostics, LLC and Interpace Diagnostics Corporation, the "Company"), having its principal place of business at 300 Interpace Parkway, Parsippany, New Jersey 07054, and Jack E. Stover (the "Executive").

Recitals

WHEREAS, the Executive is currently employed by the Company as its President and Chief Executive Officer; and

WHEREAS, the Company desires to continue the Executive's employment with the Company as its President and Chief Executive Officer, and the Executive agrees to accept such continued employment, in accordance with the terms and conditions set forth in this Agreement.

Agreement

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Company and the Executive hereby agree as follows:

1. Definitions.

1.1. "Affiliate" means any person or entity controlling, controlled by or under common control with the Company.

1.2. "Board" means the Board of Directors of the Company.

1.3. "Cause" means (1) the material or willful failure to perform duties reasonably expected and/or requested of the Executive if such material or willful failure continues for more than thirty (30) days after notice of such material or willful failure to perform; (2) conviction of (including the entry of a *nolocontendere* plea, guilty plea to, or confession of guilt of) a felony; (3) commission of a fraudulent or illegal act in commission of his duties or otherwise with respect to the Company; (4) willful misconduct or gross negligence; (5) material violation of the Company's policies or procedures; and/or (6) material violation of any Confidential Information, Non-Disclosure, Non-Competition, Non-Solicitation, and Rights to Intellectual Property Agreement between Executive and the Company (the "Restrictive Covenant Agreement"); (7) a material breach of any of the terms or conditions of this Agreement not cured within thirty (30) days written notice from the Company to the Executive specifying such breach; (8) the failure to adhere to moral and ethical business principles consistent with the Company's Code of Business Conduct and Guidelines on Corporate Governance as in effect from time to time; or (9) engaging in an act or series of acts constituting misconduct resulting in a misstatement of the Company's financial statements due to material non-compliance with any financial reporting requirement within the meaning of Section 304 of the Sarbanes-Oxley Act of 2002

1.4. “Code” shall mean the Internal Revenue Code of 1986, as amended from time to time.

1.5. “Disability” means the Executive’s termination of employment with the Company as a result of the Executive’s incapacity due to reasonably documented physical or mental illness that is reasonably expected to prevent the Executive from performing his duties for the Company on a full-time basis for more than six consecutive months; provided however, that no such incapacity will be deemed to be a “Disability” unless the Executive would also be deemed to be “Disabled” under Section 409A of the Code.

1.6. “Good Reason” shall mean without the prior express written consent of the Executive; (a) the Executive suffers a material change in his reporting obligations; (b) the Executive suffers a material change in the duties, responsibilities or effective authority associated with his titles and positions, as set forth and described in Section 2 of this Agreement; (c) a reduction by the Company of the Executive’s Base Salary; (d) the Executive’s office location is moved to a location more than 70 miles from the Executive’s current location of 1089 Eagle Road, Newtown, PA 18940, (e) a foreclosure of the Company’s assets by a secured creditor occurs, or (f) a material diminution in the budget over which the Executive retains authority occurs. Good Reason shall not be deemed to exist unless the Executive gives the Company written notice within thirty (30) days after the occurrence of the event which the Executive believes constitutes the basis for Good Reason, specifying the particular act or failure to act which the Executive believes constitutes the basis for Good Reason. If the Company fails to cure such act or failure to act, if curable, within thirty (30) days after receipt of such notice, the Executive may terminate his employment for Good Reason. For the avoidance of doubt, if such act is not curable, the Executive may terminate his employment for Good Reason upon providing such notice.

1.7. “Net Transaction Value” means the total consideration paid and to be paid (which shall be deemed to include amounts paid or to be paid into escrow), directly or indirectly, regardless of how allocated or the form of consideration, to the Company or to its securityholders in connection with a Transaction, including without limitation: (i) cash; (ii) notes, debt or equity securities and other property; (iii) the total amount of indebtedness for borrowed money or similar non-trade liabilities or obligations (including guarantees, capitalized leases, and the like) of the Company repaid, retired, extinguished, or assumed in connection with, or which otherwise remain outstanding as of the closing of the Transaction; (iv) payments to be made in installments; (v) deferred and/or contingent payments (whether or not related to future earnings or operations); and (vi) any assets of the Company which are paid in the form of dividends, capital distributions, partial or total liquidating distributions or otherwise to the Company’s securityholders other than in the ordinary course of business.

1.8. “Person” means an individual, partnership, limited liability company, corporation, association, joint stock company, trust, joint venture, investment fund, government, governmental agency or body or any other group or entity, no matter how organized and whether or not for profit.

1.9. “Transaction” means (i) any merger by the Company into another corporation or corporations which results in the stockholders of the Company immediately prior to such transaction owning less than 51% of the surviving corporation; (ii) any acquisition (by purchase, lease or otherwise) of all or substantially all of the assets of the Company by any person, corporation or other entity or group thereof acting jointly; (iii) the acquisition of beneficial ownership of voting securities of the Company (defined as common stock of the Company or any securities having voting rights that the Company may issue in the future) or rights to acquire voting securities of the Company (defined as including, without limitation, securities that are convertible into voting securities of the Company (as defined above) and rights, options, warrants and other agreements or arrangements to acquire such voting securities) by any other person, corporation or other entity or group thereof acting jointly, in such amount or amounts as would permit such person, corporation or other entity or group thereof acting jointly to elect a majority of the members of the Board, as then constituted (excluding any conversion of debt to equity by the RedPath Equityholder Representative without an event in (i), (ii) or (v) under this definition taking place); (iv) the acquisition of beneficial ownership, directly or indirectly, of voting securities and rights to acquire voting securities having voting power equal to 51% or more of the combined voting power of the Company’s then outstanding voting securities by any person, corporation or other entity or group thereof acting jointly (excluding any conversion of debt to equity by the RedPath Equityholder Representative without an event in (i), (ii) or (v) under this definition taking place) or (v) a public or private offering of securities of the Company.. Notwithstanding the preceding sentence, any transaction that involves a mere change in identity, form or place of organization with the meaning of Section 368(a)(1)(F) of the Code, or a transaction of similar effect or which is used to obtain a line of credit or other financing, shall not constitute a Change of Control.

1.10. “Termination Date” means the date the Executive’s employment with the Company is terminated for any reason.

2. Employment.

2.1. **Position.** Subject to the terms and provisions set forth in this Agreement, during the “Term of Employment” (as defined below) the Executive shall be employed as the President and Chief Executive Officer of the Company and in such other positions with the Company and its affiliates (for no additional compensation) as may be determined by the Board or its designee from time to time. The Executive shall have the duties, responsibilities and authority normally associated with such positions and such other duties and responsibilities as are assigned by the Board or its designee from time to time consistent with the Executive’s positions.

2.2. **Engagement.** During the Term of Employment, the Executive shall report to the Board, and the Executive shall devote the Executive’s best efforts and the Executive’s full business time and attention to the business and affairs of the Company and its Affiliates. The Executive shall not engage, directly or indirectly, in any other business, investment or activity that (a) interferes with the performance of the Executive’s duties under this Agreement, (b) is contrary to the interests of the Company or any of its Affiliates or (c) requires any portion of the Executive’s business time; provided, however, that, to the extent that the following does not impair the Executive’s ability to perform the Executive’s duties pursuant to this Agreement, the Executive, with the Board’s prior written approval (which approval may be withheld in the sole discretion of the Board), may serve on the board or committee of any non-profit, charitable or other organization.

2.3. Term of Employment. The term of employment under this Agreement shall commence on the Effective Date until terminated under Section 4 below (the "Term of Employment").

3. Compensation and Other Benefits.

3.1. Base Salary. During the Term of Employment, the Executive shall receive a base salary per annum payable in accordance with the Company's normal payroll practices as in effect from time to time of \$300,000 ("Base Salary"). The Executive's Base Salary may be reviewed by the Board on an annual basis and shall be subject to upward (but not downward) adjustment, as determined by the Board. Effective as of the date of any such increase, the Base Salary as so increased shall be the new Base Salary for all purposes of this Agreement and may not thereafter be reduced.

3.2. Annual Bonus. During the Term of Employment, the Executive shall be eligible to earn an annual performance bonus, subject to the attainment of annual performance goals as determined by the Board. The Executive's annual target bonus will be 50% of the Base Salary (the "Target Bonus") and shall be based on attainment of performance bonus metrics as may be determined by the Board and shall be determined quarterly (but paid annually). For the 2016 fiscal year, the major performance targets shall be based on achievement of performance targets in the following four components: EBITDA, Revenue, Operational Performance and Cash Management. The Executive and the Company agree that for the first two quarters of 2016, the targets will be deemed met at 100% of target and will be payable by October 31, 2016. Any other bonus payable under this Section shall be paid by March 15th of the year following the year to which such bonus relates. Except as provided in Section 4 below, the Executive will not receive any bonus under this Section unless the Executive is still employed by the Company on the date such bonus is paid.

3.3. Benefit Plans. During the Term of Employment, the Executive shall be eligible to participate in and be covered on the same basis as other senior management of the Company, under all employee benefit plans and programs maintained by the Company, including without limitation vacation, retirement, health insurance and life insurance.

3.4. Expenses. During the Term of Employment, the Company shall, subject to Section 7.5, pay or reimburse the Executive for reasonable and necessary expenses directly incurred by the Executive in the course of the Executive's employment in accordance with the Company's standard policies and practices as in effect from time to time.

3.5. Transaction Bonus. If during the Term of Employment there occurs a Transaction, the Executive shall receive a bonus (the "Transaction Incentive") equal to 3% of the Net Transaction Value. The Transaction Incentive shall be paid as soon as administratively feasible following the closing of such Transaction. The Transaction Incentive shall be payable in cash, unless the proceeds from such Transaction received by the Company or its equity holders are made in stock, in which case, the Transaction Incentive shall be paid in fully vested stock of the same type and class so received. Notwithstanding the foregoing, if the Transaction Incentive is paid in stock, the Board may impose a lock-up or other temporary transfer restriction on such equity received by the Executive.

4. Termination. Upon the occurrence of the Termination Date, the Executive shall and shall be deemed to have immediately resigned from any and all officer, director and other positions he then holds with the Company and its Affiliates (and this Agreement shall act as notice of resignation by the Executive without any further action required by the Executive). Except as specifically provided in this Section 4, all other rights the Executive may have to compensation and benefits from the Company or its Affiliates shall terminate immediately upon the Termination Date.

4.1. Termination Due to Death. In the event of the Executive's death during the Term of Employment, the Executive's estate or his legal representative, as the case may be, shall be entitled to: (a) any Base Salary earned but unpaid as of the date of the Termination Date; (b) any vested benefits earned by the Executive under any employee benefit plan of the Company or its affiliates under which he was participating immediately prior to the Termination Date, which such benefits to be provided in accordance with the terms of the applicable employee benefit plan (collectively, the "Accrued Benefits"). All other rights the Executive may have, other than as set forth in this Section, shall terminate upon the Termination Date.

4.2. Termination Due to the Executive's Disability. Upon written notice to the Executive, the Company may terminate the Executive's employment hereunder due to Disability. In such event, the Executive or his legal representative, as the case may be, shall be entitled to: (a) the Accrued Benefits and (b) any benefit payable under any then current Disability or Accidental Death and Dismemberment Policy to the Executive, the Executive's estate or his legal representative. All other rights the Executive may have, other than as set forth in this Section, shall terminate upon such termination.

4.3. Termination Without Cause; Termination for Good Reason. The Company may terminate the Executive's employment without Cause and the Executive may terminate his employment for Good Reason. If, during the Term of Employment, the Executive's employment is terminated by the Company without Cause or by the Executive for Good Reason (unless the Executive has incurred a termination under Section 4.1 or 4.2 above), the Executive shall be entitled to: (a) the Accrued Benefits; (b) monthly payments of \$25,000 each for 9 months following such termination, for a total of \$225,000 and (c) provided that the Executive timely elects to receive COBRA continuation medical benefits, the Company will pay the applicable premium for 12 months following such termination (the payments and benefits under Sections 4.3(b) and 4.3(c) collectively, the "Termination Payment"). The Termination Payment is subject to the Executive's execution of a general release substantially in a form satisfactory to the Company (the "Release"), which becomes effective within 30 days following the Termination Date. The Termination Payment will commence once the Release becomes effective. Notwithstanding the foregoing, if the 30 day period following the Executive's termination ends in a calendar year after the year in which the Executive's employment terminates, the Termination Payment shall commence no earlier than the first day of such later calendar year. All other rights the Executive may have, other than as set forth in this Section, shall terminate upon such termination.

4.4. Termination For Cause. Upon written notice to the Executive, the Company may terminate the Executive's employment for Cause. In such event, the Executive shall be entitled to the Accrued Benefits. All other rights the Executive may have, other than as set forth in this Section, shall terminate upon such termination.

4.5. Voluntary Termination Without Good Reason. Upon 30 days prior written notice to the Company, the Executive shall have the right to voluntarily terminate his employment hereunder for any reason. Upon receipt of the Executive's notice of voluntary termination, the Company at its sole discretion may elect to reduce the notice period and no such action by the Company shall cause the Executive's termination to be a termination by the Company without Cause. In such event of the Executive's voluntary termination, the Executive shall be entitled to the Accrued Benefits. All other rights the Executive may have, if applicable, shall terminate upon such termination.

4.6. Violation of Restrictive Covenants. Without limiting the Company's remedies, upon the Executive's breach of any restrictions set forth in the Restrictive Covenant Agreement, the Company will have no obligation to continue to pay or provide any of the amounts or benefits under this Section 4.

5. Successors. This Agreement is personal to the Executive and, without the prior express written consent of the Company, shall not be assignable by the Executive. This Agreement shall inure to the benefit of and be enforceable by the Executive's heirs, beneficiaries and/or legal representatives. This Agreement shall inure to the benefit of and be binding upon the Company and its respective successors, purchasers and assigns.

6. Restrictive Covenants. As an inducement and as essential consideration for the Executive's employment with the Company or any of its Affiliates, the Executive hereby agrees to the restrictive covenants contained in the Restrictive Covenant Agreement. The Parties agree that such restrictive covenants are essential to preserve the goodwill of the businesses and that the Company would not have entered into the Agreement without the Executive's consent to the restrictive covenants set forth in the Restrictive Covenant Agreement.

7. Miscellaneous.

7.1. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the New Jersey, applied without reference to principles of conflict of laws. Both the Executive and the Company agree to appear before and submit exclusively to the jurisdiction of the federal courts located within New Jersey, with respect to any controversy, dispute, or claim arising out of or relating to this Agreement.

7.2. Amendments. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

7.3. Notices. All notices and other communications hereunder shall be in writing and shall be given by hand-delivery to the other party by reputable overnight courier, by facsimile or registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

To the Company:

Interpace Diagnostics Group, Inc.
300 Interpace Parkway,
Parsippany, New Jersey 07054
c/o Chief Executive Officer and Chief

Financial Officer

To the Executive:

at his residence address most recently filed
with the Company;

or to such other address as any party shall have furnished to the other in writing in accordance herewith. All such notices shall be deemed to have been duly given: (i) when delivered personally to the recipient, (ii) one (1) business day after being sent to the recipient by reputable overnight courier service (charges prepaid); (iii) upon transmission by facsimile if a customary confirmation of transmission is received during normal business hours and, if not, the next business day after transmission; or (iv) four (4) business days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid.

7.4. Withholding. The Company may withhold from any amounts payable under this Agreement such federal, state or local income taxes it determines may be appropriate.

7.5. Section 409A Compliance. The following rules shall apply, to the extent necessary, with respect to distribution of the payments and benefits, if any, to be provided to the Executive under this Agreement. Subject to the provisions in this Section, the severance payments pursuant to this Agreement shall begin only upon the date of the Executive's "separation from service" (determined as set forth below) which occurs on or after the date of the Executive's termination of employment.

7.5.1. This Agreement is intended to comply with or be exempt from Code Section 409A (to the extent applicable) and the parties hereto agree to interpret, apply and administer this Agreement in the least restrictive manner necessary to comply therewith or to be exempt therefrom and without resulting in any increase in the amounts owed hereunder by the Company.

7.5.2. It is intended that each installment of the severance payments and benefits provided under this Agreement shall be treated as a separate "payment" for purposes of Section 409A of the Code and the guidance issued thereunder ("Section 409A"). Neither the Executive nor the Company shall have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A.

7.5.3. If, as of the date of the Executive's "separation from service" from the Company, the Executive is not a "specified employee" (within the meaning of Section 409A), then each installment of the severance payments and benefits shall be made on the dates and terms set forth in this Agreement.

7.5.4. If, as of the date of the Executive's "separation from service" from the Company, the Executive is a "specified employee" (within the meaning of Section 409A), then:

7.5.4.1. Each installment of the severance payments and benefits due under this Agreement that, in accordance with the dates and terms set forth herein, will in all circumstances, regardless of when the separation from service occurs, be paid within the short-term deferral period (as defined in Section 409A) shall be treated as a short-term deferral within the meaning of Treasury Regulation Section 1.409A-1(b)(4) to the maximum extent permissible under Section 409A; and

7.5.4.2. Each installment of the severance payments and benefits due under this Agreement that is not described in Section 7.5.4.1 above and that would, absent this subsection, be paid within the six-month period following the Executive's "separation from service" from the Company shall not be paid until the date that is six months and one day after such separation from service (or, if earlier, the Executive's death), with any such installments that are required to be delayed being accumulated during the six-month period and paid in a lump sum on the date that is six months and one day following the Executive's separation from service and any subsequent installments, if any, being paid in accordance with the dates and terms set forth herein; provided, however, that the preceding provisions of this sentence shall not apply to any installment of severance payments and benefits if and to the maximum extent that such installment is deemed to be paid under a separation pay plan that does not provide for a deferral of compensation by reason of the application of Treasury Regulation 1.409A-1(b)(9)(iii) (relating to separation pay upon an involuntary separation from service). Any installments that qualify for the exception under Treasury Regulation Section 1.409A-1(b)(9)(iii) must be paid no later than the last day of the second taxable year following the taxable year in which the separation from service occurs.

7.5.5. The determination of whether and when the Executive's separation from service from the Company has occurred shall be made in a manner consistent with, and based on the presumptions set forth in, Treasury Regulation Section 1.409A-1(h). Solely for purposes of this Section, "Company" shall include all persons with whom the Company would be considered a single employer as determined under Treasury Regulation Section 1.409A-1(h)(3).

7.5.6. All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A to the extent that such reimbursements or in-kind benefits are subject to Section 409A, including, where applicable, the requirements that (i) any reimbursement is for expenses incurred during the Executive's lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred and (iv) the right to reimbursement is not subject to set off or liquidation or exchange for any other benefit.

7.5.7. Notwithstanding anything herein to the contrary, the Company shall have no liability to the Executive or to any other person if the payments and benefits provided in this Agreement that are intended to be exempt from or compliant with Section 409A are not so exempt or compliant.

7.6. **Severability**. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

7.7. **Captions**. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

7.8. **Counterparts**. This Agreement may be executed in one or more counterparts each of which shall be deemed an original instrument, but all of which together shall constitute but one and the same Agreement.

7.9. **Entire Agreement**. This Agreement contains the entire agreement between the parties, including their respective affiliates, concerning the subject matter hereof and supersedes all prior agreements, understandings, discussions, negotiations and undertakings, whether written or oral, between the parties with respect thereto.

7.10. **Survivorship**. The respective rights and obligations of the parties hereunder shall survive any termination of this Agreement hereunder for any reason to the extent necessary to the intended provision of such rights and the intended performance of such obligations.

[Remainder of page intentionally omitted]

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and the Company has caused this Agreement to be executed in its name on its behalf, all as of the day and year first above written.

INTERPACE DIAGNOSTICS GROUP, INC.

By: /s/ Stephen J. Sullivan
Name: Stephen J. Sullivan
Its: Chairman

INTENDING TO BE LEGALLY BOUND, I hereby set my hand below:

/s/ Jack E. Stover
Jack E. Stover
Dated: 10/30/16