

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

FORM 10-KSB/A

Annual Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
For the fiscal year ended September 30, 1996

COMMISSION FILE NO. 01-21617

THE QUIGLEY CORPORATION

(Exact name of registrant as specified in its charter)

Nevada

23-2577138

(State or other jurisdiction (IRS Employer Identification No.)
of incorporation or organization)

LANDMARK BUILDING, PO BOX 1349, DOYLESTOWN, PA 18901

(Address of principal executive offices)

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

Securities registered pursuant to Section 12(b)
of the Act: NONE

Securities registered pursuant to Section 12(g)
of the Act: COMMON STOCK (\$.001 PAR VALUE)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes /X/ No/ /

As of December 31, 1996, the aggregate market value of the voting stock (all of one class \$.001 par value Common Stock) held by non-affiliates of the Registrant was \$74,674,850 based upon the average of the closing Bid and Asked prices of the Common Stock on that date as reported on the OTC Bulletin Board.

Number of shares of each of the Registrant's classes of securities (all of one class of \$.001 par value Common Stock) outstanding on December 31, 1996: 6,049,596.

PART I

ITEM 1. DESCRIPTION OF BUSINESS

GENERAL DEVELOPMENT OF BUSINESS

The Quigley Corporation (hereinafter referred to as "the Registrant") is a Nevada corporation which was organized on August 24, 1989 and commenced business operations in October, 1989. Pursuant to a Registration Statement filed in accordance with the Securities Act of 1933, as amended, and declared effective by the Securities and Exchange Commission on February 7, 1991, the Registrant in August of 1991 sold 2,113,433 Units of its securities to the public.

The Registrant's offices are located at Landmark Building, PO Box 1349, Doylestown, PA 18901. The telephone number is (215) 345-0919. The Registrant maintains a home page on the Internet at <http://www.quigleyco.com> and can be reached by e-mail at quigley@quigleyco.com.

FINANCIAL INFORMATION ABOUT INDUSTRY SEGMENTS

SEE, Consolidated Financial Statements.

NARRATIVE DESCRIPTION OF BUSINESS OPERATIONS

Since its inception, the Registrant has conducted research and development into various types of health-related food supplements and homeopathic cold remedies. Prior to the current fiscal year, the Registrant has had minimal revenues from operations and as a result had suffered continuing losses due to research and development and operations expenses. However, the Registrant's product line has been developed, and during the most recent fiscal year ended September 30, 1996 ("Fiscal 1996"), the Registrant has had increasing and significant revenues from its national marketing program and increasing public awareness of its Cold-Eeze(TM) lozenge product.

The Registrant's initial business was the marketing and distribution of a line of nutritious health supplements (hereinafter "Nutri-Bars"). Beginning in 1995, the Registrant minimized its marketing of the Nutri-Bars and focused its efforts on the development and marketing of the Registrant's patented Cold-Eeze(TM) zinc gluconate cold relief lozenge product.

Since June, 1996, the Registrant has concentrated its business operations exclusively on the manufacturing, marketing and development of its proprietary Cold-Eeze(TM) and Cold-Eezer Plus cold-remedy lozenge products and on development of various product extensions. The Registrant's lozenge products are based upon a proprietary zinc gluconate formula which in a clinical study conducted by The Cleveland Clinic has been shown to reduce the severity and duration of the common cold. The Quigley Corporation acquired world-wide manufacturing and distribution rights to this formulation in 1992 from Dr. John Godfrey and commenced national marketing in 1996.

PRODUCTS

THE COLD-EEZE(TM) COLD REMEDY LOZENGE

In May, 1992, the Registrant entered into an exclusive agreement for worldwide representation, manufacturing, marketing and distribution rights to a zinc gluconate/glycine lozenge formulation developed by Dr. John C. Godfrey, Ph.D., and patented in the United States, United Kingdom, Sweden, France, Italy, Canada, Germany, and pending in Japan. This product is presently being marketed by the Registrant under the tradename Cold-Eeze(TM) by the Registrant directly and also through independent brokers and marketers, and is a featured product on the QVC Cable TV shopping network.

-2-

In 1996, the Registrant also acquired an exclusive license to a zinc gluconate use patent which had been patented by George Eby III, thereby assuring the Registrant of exclusivity in the manufacturing and marketing of zinc gluconate formulated cold relief products.

Under an FDA approved Investigational New Drug Application, filed by Dartmouth College, a randomized double-blind placebo-controlled study (randomized study), conducted at Dartmouth College Health Science, Hanover, New Hampshire, concluded that the lozenge formulation treatment, initiated within 48 hours of symptom onset, resulted in a significant reduction in the total duration of the common cold.

On May 22, 1992, ZINC AND THE COMMON COLD, A CONTROLLED CLINICAL STUDY, by Dr. Godfrey, et al., was published in England, in the "Journal of International Medical Research", Volume 20, Number 3, Pages 234-246. According to Dr. Godfrey (a) flavorings used in other Zinc lozenge products (citrate, tartrate, separate, orotate, picolinate, mannitol or sorbitol) render the Zinc inactive and unavailable to the patient's nasal passages, mouth and throat, where cold symptoms have to be treated, (b) this new, patented pleasant-tasting formulation delivers approximately 93% of the active Zinc to the mucosal surfaces and (c) the patient has the same sequence of symptoms as in the absence of treatment, but goes through the phases at an accelerated rate and with reduced symptom severity.

On July 15, 1996, results of a new randomized double-blind placebo-controlled study on the common cold, which commenced at the CLEVELAND CLINIC FOUNDATION on October 3rd, 1994 was published. The study called "ZINC GLUCONATE LOZENGES FOR TREATING THE COMMON COLD" was completed and published in the ANNALS OF INTERNAL MEDICINE - VOL. 125 NO. 2. Using a 13.3mg lozenge (almost half the strength of the lozenge used in our Dartmouth Study), the results still showed a 42% reduction in the duration of the Common Cold.

ROYALTY AND EMPLOYMENT AGREEMENTS

The Cold-Eeze(TM) product is manufactured for the Registrant by an independent manufacturer and marketed by the Registrant in accordance with the terms of the licensing agreement (between the Registrant and Godfrey Science & Design, Inc. and John C. Godfrey, Ph.D; hereinafter "Dr. Godfrey"). The contract is assignable by the Registrant with Dr. Godfrey's consent. Throughout the duration of the agreement Dr. Godfrey is to receive a three percent (3%) royalty on all gross sales (subsequent to the Registrant receiving payment upon such gross sales).

A separate consulting agreement between the parties referred to directly above was similarly entered into on May 4, 1992 whereby Dr. John C. Godfrey and Dr. Nancy J. Godfrey are to receive a consulting fee of two percent (2%) of gross sales of the lozenge by the Registrant for his consulting services to the Registrant with respect to such product.

Pursuant to the License Agreement entered into between the Registrant and George Eby Research, the Registrant pays a royalty fee. Throughout the duration of the agreement George Eby of George Eby Research is to receive a three percent (3%) royalty on all gross sales (subsequent to the Registrant receiving payment upon

such gross sales).

An employment agreement between the Registrant and Guy J. Quigley was entered into on June 1, 1995, whereby Guy J. Quigley, along with the normal considerations of an Executive Employment Agreement, in consideration of the acquisition of the cold therapy product, is to receive a royalty of five percent (5%) of gross sales of the Lozenge by the Registrant for the termination of said agreement on May 31, 2005.

An employment agreement between the Registrant and Charles A. Phillips was entered into on June 1, 1995, whereby Charles A. Phillips, along with the normal considerations of an Executive Employment Agreement, shall receive 25% (twenty five per cent) of the royalty received by Guy J. Quigley, either directly from Guy J. Quigley or, if requested, directly from the Registrant. Should Charles A. Phillips make such request upon Registrant, the said 25% (twenty five per cent) would be deducted from any royalties due to Guy J. Quigley.

-3-

BROKER, DISTRIBUTOR AND REPRESENTATIVE AGREEMENTS

The Registrant has several Broker, Distributor and Representative Agreements, both Nationally and Internationally. These agreements are sales performance based and in addition the Registrant has also issued incentive common stock purchase options to its Brokers, Distributors and Representatives.

PATENTS

The Registrant currently owns no patents. However, the Registrant has been granted an exclusive agreement for worldwide representation, manufacturing, marketing and distribution rights to a zinc/gluconate/glycine lozenge formulation developed by Dr. John C. Godfrey, Ph.D., and patented as follows:

UNITED STATES:	No. 4 684 528 (August 4, 1987) AND No. 4 758 439 (July 19, 1988)
GERMANY:	No. 3,587,766 (March 2, 1994)
FRANCE & ITALY:	No. EP 0 183 840 B1 (March 2, 1994)
SWEDEN.	No. 0 183 840 (March 2, 1994)
CANADA:	No. 1 243 952 (November 1, 1988)
GREAT BRITAIN:	No. 2 179 536 (December 21, 1988)
JAPAN:	Pending.

In 1996, the Registrant also acquired exclusive license for a United States ZINC GLUCONATE USE PATENT NUMBER RI 33,465 from the patent holder George Eby of George Eby Research. This use patent gives The Registrant the only world-wide entity with rights to both USE and FORMULATION patents on zinc gluconate for reducing the duration and severity of the common cold.

RESEARCH AND DEVELOPMENT

The Registrant's research and development costs for Fiscal 1996 and the fiscal year ending September 30, 1995 ("Fiscal 1995") was \$41,856 and \$70,711, respectively. The decrease in research and development costs is attributable to the Registrant's completion of its research and development projects with respect to the Cold-Eeze(TM) product. The clinical study conducted by The Cleveland Clinic was done at no cost to the Registrant. The Registrant will in the fiscal year ending September 30, 1997 ("Fiscal 1997") incur research and development expenditures to develop extensions of the lozenge product, including potential pediatric Cold-Eeze, along with chewing gum and mouthwash formulations of the Cold-Eeze(TM) product.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

-4-

REGULATORY MATTERS

The business of the Registrant is subject to federal and state laws and regulations adopted for the health and safety of users of the Registrant's products. The Registrant's Cold-Eeze(TM) product is a homeopathic remedy which is subject to regulation by various federal, state and local agencies, including the FDA and the Homeopathic Pharmacopoeia of the United States. These regulatory authorities have broad powers, and the Registrant is subject to regulatory and legislative changes that can affect the economics of the industry by requiring changes in operating practices or by influencing the demand for, and the costs of providing its products. Management believes that the Registrant is in compliance with all such laws, regulations and standards currently in effect including the Food, Drug and Cosmetic Act of 1938 and the Homeopathic Pharmacopoeia Regulatory Service. Management further believes that the cost of compliance with such laws, regulations and standards has not and will not have a material adverse effect on the Registrant.

COMPETITION

The Registrant competes with other suppliers of cold remedy products. These suppliers range widely in size. Some of the Registrant's competitors have significantly greater financial, technical or marketing resources than the Registrant. Many of the products offered by the Registrant's competitors only relieve the symptoms of the common cold and management believes that its product, which has been clinically proven to reduce the severity and duration of the common cold, offers a significant advantage over many of its competitors in the over-the-counter cold remedy market. The Registrant believes that its ability to compete depends on a number of factors, including price, product quality, availability and reliability, credit terms, name recognition, delivery time and post-sale service and support.

EMPLOYEES

At September 30, 1996 the Registrant had 4 full-time employees, of whom all were involved in an executive, marketing or administrative capacity. None of the Registrant's employees is covered by a collective bargaining agreement or is a member of a union. The Registrant considers its relationship with its employees to be good.

CUSTOMERS AND SUPPLIERS

The Cold-Eeze(TM) lozenge products are distributed through numerous independent and chain drug and discount stores throughout the United States, including Walgreen's, Revco, Osco/Sav-On, Thrift Drug, CVS, RiteAid, Eckerd, PharMor, K-Mart, and wholesale distribution including, McKesson, Bergen Brunswick, Foxmeyer, US Health Distributors. The Cold-Eezer Plus product is marketed through an exclusive sales agreement with the QVC cable shopping network. The Registrant is not dependent on any single customer.

The Registrant currently uses a single supplier to provide its zinc gluconate products. Should this relationship terminate, the Registrant believes that the contingency plans which it has formulated would prevent such termination from materially affecting the Registrant's operations. Any such termination may, however, result in a temporary delay in production until a replacement facility with available production time is located.

-5-

ITEM 2. PROPERTIES

The Registrant currently maintains its executive offices at the Landmark Building, 10 South Clinton Street, Doylestown, PA (and its alternative mailing address is P.O. Box 1349, Doylestown, PA 18901) where it occupies approximately 2,000 square feet of office space pursuant to a written 3-year lease agreement with an unaffiliated landlord. The Registrant also occupies approximately 2,500 square feet of warehouse space under a one-year lease agreement with an unaffiliated landlord. The monthly aggregate lease payments for both premises is \$ 2,355. The Registrant believes that its existing facilities are adequate for its current needs and that additional facilities in its service area are available to meet future needs.

ITEM 3. LEGAL PROCEEDINGS

The Registrant is not presently a party to any material litigation nor, to the knowledge of management, is any material litigation threatened.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On August 19, 1995, the Registrant held its annual meeting of stockholders at Doylestown, PA, the number of shares necessary to constitute a quorum being present either in person or by proxy. At this meeting, the stockholders ratified all actions and appointments of the Board of Directors taken and made since the previous Annual Meeting of Stockholders in June, 1993. The stockholders also elected the slate of Directors nominated by the Registrant to hold such office until the next Annual Meeting, and ratified the appointment of Nachum Blumenfrucht, CPA, as independent auditor of the Registrant for Fiscal 1996.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

-6-

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

(A) MARKET INFORMATION

The Registrant's Common Stock, \$.001 par value, is traded on the over-the-counter market (Bulletin Board) under the trading symbol QUIG. The following table sets forth the average range of bid and ask quotations for the Registrant's Common Stock as reported by the NASD Bulletin Board for each full quarterly period within the two most recent fiscal years (1).

Fiscal 1995 (2)

BY QUARTER		COMMON STOCK	
QUARTER	DATE	HIGH	LOW
1st	December 31, 1994	\$1.25	\$1.00
2nd	March 31, 1995	\$1.25	\$1.00
3rd	June 30, 1995	\$1.25	\$1.00
4th	September 30, 1995	\$1.25	\$1.00

Fiscal 1996 (2)

BY QUARTER		COMMON STOCK	
QUARTER	DATE	HIGH	LOW
1st	December 31, 1995	\$ 1.375	\$0.875
2nd	March 31, 1996	\$ 1.375	\$0.875
3rd	June 30, 1996	\$ 2.25	\$0.625
4th	September 30, 1996	\$10.50	\$1.625

(1) Trading transactions in the Registrant's securities has been limited to the over-the-counter market and, accordingly, an "established public trading market" for such securities currently exists and has existed for more than the past sixty business days. Bid and asked quotations at fixed prices have appeared regularly in the established quotation systems on at least one-half of such business days. All prices indicated herein are as reported to the Registrant by broker-dealer(s) making a market in its securities. The aforesaid securities are not traded or quoted on any automated quotation system. The over-the-counter market quotes indicated above reflect inter-dealer prices, without retail mark-up, mark-down or commission, and may not necessarily represent actual transactions.

(2) Prices for Fiscal Years 1995 and 1996 have been adjusted to reflect the 10 for-One Reverse Split of Common Stock in December, 1995.

-7-

(B) HOLDERS. As of September 30, 1996 there were approximately 253 holders of record of Registrant's Common Stock, including brokerage firms, clearing houses, and/or depository firms holding the Registrant's securities for their respective clients. The exact number of beneficial owners of the Registrant's securities is not known but would necessarily exceed the number of record owners indicated above.

(C) DIVIDENDS. No cash dividends were paid during Fiscal 1996 and Fiscal 1995. The Registrant has not paid or declared any dividends upon its Common Stock since its inception, and, by reason of its present financial status and projected financial requirements, does not anticipate paying any dividends upon its Common Stock in the foreseeable future.

(D) WARRANTS. In addition to the Registrant's aforesaid outstanding Common Stock, there are as of December 26, 1996 issued and outstanding Common Stock Purchase Warrants which are exercisable at the price-per-share indicated and which expire on the date indicated, as follows:

WARRANT	NUMBER	EXERCISE PRICE	EXPIRATION DATE
---------	--------	----------------	-----------------

CLASS "D"	800,000	\$1.00	December 31, 2000
CLASS "E"	1,550,000	\$3.50	June 30, 2001

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

THIS MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS CONTAINS FORWARD-LOOKING STATEMENTS THAT INVOLVE RISKS AND UNCERTAINTIES. THE REGISTRANT'S ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE ANTICIPATED IN THESE FORWARD-LOOKING STATEMENTS. FACTORS THAT MAY CAUSE SUCH DIFFERENCES INCLUDE, BUT ARE NOT LIMITED TO, THE REGISTRANT'S EXPANSION INTO NEW MARKETS, COMPETITION, TECHNOLOGICAL ADVANCES AND AVAILABILITY OF MANAGERIAL PERSONNEL.

OVERVIEW

During Fiscal 1996, management of the Registrant made a strategic marketing decision to change the focus and business operations of the Registrant to the manufacture and marketing of the Registrant's patented Cold-Eeze(TM) cold relief lozenge product and the development and marketing of brand extension products based upon the Registrant's proprietary zinc gluconate glycine formula.

By commencing national distribution of a cold-relief product clinically proven to reduce the severity and duration of the common cold, the Registrant believes that it is offering a significant addition to the huge over-the-counter cold remedy market. Through greatly increased sales and expansion of manufacturing capacity and by holding down operation, marketing and distribution costs, the Registrant believes it will in Fiscal 1997 reverse the negative cash flow from operations associated with the product development. The Registrant also intends to continue to utilize the financial and marketing resources of independent national and international brokers and marketers to represent the Registrant's Cold-Eeze(TM) lozenge product and product extensions, thereby saving the Registrant from the expenses and capital outlays which the Registrant would otherwise be required to expend.

The Registrant had not generated significant revenues from its business operations from its inception through the third quarter of Fiscal 1996. As a result of the release of the clinical study by The Cleveland Clinic in July, 1996 citing positive results of the efficacy of the Registrant's Cold-Eeze(TM) formulation, and the resultant increased national publicity concerning the Cold-Eeze(TM) product, revenue from product sales greatly increased during the fourth quarter ending September 30, 1996. For Fiscal 1996, the Registrant had a net loss of (\$694,269) on revenues of \$1,049,561. The dramatic increase in purchase orders for the Cold-Eeze(TM) product resulted in a significant backlog in purchase orders by the close of Fiscal 1996.

-8-

Based upon continuing strong consumer demand for the Cold-Eeze(TM) product, the Registrant in September, 1996 initiated a program designed to increase manufacturing capacity in several stages throughout Fiscal 1997. As a result of this program, the Registrant will have the ability to manufacture and ship in excess of \$1.5 million of the Cold- Eeze(TM) product by the end of January, 1997, with additional manufacturing capacity coming on-line shortly thereafter.

As of December 26, 1996, the Registrant had a purchase order backlog of approximately \$7.5 million of Cold-Eeze(TM) product, and was, during the months of November, 1996 and December, 1996, manufacturing and shipping Cold- Eeze(TM) product at the rate of approximately \$500,000 per week. These sales levels are significantly higher than any previous sales results of the Registrant and management expects that these sales levels will continue for the immediate future and therefore will have a materially positive effect on the Registrant's results for Fiscal 1997.

Although the Registrant expects that sales levels will be highest during the peak cold season from September through March, near-term sales levels should continue to increase as the Registrant ships its backlog of orders and distributors and retailers order increasing quantities of the Cold-Eeze(TM) product to fill their distribution pipeline and meet increasing consumer demand for the product. In addition, the Registrant expects that it will during Fiscal 1997 utilize its increased manufacturing capacity to manufacture sufficient product for international distribution of Cold- Eeze(TM). Although the Registrant has begun to establish an international network of independent distributors, the current inability to meet domestic demand for the Cold-Eeze(TM) product has delayed the introduction of the Cold- Eeze(TM) product outside the United States.

The Registrant believes that it has developed an effective, proprietary cold remedy product which is beginning to meet with widespread consumer acceptance. Future results of the Registrant's operations, however, will be dependent upon a number of factors, including competitive and financial pressures associated with national distribution of an over-the-counter cold remedy. Future revenues, costs, margins and profits will continue to be influenced by the Registrant's

ability to increase its manufacturing capacity and marketing and distribution capabilities in order to compete on the national and international level.

The following table sets forth selected financial information for the periods indicated:

	For the Fiscal Year Ended	
	1996	1995
	----	----
Statement of Operations Summary:		
Net Sales	\$1,049,561	\$501,903
Net Loss	(\$694,269)	(\$152,556)
Net Loss Per Share	(\$.17)	(\$.05)
Balance Sheet Summary:		
Total Assets	\$1,368,301	\$437,076
Total Liabilities	\$125,253	\$137,936
Stockholder's Equity	\$1,243,048	\$299,140

-9-

RESULTS OF OPERATIONS

FISCAL 1996 COMPARED WITH FISCAL 1995

For Fiscal 1996, the Registrant reported revenues of \$1,049,561 and a net loss of (\$694,269), as compared with revenues of \$501,903 and a net loss of (\$152,556) for the comparable period ended September 30, 1995. This substantial increase in revenue is primarily attributable to gradual market acceptance of the Cold-Eeze(TM) lozenge products. The gradual market acceptance of the Cold-Eeze(TM) product resulted from a national marketing program commenced in the fourth quarter of Fiscal 1996 and the release of the results of The Cleveland Clinic Study in July, 1996. Sales in Fiscal 1995 were \$501,903, most of which resulted following the Registrant's marketing shift from health food bars to cold-relief products.

Cost of Goods sold, as a percentage of net sales, increased to 27.1% for Fiscal 1996 from 22.3% for Fiscal 1995. The slight increase was similarly caused by the Registrant's change in its product mix toward developing and marketing the Cold-Eeze(TM) products instead of health food bars. During Fiscal 1996, operating expenses similarly increased to \$1,493,794 from \$552,696 in Fiscal 1995. This was primarily a result of increased costs associated with a national marketing program and the increased sales volume from the Cold-Eeze(TM) product during Fiscal 1996.

During Fiscal 1996, the Registrant's major operating expenses included \$558,281 for salaries and \$570,752 for advertising which collectively accounted for \$1,129,033 or approximately 75.6% of the Registrant's operating expenses. Other operating costs for this period maintained their fixed attributes, in that they did not follow sales volume but maintained a relative constant dollar value for Fiscal 1995. During Fiscal 1995, these expenses included \$106,660 for salaries and \$93,931 for advertising. If these two categories of expenses maintained the same relationship to net sales from Fiscal 1995, then the net loss for Fiscal 1996 would have changed to basically a break even.

For future periods, a normal profitable relationship should develop for all costs and operating expenses as they relate to sales. However, this will not occur until certain break even sales volume levels are achieved to absorb certain fixed costs of the Registrant. The pricing structure of the Registrant's product is designed to render the Registrant profitable after base line sales volume levels are attained.

The total assets of the Registrant at September 30, 1996 and September 30, 1995 were \$1,368,301 and \$437,076 respectively. Working capital increased to \$910,970 from \$287,281 for the respective periods. These significant increases are due primarily to increased sales volume, the acquisition of the use patent, and funds or paid in capital generated from the sale, exercise or exchange for services of the Registrant's Common Stock, options, and warrants.

At September 30, 1996, the Registrant's backlog was approximately \$2 million as compared to no backlog at September 30, 1995. The backlog increase was attributable to a growth in sales of the Registrant's Cold-Eeze(TM) lozenge products.

FISCAL 1995 COMPARED WITH FISCAL 1994

For Fiscal 1995, the Registrant reported revenues of \$501,903 and a net loss of (\$152,556), as compared with revenues of \$76,907 and a loss of (\$73,784) for the comparable period ended September 30, 1994 ("Fiscal 1994"). This dramatic change in revenue is primarily attributable to the Registrant's initial marketing efforts of its cold-relief products, through the "QVC" television shopping network, which represents approximately \$261,000 or 52% of the total revenues for Fiscal 1995, and growing interest of the product by consumers in the

marketplace.

Cost of goods sold, as a percentage of net sales, decreased to 22.3% for Fiscal 1995 from 34.8% for Fiscal 1994. This occurred because the Registrant's change in its product mix toward developing and marketing the Cold-Eeze(TM) products primarily through QVC, which carried a lower cost of sales than health food and other cold-relief products.

-10-

During Fiscal 1995, the health food bars accounted for approximately 1% of total net sales as opposed to approximately 27% in Fiscal 1994.

During Fiscal 1995, operating expenses increased to \$552,696 from \$180,015 in Fiscal 1994. However, as a percentage of net sales, operating costs decreased to 110.1% in Fiscal 1995 from 234.1% in Fiscal 1994. Even though total operating costs were lower as a percentage of net sales, certain expenses increased in Fiscal 1995 causing a greater loss from operations to be reported. During Fiscal 1995, advertising and professional expenses increased to \$93,931 and \$69,325, respectively, compared to \$3,056 and (\$8,081), respectively for Fiscal 1994.

The Registrant had working capital of \$287,281 for its fiscal year ended September 30, 1995, as compared to a working capital deficiency of (\$59,998) for its fiscal year ended September 30, 1994. This improvement in working capital was due primarily to a significant increase in revenues to \$501,903 in Fiscal 1995 from \$76,907 in Fiscal 1994, combined with additional capital obtained by the Company through sale of Common Stock.

As of September 30, 1995, the Registrant did not have any current material commitments for capital expenditures.

FISCAL 1994 COMPARED WITH FISCAL 1993

The Registrant's operations for Fiscal 1994 produced revenues of \$76,907 and a net loss of (\$73,784) as compared with revenues of \$35,932 and a net loss of (\$219,388) for the comparable period ended September 30, 1993 ("Fiscal 1993"). This 114% improvement in revenues was due to the Registrant starting to sell a new product for the cold remedy market which accounted for approximately 73% of net sales for Fiscal 1994. Prior to Fiscal 1994, the primary source of revenues were through the sales of a line of nutritious health food supplements.

Gross profits improved to \$50,156, or 65.2% of net sales, for Fiscal 1994 as compared to \$18,887, or 61.9% of net sales, for Fiscal 1993. This occurred because of increased sales volume and a lower cost of production associated with the cold remedy lozenge, as compared to the health food supplements products.

Operating expenses decreased to \$180,015, or 234.1% of net sales, for Fiscal 1994 as compared to \$238,275, or 663.1% of net sales, for Fiscal 1993. The major cost associated with this reduction is that professional expenses decreased to (\$8,081) during Fiscal 1994 as compared to \$71,676 for Fiscal 1993. The negative amount occurred because of a settlement, with a previous attorney, waiving \$17,500 of fees.

By adopting FASB 109 during Fiscal 1994, an amount totaling (\$21,564) was reflected as a cumulative tax credit for that period. Also, \$32,500 was provided for the sale of distribution rights as compared to no provision, respectively, for Fiscal 1993. The specific preceding item changes are reflective in the net loss of the Registrant which decreased to (\$73,784) for Fiscal 1994, as compared to (\$219,388) for Fiscal 1993.

Deferred taxes increased to \$23,526 during Fiscal 1994 with no provision during the prior fiscal year, thereby accounting for the primary change in total assets to \$57,635 for Fiscal 1994 as compared to \$28,583 for Fiscal 1993. Working capital deficits for Fiscal 1994 and 1993 were (\$59,998) and (\$84,864) respectively, which remained basically unchanged as did all other significant categories with the exception of an advance during Fiscal 1993 for \$20,000 for the sale of distribution rights to a Canadian corporation.

As of September 30, 1994, the Registrant did not have any current material commitments for capital expenditures.

MATERIAL COMMITMENTS AND SIGNIFICANT AGREEMENTS

Since the Cold-Eeze(TM) lozenge product is manufactured for the Registrant by outside sources, capital expenditures for Fiscal 1997 are not anticipated to be material.

-11-

There are significant royalty agreements between the Registrant and the patent holders of the Registrant's cold-relief product. The Registrant has entered into royalty agreements with Godfrey Science & Design, Inc. and George Eby Research that require payments of 3% of gross sales and with Guy J. Quigley and Charles

A. Phillips who share a royalty of 5% of gross sales (in a ratio of 3.75% and 1.25%, respectively). Additionally, Dr. John C. Godfrey and Dr. Nancy J. Godfrey receive a consulting fee of 2% of gross sales. All such royalty and consulting arrangements are subject to certain adjustments, and payments are required by the Registrant only after funds are remitted from such sales. See, Description of Business- Royalty and Employment Agreements.

The agreements expire as follows: the agreement with George Eby Research expires on March 5, 2002; the agreements with each of Godfrey Science & Design, Dr. John C. Godfrey, and Dr. Nancy J. Godfrey expire on May 4, 2007; and the agreements with Guy J. Quigley and Charles A. Phillips expire on May 31, 2005. All costs associated with the cold-relief product, including the royalty and consulting agreements, have been built into the wholesale selling price of the product, in order to render the operations profitable after a certain base sales volume has been achieved.

LIQUIDITY AND CAPITAL RESOURCES

The Registrant had working capital of \$910,970 and \$287,281 at September 30, 1996 and 1995, respectively. The increase in working capital is due to the proceeds received by the Registrant from the sale or exchange of common stock for cash or services and increased sales of \$547,658. Total cash balances at September 30, 1996 were \$370,147, as compared to \$132,739 at September 30, 1995.

The Registrant believes that its increased marketing efforts and increased national publicity concerning the Cold- Eeze(TM) product, together with the Registrant's increased manufacturing availability, will result in significantly increased revenues in Fiscal 1997. These revenues will provide an internal source of capital to fund the Registrant's business operations. In addition to anticipated earnings from operations, the Registrant may continue to raise capital through the issuance of equity securities to finance anticipated growth.

On October 1, 1996, the Registrant entered into an investment banking arrangement with Sands Brothers & Co. to raise additional capital to assist in financing an expansion of the Registrant's business. Such financing arrangements would primarily entail a private placement offering of the Registrant's equity securities.

Management is not aware of any trends, events or uncertainties that have or are reasonably likely or expected to have a material negative impact upon the Registrant's (a) short term or long term liquidity, (b) net sales or revenues or income from continuing operations and (c) the Registrant's business operations may not be considered to be cyclical and/or seasonable in nature. Any challenge to the Registrant's rights under certain patents could have a material adverse effect on future liquidity of the Registrant, however, the Registrant is not aware of any condition which would make such an event probable.

Management believes that its present cash balances and future cash provided by operating activities will be sufficient to support current working capital requirements and planned expansion through Fiscal 1997. However, should the Registrant's business expand significantly, additional external sources of financing would be required. While the Registrant believes that such financing would be available to it, there can be no assurance in this regard.

NEW ACCOUNTING STANDARDS

In March 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," which requires that certain long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Management believes that the adoption of this pronouncement will not have a significant impact on the Registrant's financial statements.

-12-

In October 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123 "Accounting for Stock-Based Compensation," which requires either a change in accounting or disclosures for stock-based compensation plans. The Registrant expects to select the disclosure election of the standard.

Both standards will be effective for the Registrant beginning the first quarter of Fiscal 1997.

IMPACT OF INFLATION

The Registrant is subject to normal inflationary trends and anticipates that any increased costs should be passed on to its customers.

ITEM 7. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by Item 7 is included immediately following Item 13 of this Report. The Financial Statements contained herein have been prepared in accordance with the requirements of Regulation S-X and supplementary financial

information, if any, has been prepared in accordance with Item 302 of Regulation S-K.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

-13-

PART III

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

DIRECTORS AND EXECUTIVE OFFICERS

Listed below are the names, ages and positions with the Registrant of all Directors and Executive Officers of the Registrant as of December 26, 1996. Each director's term is scheduled to expire at the next annual meeting of shareholders and when his successor is duly elected:

NAME ----	AGE ---	POSITION -----	YEAR FIRST ELECTED -----
Guy J. Quigley Landmark Building 10 South Clinton Street Doylestown, PA 18901	55	President, CEO and Director	1989
Eric H. Kaytes Landmark Building 10 South Clinton Street Doylestown, PA 18901	41	Vice President of Finance, CFO, Secretary-Treas. and Director	1989
Charles A. Phillips Landmark Building 10 South Clinton Street Doylestown, PA 18901	49	Vice President, COO and Director	1989
Robert L. Pollack, Ph.D. Landmark Building 10 South Clinton Street Doylestown, PA 18901	72	Director of Research and Development, and Director	1993

GUY J. QUIGLEY has been Chairman of the Board, President, and Chief Executive Officer of the Registrant since September 1989. Prior to this date, Mr. Quigley, an accomplished author, established and operated various manufacturing, sales, marketing and real estate companies located in the United States, Europe and the African Continent.

CHARLES A. PHILLIPS has been Vice President, Chief Operations Officer and a Director of the Registrant since September 1989. Before his employment with the Registrant, Mr. Phillips founded and operated KEB Enterprises, a gold and diamond mining operation that was based in Sierra Leone, West Africa. In addition, Mr. Phillips, also served as a technical consultant for Re-Tech, Inc., Horsham, Pennsylvania, where he was responsible for full marketing and production of a prototype electrical device.

ERIC H. KAYTES currently serves as Vice President of Management Information Systems, Secretary, Treasurer and Director of the Registrant. From 1989 until January 1997, Mr. Kaytes also served as the Chief Financial Officer of the Registrant. Prior to 1989 and concurrent with his responsibilities for the Registrant, Mr. Kaytes has been an independent programmer and designer of computer software.

-14-

ROBERT L. POLLACK, B.S., M.S., Ph.D., Professor Emeritus Department of Biochemistry, Temple University School of Medicine. Dr. Pollack is a biochemist, researcher, nutritionist, microbiologist, editor and educator having lectured (both nationally and internationally) on nutritional matters to the general public and scientific audiences. In addition to publishing several papers in scientific journals, Dr. Pollack has authored three books on the subject of nutrition and currently serves as Chairman of the Medical Advisory Board of the Registrant.

TERM OF OFFICE

Directors are elected to serve until the next annual meeting of shareholders and until their successors have been elected and have qualified. Officers are appointed to serve until the meeting of the Board of Directors following the next annual meeting of shareholders and until their successors have been appointed.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

-15-

ITEM 10. EXECUTIVE COMPENSATION

(a) CASH COMPENSATION

The following table sets forth information concerning all remuneration paid or accrued by the Registrant for services rendered by the following persons in all capacities during Fiscal 1996:

(i) Each of the Registrant's five most compensated executive officers whose cash compensation exceeded \$100,000; and

(ii) all executive officers of the Registrant as a group.

<TABLE>
<CAPTION>

Name and Principal Compensation Position	Year	Salary (\$) (1)	Additional (\$) (2)
<S>	<C>	<C>	<C>
Guy J. Quigley Chairman of the Board, President, Chief Executive Officer	1996 1995 1994	125,000 62,400 25,000	235,956
Charles A. Phillips	1996 1995 1994	85,000 38,050 25,000	81,547
All Executive Officers as a group (3 Persons)	1996 1995 1994	221,300 103,850 50,000	329,343

</TABLE>

- (1) Compensation paid pursuant to employee agreements.
- (2) Additional payments, including stock awards in lieu of cash, for past and current services.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

-16-

(b) OUTSTANDING OPTIONS

As of September 30, 1996, Officers and/or Directors of the Registrant have been issued an aggregate of 585,000 options to purchase shares of the Registrant's Common Stock at various exercise prices. The following table sets forth information as to all options to purchase the Registrant's Common Stock which were granted, and held by each of the individuals listed on the remuneration table and all directors and officers as a group:

<TABLE>
<CAPTION>

Name	Options To Purchase # of Shares Indicated	Exercise Price	Date Granted	Expires	Percent of Total Options
<S>	<C>	<C>	<C>	<C>	<C>

Guy J. Quigley	100,000	\$1.00	12/95	12/00	3.4
	150,000	3.50	7/96	6/01	5.1
Charles A. Phillips	75,000	\$1.00	12/95	12/00	2.6
	150,000	3.50	7/96	6/01	5.1
Eric H. Kaytes	30,000	\$1.00	12/95	12/00	2.6
	25,000	3.50	7/96	6/01	5.2
Robert L. Pollack	30,000	\$1.00	12/95	12/00	1.0
	25,000	3.50	7/96	6/01	.8

</TABLE>

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

-17-

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information concerning ownership of the Registrant's Common Stock, as of December 31, 1996, by (i) each person who is known by the Company to be the beneficial owner of more than five percent of the Common Stock outstanding on such date, (ii) each of the Company's directors, and (iii) all current directors and executive officers of the Company as a group.

<TABLE>
<CAPTION>

Outstanding Name and Address -----	Common Stock(1) -----	Percent of Class -----	Warrants(8) -----
<S>	<C>	<C>	<C>
GUY J. QUIGLEY(2) (3) 100,000 (6) Landmark Building 150,000 (7) 10 South Clinton Street Doylestown, PA 18901	1,309,923 (10)	21.7	
CHARLES A. PHILLIPS(2) (3) 75,000 (6) Landmark Building 150,000 (7) 10 South Clinton Street Doylestown, PA 18901	436,496	7.2	
ERIC H. KAYTES(2) (3) 30,000 (6) Landmark Building 25,000 (7) 10 South Clinton Street Doylestown, PA 18901	134,496	2.2	
ROBERT L. POLLACK, Ph.D. (2) (4) 30,000 (6) Landmark Building 25,000 (7) 10 South Clinton Street Doylestown, PA 18901	81,000	1.3	
NUTRITIONAL FOODS, LTD(5) 539 Park Terrace Harrisburg, PA 17111	324,694	5.4	
ALL DIRECTORS AND 235,000 (6) EXECUTIVE OFFICERS AS A 350,000 (7) GROUP (Four Persons) (9)	1,961,915	32.4	

</TABLE>

-
- (1) Does not include shares issued pursuant to a two-for-one stock split on January 15, 1997.
- (2) Director of the Registrant.

- (3) Officer of the Registrant.
- (4) Chairman of the Medical Advisory Board of the Registrant.
- (5) In accordance with a Resolution adopted by the Board of Directors in May, 1992, the Registrant's Transfer Agent was directed to stop transfer of the certificates representing these shares. The Registrant takes the position that Nutritional Foods, Ltd. ("NFL") should not have received these shares due to certain false and misleading representations made by it to the Registrant, including but not limited to NFL's failure to act as the Registrant's international sales agent. The Registrant has commenced litigation to cancel the shares of record.
- (6) Warrants are exercisable at \$1.00 per share, granted December 1995, and expires December 2000.
- (7) Warrants are exercisable at \$3.50 per share, granted July 1996, and expires June 2001.
- (8) There are 585,000 shares of common stock underlying these unexercised warrants.

-18-

- (9) Does not include the Registrant's Chief Financial Officer, George J. Longo, whose employment agreement provides for a January 1997 commencement date for this position.
- (10) Includes an aggregate of 156,496 shares held of record by certain members of Mr. Quigley's family.

CHANGE OF CONTROL

The Registrant does not know of any arrangement or pledge of its securities by persons now considered in control of the Registrant that might result in a change of such control.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

For Fiscal 1996, there have not been any material transactions between the Registrant and any Director, Executive Officer, security holder or any member of the immediate family of any of the aforementioned which exceeded the sum of \$60,000.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

-19-

PART IV

ITEM 13. EXHIBITS, FINANCIAL STATEMENTS, SCHEDULES AND REPORTS ON FORM 8-K

(a) Exhibits:

- * 3.1 -- Articles of Incorporation of the Registrant (as amended).
- * 3.2 -- Bylaws of the Registrant.
- * 4.1 -- Specimen Common Stock Certificate.
- * 10.1 -- Stock Option Plan for Consultants, Advisors and Non-Employee Directors.
- **10.2 -- Exclusive Representation and Distribution Agreement dated May 4, 1992 between the Registrant and Godfrey Science & Design, Inc. et al.
- * 10.3 -- Employment Agreement dated June 1, 1995 between the Registrant and Guy J. Quigley.
- * 10.4 -- Employment Agreement dated June 1, 1995 between the Registrant and Charles A. Phillips.
- **10.5 -- Consulting Agreement dated May 4, 1992 between the Registrant and Godfrey Science & Design, Inc., et al.
- * 10.6 -- Licensing Agreement dated August 24, 1996 between the Registrant, George A. Eby III and George Eby Research.
- * 10.7 -- Exclusive Master Broker Wholesale Distributor and Non-Exclusive National Chain Broker Agreement dated July 22, 1994 between the Registrant and Russell Mitchell.
- * 11.1 -- Statement of Computation of Per Share Earnings.
- * 23.1 -- Consent of Nachum Blumenfrucht, CPA dated April 4, 1997.

* Filed herewith.

** Incorporated by reference to the Registrant's Registration Statement on Form S-18, filed with the Commission on September 21, 1990 (Commission File No. 33-36934), as amended.

(b) REPORTS ON FORM 8-K

No reports were filed on Form 8-K in the quarter ended September 30, 1996.

-20-

N. BLUMENFRUCHT
CERTIFIED PUBLIC ACCOUNTANT
1040 EAST 22ND STREET
BROOKLYN, N.Y. 11210

(718) 692-2743

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

The Board of Directors
The Quigley Corporation
Doylestown, Pennsylvania

I have audited the accompanying balance sheets of The Quigley Corporation as of September 30, 1996 and 1995, and the related Statements of Operations, Cash Flows and Stockholders' Equity for the periods ended September 30, 1996, 1995 and 1994. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Quigley Corporation as of September 30, 1996 and 1995 and the results of its operations and its Cash Flows and Stockholders' Equity for the periods ended September 30, 1996, 1995 and 1994, in conformity with generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. However, the Company suffered losses since inception, which raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to this matter are described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

As discussed in Note 1, effective October 1, 1993, the Company has changed its method of accounting for income taxes in accordance with SFAS No. 109.

/s/ NACHUM BLUMENFRUCHT

Nachum Blumenfrucht
Certified Public Accountant

Brooklyn, New York
December 12, 1996

-21-

THE QUIGLEY CORPORATION
Balance Sheet

As of September 30,

ASSETS

<TABLE>
<CAPTION>

	1996	1995
	----	----
CURRENT ASSETS		
<S>	<C>	<C>
Cash	\$ 370,147	\$132,739
Accounts receivable-Note 1	607,078	135,983
Interest receivable-Stockholders-Note 6	659	2,784
Inventory-Note 1	58,339	82,437
Due from attorney's escrow	0	9,000
Prepaid expenses-Note 5	0	4,468
	-----	-----
TOTAL CURRENT ASSETS	1,036,223	367,411
	-----	-----
FIXED AND OTHER ASSETS		
Fixed Assets (net of acc. depreciation of \$28,337 and \$14,010) - Note 1	65,314	36,884
Intangible Asset - Patent (net of acc. amortization of \$3,134 in 1996)- Note 1	206,866	0
Deposits- Note 1	3,377	3,310
Deferred taxes- Note 1	56,521	29,471
	-----	-----
TOTAL FIXED AND OTHER ASSETS	332,078	69,665
	-----	-----
TOTAL ASSETS	\$1,368,301	\$437,076
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		

CURRENT LIABILITIES		
Accounts payable & accrued expenses-Note 7	\$ 84,253	\$ 75,677
Prepaid stock subscription-Note 8	41,000	0
Loans and note payable-Note 9	0	4,453
	-----	-----
TOTAL CURRENT LIABILITIES	125,253	80,130
	-----	-----
NON CURRENT LIABILITIES		
Auto loan payable-non current portion	0	13,706
Restricted stock sold under put option 420,000 common shares-Note 10	0	44,100
	-----	-----
TOTAL LIABILITIES	125,253	137,936
	-----	-----
STOCKHOLDERS' EQUITY - Note 10		
Common Stock, \$.001 par value; authorized 25,000,000 shares, issued and outstanding, 4,769,764 shares in 1996 and 3,361,414 shares in 1995	4,769	3,361
Additional paid-in capital	4,129,256	2,466,632
Deficit	(2,803,247)	(2,108,978)
Less: Notes receivable stockholders - Note 6	(87,730)	(61,875)
	-----	-----
TOTAL STOCKHOLDERS' EQUITY	1,243,048	299,140
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$1,368,301	\$437,076
	=====	=====

</TABLE>

The accompanying notes are an integral part of these financial statements.

-22-

THE QUIGLEY CORPORATION
Statement of Operations<TABLE>
<CAPTION>

YEARS ENDED SEPTEMBER 30,

1996

1995

1994			
----	----	----	
REVENUE			
<S>	<C>	<C>	<C>
Sales	\$1,049,561	\$ 501,903	\$
76,907			
Cost of Goods Sold	283,967	111,834	
26,751			
-----	-----	-----	---
Gross Profit	765,594	390,069	
50,156			
GENERAL AND ADMINISTRATIVE EXPENSES			
Officer salaries & payroll taxes	558,281	106,660	
50,000			
Services rendered & R&D-Note 10	71,256	80,411	
8,750			
Administrative expenses-Note 12	42,906	39,305	
26,949			
Commissions, consulting & royalties	77,030	58,711	
6,100			
Travel, entertainment and shows	6,009	13,758	
15,551			
Depreciation and amortization	17,461	4,728	
2,773			
Utilities	11,013	9,498	
9,722			
Advertising and promotion	570,752	93,931	
3,056			
Professional	65,268	69,325	
(8,081)			
Rent	28,265	20,029	
32,893			
Interest	4,523	3,728	
3,676			
Insurance	19,878	25,697	
5,390			
Office and equipment rental	1,522	1,290	
13,446			
Wages and outside labor	10,901	18,156	
0			
Dues and subscriptions	1,777	1,420	
0			
Stock transfer and maintenance fees	4,462	3,600	
5,700			
Miscellaneous	2,490	2,449	
4,090			
-----	-----	-----	----
Total General and administrative expenses	1,493,794	552,696	
180,015			
-----	-----	-----	----
Loss before other income provision for income tax and cumulative effective adjustment	(728,200)	(162,627)	
(129,859)			
Interest Income	6,881	4,126	
49			
Sale of distribution rights-Note 11	0	0	
32,500			
-----	-----	-----	----
Subtotal	(721,319)	(158,501)	
(97,310)			
Less: Provision for Corporate Income Tax -(Credit)- Note I	(27,050)	(5,945)	
1,962			
-----	-----	-----	----
Loss before cumulative adjustment	(694,269)	(152,556)	
(95,348)			
Less: Cumulative Effect Adjustment - (Credit)- Note 1	--	--	
21,564			
-----	-----	-----	----
Net Loss	\$ (694,269)	\$ (152,556)	\$
(73,784)			
=====	=====	=====	
Loss per share:			

Prior to cumulative effect adjust. (.04)	(.17)	(.05)	
Cumulative effect adjustment .01	--	--	
-----	-----	-----	-----
NET LOSS PER SHARE \$ (.03)	\$ (.17)	\$ (.05)	
=====	=====	=====	

</TABLE>

The accompanying notes are an integral part of these financial statements.

-23-

THE QUIGLEY CORPORATION
Statement of Cash Flows

<TABLE>
<CAPTION>

	Year Ended SEPTEMBER 30,		
	1996	1995	1994
	----	----	----
-			
CASH FLOWS FROM OPERATING ACTIVITIES:			
<S>	<C>	<C>	<C>
Net loss	\$ (694,269)	\$ (152,556)	
\$ (73,784)			
Adjustments to reconcile net loss to net cash used by operating activities Non-cash items included in loss:			
Amortization and depreciation	17,461	4,728	
2,773			
Expenses incurred without cost credited to additional paid in capital	0	0	
40,000			
Paid through the issuance of common stock	1,104,586	110,214	
63,250			
Allowance for deferred income taxes	(27,050)	(5,945)	
(23,526)			
Change in assets and liabilities:			
Accounts receivable	(471,095)	(135,983)	
0			
Inventory	24,098	(64,912)	
(8,318)			
Due from attorney's escrow account	9,000	(9,000)	
0			
Prepaid expenses	4,468	(4,468)	
8,474			
Interest on notes receivable	2,125	(2,784)	
0			
Deposits	(67)	2,765	
(3,235)			
Prepaid stock subscription	41,000	0	
0			
Accounts payable and accrued expenses	8,576	4,772	
(24,242)			
-----	-----	-----	-----
Cash provided by (used in) operations	18,833	(253,169)	
(18,608)			
-----	-----	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of fixed and other assets	(42,757)	(35,725)	
(1,000)			
Acquisition of patent rights	(210,000)	0	
0			
-----	-----	-----	-----
Total cash provided by (used in) investing activities	(252,757)	(35,725)	
(1,000)			

-----	-----	-----	-
CASH FLOWS FROM FINANCING ACTIVITIES:			
Sale of restricted common stock 20,388	515,346	433,925	
Less: shares issued for notes 0	(25,855)	(61,875)	
Exercise and issuance of various options 0	0	38,042	
Loan payable by shareholder (4,800)	0	0	
Officers loan payable 8,240	(440)	(10,800)	
Automobile loan payable 0	17,719	17,719	
-----	-----	-----	-
Total cash provided by (used in) financing activities 23,828	471,332	417,011	
-----	-----	-----	-
NET INCREASE (DECREASE) IN CASH 4,220	237,408	128,117	
CASH AT BEGINNING OF PERIOD 402	132,739	4,622	
-----	-----	-----	--
CASH AT END OF PERIOD 4,622	\$370,147	\$132,739	\$
=====	=====	=====	
</TABLE>			

The accompanying notes are an integral part of these financial statements.

THE QUIGLEY CORPORATION
Statement of Cash Flows (continued)

<TABLE>
<CAPTION>

	Year Ended SEPTEMBER 30,		
	1996	1995	1994
	----	----	----
-			
<S>	<C>	<C>	<C>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Expenses paid by issuance of common stock and options	\$1,104,586	\$110,214	\$63,250
Non cash investing & financing:			
Conversion of put option into equity	44,100		
Acquisition of patent rights	210,000		

</TABLE>

The accompanying notes are an integral part of these financial statements.

THE QUIGLEY CORPORATION
STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)

NOTE 10

<TABLE>
<CAPTION>

Total	Common Stock Shares	Issued Amount	Additional Paid-In Capital	Earnings (Deficit)
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
<C>				
Balance at Sept. 30, 1993 \$(118,464)	2,445,525	\$2,445	\$1,761,729	\$(1,882,638)
Sales of S registration shares, net of commission 16,388	28,550	29	16,359	
Exercise of options by officers August 1994 21,000	300,000	300	20,700	
Exercise of options- August 1994 0	50,000	50	(50)	
Issuance of stock in settlement of accounts payable balance- August 1994 3,500	25,667	26	3,474	
Issuance of stock in exchange of loan and notes payable- August and September 1994 30,000	60,000	60	29,940	
Sale of shares- Sept. 1994 4,000	5,334	5	3,995	
Issuance of stock for services rendered - September 1994 8,750	10,000	10	8,740	
Services contributed by officers credited to paid in capital-Note 12 40,000			40,000	
Net Loss for Period Ended September 30, 1994 (73,784)				(73,784)

Balance at Sept. 30, 1994 (68,610)	2,925,076	2,925	1,884,887	(1,956,422)
Issuance of stock for services rendered Oct. 1, 1994-Sept. 30, 1995 110,214	88,171	88	110,126	
Exercise of warrants Jan. 1995 38,042	21,134	21	38,021	

SUBTOTAL \$79,646	3,034,381	\$3,034	\$2,033,034	\$(1,956,422)

</TABLE>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT) - NOTE 10 (Continued)

<TABLE>
<CAPTION>

	Common Stock Shares	Issued Amount	Additional Paid-In Capital	Retained Earnings (Deficit)	Notes Receivable- Stockholders
Total	-----	-----	-----	-----	-----
--	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
<C>					
Balance	3,034,381	\$3,034	\$2,033,034	\$(1,956,422)	
\$ 79,646					
Sale of 504 Stock- December 1994 for cash & notes-Net of expenses 185,875	159,700	160	185,715		
Less: Shares issued for notes (61,875) (61,875)					
Sale of Stock Oct. 1, 1994-Sept. 30, 1995 for cash 248,050	167,333	167	247,883		
Net Loss for period ended September 30, 1995 (152,556)				(152,556)	
-----	-----	-----	-----	-----	-----
Balance at Sept. 30, 1995 299,140	3,361,414	3,361	2,466,632	(2,108,978)	(61,875)
Conversion of put option to equity January 1996 44,100	42,000	42	44,058		
Shares issued to officers net of prior compensation recognized 313,750	530,000	530	313,220		
Issuance of stock for services rendered Oct. 1, 1995 -Sept. 30, 1996 580,836	269,320	269	580,567		
Issuance of stock for Patent rights- Note 1 210,000	60,000	60	209,940		
Stock issued to underwriter-June 1996 0	7,873	8	(8)		
Exercise of warrants- Jan. 1996 2,070	2,070	2	2,068		
Add: partial receipt of notes receivable on shares sold in prior period 9,145 9,145					
Sale of Stock, options & exercise of options- Oct. 1, 1995- Sept. 30, 1996 for cash & notes 513,276	497,087	497	512,779		
Less: Shares issued for notes (35,000) (35,000)					
Net Loss for period ended September 30, 1996 (694,269)				(694,269)	
-----	-----	-----	-----	-----	-----
BALANCE AT SEPT 30, 1996 \$1,243,048	4,769,764	\$4,769	\$4,129,256	\$(2,803,247)	(87,730)
=====	=====	=====	=====	=====	=====
=====					

The accompanying notes are an integral part of these financial statements

</TABLE>

The accompanying notes are an integral part of these financial statements

-27-

THE QUIGLEY CORPORATION

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1996

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) ORGANIZATION AND OPERATIONS

The Quigley Corporation (the "Company") was organized under the laws of the State of Nevada on August 24, 1989. The Company started business October 1, 1989 and has been engaged in the business of marketing health products. The products are fully developed and are being offered to the general public. For the fiscal year ended September 30, 1996 the Company had revenues of approximately \$1,049,000 from the sale of these products. For the most recent fiscal periods the Company has concentrated its efforts in the promotion of a product known as "Cold-Eeze(TM)". Management believes that it can generate enough revenue in the next twelve months to sustain the Company. Management is also pursuing additional capital through various methods.

(b) REVENUE

Revenue is recognized from product sales when the product is shipped using the accrual basis of accounting.

(c) ACCOUNTS RECEIVABLE

The direct write off method of accounting for bad debts is utilized and there is no allowance for doubtful accounts. For the current period approximately \$764 of bad debts was written off.

(d) INVENTORY

Inventory is stated at the lower of cost or market. Cost is determined by the first in, first out method.

(e) FIXED ASSETS

Fixed assets are reflected on the accompanying statements at cost less accumulated depreciation. A combination of the straight line and accelerated methods of depreciation is used utilizing a life of five years for machinery and equipment and a life of seven years for furniture and fixtures.

(f) PATENT

During the current fiscal period the Company reached an agreement with an individual who had patent rights on the use of zinc gluconate which is used in the formulation of the Company's products. The Company issued 60,000 of its common shares in return for the exclusive and sole right to this license / patent. The stock issued had a fair value of \$210,000 and is being amortized over the remaining patent life which expires in March 2002. In addition to the payment of stock, the Company has agreed to pay royalties to the previous patentholder for the remaining term of the patent.

The Company is obligated under a licensing agreement to pay Drs. John and Nancy Godfrey a total of 5% of all sales of the Cold-Eeze product. This is comprised of a royalty fee of 3% and a consulting fee of 2%.

The Company is also obligated under a separate licensing agreement with George Eby to pay him a 3% royalty fee of all sales collected for the remaining term of the patent. The patent expires in March 2002.

The Company is obligated under an employment contract to its two principal officers, Guy J. Quigley and Charles A. Phillips, whereby the above-mentioned officers are to receive a combined royalty of 5% of gross sales from the Cold-Eeze product. Amounts paid to the officers under the aforementioned contract were included in officers compensation on the Statement of Operations.

-28-

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1996

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

(g) DEPOSITS

Deposits are comprised of rent security and the related accrued interest.

(h) INCOME TAXES

Effective October 1, 1993 the Company changed its method of accounting for income taxes to comply with SFAS No. 109, "Accounting for Income Taxes." The Company has suffered net losses since inception and has a NOL carry forward of approximately \$1,500,000. Using an 15% income tax rate results in a deferred tax asset of approximately \$225,000. A valuation allowance of \$168,479 was established to reduced deferred tax assets to amounts expected to be realized. This resulted in a net deferred tax asset of \$56,521. Of this \$27,050 was derived from the current year's NOL (after provision for the valuation allowance). This amount was credited to provision for Corporate Income Tax. Of the total tax asset- \$21,564 represented prior years tax benefits, before the adoption by the Company of SFAS No.109. This credit was reported as a Cumulative Effect Adjustment on the Statement of Operations for the period ended September 30, 1994.

(i) FISCAL YEAR

The Company's fiscal year ends September 30th.

(j) SERVICES CONTRIBUTED BY OFFICERS

Prior to October 1, 1994, the officers received no significant remuneration. The Statement of Operations was charged an amount needed in order to obtain an annual officers compensation expense of \$50,000. For the fiscal year ended Sept. 30, 1994 these charges totaled \$40,000 and additional paid-in capital was credited for such amounts. For the fiscal years ended September 30, 1996 and 1995 the officers received remuneration of approximately \$555,000 and \$106,000 respectively. This includes common stock issued to the officers which was shown at fair value at the time of issuance.

NOTE 2- MANAGERMENTS PLANS

It is managements contention that they will be able to generate sufficient cash from sales to support its operations for the following twelve month period. In addition the Company is contemplating various equity offerings in the next fiscal year.

-29-

THE QUIGLEY CORPORATION

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1996

NOTE 3- LEASE COMMITMENTS

Operating Leases- The Company has a lease agreement on its office space which expires in December 1998. There is no lease agreement on its warehouse space and the Company occupies the premises on a month to month basis. The following table represents the future minimum rent payments required on the operating lease with terms in excess of one year as of September 30, 1996.

Fiscal Year Ended September 30,

1997	16,440
1998	18,213
1999	4,701

	\$39,354

Capital Leases- in the most recent fiscal year the Company was not obligated under any capital lease.

NOTE 4 - RELATED PARTY TRANSACTIONS

The Company had various transactions with the Ruyala Corporation since inception. Ruyala is owned in its entirety by Wendy Quigley (the wife of the Company's President, Guy Quigley). For part of the current fiscal year officer compensation owing to Guy and Wendy Quigley was paid to the

Ruyala corporation and was charged to officers compensation on the Statement of Operations.

NOTE 5- PREPAID EXPENSES & BANK LOAN PAYABLE

Prepaid expenses represents prepaid interest on an automobile loan. The automobile loan was satisfied in its entirety in the current fiscal period.

NOTE 6- NOTES RECEIVABLE-SHAREHOLDERS

Notes receivable include principal and interest due from shareholders. The Company sold shares under a Section 504 registration and received a note in the amount of \$61,875 in 1995. The note was originally due June 1, 1996 and bore interest at a rate of 6% per annum. The Board of Directors authorized an extension on the due date of the note until July 1, 1997. The balance as of September 30, 1996 was \$53,389.

Additionally, certain option and warrant holders exercised their options in September 1996. The full proceeds of the exercise were not received in the current period. As of September 30, 1996 the balance owing to the Company was \$35,000.

The principal amount of the notes has been shown as a reduction in shareholders equity pending the collection of such notes. The interest receivable has been carried as a current asset on the balance sheet.

NOTE 7- ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses represent various short term operating expenses of the Company including the purchase of merchandise.

-30-

THE QUIGLEY CORPORATION

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 1996

NOTE 8- PREPAID STOCK SUBSCRIPTION

As of September 30, 1996 an investor deposited \$41,000 for the purchase of common shares which were issued in October 1996.

NOTE 9- LOANS AND NOTES PAYABLE

(a) As of September 30, 1995 loans payable represented an amount due to officers of \$440. The loan was satisfied in full during the current fiscal period.

(b) The Company purchased an automobile and financed part of the purchase through a bank loan. The total amount financed was \$15,324 at an approximate rate of 11% for a period of 60 months. As of September 30, 1995 approximately \$17,700 was owed. The loan was satisfied in full in the current period.

NOTE 10-CAPITALIZATION

In December 1995, the Company initiated a 1 for 10 reverse stock split and changed the par value of its stock to \$.001 per common share. All shares referred to in the financial statements and notes to the financial statements (unless specifically stated otherwise) refer to post split amounts.

(a) In August of 1994 an option holder exercised 250,000 options in lieu of the \$2,500 owed to him by the Company for advertising services rendered. The Statement of Operations reflects a charge to advertising in the period where incurred.

(b) In November 1992, January and February 1993 the Company received a total of \$35,000 from an investor. The agreement provided that the investor was to receive 12,000 (pre-split) restricted shares of the Company for each \$1,000 invested up to an initial maximum of 1,800,000 (pre-split) restricted common shares for a maximum, investment of \$150,000.

The Company had granted the investor certain resale rights where the investor could require the Company to repurchase the shares at increasing prices ranging from \$.0972 to \$.105 per share. This option commenced 24 months from January 1993 and expired 36 months from such date. As of September 30, 1995 the Company had issued 42,000 shares of stock to the investor.

Due to the potential exercise of the put option, the above mentioned shares had been segregated from the stockholders' permanent equity and had been included in the mezzanine section of the balance sheet in the amount of \$44,100 (the maximum repurchase price). In the current- fiscal period the put option expired and the shares were moved to the permanent equity section.

(c) In June of 1994 the Company sold 28,550 shares in a Regulation "S" sale of common shares of the Company. The shares were offered exclusively to non-US persons. The shares were sold at \$.07 a share for total gross proceeds of \$19,985. Commissions totaling \$3,597 were deducted from these proceeds resulting in a net amount of \$16,388 being forwarded to the Company.

(d) In August 1994 various officers and / or their spouses exercised options which were issued in 1992. A total of 300,000 shares were issued upon the exercise of these options. The options exercised ranged in price from \$.001 through \$.10 per share. Total consideration was to have been \$21,000. In lieu of payment, the officers applied monies owed to them by the Company.

(e) In August 1994 Gary Quigley (a relative of the Company's President) exercised 500,000 options out of the 1,000,000 granted to him in 1992. in lieu of paying the exercise price Gary Quigley relinquished the remaining 500,000 options issued to him. The options were then cancelled by the Company.

-31-

THE QUIGLEY CORPORATION

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1996

NOTE 10- CAPITALIZATION (CONTINUED)

(f) In August 1994 the Company issued 36,000 restricted shares to Dr. Robert Pollack in total repayment of a debt of \$18,000 (\$.50 per share). The debt was incurred over a period of fifteen months and included \$820 worth of interest.

(g) In September 1994 the Company issued 24,000 restricted shares to Dr. and Mrs. John Godfrey in full repayment of a loan owing to them in the amount of \$12,000 (\$. 50 per share) .

(h) In August 1994, 667 restricted shares were issued to Robert Moore in payment of a debt owed to him of \$1,000 (\$1.50 per share) for the installation of some fixed assets The balance sheet account- fixed assets was charged for this item in a prior period in the amount of \$1,000.

(i) In September 1994 Mrs. Robert Pollack purchased 5,334 restricted shares of the Company at \$.75 for a total cash consideration of \$4,000.

(j) In August 1994 the Company issued 10,000 restricted shares of common stock to Dr. John Godfrey for services rendered. A charge in the amount of \$8,750 was made to services rendered on the Statement of Operations for the fair value of the stock.

(k) During the period October 1, 1994 through September 30, 1995 various individuals purchased restricted stock from the Company. 167,333 shares were sold for which the Company received consideration of \$243,050 or an average price of approximately \$1.48 per share.

(l) In January 1995 warrants which were originally issued to the underwriter were exercised by a third party who had the warrants transferred to him. Total shares issued were 21,134 in consideration of an \$38,042 exercise price or a per share price of \$1.80.

(m) In December 1994 and January 1995 the Company sold 159,700 shares of stock under a Registration D private placement offering for total consideration of \$199,625. The Company paid commissions on the sale in the amount of \$13,750 which was charged against paid in capital. The Company received an interest bearing note receivable in the amount of \$61,875 from some investors. This note is due June 1, 1997.

(n) During the period October 1, 1994 through September 30, 1995 various individuals were issued restricted shares in return for goods and services rendered. The total number of shares issued was 88,171. The statement of operations was charged a total of \$110,214 or \$1.25 per share for these issuance. The various expenses categories charged were:

Services rendered\ R&D	\$ 70,711
Advertising & Promotion	19,813
Legal	7,500
Commissions	6,875
Purchases of goods	2,815
Office expense	2,500

Total

\$110,214

=====

The valuation was based on the fair value of the stock which approximated the value of goods and services rendered.

(o) In December 1995 the Company initiated a 1 for 10 reverse stock split and changed the par value of the stock to \$.001 per common share. In January 1996 all a, b, and c warrants exercising prices were reduced from \$.25, \$.50 and \$.75 to \$.10, \$.15 and \$.20 respectively. All warrants of these classes expired as of January 31, 1996.

-32-

THE QUIGLEY CORPORATION

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1996

NOTE 10- CAPITALIZATION (CONTINUED)

(p) During the period October 1, 1995 through September 30, 1996 various individuals were issued shares in return for goods and services rendered. The total number of shares issued was 269,320. The statement of operations was charged a total of \$580,836 or an average of \$2.16 per share for these issuance. The various expenses categories charged were:

Services rendered\ R&D	\$ 41,836
Advertising & Promotion	434,000
Legal	105,000

Total	\$580,836
	=====

(q) In addition, an underwriter was issued 7,873 shares for services rendered. Additional paid in capital was charged for this transaction. The valuation was based on the fair value of the stock at the time of issuance.

(r) For periods prior to October 1, 1994 officers compensation actually received by officers was minimal. For those periods the Statement of Operations was charged an amount needed in order to obtain an annual officers compensation expense of \$50,000. Additional paid in capital was credited for such amounts. During the period October 1, 1995 through September 30, 1996, 530,000 shares were issued to various officers for past service rendered. The fair value of these shares was \$463,750. This amount was reduced by \$150,000 which represents amounts charged in prior periods for compensation which was never actually paid to the officers.

(s) In January and February 1996 20,700 of A warrants were exercised by various individuals who received 2,070 shares for a total consideration of \$2,070.

(t) During the period October 1, 1995 through September 30, 1996 various individuals purchased shares, options and or exercised options in the Company. The total shares issued was 497,087 and total consideration received was \$515,346. By agreement with the optionholders, 1,250,000 shares of common stock underlying the purchase options were registered pursuant to Form S-8 in August and October 1996.

(u) During the current period the Company entered into a marketing agreement with Pacific Rim Pharmaceuticals for developing the Company's product in the Far East. Pacific Rim Pharmaceutical was issued 300,000 common stock Class D warrants exercisable at \$1 and expiring in December 2000.

NOTE 11- INCOME

On June 21, 1993, the Company received a non refundable deposit in the amount of \$20,000 from a Canadian corporation (Cold-Eeze Canada Inc.) These monies were a deposit toward a total of \$250,000 for an option to acquire the distribution rights for one of the Company's product.

In November 1993 Cold-Eeze Canada Inc. transferred their distribution rights to Sunburst Resources. The Company and Sunburst had renegotiated the original agreement to allow for distribution in the United States on a non exclusive agreement. Sunburst agreed to pay \$75,000 to the Company prior to March 15, 1994. On January 15, 1994 the Company received the first installment of \$12,500. In January 1994 the Company terminated its agreement with Sunburst as they had reneged on any further payments. The receipt of these monies was shown as income from the sale of distribution rights on the Statement of Operations in the period that negotiations ceased.

THE QUIGLEY CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 1996

NOTE 12- EXPENSES

(a) Services contributed by officers was charged to officer's compensation even though no monies were paid to those officers. Management's estimate of the value of these costs are:

	For year ended September 30, 1995 and 1996	1994
	-----	----
Officer's Salary	\$0	\$40,000

The corresponding expense was charged on the statement of operations and additional paid-in capital was credited for such amounts.

(b) Administrative expenses are comprised mainly of office expense, supplies and employee business expenses.

NOTE 13- COMMITMENTS AND CONTINGENCIES

The Company is obligated on a lease on its office which expires December 1998. The current monthly rent is \$1,370.

The Company is obligated under a licensing agreement to pay Drs. John and Nancy Godfrey a total of 5% of all sales of the Cold-Eeze product. This is comprised of a royalty fee of 3% and a consulting fee of 2%. These fees amounted to \$19,999 and \$0 for Fiscal 1996 and Fiscal 1995.

The Company is also obligated under a separate licensing agreement with George Eby to pay him a 3% royalty fee of all sales collected for the remaining term of the patent. The patent expires in March 2002. No royalties were paid under this agreement in Fiscal 1996 and Fiscal 1995.

The Company is obligated under an employment contract to its two principal officers, Guy J. Quigley and Charles A. Phillips, whereby the above-mentioned officers are to receive a combined royalty of 5% of gross sales from the Cold-Eeze product. No royalties were paid under this agreement in Fiscal 1996 and Fiscal 1995.

THE QUIGLEY CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 1996

NOTE 14- STOCK OPTIONS AND WARRANTS

The following is a summary of stock warrants and options outstanding for the dates listed:

THE QUIGLEY CORPORATION
 SCHEDULE OF OUTSTANDING WARRANTS AND OPTIONS

<TABLE>
 <CAPTION>

	Warrants \$1.00	Warrants \$3.50	Warrants \$.10, .15, .20	Options Various	Options \$1.00	Sale Incentive Options \$1.25-\$1.50
Security Warrants Exercise Price Underwriters	Class D	Class E	Class A,B,C			
----- ----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
<C>						
Balance						
Oct. 1, 1994	0	0	634,030	1,710,000	0	0

84,536

Exercised Oct. 1, 1994 - Sept. 30, 1995 21,134	0	0	0	0	0	0
----- Subtotal 63,402	0	0	634,030	1,710,000	0	0
Add: New items issued 63,402	0	0	0	0	1,500,000	140,000
----- Balance Sept. 30, 1995 63,402	0	0	634,030	1,710,000	1,500,000	140,000
Exercised Oct. 1, '95 - Sept. 30, '96 20,000	0	0	20,700	0	385,000	0
Expired Oct. 1, '95 - Sept. 30, '96 0	0	0	613,330	1,710,000	0	0
----- Subtotal 43,402	0	0	0	0	1,115,000	140,000
Add: New items issued 0	800,000	850,000	0	0	0	0
----- Balance Sept. 30, 1996 43,402	800,000	850,000	0	0	1,115,000	140,000
=====	=====	=====	=====	=====	=====	=====

</TABLE>

During the current period the Company sold incentive stock options to various salesman. The Company received a total of \$960 from the sale of these options. 140,000 options were issued in total and the exercise price ranges from \$1.25 to \$1.50. The options expire in 1998 and are exercisable upon reaching certain sales goals.

NOTE 15- SUBSEQUENT EVENTS

On October 1, 1996 the Company hired the investment banking firm, Sands Brothers & Co. to assist in raising additional capital needed for expansion purposes. The company is considering a private placement of common stock pursuant to Regulation D. It is estimated that total funds raised will be in range of \$6,000,000 - \$8,000,000.

-35-

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE QUIGLEY CORPORATION

By: /S/GUY J. QUIGLEY

Guy J. Quigley, President and
Chief Executive Officer

Dated: April 4, 1997

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

<TABLE>
<CAPTION>

SIGNATURE -----	TITLE -----	DATE -----
<S> /S/ GUY J. QUIGLEY ----- Guy J. Quigley	<C> Chairman of the Board, President, Chief Executive Officer and Director	<C> April 4, 1997
/S/ GEORGE J. LONGO ----- George J. Longo	Vice President, Chief Financial Officer and Director (Principal Financial and Accounting Officer)	April 4, 1997
/S/ ERIC H. KAYTES ----- Eric H. Kaytes	Vice President, Secretary, Treasurer, and Director	April 4, 1997
/S/ CHARLES A. PHILLIPS ----- Charles A. Phillips	Vice President, Chief Operating Officer and Director	April 4, 1997
----- Dr. Robert L. Pollack </TABLE>	Director	April 4, 1997

ARTICLES OF INCORPORATION
OF
THE QUIGLEY CORPORATION
(as amended)

The undersigned natural person(s), of the age of 21 or more, acting to form a corporation under Chapter of the Corporate Laws of the State of Nevada do hereby state the following:

ARTICLE I. The name of the corporation shall be THE QUIGLEY CORPORATION.

ARTICLE II. The address of the initial registered office of the corporation is 821 Riverside Drive, in the City of Reno County of Washoe. The name of its initial Registered Agent at said address is Oliver Merservy.

ARTICLE III. The purpose for which the corporation is organized shall be: To engage in any activity within the purposes for which Corporations may be organized, including the buying and selling of real estate and other property, borrow or loan money, under the Business Corporation Act.

ARTICLE IV. The total number of shares of stock which the corporation is authorized to have outstanding is 26,000,000 defined as follows: 25,000,000 Shares of Common Stock, \$.001 par value, 1,000,000 Shares of Preferred Stock (unclassified), \$.01 par value.

ARTICLE V. The names and addresses of the persons who are to act as incorporators are as follows:

NAMES -----	ADDRESSES -----
Kimberly Andras	725 Market Street Wilmington, DE 19801

ARTICLE VI. The number of directors constituting the initial board of directors is 3, and the names and address of the persons who will serve as directors until the first annual meeting of shareholders or until their successors are elected are:

NAMES -----	ADDRESSES -----
Guy Quigley	301 Dorset Ct. Doylestown, PA 18901
Charles Phillips	Roaring Rocks Road Erwinna, PA 18920
Eric Kaytes	15210 Wayside Road Philadelphia, PA 19116

ARTICLE VII. The duration of the corporation shall be perpetual.

We (I), the undersigned, being all the incorporators of the corporation identified above, declare that we have examined the foregoing this 31st day of July, 1989 and do declare it to be true and correct.

NAMES -----	ADDRESSES -----
/s/ Kimberly Andras	725 Market Street Wilmington, DE 19801

THIS IS TO CERTIFY that on this date 7-31-89 before me, a notary public, personally appeared Kimberly Andras and whom I am satisfied are the persons named as incorporators and executors of the foregoing Articles of Incorporation, and who by their respective signatures in my presence have acknowledged the same as their voluntary act.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal on the date given above.

/S/ REGINA CEPHAS

Notary Public

BY-LAWS

ARTICLE I - OFFICES

Section 1. The principal office of the corporation in the State of Nevada shall be at 821, Riverside Drive, RENO, Nevada. and the resident agent in charge thereof is Oliver Merservy.

Section 2. The corporation may have such other offices within or without the State of Nevada as the Board of Directors may designate or as the business of the corporation may require from time to time.

ARTICLE II - STOCKHOLDERS

Section 1. ANNUAL MEETING: The annual meeting of the stockholders shall be held at a place to be designated by the Board on the 20th day of January at 2:00 P.M., beginning with the year 1990, or at such other time on such other day within such month as shall be fixed by the Board of Directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein for any annual meeting of the stockholders, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the stockholders as soon thereafter as conveniently may be.

Section 2. SPECIAL MEETINGS: Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the Board of Directors, and shall be called by the president at the request of the holders of not less than ten percent of all outstanding shares of the corporation entitled to vote at the meeting. Unless requested by stockholders entitled to cast a majority of all the votes entitled to be cast at the meeting, a special meeting need not be called to consider any matter which is substantially the same as a matter voted on at any special meeting of the stockholders held during the preceding twelve months.

Section 3. PLACE OF MEETING: The Board of Directors may designate any place, either within or without the State of Nevada, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. A waiver of notice signed by all stockholders entitled to vote at a meeting may designate any place, either within or without the State of Nevada, as the place for the holding of such meeting. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal office of the corporation.

Section 4. NOTICE OF MEETING: Written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall, unless otherwise prescribed by statute, be delivered not less than ten nor more than fifty days before the date of the

-2-

meeting, either personally or by mail, by or at the direction of the president, or the secretary, or the officer or other persons calling the meeting, to each stockholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the stockholder at his address as it appears on the stock transfer books of the corporation, with postage thereon prepaid.

Section 5. CLOSING OF TRANSFER BOOKS OR FIXING OF RECORD DATE: For the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or stockholders entitled to receive payment of any dividend, or in order to make a determination of stockholders for any other proper purpose, the board of directors of the corporation may provide that the stock transfer books shall be closed for a stated period but not to exceed, in any case, twenty days. In lieu of closing the stock transfer books, the board of directors may fix in advance a date as the record date for any such determination of stockholders, such date in any case to be not more than fifty days, and, in case of a meeting of stockholders, not less than ten days prior to the date on which the particular action, requiring such determination of stockholders, is to be taken. If the stock transfer books are not closed and no record date is fixed for the determination of stockholders entitled to notice of or to vote at a meeting of stockholders, or stockholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or

-3-

the date on which the resolution of the board of directors declaring such dividend is adopted, as the case may be, shall be the record date for such

determination of stockholders. But payment or allotment of dividends may not be made more than sixty days after the date on which the resolution is adopted. When a determination of stockholders entitled to vote at any meeting of stockholders has been made as provided in this section, such determination shall apply to any adjournment thereof regardless of its length except where the determination has been made through the closing of the stock transfer books and the stated period of closing has expired.

Section 6. BOOKS AND ACCOUNTS: This corporation shall keep and maintain at its principal office in this State:

(a) A certified copy of its certificate of incorporation or articles of incorporation, and all amendments thereto.

(b) A certified copy of its by-laws and all amendments.

(c) A stock ledger or a duplicate stock ledger, revised annually, containing the names, alphabetically arranged, of all persons who are stockholders of the corporation, showing their places of residence, if known, and the number of shares held by them respectively; or

(d) In lieu of the stock ledger or duplication stock ledger specified in paragraph (c), a statement setting out the name of the custodian of the stock ledger or duplicate stock ledger, and the present and complete post office address, including street

-4-

and number, if any, where such stock ledger or duplicate stock ledger specified in this section is kept.

Any person who has been a stockholder of record of a corporation for a least 6 months immediately preceding his demand, or any person holding, or thereunto authorized in writing by the holders of, at least 5 percent of all its outstanding shares, upon at least 5 days' written demand, or any judgment creditor of the corporation without prior demand, shall have the right to inspect in person or by agent or attorney, during usual business hours, the stock ledger or duplicate stock ledger, whether kept in the principal office of the corporation in this state or elsewhere as provided in paragraph (d) and to make extracts therefrom. Holders of voting trust certificates representing shares of the corporation shall be regarded as stockholders for the purpose of this subsection.

Section 7. QUORUM: A majority of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of stockholders. If less than a majority of the outstanding shares are represented at a meeting, a majority of the shares represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The stockholders present at a duly organized meeting may continue to

-5-

transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Section 8. PROXIES: At any meeting of stockholders, a stockholder may vote in person or by proxy executed in writing by the stockholder or by his duly authorized attorney in fact. Such proxy shall be filed with the secretary of the corporation before or at the time of the meeting. A proxy shall not be valid after six months from the date of its execution, unless coupled with an interest, but no proxy shall be valid after seven years from the date of its execution, unless renewed or extended at any time before its expiration. Notwithstanding that a valid proxy is outstanding the powers of the proxy holder are suspended, except in the case of a proxy coupled with an interest which is designated as irrevocable, if the person executing the proxy is present at a meeting and elects to vote in person.

Section 9. VOTING OF SHARES: Subject to the provisions of Section 13. of this Articles II, each outstanding share entitled to vote shall be entitled to one vote upon each matter submitted to a vote at a meeting of stockholders.

Section 10. VOTING OF SHARES BY CERTAIN HOLDERS: Shares standing in the name of another corporation may be voted by such officer, agent or proxy as the by-laws or a resolution of the board of directors of such corporation may prescribe, and a certified copy of the by-law or resolution is presented at the meeting.

-6-

Shares held by an administrator, executor, guardian or conservator may

be voted by him, either in person or by proxy, without a transfer of shares into his name. A stockholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

Neither treasury shares of its own stock held by the corporation, nor shares held by another corporation if a majority of the shares entitled to vote for the election of directors of such other corporation are held by the corporation, shall be voted at any meeting or counted in determining the total number of outstanding shares at any given time for purposes of any meeting.

Section 11. VOTING TRUSTS: A stockholder, by agreement in writing, may transfer his stock to a voting trustee or trustees for the purpose of conferring the right to vote thereon for a period not exceeding 15 years upon the terms and conditions therein stated. The certificates of stock so transferred shall be surrendered and canceled and new certificates therefor issued to such trustee or trustees in which it shall appear that they are issued pursuant to such agreement, and in the entry of such ownership in the proper books of such corporation that fact shall also be noted, and thereupon such trustee or trustees may vote upon the stock so transferred during the terms of such agreement. A duplicate of every such agreement shall be filed in the

-7-

principal office of the corporation and at all times during such terms be open to inspection by any stockholder or his attorney.

Section 12. INFORMAL ACTION BY STOCKHOLDERS: Any action, except election of directors, required or permitted to be taken at a meeting of the stockholders may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the stockholders entitled to vote with respect to the subject matter thereof.

Section 13. REMOVAL OF DIRECTORS: Any director may be removed from office by the vote or written consent of stockholders representing not less than two-thirds of the issued and outstanding capital stock entitled to voting power.

All vacancies, including those caused by an increase in the number of directors may be filled by a majority of the remaining directors though less than a quorum.

When one or more directors shall give notice of his or their resignation to the board, effective at a future date, the board shall have power to fill such vacancy or vacancies to take effect when such resignation or resignations shall become effective, each director so appointed to hold office during the remainder of the term of office of the resigning director or directors.

ARTICLE III - DIRECTORS

Section 1. The business of this corporation shall be managed by a board not less than 3 directors or trustees, all of whom shall be of full age and at least one of whom shall be a citizen of the United States, except that, in cases where all the shares

-8-

of the corporation are owned beneficially and of record by either one or two stockholders, the number of directors may be less than three but not less than the number of stockholders. Unless otherwise provided in the certificate or articles of incorporation, or an amendment thereof, it shall not be necessary for directors to be stockholders.

Section 2. REGULAR MEETINGS: A regular meeting of the Board of Directors shall be held without other notice than this By-Law immediately after, and at the same place as, the annual meeting of stockholders. The Board of Directors may provide, by resolution, the time and place, either within or without this state, for the holding of additional regular meetings without other notice than such resolution.

Section 3. SPECIAL MEETINGS: Special meetings of the Board of Directors may be called by or at the request of the president or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the state, as the place for holding any special meeting of the Board of Directors called by them.

Section 4. NOTICE: Notice of any special meeting shall be given at least five days previously thereto by written notice delivered personally or mailed to each director at his business address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be

delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 5. QUORUM: A majority of the number of directors fixed by Section 1. of this Article III shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 6. MANNER OF ACTING: The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 7. INFORMAL OR IRREGULAR ACTION BY DIRECTORS OR COMMITTEES: (a) Action taken by the required majority of the directors or members of a committee without a meeting is nevertheless board or committee action if:

Written consent to the action in question is signed by all the directors or members of the committee, as the case

may be, and filed with the minutes of the proceedings of the board or committee, whether done before or after the action so taken.

(b) Any one or more directors or members of a committee may participate in a meeting of the board or committee by means of a conference telephone or similar communications device which allows all persons participating in the meeting to hear each other, and such participation in a meeting shall be deemed presence in person at such meeting.

Section 8. EXECUTIVE AND OTHER COMMITTEES: (a) The Board of Directors, by resolution adopted by a majority of the number of directors then in office may designate from among its members an executive committee and one or more other committees, each consisting of two or more directors, and each of which, to the extent provided in the resolution or in the charter or these ByLaws shall have and may exercise all of the authority of the Board of Directors except the power to:

(i) Declare dividends or distributions on stock;

(ii) Issue stock other than as provided in subsection (b) of this section.

(iii) Recommend to the stockholders any action which requires stockholder approval.

(iv) Amend the By-Laws; or

(v) Approve any merger or share exchange which does not require stockholder approval.

(b) If the Board of Directors has given general authorization for the issuance of stock, a committee of the Board, in accordance with a general formula or method specified by the board by resolution or by adoption of a stock option or other plan, may fix the terms of stock subject to classification or reclassification and the terms on which any stock may be issued, including all terms and conditions required or permitted to be established or authorized by the Board of Directors under the Nevada General Corporation Law.

(c) The appointment of any committee, the delegation of authority to it or action by it under that authority does not constitute of itself, compliance by any director not a member of the committee, with the standard provided by statute for the performance of duties of directors.

Section 9. COMPENSATION: By resolution of the Board of Directors, each director may be paid his expenses, if any, of attendance at each meeting of the Board of Directors, and may be paid a stated salary as director or a fixed sum for attendance at each meeting of the Board of Directors or both. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

Section 10. PRESUMPTION OF ASSENT: A director of the corporation who is present at a meeting of the board of Directors at which action on any corporate matter is taken unless he shall announce his dissent at the meeting and his dissent is entered in the minutes and he shall forward such dissent by registered mail

-12-

to the secretary of the corporation immediately after the Adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

ARTICLE IV - OFFICERS

Section 1. NUMBER: The corporation shall have a president, a secretary, a treasurer, and a resident agent, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person.

Section 2. ELECTION AND TERM OF OFFICE: The officers of the corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the stockholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until he shall resign or shall have been removed in the manner hereinafter provided.

Section 3. REMOVAL: Any officer or agent may be removed by the Board of Directors whenever in its judgment, the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of any officer or agent shall not of itself create contract rights.

-13-

Section 4. VACANCIES: A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. PRESIDENT: The president shall be the principal executive officer of the corporation, and subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the corporation. The president shall have authority to institute or defend legal proceedings when the directors are deadlocked. He shall, when present, preside at all meetings of the stockholders and of the Board of Directors. He may sign, with the secretary or any other proper officer of the corporation thereunto authorized by the Board of Directors, certificates for shares of the corporation, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of the president and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. THE SECRETARY: The secretary shall: (a) keep the minutes of the proceedings of the stockholder and of the

-14-

Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents the execution of which on behalf of the corporation under its seal is duly authorized; (d) keep a register of the post office address of each stockholder which shall be furnished to the secretary by such stockholder; (e) sign with the president, certificates for shares of the corporation, the issuance of which shall have been authorized by resolution of the Board of Directors; (f) have general charge of the stock transfer books of the corporation; (g) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

Section 7. THE TREASURER: The treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be

selected in accordance with the provisions of Article VI of these By-Laws; and (c) in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or by the

-15-

Board of Directors. If required by the Board of Directors, the treasurer shall give a bond for the faithful discharge of his duties in such sum with such surety or sureties as the Board of Directors shall determine.

Section 8. SALARIES: The salaries of the officers shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the corporation.

ARTICLE V - INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS

Section 1. The corporation shall indemnify any person who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was

-16-

unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 2. No officer, director or stockholder may become surety on behalf of the corporation for any of its obligations under any circumstances whatsoever.

ARTICLE VI - CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. CONTRACTS: The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. LOANS: No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. CHECKS, DRAFTS, ETC.: All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be

-17-

signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. DEPOSITS: All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VII - CERTIFICATES FOR SHARES AND THEIR TRANSFER

Section 1. CERTIFICATES FOR SHARES: Certificates representing shares of the corporation shall be in such form as shall be determined by the Board of Directors. Such certificates shall be signed by the president or a vice-president and countersigned by the secretary or an assistant secretary and sealed with the corporation seal or a facsimile thereof. The signatures of such officers upon a certificate may be facsimile signatures if the certificate is manually signed on behalf of a transfer agent or a registrar other than the corporation or an employee of the corporation. Each certificate for shares shall be consecutively numbered or otherwise identified. The name and address of the

person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation. All certificates surrendered to the corporation for transfer shall be cancelled and no new certificates shall be issued until the former certificates for a like number of shares shall have been

-18-

surrendered and cancelled, except that in case of a lost, destroyed or mutilated certificate a new one may be issued therefor upon such terms and indemnity to the corporation as the Board of Directors may prescribe

Section 2. TRANSFER OF SHARES: Transfer of shares of the corporation shall be made only on the stock transfer books of the corporation by the holder of record thereof or by his legal representative, who shall furnish proper evidence of authority to transfer, or by his attorney thereunto authorized by power of attorney duly executed and filed with the secretary of the corporation, and on surrender for cancellation of the certificate for such shares. The person in whose name shares stand on the books of the corporation shall be deemed by the corporation to be the owner thereof for all purposes.

ARTICLE VIII - FISCAL YEAR

Section 1. The fiscal year of the corporation shall begin on the first day of October.

ARTICLE IX - DIVIDENDS

Section 1. The board of Directors may, from time to time, declare and the corporation may pay dividends on its outstanding shares in the manner, and upon the terms and conditions provided by law and its Articles of Incorporation.

ARTICLE X - CORPORATE SEAL

Section 1. The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed

-19-

thereon the name of the corporation, the year of its incorporation and the words, "Corporate Seal, Nevada".

ARTICLE XI - WAIVER OF NOTICE

Section 1. Whenever any notice is required to be given to any stockholder or director of the corporation under the provisions of these By-Laws or under the provisions of the By-Laws or under the provisions of the Articles of Incorporation or under the provisions of the general corporation law of the State of Nevada, a waiver thereof in writing signed by any person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XII - AMENDMENTS

Section 1. The board of Directors shall have the power to make, alter and repeal By-Laws, but By-Laws made by the board may be altered or repealed, and new By-Laws made, by the stockholders.

Section 2. Any amendments to these By-Laws shall not become effective for a period of twelve months following adoption thereof.

-20-

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

----- Shares
of capital stock represented by the within Certificate, and do hereby
irrevocably constitute and appoint

----- Attorney
to transfer the said stock on the books of the within named Corporation with
full power of substitution in the premises.

Dated: _____

NOTICE: The signatures to this assignment and
correspond with the name as written upon
the face of this certificate in every
particular, without alteration or
enlargement of any change whatever.

THE QUIGLEY CORPORATION
STOCK OPTION PLAN
FOR
CONSULTANTS, ADVISORS AND NON-EMPLOYEE DIRECTORS

The securities issued pursuant to this Plan have not been registered pursuant to the Securities Act of 1933, as amended. The securities may be offered or sold only pursuant to (i) a Registration Statement pursuant to such Act, including a Registration Statement on Form S-8, or (ii) an opinion of counsel, satisfactory to the Company, that an exemption from registration pursuant to such Act is available.

1. PURPOSE. The purpose of this Plan is to secure long term relationships for The Quigley Corporation, and thereby afford its stockholders the benefits arising from capital stock ownership by the Company's Consultants, Advisors, and Non-Employee Directors, who can help in the company's growth and success and to provide an effective means of compensation for such persons and entities providing services to the Company in lieu of cash payments therefor.

2. ADMINISTRATION. The Plan shall be administered by a "Compensation Committee" which shall consist of not less than two members appointed by the Board of Directors, but who need not be members of such Board, and all of whom shall be disinterested persons. The term "disinterested person" shall mean a person who, at the time he or she exercises discretion in administering the Plan, has not at any time one year prior thereto has been issued shares of Common Stock pursuant to exercise of Options granted under the Plan. The Board of Directors may from time to time and in its sole discretion remove members from or add members to the Committee. Vacancies, however caused, shall be filled by the Board of Directors. The Committee may act at a meeting, including telephonically, in which a majority are present, or by written consent of a majority of the Committee. The Committee shall have the authority to construe and interpret the Plan, to define the terms used herein, and to review, deliberate and act upon the written recommendations of the Chief Executive Officer of the Company with respect to shares of Common Stock proposed to be issued pursuant to the Plan. All determinations and interpretations made by the Committee shall be binding and conclusive upon all participants in the Plan and on their legal representatives and beneficiaries. The initial Compensation Committee shall consist of Mr. Guy Quigley and Mr. Charles Phillips, Directors of the Company.

3. ELIGIBILITY AND PARTICIPATION. Consultants, Advisors and Non-Employee Directors, to the Company, or any of its subsidiary corporations, shall be eligible for participation in the Plan. Each person or entity acquiring shares of Common Stock pursuant to exercise of Options granted under the Plan shall be acquiring such shares for investment purposes only, in lieu of cash compensation for services rendered to the Company, and at such exercise price(s) as shall be determined by the Compensation Committee at time of grant. Such shares issuable upon exercise of any Option shall be issued only upon opinion of counsel that an exemption from registration pursuant to the Securities Act of 1933, as amended, is available

for such issuance. The Company may, but is not required to, register such shares for public sale pursuant to the Act, including but not limited to a Registration on Form S-8.

4. SHARES SUBJECT TO PLAN. Subject to modification by the Board of Directors in accordance with the By-Laws of the Company, the stock to be issued pursuant to Options granted pursuant to this Plan shall be limited to 15,000,000 shares of Common Stock (\$.0001 par value), which number of shares have been reserved for issuance in accordance with the terms of this Plan by prior action of the Board.

5. ADJUSTMENTS. If the outstanding shares of the Common Stock of the Company are increased, decreased, or changed into or exchanged for a different number or kind of shares or securities of the Company, through reorganization, recapitalization, reclassification, stock split or reverse stock split, an appropriate and proportionate adjustment shall be made in the maximum number and kind of shares authorized to be issued pursuant to this Plan.

6. ASSIGNMENT OR TRANSFER OF OPTIONS. Options granted pursuant to the Plan may not be transferred by the Option grantee without the express written consent of the Compensation Committee, except that an Option grantee shall not be required to obtain such consent for transfer or sale of such Option to any member of the Option grantee's immediate family, including a transfer by operation of law, or a transfer or sale to a corporation or partnership of which the Option grantee holds at least a 25% interest at the time of such transfer or sale.

7. AMENDMENT AND TERMINATION OF PLAN. The Board of Directors of the Company may at any time, by appropriate action, suspend or terminate the Plan,

or amend the terms and conditions of the Plan.

8. INDEMNIFICATION OF COMMITTEE. In addition to such other rights of indemnification as they may have as directors of the Company, the members of the Committee shall be indemnified by the Company to the full extent permitted by the Business Corporation Law of the State of Nevada, and to indemnify and hold harmless each member with respect to any action, claim, suit or proceeding to which such indemnification applies, including the costs and expenses of defense.

9. APPLICABLE LAW. The terms and conditions of this Plan, and all proceedings related thereto, shall be interpreted and construed in accordance with the Laws of the Commonwealth of Pennsylvania. Sole jurisdiction and venue for any action or proceeding arising in connection with the Plan shall reside with the appropriate court of the Commonwealth of Pennsylvania held in and for the County of Bucks.

10. EFFECTIVE DATE. The Plan shall be come effective as of the 15th day of November, 1994, and shall expire of the 14th day of November, 1999, unless further extended by appropriate action of the Board of Directors.

AGREEMENT

AGREEMENT MADE and effective as of the First day of June, 1995 by and between THE QUIGLEY CORPORATION, a Nevada corporation with its principal office at Landmark Building, 10 South Clinton Street, Doylestown, Pennsylvania, 18901 (hereinafter "Employer"), and GUY J. QUIGLEY residing at 301 Dorset Court, Doylestown, Pennsylvania, 18901 (hereinafter "Executive").

WHEREAS, Employer is in the business of developing and marketing health related and/or various other consumer products for sale in the commercial marketplace, television, mail order and network marketing; and

WHEREAS, Employer desires to assure the services of Executive for the period in this Agreement and Executive is willing to serve in the employ of Employer on a full-time basis for said period upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. EMPLOYMENT. Employer agrees to employ Executive and Executive agrees to enter employ of the Employer for the period stated in Paragraph "3" hereof and upon the other terms and conditions set forth herein.

2. POSITION AND RESPONSIBILITIES. During the period of his employment hereunder, Executive agrees to serve as the President and/or Chief Officer and/or Chairman of the Board of the Employer and to be responsible for the general management of the business affairs of the Company, reporting directly to the Board of Directors of the Employer ("the Board").

3. TERM OF EMPLOYMENT. The period of Executive's employment under this Agreement shall be deemed to have commenced as of June 1st; 1995, and shall continue for a period of ten (10) years until May 31st; 2005, and thereafter from year to year as mutually agreed upon.

4. DUTIES. During the period of his employment hereunder and except for illness, vacation periods and reasonable leaves of absence, Executive shall devote substantially all his business time, attention, skill and efforts to the faithful performance of his duties hereunder; provided, however, that the foregoing shall not be construed to prevent Executive from acting as a Director or Counsel of any other non-competing corporation or entity when such activity does not materially affect the performance of Executive's duties to this Agreement.

5.1 COMPENSATION. Employer shall pay Executive as compensation for his services hereunder, during the first year of

this Agreement, (i) a minimum base salary of \$125,000.00 per year, payable weekly, or bi-weekly and (ii) such bonus or additional compensation as may be awarded to Executive from time to time by the Board or by a committee designated by the Board. Additionally, Executive shall be entitled to four (4) weeks paid vacation per year. For each subsequent year of this Agreement, Executive's base salary shall increase each year on January 1 by the lesser of (i) 20% of the preceding year's base salary, or (ii) 2% of the increase in gross revenues of the Employer over the gross revenues of the preceding calendar year. In either event, the increase in base salary shall be payable as additional compensation in two (2) equal installments, on March 1st; and September 1st; of each year, or alternatively on a monthly basis.

5.2 ROYALTY COMPENSATION. Employer shall pay Executive an independent monthly "founders" royalty in keeping with the existing agreement duly signed with the product developers and patent holders (Godfrey et.al.), for the Exclusive Worldwide Rights of the Employer's cold therapy products, as was negotiated by the Executive on behalf of the Employer. The royalty payable shall be 5% (five per cent) of the Gross sales secured by the Employer, after outward shipping costs and sales Broker fees have been deducted and shall be for a period of ten (10) years from the date of this agreement.

5.3 NETWORK MARKETING COMPENSATION. Executive shall design and execute a network marketing program on behalf of the Employer and shall be entitled to be the "founder" of such program, with the top level position held in reserve for the Executive. The Executive shall be entitled to share this position with any person and/or entity the Executive deems suitable for the expansion and benefit of the Employer.

6. REIMBURSEMENT OF EXPENSES. Employer shall pay or reimburse Executive for all reasonable travel and other expenses incurred by Executive in performance of his obligations under this Agreement. Employer further agrees to provide and pay for a telephone line at Executive's residence to be utilized by Executive for the business purposes of the Employer.

7. BENEFITS. Employer shall provide to Executive the following additional benefits: (i) health and dental insurance for Executive and his family members at least equivalent to the executive level program offered by Blue Cross/Blue Shield, (ii) a term life insurance policy of \$ 1,000,000 on Executive's life with a beneficiary to be named by Executive, (iii) an automobile owned or leased and maintained by the Company, plus fuel for business purposes, insurance, tolls and parking and (iv) such profit sharing, stock option, or retirement plans as may be adopted or offered to any employee by the Employer or the Owner at any time during the term of this Agreement.

-2-

8. DISABILITY BENEFITS. As used in this Agreement, the term "disability" shall mean the total and complete inability of the Executive to perform his duties under this Agreement as determined by an independent physician selected with the approval of the Employer and the Executive. With the exception of Clauses 5.2 and 5.3, which cannot be revoked, in the event of such disability, the Employer shall continue to pay Executive the compensation set forth in Paragraph "5" hereof during the period of such disability; provided, however, that in the event the Executive is disabled for a continuous period in excess of eighteen calendar months, the Employer may, at its election, terminate this agreement in which event Executive shall be entitled to a lump-sum termination payment of \$250,000.

9. PAYMENTS PAYABLE UPON DEATH. With the exception of Clauses 5.2 and 5.3, which will continue to exist and will automatically be passed to the Executive's beneficiaries, in the event of the death of Executive during the term of this Agreement, all other compensation and benefits required to be paid hereunder shall continue to be paid for a period of twelve (12) months to the wife or dependent(s) of Executive, if surviving.

10.(a) TERMINATION AND EXTENSION. This Agreement may not be terminated during its term by the Employer for any reason other than a material breach by the Executive of the terms of this Agreement. Upon its expiration, this Agreement shall be automatically renewed for additional one-year periods unless Employer shall provide Executive with written Notice of Intent not to renew this Agreement not less than three (3) months prior to the expiration of the initial term or any extension term thereof.

10.(b) SEVERANCE. For whatever reason the Employer shall buy out the remaining value of this contract, it shall pay to the Executive two years base compensation, determined at the rate of the Executive's base rate, plus any bonus plan payments that would have been accrued had the Executive remained as an employee of the Employer. This provision applies regardless of the fact that the Executive obtains new employment and such earning are not mitigated against the remaining and severance values of this contract.

11. NOTICES. All notices, demands or communications hereunder shall be in writing and unless otherwise provided, shall be deemed to have been duly given on the first business day after United States mailing by certified mail, return receipt requested, addressed to the parties at such address as they shall advise from time to time.

-3-

12. AMENDMENT. No modification, waiver, amendment or discharge of this Agreement shall be valid unless the same is in writing and signed by each party hereto.

13. SURVIVAL. The representations, warranties, covenants and indemnifications contained herein shall survive the execution hereof and shall be effective regardless of the expiration or termination hereof.

14. ENFORCEMENT. Severability. It is the desire and the intent of the parties hereto that the provisions of this Agreement hereof be enforced to the fullest extent permissible under the laws and public policy of the jurisdictions in which enforcement is sought. Accordingly, if any particular portion or provision of this Agreement shall be adjudicated to be invalid or unenforceable, the remaining portion or such provision or the remaining provisions of this Agreement, or the application of such provision or portion of such provision as is held invalid or unenforceable to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be effected thereby.

15. ASSIGNABILITY. Employee and the Executive agree that this Agreement may be assigned to a corporation controlled by the Executive.

16. GOVERNING LAW AND VENUE. This Agreement shall be construed in accordance with the laws of the State of Pennsylvania and any proceeding arising between the Parties in any matter pertaining or relating to this Agreement shall be held or brought in the Supreme Court of the State of Pennsylvania in and for the County of Bucks.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on

the First day of June, 1995:

/S/ CHARLES PHILLIPS

By: THE QUIGLEY CORPORATION

/S/ CHARLES J. QUIGLEY

By: EMPLOYEE

-4-

Charles A. Phillips
35 Swamp Creek Road
Erwinna, PA 18920

December 1, 1996

Guy Quigley
c/o The Quigley Corporation
Landmark Building
10 South Clinton Street
Doylestown, PA 18901

Dear Guy,

As we have commenced to receive royalty payments, and you verbally agreed to pass to me, 25% of the royalties you may receive from the company, could you execute the following. Please have said royalty paid directly to me, from The Quigley Corporation, rather than paid by you personally.

Your attention in this matter will be greatly appreciated.

Sincerely yours,

/S/ CHARLES PHILLIPS

Charles A. Phillips

AGREEMENT

AGREEMENT MADE and effective as of the First day of June, 1995 by and between THE QUIGLEY CORPORATION, a Nevada corporation with its principal office at Landmark Building, 10 South Clinton Street, Doylestown, Pennsylvania, 18901 (hereinafter "Employer"), and CHARLES A. PHILLIPS residing at 35 Swamp Creek Road, Erwinna, Pennsylvania, 18920 (hereinafter "Executive").

WHEREAS, Employer is in the business of developing and marketing health related and/or various other consumer products for sale in the commercial marketplace, television, mail order and network marketing; and

WHEREAS, Employer desires to assure the services of Executive for the period in this Agreement and Executive is willing to serve in the employ of Employer on a full-time basis for said period upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. EMPLOYMENT. Employer agrees to employ Executive and Executive agrees to enter employ of the Employer for the period stated in Paragraph "3" hereof and upon the other terms and conditions set forth herein.

2. POSITION AND RESPONSIBILITIES. During the period of his employment hereunder, Executive agrees to serve as Vice President and Technology Transfer Coordinator of the Employer and to be responsible for the overall product production of the Company, reporting directly to the President and the Board of Directors of the Employer ("the Board").

3. TERM OF EMPLOYMENT. The period of Executive's employment under this Agreement shall be deemed to have commenced as of June 1st, 1995, and shall continue for a period of ten (10) years until May 31st, 2005, and thereafter from year to year as mutually agreed upon.

4. DUTIES. During the period of his employment hereunder and except for illness, vacation periods and reasonable leaves of absence, Executive shall devote substantially all his business time, attention, skill and efforts to the faithful performance of his duties hereunder; provided, however, that the foregoing shall not be construed to prevent Executive from acting as a Director or Counsel of any other non-competing corporation or entity when such activity does not materially affect the performance of Executive's duties to this Agreement.

5.1 COMPENSATION. Employer shall pay Executive as compensation for his services hereunder, during the first year of this Agreement, (i) a minimum base salary of \$75,000.00 per year, payable weekly or bi-weekly and (ii) such bonus or additional compensation as may be awarded to Executive from time to time by the Board or by a committee designated by the Board. Additionally, Executive shall be entitled to four (4) weeks paid vacation per year. For each subsequent year of this Agreement, Executive's base salary shall increase each year on January 1 by the lesser of (i) 20% of the preceding year's base salary, or (ii) 2% of the increase in gross revenues of the Employer over the gross revenues of the preceding calendar year. In either event, the increase in base salary shall be payable as additional compensation in two (2) equal installments, on March 1st; and September 1st; of each year, or alternatively on a monthly basis.

5.2 NETWORK MARKETING COMPENSATION. Executive shall be entitled to a prominent position in any network marketing program undertaken by the Employer.

6. REIMBURSEMENT OF EXPENSES. Employer shall pay or reimburse Executive for all reasonable travel and other expenses incurred by Executive in performance of his obligations under this Agreement. Employer further agrees to provide and pay for a telephone line at Executive's residence to be utilized by Executive for the business purposes of the Employer.

7. BENEFITS. Employer shall provide to Executive the following additional benefits: (i) health and dental insurance for Executive and his family members at least equivalent to the executive level program offered by Blue Cross/Blue Shield, (ii) a suitable automobile for business purposes, owned or leased and maintained by the Company, plus fuel for business purposes, insurance, tolls and parking and (iii) such profit sharing, stock option, or retirement plans as may be adopted or offered to any employee by the Employer or the Owner at any time during the term of this Agreement.

8. DISABILITY BENEFITS. As used in this Agreement, the term "disability" shall mean the total and complete inability of the Executive to perform his duties under this Agreement as determined by an independent physician selected with the approval of the Employer and the Executive. With the exception of Clause 5.2, which cannot be revoked, in the event of such disability, the Employer shall continue to pay Executive the compensation set

forth in Paragraph "5" hereof during the period of such disability; provided, however, that in the event the Executive is disabled for a continuous period in excess of eighteen calendar months, the Employer may, at its election, terminate this agreement in which event Executive shall be entitled to a lump-sum termination payment of \$100,000.

-2-

9. PAYMENTS PAYABLE. UPON DEATH. In the event of the death of Executive during the term of this Agreement, the compensation and benefits required to be paid hereunder shall continue to be paid for a period of twelve (12) months to the wife or dependent(s) of Executive, if surviving.

10. (a) TERMINATION AND EXTENSION. This Agreement may not be terminated during its term by the Employer for any reason other than a material breach by the Executive of the terms of this Agreement. Upon its expiration, this Agreement shall be automatically renewed for additional one-year periods unless Employer shall provide Executive with written Notice of Intent not to renew this Agreement not less than three (3) months prior to the expiration of the initial term or any extension term thereof.

10. (b) SEVERANCE. For whatever reason the Employer shall buy out the remaining value of this contract, it shall pay to the Executive two years base compensation, determined at the rate of the Executive's base rate, plus any bonus plan payments that would have been accrued had the Executive remained as an employee of the Employer. This provision applies regardless of the fact that the Executive obtains new employment and such earnings are not mitigated against the remaining and severance values of this contract.

11. NON-COMPETITION. Executive shall not, at any time during the term of this Agreement or any extension thereof, or within one year of the expiration thereof, directly or indirectly engage in the business of developing or marketing cold therapy products.

12. INDEMNIFICATION. The Employee hereby covenants and agrees that he will not do any act or incur any obligation on behalf of the Employer of any kind whatsoever unless authorized by the Employer. The Employer hereby covenants and agrees that it will indemnify Employee and hold him harmless from any obligation or liability incurred by the Employer or by the Employee as an Officer, Director, Employee or Agent of the Employer, including the reasonable expenses of legal defense thereof, for any act, omission or liability undertaken or incurred during the course of this Agreement.

13. NOTICES. All notices, demands or communications hereunder shall be in writing and unless otherwise provided, shall be deemed to have been duly given on the first business day after United States mailing by certified mail, return receipt requested, addressed to the parties at such address as they shall advise from time to time.

-3-

14. AMENDMENT. No modification, waiver, amendment or discharge of this Agreement shall be valid unless the same is in writing and signed by each party hereto.

15. SURVIVAL. The representations, warranties, covenants and indemnifications contained herein shall survive the execution hereof and shall be effective regardless of the expiration or termination hereof.

16. ENFORCEMENT. Severability. It is the desire and the intent of the parties hereto that the provisions of this Agreement hereof be enforced to the fullest extent permissible under the laws and public policy of the jurisdictions in which enforcement is sought. Accordingly, if any particular portion or provision of this Agreement shall be adjudicated to be invalid or unenforceable, the remaining portion or such provision or the remaining provisions of this Agreement, or the application of such provision or portion of such provision as is held invalid or unenforceable to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be effected thereby.

17. ASSIGNABILITY. Employee and the Executive agree that this Agreement may be assigned to a corporation controlled by the Executive.

18. GOVERNING LAW AND VENUE. This Agreement shall be construed in accordance with the laws of the State of Pennsylvania and any proceeding arising between the Parties in any matter pertaining or relating to this Agreement shall be held or brought in the Supreme Court of the State of Pennsylvania in and for the County of Bucks.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the First day of June, 1995:

GUY QUIGLEY

By: THE QUIGLEY CORPORATION

By: EMPLOYEE:/S/ CHARLES PHILLIPS

LICENSING AGREEMENT

AND NOW, this 24TH day of AUGUST, 1996, it is hereby stipulated and agreed by and between GEORGE A. EBY III and GEORGE EBY RESEARCH (hereinafter referred to as "Licensor(s)" or "Eby"), residing at 2109 Paramount Avenue, Austin, Texas 78704, and QUIGLEY CORPORATION (hereinafter referred to as "Licensee" or "QUIGLEY"), with a place of business at 10 South Clinton Street, Doylestown, Pennsylvania 18901, that:

WHEREAS, EBY is the holder and sole owner of various United States Letters Patent including Patent 4,503,070, originally issued on March 5, 1985, later surrendered and subsequently reissued on November 27, 1990 as Reissue Patent Number 33,495;

WHEREAS, Reissue Patent Number 33,465 (hereafter referred to as "The Patent") is the operative patent under which this license is to be granted;

WHEREAS, QUIGLEY is the manufacturer, producer, and distributor of certain lozenge products which are marketed under various trademarks, including "Cold-Eeze" and "Cold-Eezer Plus", and is desirous of producing and marketing lozenges containing zinc gluconate under license granted by EBY;

NOW THEREFORE, in consideration of the mutual promises and the licensing agreement herein contained, and intending to be legally bound hereby, the parties do agree as follows;

1. PURPOSE OF AGREEMENT - This agreement is to provide

Page 1 of 15 Agreed and initialed by George A. Eby III /S/ GAE and Guy Quigley /S/ GQ

QUIGLEY with sole and exclusive rights to make, use, and sell various products, including lozenges, under The Patent by license granted by Licensor.

2. DURATION OF AGREEMENT - This Agreement shall be and becomes effective upon execution hereof, and shall remain in effect until expiration of The Patent which occurs at the latest on March 5, 2002, or until The Patent is held invalid on a decision which is not subject to appeal. EBY releases QUIGLEY from any liability whatsoever prior to the effective date of this agreement.

3. SOLE RELEVANT AND NECESSARY PATENT -

a. It is agreed that Reissue Patent Number 33,465 incorporates all rights that belonged to EBY under Patent 4,503,070 (which is no longer in force as a separate patent, having been surrendered to the U.S. Patent and Trademark Office when the reissue application was filed).

b. It is also agreed that Reissue Patent 33,465 is the sole U.S. patent or patent application which belongs to EBY which contains patent claims that cover or apply to the lozenges being sold by QUIGLEY, and that QUIGLEY does not need a license to any other patent or patent application owned by EBY in order to sell lozenges which contain zinc gluconate or a zinc gluconate-glycine mixture as the only zinc salts in such lozenges.

c. EBY hereby warrants and guarantees to QUIGLEY that (1) Reissue Patent 33,465 is and remains valid; (2) the last and final maintenance fee, which is due to be paid to the US. Patent

Page 2 of 15 Agreed and initialed by George A. Eby III /S/ GAE and Guy Quigley /S/ GQ

Office by September 5, 1996, will be paid before that deadline; (3) EBY is not aware of any reason to doubt the validity of The Patent, or of any legal action that has been taken by any party to declare The Patent invalid; and (4) The Patent is and remains, and has been at all times since its issuance, the sole and exclusive property of EBY.

4. CONSIDERATION: ROYALTIES -

a. In exchange for sole licensing rights under The Patent, EBY shall receive one of the two following alternative royalty payments:

(1) three percent (3%) of gross sales (as defined below) of products containing zinc gluconate (including but not limited to "Cold-Eeze" or "Cold-Eezer Plus" lozenges) which are made, used, or sold by QUIGLEY for the term of The Patent, if royalties continue to be paid by QUIGLEY to John Godfrey or to any person related to or entity controlled by John Godfrey under Godfrey's U.S. patent 4,684,528; OR,

(2) five percent (5%) of gross sales (as defined below) of products

containing zinc gluconate which are made, used, or sold by QUIGLEY for the term of The Patent, if royalties are no longer being paid by QUIGLEY to John Godfrey or to any entity controlled by John Godfrey under Godfrey's U.S. patent 4,684,528.

b. The decision as to whether QUIGLEY will continue paying royalties to John Godfrey, under Godfrey's U.S. patent 4,684,528, will be at the sole discretion of QUIGLEY, which shall however have a good-faith obligation to obtain counsel from a third-party

Page 3 of 15 Agreed and initialed by George A. Eby III /S/ GAE and Guy Quigley /S/ GQ

patent attorney who specializes in biochemical or pharmaceutical patents as to whether such royalty obligations are due to Godfrey under Godfrey's patent. The patent attorney shall consult with EBY during the attorney's evaluation, but EBY shall have no control or authority over such patent attorney.

c. "Gross sales" as defined herein includes all payments that are received by QUIGLEY for zinc gluconate-containing products, less shipping charges, broker commissions and outside contracted repackaging services. Such payments become subject to a royalty payment to EBY when payment is received by QUIGLEY.

d. Royalties shall be paid by QUIGLEY to EBY on a quarterly basis. Payment shall be made within forty-five days following the end of each quarter. Such payments shall be processed through Patrick D. Kelly, Esq., of St. Louis, Missouri, who is EBY's attorney of record in the civil action listed below in Clause 6, unless other agreement is made in writing by both parties.

e. Minimum annual royalties of \$30,000, beginning with sales made during calendar year 1997, shall be paid to EBY by QUIGLEY. If an additional payment is required to complete the minimum annual royalty payment, after payment of the royalty payment for the last quarter of each calendar year, then EBY shall notify QUIGLEY in writing of any such deficit, by certified mail, and such deficit shall be paid by QUIGLEY within 30 days after such notification is received. Failure to pay the minimum annual royalties specified herein shall not terminate QUIGLEY's

Page 4 of 15 Agreed and initialed by George A. Eby III /S/ GAE and Guy Quigley /S/ GQ

rights to continue selling lozenges or other cold-treatment or anti-viral products containing zinc gluconate. Instead, such failure shall render this Agreement non-exclusive, and shall entitle EBY to subsequently grant other, additional non-exclusive licenses to other parties, unless such right is waived by EBY in exchange for other consideration, to be negotiated and agreed upon by both parties.

5. CONSIDERATION: STOCK - In addition to royalty payments as provided in Clause 4, EBY shall also be paid both of the following:

a. Fifty thousand (50,000) shares of Rule 144-restricted common stock in QUIGLEY, which will not be salable by EBY until 2 years after issuance to EBY; and,

b. Ten thousand (10,000) shares of unrestricted common stock in QUIGLEY.

Such stock shares shall provide full and adequate consideration for any royalties due to EBY on any and all sales by QUIGLEY prior to the execution date of this Agreement.

6. PAYMENT AND TRANSFERAL OF STOCK - QUIGLEY shall tender stock certificates to EBY, as provided in Clause 5, upon dismissal with prejudice of a civil legal action entitled George A. Eby and George Eby Research v. Walgreen Drugstores, Inc. and The Quigley Corporation, Civil Action Number 4:96CV01530(SNL), filed July 30, 1996 in the United States District Court for the Eastern District of Missouri, upon execution of this Agreement.

Page 5 of 15 Agreed and initialed by George A. Eby III /S/ GAE and Guy Quigley /S/ GQ

Stock shares shall be transferred to EBY through EBY's attorney of record.

7. ANNOUNCEMENTS, PUBLICITY, ETC. -

a. Any announcement of a settlement, or any other press release or other statement in written or electronic form by either QUIGLEY or EBY (including any information posted on an Internet site or comparable electronic forum) must be approved by the other party, in advance of being released, if it:

(1) mentions the other party by name;

(2) lists the number of any patent owned by EBY, in a release by QUIGLEY; or,

(3) relates to zinc gluconate, glycine, or any other ingredient in any product being sold by QUIGLEY, in a release by EBY.

b. Such approval will not be withheld unreasonably, and any such public statement shall be deemed to be approved if not objected to within five (5) business days after transmittal by facsimile or electronic mail, by the requesting party to the other party.

c. Both parties hereby agree to promptly review their electronic Internet sites and any other sources of information under their control, and to treat any postings or other written or electronic releases of information which mention the other party by name, or in any other identifiable manner, as being subject to this clause from that date forward.

Page 6 of 15 Agreed and initialed by George A. Eby III /S/ GAE and Guy Quigley /S/ GQ

d. Any statements that were made or released by either party, prior to the date of this agreement, which would be covered by this agreement if made after the date of this agreement, are hereby agreed to be exempt from this agreement and from any claims of liability. Both parties hereby agree and covenant that they will endeavor to work cooperatively, in good faith, from the date of this agreement, to present a public image that encourages confidence in zinc-containing lozenges as an effective treatment for the common cold.

8. WARRANTIES AND COVENANTS OF LICENSEE -

a. QUIGLEY hereby warrants and covenants that it will use its best efforts to successfully market products covered by this Licensing Agreement which contain zinc gluconate, including "Cold-Eeze" and "Cold-Eezer Plus" lozenges, and shall use reasonable business judgment in its practices in the production, packaging, and marketing of said products covered by this Licensing Agreement.

b. QUIGLEY hereby warrants and covenants that, after depletion of existing packages, QUIGLEY will properly mark any products covered by The Patent as being covered by "US Patent Re. 33,465" in a manner that satisfies the requirements of 35 USC 287.

c. QUIGLEY assumes and bears full and exclusive liability in any legal or regulatory action against any product that is manufactured or sold by QUIGLEY, and QUIGLEY agrees to indemnify and defend EBY against any action taken by any person,

Page 7 of 15 Agreed and initialed by George A. Eby III /S/ GAE and Guy Quigley /S/ GQ

governmental authority, or other legal entity, if such action involves a product sold by QUIGLEY.

9. WARRANTIES AND COVENANTS OF LICENSOR -

a. EBY hereby warrants and covenants that he will not interfere with QUIGLEY's rights to exclusively manufacture and sell products which contain zinc gluconate under this Agreement.

b. EBY shall not, throughout the duration of this Agreement, offer and/or grant, assign, or sell a license or licensing rights under The Patent to another person or entity, unless such action becomes lawful due to a failure of QUIGLEY to pay a minimum yearly royalty as specified by Clause 4(e), above.

10. OTHER AND FUTURE PRODUCTS -

a. EBY and QUIGLEY both hereby recognize and agree that this agreement is limited to cold treatment or anti-viral products containing zinc gluconate. EBY retains the right to continue selling and otherwise commercially exploit lozenges containing zinc acetate, and certain other zinc salts, which are covered by separate patents owned by EBY. Both parties agree that (1) sales or other use of lozenges containing zinc acetate or other zinc salts, by EBY, do not violate the conditions of this Agreement and (2) any potential license of EBY's patent rights to allow sales, by QUIGLEY, of lozenges containing any zinc salt other than zinc gluconate shall be covered by a separate and subsequent licensing agreement, if such an agreement is desired by both parties.

Page 8 of 15 Agreed and initialed by George A. Eby III /S/ GAE and Guy Quigley /S/ GQ

b. EBY shall have an obligation to promptly disclose to QUIGLEY any scientific or technical improvements in treatments for colds which involve zinc gluconate. EBY's obligation may be satisfied by sending to QUIGLEY a copy of any patent application filed by EBY on any such development, within 15 days after EBY receives notification that the patent application has been granted a filing date and a serial number by the U.S. Patent Office.

c. If QUIGLEY wishes to license any such improvement created and owned by EBY, EBY shall provide to QUIGLEY a right of first refusal, which shall entitle QUIGLEY to obtain such a license under terms that are not less favorable than EBY may offer to any other company.

11. WARRANTIES AND COVENANTS OF LICENSEE AND LICENSOR -

a. Both QUIGLEY and EBY warrant and covenant that neither party will interfere in the patent, legal, personal, or business rights of the other upon and thereafter execution of this Agreement, except as may be provided for in this Agreement.

b. Both QUIGLEY and EBY recognize that it is in the mutual interests of both Licensor and Licensee for products that are made, used and sold under The Patent to be marketed successfully.

12. ASSIGNMENT OF RIGHTS - QUIGLEY shall maintain the right to assign, sub-license, sub-contract, or otherwise commercially exploit its rights under The Patent in any manner that QUIGLEY deems most appropriate, but only if the royalty obligations provided herein remain intact and apply to any such sub-licensee

Page 9 of 15 Agreed and initialed by George A. Eby III /S/ GAE and Guy Quigley /S/ GQ

or sub-contractor. EBY shall not infringe upon such rights of QUIGLEY.

13. MEDIATION OR ARBITRATION OF DISPUTES -

a. If QUIGLEY and EBY are unable after reasonable efforts to reach an agreement on the interpretation or implementation of any portion of this agreement, the dispute shall be submitted to a mediator, who shall attempt to help the parties negotiate a mutually satisfactory agreement.

b. If an agreement cannot be reached with mediation, or if both parties agree to bypass mediation, a dispute arising hereunder shall be submitted to binding arbitration, under the auspices of a member of the American Arbitration Association.

c. In order to minimize travel expenses and inconvenience, any mediator or arbitrator used hereunder shall be located in Philadelphia, and QUIGLEY shall be obliged to pay for a business-class round-trip plane ticket between Austin and Philadelphia, for EBY for the first meeting of a mediation on any new issue.

d. Any mediator or arbitrator used as provided herein shall be acceptable to both parties. If the parties are unable to agree upon an acceptable mediator or arbitrator, the highest-ranking or most senior official of the American Arbitration Association working in Philadelphia shall designate a mediator or arbitrator.

e. Unless otherwise agreed in writing, the costs of mediation or arbitration will be divided equally among EBY and QUIGLEY. However, this shall exclude any expenses for attorneys

Page 10 of 15 Agreed and initialed by George A. Eby III /S/ GAE and Guy Quigley /S/ GQ

or witnesses for either side; any such expenses will be borne by the party that obtains such services. Each party shall cooperate and shall promptly make available, to the other party and to a mediator or arbitrator, any information or assistance necessary to settle any such dispute.

f. To satisfy the obligation of making information available hereunder, a party must mail a photocopy of all document(s) which are directly related to the dispute, and which are not legally privileged, to the other party, accompanied by a signed statement stating either (1) that all known information which is directly relevant to the dispute is included, or (2) that certain documents were withheld because they are legally privileged. In addition, the party supplying the information must make the relevant nonprivileged business records available, at its offices, for inspection and copying by the other party and/or by a legal or accounting representative of the other party.

14. APPLICABLE LAW - This agreement shall be governed by and construed according to the laws of the Commonwealth of Pennsylvania.

15. AMENDMENT - This agreement cannot be changed or amended except by

agreement of both parties, in writing, signed by both parties.

16. NOTICE - Any notice required or permitted hereunder shall be deemed sufficient if given in writing and delivered personally or sent by registered or certified mail, return

Page 11 of 15 Agreed and initialed by George A. Eby III /S/ GAE and Guy Quigley /S/ GQ

receipt requested, postage prepaid, to the addresses shown below or to such other addresses as are specified by similar notice:

If to Licensor:	With a copy to:
George A. Eby III George Eby Research 2109 Paramount Avenue Austin, TX 78704	Patrick D. Kelly, Esq. 33 Berry Oaks St. Louis, MO 63122

If to Licensee:	With copies to:
The QUIGLEY Corporation 10 South Clinton Street Doylestown, PA 18901	Gregory M. McCauley, Esq. McCauley & Associates, P.C. 2101 Pine Street Philadelphia, PA 19103 Thomas F. J. MacAniff, Esq. Eastburn and Gray 60 East Court Street Doylestown, PA 18901

17. ACCESS TO FINANCIAL RECORDS - Quigley will provide to EBY a copy of the quarterly financial records that are used to calculate EBY's royalty payments. In addition, as a stockholder of the company, EBY shall have the right to reasonable access to the company's financial records.

18. SEVERABILITY - In the event that any provision of this Agreement shall be held to be invalid, such invalidity shall not affect in any respect whatsoever the validity of the remainder of this Agreement.

19. CAPTIONS - Any article or paragraph titles or captions contained in this Agreement are for convenience only and shall not be deemed to amplify, modify or give full notice of the provisions thereof.

Page 12 of 15 Agreed and initialed by George A. Eby III /S/ GAE and Guy Quigley /S/ GQ

20. PARTIES BOUND - This Agreement shall inure to the benefit of, and be binding upon, all the parties, their respective assigns, successors in interest, personal representatives, estates, heirs and successors.

21. INTERPRETATION - When the context in which words are used in this Agreement indicate that such is the intent, words in the singular shall include the plural and the plural shall include the singular. Words in the masculine gender shall include the feminine and neuter genders.

Page 13 of 15 Agreed and initialed by George A. Eby III /S/ GAE and Guy Quigley /S/ GQ

22. ENTIRE AGREEMENT - All parties stipulate and agree that this document constitutes the entire Agreement between the parties.

ACCEPTED AND AGREED:

/S/ GEORGE A. EBY III ----- George A. Eby III, in behalf of himself and in behalf of GEORGE EBY RESEARCH	AUG. 24, 1996 ----- Date
-------------------------------------------------------------------------------------------------------------------	--------------------------------

/S/ GUY QUIGLEY ----- Guy Quigley, President, in behalf of THE QUIGLEY CORPORATION	AUG. 28, 1996 ----- Date
---------------------------------------------------------------------------------------------	--------------------------------

Page 14 of 15 Agreed and initialed by George A. Eby III /S/ GAE and Guy Quigley

/S/ GQ

STATE OF TEXAS :
 : SS
COUNTY OF TRAVIS :

On this 24TH day of AUGUST , 1996, before me personally appeared GEORGE A. EBY III, to me known to be the person described in the foregoing document, who executed this document as his free act and deed.

In witness thereof, I have hereunto set my hand and affixed my notary seal the day and year last above written.

/S/ WILLIAM L. SWAIL

Notary Public

My commission expires: 6/6/97

STATE OF PENNSYLVANIA :
 : SS
COUNTY OF BUCKS :

On this 3RD day of SEPTEMBER , 1996, before me personally appeared GUY QUIGLEY, to me known to be the person described in the foregoing document, who executed this document as his free act and deed.

In witness thereof, I have hereunto set my hand and affixed my notary seal the day and year last above written.

/S/ JOAN M. CONDUIT

Notary Public

My commission expires:

EXCLUSIVE MASTER BROKER WHOLESALE DISTRIBUTOR
&
NON EXCLUSIVE NATIONAL CHAIN BROKER
AGREEMENT

This AGREEMENT dated the 22, day of July 1994, by and between The Quigley Corporation having its principal place of business located at 10 South Clinton Street, Doylestown in the state of Pennsylvania hereinafter called the COMPANY and/or their assigns, AND Russell Mitchell having its principal place of business located at 9727 Sylvan Shore Drive, Minocqua, in the state of Wisconsin, hereinafter called the BROKER.

WITNESSETH:

That the COMPANY does hereby appoint the BROKER as Sales Agent/Broker and the BROKER hereby accepts the appointment subject to the following terms and conditions.

1: The BROKER shall faithfully, diligently and to the best of its ability, endeavor to promote and extend the sales of the COMPANY and its products to its customers both existing and prospective in the territory hereafter described.

2: The territory of the BROKER shall be as follows:

United States of America

3: The BROKER shall be considered to be a NON EXCLUSIVE COMMISSIONED agent of the COMPANY within said territory, in the pursuit of establishing the sale of its products, to any acceptable national chain and shall also be considered EXCLUSIVE MASTER BROKER in the establishment of national wholesalers.

4: The BROKER shall be entitled to receive commissions upon all shipments in the territory whether by the BROKER acting as sales agent, or by direct orders of its established customers to the COMPANY, or otherwise.

5: It shall be the responsibility of the BROKER to provide the COMPANY with active and continuous sales representation in the territory, by personal or actual appointed salesman contact with its customers, or entities, both existing and prospective. Confirmed Customers of the BROKER shall be identified in "Schedule A" of this agreement, to which further customers will be added as they are established. The BROKER further agrees to maintain procedures and records to assure systematic, repeated and complete coverage of its client base.

6: It shall be the responsibility of the COMPANY to provide products directly to the BROKER'S customers, based upon receipt of an acceptable instrument of payment and to fulfill all orders exceeding the minimum requirements as identified in "Schedule B" of this agreement, Commissions, Terms and Procedures.

7: The BROKER shall keep the COMPANY properly advised and informed as to the general conditions which pertain to or affect the sale of its line. The BROKER agrees to comply with such directives as may be issued by the officers of the COMPANY to carry out its policies in dealing with the customer trade, provided and in so far as such directives are not inconsistent with the terms, conditions and understanding of this Agreement.

8: The COMPANY will keep the BROKER informed of all communications between it and the Brokers' customers; will furnish the BROKER with copies of all customer correspondence; at pre-determined prices, the COMPANY shall furnish the BROKER with the necessary product price lists and other sales aids in sufficient quantity to fulfill requirements of its needs.

9: The COMPANY shall pay to the BROKER a commission upon all shipments as identified in "Schedule B" of this agreement, Commissions, Terms and Procedures. The term "shipments" shall mean orders for merchandise accepted by the COMPANY but not including handling and shipping costs and credit or discount charges.

10: Upon the COMPANY receiving payments, it shall furnish the BROKER with a weekly commission statement, itemizing commissions due and payable.

11: The COMPANY shall supply samples at wholesale to the BROKER. Samples which in the sole judgment of the COMPANY have significant value must be returned by the BROKER after termination of this agreement.

12: The term of this Agreement shall be for a period of five

years, FROM July 22, 1994 TO July 21, 1999, such Agreements shall be automatically renewed for a similar period or periods. Any breach of this Agreement shall give the COMPANY, as well as the BROKER, the right upon fourteen days notice by Fax, US Regular Mail, or US Registered Mail to declare this agreement null and void, said declaration will not remove the BROKER'S rights to receive commission due from accounts established by the BROKER, during the term of this Agreement, assuming the BROKER is in communication with, services and nurtures said accounts.

13: It is further understood and agreed that the BROKER is an independent contractor and that neither COMPANY nor BROKER shall assume any liability whatsoever, each for the other,

-2-

directly or indirectly. It is also agreed that this Agreement shall not under any circumstances create the relationship of joint venture between the parties hereto.

14: (a) The laws of the Commonwealth of Pennsylvania shall apply and bind the parties in any and all questions arising hereunder, regardless of the jurisdiction in which any action or proceeding may be initiated or maintained. It is understood, however, that this is a general form of agreement and if any of its provisions in any way violate or contravene the laws of any state or territory, such provisions shall be deemed not to be a part of this Agreement and the remainder of this Agreement shall remain in full force and effect.

(b) Wherever in this Agreement the term "by written notice" is used to indicate a means of notification from one party to the other, it shall be understood to be by written notice via registered or certified mail, return receipt required, to the last known address.

(c) This Agreement shall supersede and cancel any and all previous options, contracts, arrangements or understandings that may have existed or may exist between the parties and represents the entire understanding of the parties.

IN WITNESS WHEREOF, the Principals have caused this Agreement to be signed by two duly constituted individuals or Principals.

BY: /S/ GUY QUIGLEY

 President and CEO
 The Quigley Corporation

BY: /S/ RUSSELL MITCHELL

 Russell Mitchell

Date 3/4/96

Date 3/8/96

Witness /S/ CHARLES PHILLIPS

Witness /S/ LYNN MITCHELL

-3-

SCHEDULE "A"

MASTER BROKER'S ESTABLISHED WHOLESALER BASE

NAME: -----	TYPE ----	PRODUCT -----	CONFIRMED -----
Cardinal Health	Wholesaler	Cold-Eeze	yes
Lotus Light	Wholesaler	Cold-Eeze	yes
Foxmeyer	Wholesaler	Cold-Eeze	yes
William Drug Co.	Wholesaler	Cold-Eeze	yes
F. Dohman Company	Wholesaler	Cold-Eeze	yes
Dakota Drug Co.	Wholesaler	Cold-Eeze	yes
HMS Distributors	Wholesaler	Cold-Eeze	yes
Home Health Products Inc.	Wholesaler	Cold-Eezer Plus	yes
Northwestern Drug	Wholesaler	Cold-Eeze	yes
US Health Distributors	Wholesaler	Cold-Eeze	yes
Walker Drug Company	Wholesaler	Cold-Eeze	yes

ESTABLISHED CHAIN STORES

NAME: -----	TYPE ----	PRODUCT -----	CONFIRMED -----
Walgreen	Chain	Cold-Eeze	yes

BY: /S/ GUY QUIGLEY

The Quigley Corporation

BY: /S/ RUSSELL MITCHELL

Russell Mitchell

Date 3/4/96

Date 3/8/96

Witness /S/ CHARLES PHILLIPS

Witness /S/ LYNN MITCHELL

THIS PAGE WILL BE AMENDED AND ADDED TO AS NEW ACCOUNTS ARE ESTABLISHED

SCHEDULE "B"

COMMISSION - TERMS - PROCEDURES

1. COMMISSIONS:(a) On moneys received by the Company, from sales established by the BROKER, through any national commercial chain stores for the sale of COLD-EEZE, in quantities up to and including \$100,000.00, in collective sales, in any given month, the broker will be entitled to a commission of 10% ten percent on all sales, after all appropriate deductions have been made. Thereafter, within that given month, the broker will be entitled to a commission of 5% five percent.

NOTE: THE APPROPRIATE DEDUCTIONS SHALL BE CONSTRUED AS SHIPPING & HANDLING CHARGES, REPACKAGING, COOP ADVERTISING AND ANY SPECIAL ARRANGEMENTS MADE BY THE BROKER IN THE ESTABLISHMENT OF AN ACCOUNT.

COMMISSIONS:(b) On sales secured through an established mail order entity, for the sale of COLD-EEZER PLUS, where the broker is paying for the advertising costs, the broker will be entitled to a commission of 20% of the sale amount, assuming the mail order company is prepared to accept the company's sale price, which will be in keeping with current available distributor prices.

MASTER BROKER

COMMISSIONS(c) On Sales secured through established National Wholesalers and Retail Chain Stores, the broker will be entitled to a commission of 2% (two percent) on all sales for the first year of any account, with 1% (one per cent) thereafter, in accordance with the terms of this agreement and only after all appropriate deductions have been made. It is understood to acquire this commission, the broker will act as liaison between the Company and all other brokers. This section does not apply to sales secured directly by the Broker personally.

2. TERMS. Reputable distributors will be offered 2% 10, net 30 days payment terms, subject to the company accepting their credit information.

3. PROCEDURES. The broker will be responsible for ensuring orders received are in keeping with the company's terms and that the minimum order to a distributor using COLD-EEZER PLUS is one master case of sixty units and alternatively within the commercial COLD-EEZE marketplace where one master case consists of 24 units. The broker has the facility of having COLD-EEZE shipped in individual cases to retailers, which have to be paid for in advance, either by check or utilizing the company's merchant credit card facilities.

4. PRICE LISTS: Price lists are subject to change on fourteen days notice and shall be made available by the company to the broker at all times.

BY: /S/ GUY QUIGLEY

The Quigley Corporation

BY: /S/ RUSSELL MITCHELL

Russell Mitchell

Date 3/4/96

Date 3/8/96

Witness /S/ CHARLES PHILLIPS

Witness /S/ LYNN MITCHELL

ADDENDUM
TO NON EXCLUSIVE BROKER AGREEMENT
between
The Quigley Corporation AND Russell Mitchell
NEW SCHEDULE "B"
COMMISSION - TERMS - PROCEDURES

1. COMMISSIONS: FOR SALES ESTABLISHED THROUGH A COMMERCIAL DISTRIBUTORSHIP FOR THE SALE OF COLD-EEZE(TM) AND FOR SALES ESTABLISHED THROUGH A DISTRIBUTOR SERVING THE ALTERNATIVE MARKETPLACE, UTILIZING COLD-EEZER PLUS, IN QUANTITIES UP TO AND INCLUDING \$100,000.00 IN COLLECTIVE SALES IN ANY GIVEN MONTH, THE BROKER WILL BE ENTITLED TO A COMMISSION OF (8%) EIGHT PERCENT. ON ALL SALES THEREAFTER THE BROKER WILL BE ENTITLED TO A COMMISSION OF (5%) FIVE PERCENT.

2. BONUS COMMISSION: ON ALL SALES SECURED IN THE COMMERCIAL MARKETPLACE FOR THE SALE OF COLD-EEZE(TM) OR COLD-EEZER PLUS, THE BROKER WILL BE ENTITLED TO SHARE, ON A 50/50 BASIS, ANY EXTRA MONIES, RECEIVED BY THE COMPANY, OVER AND ABOVE THE COMPANY'S CURRENT DISTRIBUTOR PRICE LIST, AFTER ALL APPROPRIATE DEDUCTIONS HAVE BEEN MADE.

3. MAIL ORDER COMMISSIONS: FOR SALES SECURED THROUGH AN ESTABLISHED MAIL ORDER ENTITY, FOR COLD-EEZER PLUS, WHERE THE BROKER IS PAYING FOR THE ADVERTISING COSTS, THE BROKER WILL BE ENTITLED TO A COMMISSION OF 20% OF THE SALE AMOUNT ASSUMING THE MAIL ORDER COMPANY IS PREPARED TO ACCEPT THE COMPANY'S SALE PRICE, WHICH WILL BE IN KEEPING WITH CURRENT AVAILABLE PROFESSIONAL DISTRIBUTOR PRICES.

4. COOP ADVERTISING: IN THE EVENT THAT ANY ENTITY DOES NOT ACCEPT A BARTER ARRANGEMENT OF PRODUCT FOR COOP ADVERTISING, THE MONETARY PAYMENTS MADE TO ANY SUCH ENTITY WILL BE DEDUCTED PRIOR TO ANY COMMISSIONS BEING PAID TO THE BROKER.

5. TERMS: REPUTABLE DISTRIBUTORS CAN BE OFFERED 2% 10, NET 30 DAYS PAYMENT TERMS, SUBJECT TO THE COMPANY ACCEPTING THEIR CREDIT INFORMATION.

6. PROCEDURES: THE BROKER WILL BE RESPONSIBLE FOR ENSURING ORDERS RECEIVED ARE IN KEEPING WITH THE COMPANY'S TERMS AND THAT THE MINIMUM ORDER TO A DISTRIBUTOR USING COLD-EEZER PLUS IS ONE MASTER CASE OF SIXTY UNITS AND ALTERNATIVELY WITHIN THE COMMERCIAL COLD-EEZE(TM) MARKETPLACE WHERE ONE MASTER CASE CONSISTS OF 24 UNITS. THE BROKER HAS THE FACILITY OF HAVING COLD-EEZE(TM) SHIPPED IN INDIVIDUAL CASES TO RETAILERS, WHICH HAVE TO BE PAID FOR IN ADVANCE, EITHER BY CHECK OR UTILIZING THE COMPANY'S MERCHANT CREDIT CARD FACILITIES.

7. PRICE LISTS: CURRENT PRICE LISTS SHALL BE MADE AVAILABLE BY THE COMPANY TO THE BROKER AT ALL TIMES.

BY: GUY QUIGLEY

The Quigley Corporation

BY: /S/ RUSSELL MITCHELL

Russell Mitchell

Date 6/6/95

Date 6/20/95

Witness /S/ CHARLES PHILLIPS

Witness /S/ LYNN MITCHELL

THE QUIGLEY CORPORATION
Computation of Earnings (Loss) Per Share

Net loss per common share is computed by dividing net loss by the weighted average number of shares of common stock and common stock equivalents outstanding during each year. As the Company sustained losses in all periods set forth below, the inclusion of common stock equivalents would be anti-dilutive in nature and are not included in the per share calculations.

FOR THE YEAR ENDED SEPTEMBER 30,

	1996 ----	1995 ----	1994 ----
Earnings (Loss) per Share:			
Net Loss before cumulative effect adjustment	\$ (694,269)	\$ (152,556)	\$ (95,348)
Cumulative effect adjustment	----- -	----- -	21,564 -----
Net Income (loss)	\$ (694,269) =====	\$ (152,556) =====	\$ (73,784) =====
Weighted average number of shares outstanding	4,065,589 -----	3,143,245 -----	2,685,301 -----
Assumed issuances under exercise of stock options and warrants	- (1)	- (1)	- (1)
Loss per share before cumulative effect adjustment	\$ (.17)	\$ (.05)	\$ (.04)
Cumulative effect adjustment	----- -	----- -	.01 -----
Loss per share	\$ (.17) =====	\$ (.05) =====	\$ (.03) =====

(1) Common stock equivalents outstanding in 1994, 1995 and 1996 were anti-dilutive and therefore not included.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANT

To The Quigley Corporation:

As independent public accountant, I hereby consent to the incorporation of my report dated December 12, 1996, included in this Form 10-KSB into the Company's previously filed Registration Statements on Form S-8, File Numbers 333-10059 and 333-14687.

/S/ NACHUM BLUMENFRUCT

Nachum Blumenfruct
Certified Public Accountant

Brooklyn, New York
April 4, 1997

<TABLE> <S> <C>

<ARTICLE>

5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE QUIGLEY CORPORATION FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

</LEGEND>

<S>	<C>
<PERIOD-TYPE>	12-MOS
<FISCAL-YEAR-END>	SEP-30-1996
<PERIOD-END>	SEP-30-1996
<CASH>	370,147
<SECURITIES>	0
<RECEIVABLES>	607,737
<ALLOWANCES>	0
<INVENTORY>	58,339
<CURRENT-ASSETS>	1,036,223
<PP&E>	93,651
<DEPRECIATION>	28,337
<TOTAL-ASSETS>	1,368,301
<CURRENT-LIABILITIES>	125,253
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<BONDS>	0
<COMMON>	4,769
<OTHER-SE>	1,238,279
<TOTAL-LIABILITY-AND-EQUITY>	1,368,301
<SALES>	1,049,561
<TOTAL-REVENUES>	1,056,442
<CGS>	283,967
<TOTAL-COSTS>	1,489,271
<OTHER-EXPENSES>	0
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	4,523
<INCOME-PRETAX>	(721,319)
<INCOME-TAX>	(27,050)
<INCOME-CONTINUING>	(694,269)
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	(694,269)
<EPS-PRIMARY>	(0.17)
<EPS-DILUTED>	(0.17)

</TABLE>