

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

---

**FORM 8-K**  
**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of  
The Securities Exchange Act of 1934**

---

Date of Report (Date of earliest event reported): May 5, 2010

**PROPHASE LABS, INC.**  
(Exact name of registrant as specified in its charter)

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

**0-21617**  
(Commission  
File Number)

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

**621 Shady Retreat Road**  
**Doylestown, PA**  
(Address of principal executive offices)

**18901**  
(Zip Code)

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

**The Quigley Corporation**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions *see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

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

(e) **(i) 2010 Equity Compensation Plan**

At the Annual Meeting of Stockholders of ProPhase Labs, Inc. (the “**Company**”) held on May 5, 2010 (the “**Annual Meeting**”), the Company’s stockholders ratified the adoption of the Company’s 2010 Equity Compensation Plan (the “**2010 Plan**”), which the Company’s Board of Directors (the “**Board**”) had approved and the Compensation Committee (the “**Compensation Committee**”) of the Board had ratified, subject to stockholder ratification, in March 2010.

The 2010 Plan provides for the grant of options to employees, officers, consultants and advisors of the Company and its affiliates. The aggregate number of shares of common stock that may be issued under all awards made under the 2010 Plan is equal to 900,000 shares plus up to 900,000 shares that are authorized for issuance but unissued under the Company’s 1997 Stock Option Plan (the “**1997 Plan**”). The 1997 Plan expired on December 2, 2007, and no additional awards may be made thereunder; however, as of May 6, 2010, there remained 1,357,750 shares subject to vested options that are authorized for issuance but unissued under the 1997 Plan. In the event that these outstanding options under the 1997 Plan expire unexercised or are terminated and the shares subject to such options remain unissued, up to a maximum of 900,000 of such shares will become available for issuance under the 2010 Plan.

The 2010 Plan is administered by the Compensation Committee or such other committee selected by the Board. The 2010 Plan will expire on the seventh anniversary of the effective date (as defined in the 2010 Plan), but any options granted prior to such date may extend beyond such date. The Compensation Committee may not adjust or amend the exercise price of any outstanding stock option or substitute an outstanding option for a new option with a lower exercise price, except in the case of a stock split, recapitalization or change in control, as provided in Section 7 of the 2010 Plan.

For a more detailed description of the material features of the 2010 Plan, please refer to the Company’s Definitive Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on April 2, 2010 in connection with the Company’s 2010 Annual Meeting of Stockholders (the “**2010 Proxy Statement**”), under the caption “Proposal 4 — Ratification of the 2010 Equity Compensation Plan”, which description is incorporated herein by reference. The above description of the 2010 Plan does not purport to be complete and is qualified in its entirety by reference to the complete text of such plan, which was attached as Exhibit B to the 2010 Proxy Statement and is incorporated by reference herein.

**(ii) 2010 Directors’ Equity Compensation Plan**

At the Annual Meeting, the Company’s stockholders also ratified the adoption of the Company’s 2010 Directors’ Equity Compensation Plan (the “**2010 Directors’ Plan**”), which the Company’s Board had approved and the Compensation Committee had ratified, subject to stockholder ratification, in March 2010.

The 2010 Directors’ Plan provides for the grant of options and restricted stock awards to non-employee directors of the Company and its affiliates. The aggregate number of shares of common stock that may be issued under all awards made under the 2010 Directors’ Plan is 250,000 shares. The 2010 Directors’ Plan is administered by the Compensation Committee or such other committee selected by the Board. The 2010 Directors’ Plan will expire on the tenth anniversary of the effective date (as defined in the 2010 Directors’ Plan), but any award granted prior to such date may extend beyond such date.

For a more detailed description of the material features of the 2010 Directors' Plan, please refer to the 2010 Proxy Statement, under the caption "Proposal 5 — Ratification of the 2010 Directors' Equity Compensation Plan", which description is incorporated herein by reference. The above description of the 2010 Directors' Plan does not purport to be complete and is qualified in its entirety by reference to the complete text of such plan, which was attached as Exhibit C to the 2010 Proxy Statement and is incorporated by reference herein.

The information contained in Item 5.07 of this Report regarding the ratification of the 2010 Plan and the 2010 Directors' Plan is incorporated herein by reference.

**(iii) Amendment to 2010 Directors' Equity Compensation Plan**

On May 6, 2010, pursuant to Section 11 of the 2010 Directors' Plan, the Board approved an amendment to the 2010 Directors' Plan (the "Amendment") providing for certain prohibitions on repricings of awards issued under the 2010 Directors' Plan. Specifically, the Amendment provides, subject to Section 8 of the 2010 Directors' Plan, that without stockholder approval, (i) the terms of outstanding awards may not be amended to reduce the exercise price of outstanding options and (ii) outstanding options may not be cancelled in exchange for cash, other awards or options with an exercise price that is less than the exercise price of the original options. The foregoing description of the Amendment is qualified in its entirety by the text of the Amendment, which is filed as Exhibit 10.3 hereto and incorporated herein by reference.

**Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year**

At the Annual Meeting, the stockholders of the Company also approved an amendment to the Company's Articles of Incorporation to change the name of the Company from The Quigley Corporation to ProPhase Labs, Inc., which the Board had approved, subject to stockholder approval, in March 2010. The amendment became effective on May 6, 2010. A copy of the Certificate of Amendment of the Articles of Incorporation of the Company is attached hereto as Exhibit 3.1 and is incorporated by reference herein.

Concurrent with the Company's name change, effective May 10, 2010, the Company's shares began trading under the new NASDAQ ticker symbol: PRPH. The Company previously traded under the symbol: QGLY.

The information contained in Item 5.07 of this Report regarding the approval of the amendment to the Articles of Incorporation to effectuate a name change is incorporated herein by reference.

**Item 5.07 Submission of Matters to a Vote of Security Holders.**

Five proposals were submitted to, and approved by, stockholders at the Annual Meeting on May 5, 2010. The proposals are described in detail in the Company's 2010 Proxy Statement. The final results for the votes regarding each proposal are set forth below.

1. Stockholders elected seven directors to the Company's Board to hold office for the ensuing year until the next annual meeting of stockholders and until their successors are elected and qualified. The votes regarding this proposal were as follows:

	<u>For</u>	<u>Withheld</u>	<u>Abstained</u>	<u>Broker Non-Votes</u>
Ted Karkus	7,467,931	225,029	0	1,952,780
Mark Burnett	7,193,939	499,021	0	1,952,780
John DeShazo	7,468,346	224,614	0	1,952,780
Mark Frank	7,433,423	259,537	0	1,952,780
Louis Gleckel, MD	7,196,741	496,219	0	1,952,780
Mark Leventhal	7,468,386	224,574	0	1,952,780
James McCubbin	7,194,004	498,956	0	1,952,780

2. Stockholders ratified the selection of Amper, Politziner & Mattia, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2010. The votes regarding this proposal were as follows:

<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Broker Non-Votes</u>
9,504,417	119,346	21,977	0

3. Stockholders approved the amendment to the Company's Articles of Incorporation to change the name of the Company to ProPhase Labs, Inc. The votes regarding this proposal were as follows:

<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Broker Non-Votes</u>
8,399,425	1,221,180	25,135	0

4. Stockholders ratified the adoption of the 2010 Plan. The votes regarding this proposal were as follows:

<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Broker Non-Votes</u>
7,359,069	289,354	44,537	1,952,780

5. Stockholders ratified the adoption of the 2010 Directors' Plan. The votes regarding this proposal were as follows:

<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Broker Non-Votes</u>
7,334,874	314,499	43,587	1,952,780

#### Item 8.01 Other Events

A copy of a press release issued by the Company on May 6, 2010 announcing the results of the Annual Meeting is filed hereto as Exhibit 99.1.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<u>No.</u>	<u>Description</u>
3.1	Certificate of Amendment to Articles of Incorporation*
10.1	2010 Equity Compensation Plan (incorporated by reference to Exhibit B to the Company's Definitive Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on April 2, 2010)
10.2	2010 Directors' Equity Compensation Plan (incorporated by reference to Exhibit C to the Company's Definitive Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on April 2, 2010)
10.3	Amendment to 2010 Directors' Equity Compensation Plan*
10.4	Form of Option Award Agreement under the 2010 Equity Compensation Plan*
10.5	Form of Option Award Agreement under the 2010 Directors' Equity Compensation Plan*
10.6	Form of Stock Award Agreement under the 2010 Directors' Equity Compensation Plan*
99.1	Press Released dated May 6, 2010*

\* Filed herewith.

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

**The Quigley Corporation**

By: /s/ Robert V. Cuddihy, Jr.  
Robert V. Cuddihy, Jr.  
Chief Operating Officer

Date: May 10, 2010

**EXHIBIT INDEX**

No.	Description
3.1	Certificate of Amendment to Articles of Incorporation*
10.1	2010 Equity Compensation Plan (incorporated by reference to Exhibit B to the Company's Definitive Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on April 2, 2010)
10.2	2010 Directors' Equity Compensation Plan (incorporated by reference to Exhibit C to the Company's Definitive Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on April 2, 2010)
10.3	Amendment to 2010 Directors' Equity Compensation Plan*
10.4	Form of Option Award Agreement under the 2010 Equity Compensation Plan*
10.5	Form of Option Award Agreement under the 2010 Directors' Equity Compensation Plan*
10.6	Form of Stock Award Agreement under the 2010 Directors' Equity Compensation Plan*
99.1	Press Released dated May 6, 2010*

---

\* Filed herewith.



**ROSS MILLER**  
 Secretary of State  
 204 North Carson Street, Suite 1  
 Carson City, Nevada 89701-4520  
 (775) 684 5708  
 Website: [www.nvsos.gov](http://www.nvsos.gov)

**Certificate of Amendment**  
 (PURSUANT TO NRS 78.385 AND 78.390)

USE BLACK INK ONLY — DO NOT HIGHLIGHT

ABOVE SPACE IS FOR OFFICE USE ONLY

**Certificate of Amendment to Articles of Incorporation**  
**For Nevada Profit Corporations**  
 (Pursuant to NRS 78.385 and 78.390 — After Issuance of Stock)

1. Name of corporation:

The Quigley Corporation

2. The articles have been amended as follows: (provide article numbers, if available)

Article 1 shall be amended as follows:

“The name of the corporation shall be ProPhase Labs, Inc.”

3. The vote by which the stockholders holding shares in the corporation entitling them to exercise a least a majority of the voting power, or such greater proportion of the voting power as may be required in the case of a vote by classes or series, or as may be required by the provisions of the articles of incorporation\* have voted in favor of the amendment is: 57.9 of shares outstanding

4. Effective date of filing: (optional) \_\_\_\_\_

(must not be later than 90 days after the certificate is filed)

5. Signature: (required)

X/s/ Robert V. Cuddihy

Signature of Officer

\* If any proposed amendment would alter or change any preference or any relative or other right given to any class or series of outstanding shares, then the amendment must be approved by the vote, in addition to the affirmative vote otherwise required, of the holders of shares representing a majority of the voting power of each class or series affected by the amendment regardless to limitations or restrictions on the voting power thereof.

**IMPORTANT:** Failure to include any of the above information and submit with the proper fees may cause this filing to be rejected.

This form must be accompanied by appropriate fees.

---



**AMENDMENT TO 2010 DIRECTORS' EQUITY COMPENSATION PLAN**

The Quigley Corporation, a Nevada corporation (the "Company"), hereby adopts this Amendment (this "Amendment") to 2010 Directors' Equity Compensation Plan (the "Plan").

**WITNESSETH**

**WHEREAS**, the Company's Compensation Committee adopted the Plan and the Board of Directors (the "Board") ratified the Plan; and

**WHEREAS**, the Plan was submitted to and ratified by the Company's stockholders at the Company's Annual Meeting of Stockholders on May 5, 2010.

**NOW, THEREFORE**, the Plan is hereby amended as follows:

1. Section 4 of the Plan is amended by deleting the seventh sentence from said Section and replacing in lieu thereof the following sentence:

"Awards may, in the discretion of the Committee, be awarded under the Plan in assumption of, or in substitution for, outstanding Awards previously granted by the Company, any of its Affiliates or any of their respective predecessors, or any entity acquired by the Company or with which the Company combines; provided however, subject to Section 8 hereof, that without stockholder approval (i) the terms of outstanding Awards may not be amended to reduce the exercise price of outstanding Options and (ii) outstanding Options may not be cancelled in exchange for cash, other awards or Options with an exercise price that is less than the exercise price of the original Options."

2. This Amendment shall be effective as of May 6, 2010, and all references to the Plan shall, from and after such time, be deemed to be references to the Plan as amended hereby.

3. Except as expressly amended hereby, the Plan shall remain unchanged and in full force and effect.

---

**THE QUIGLEY CORPORATION**  
**2010 EQUITY COMPENSATION PLAN**  
**OPTION AWARD AGREEMENT**

THIS AGREEMENT (the "Agreement"), is made effective as of the [DAY] day of [MONTH], [YEAR], (hereinafter called the "Date of Grant"), between The Quigley Corporation, a Delaware corporation (hereinafter called the "Company"), and [NAME] (hereinafter called the "Participant");

**RECITALS:**

WHEREAS, the Company has adopted The Quigley Corporation 2010 Equity Compensation Plan (the "Plan"), which Plan is incorporated herein by reference and made a part of this Agreement. Capitalized terms not otherwise defined herein shall have the same meanings as in the Plan; and

WHEREAS, the Committee has determined that it would be in the best interests of the Company and its shareholders to grant the option provided for herein to the Participant pursuant to the Plan and the terms set forth herein.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

1. Grant of the Option. The Company hereby grants to the Participant the right and option (the "Option") to purchase, on the terms and conditions hereinafter set forth, all or any part of an aggregate of [# OF SHARES] Shares, subject to adjustment as set forth in the Plan. The purchase price of the Shares subject to the Option shall be \$[PRICE] per Share (the "Option Price"). The Option is intended to be a non-qualified stock option, and is not intended to be treated as an option that complies with Section 422 of the Internal Revenue Code of 1986, as amended.

2. Vesting.

(a) All Options granted pursuant to the Plan shall vest and become exercisable in accordance with the following schedule:

First Anniversary of the Date of Grant	[%]
Second Anniversary of the Date of Grant	[%]
Third Anniversary of the Date of Grant	[%]
Fourth Anniversary of the Date of Grant	[%]

(b) All options shall immediately and fully vest and become exercisable if the Participant's employment is terminated by the Company without Cause or the Participant voluntarily quits for good reason. For this purpose, the Participant will be deemed to have "good reason" to voluntarily terminate employment if there is a reduction in his or her base salary; a material reduction in his or her authority, duties, or responsibilities; or a material change in the geographic location at which he or she must perform services.

---

3. Exercise of Option.

(a) Period of Exercise. Subject to the provisions of the Plan and this Agreement, the Participant may exercise all or any part of the Vested Portion of the Option at any time prior to the earliest to occur of:

- (i) the seventh anniversary of the Date of Grant;
- (ii) one year following the date of the Participant's termination of Employment due to death or Disability;
- (iii) three months following the date of the Participant's termination of Employment by the Company without Cause or by the Participant for good reason (as defined above); and
- (iv) the date of the Participant's termination of Employment by the Company for Cause or by the Participant for any reason or by the Participant for good reason (as defined above), death or Disability.

For purposes of this agreement, "Cause" shall mean "Cause" as defined in any employment agreement then in effect between the Participant and the Company or if not defined therein or, if there shall be no such agreement, (i) the willful failure or refusal by such Participant to perform his or her duties to the Company or its Affiliates (other than any such failure resulting from such Participant's incapacity due to physical or mental illness), which has not ceased within ten days after a written demand for substantial performance is delivered to such Participant by the Company, which demand identifies the manner in which the Company believes that such Participant has not performed such duties; (ii) the willful engaging by such Participant in misconduct which is materially injurious to the Company or its Affiliates, monetarily or otherwise (including breach of any confidentiality or non-competition covenants to which such Participant is bound); (iii) the conviction of such Participant of, or the entering of a plea of nolo contendere by such Participant with respect to, a felony or to any crime which is materially injurious to the Company or its Affiliates; or (iv) substantial or repeated acts of dishonesty by such Participant in the performance of his/her duties to the Company or its Affiliates. The determination of the existence of Cause shall be made by the Committee in good faith.

(b) Method of Exercise.

(i) Subject to Section 3(a), the Vested Portion of the Option may be exercised by delivering to the Company at its principal office written notice of intent to so exercise; provided that, the Option may be exercised with respect to whole Shares only. Such notice shall specify the number of Shares for which the Option is being exercised and shall be accompanied by payment in full of the Option Price. The payment of the Option Price may be made at the election of the Participant (i) in cash or its equivalent (e.g., by check), (ii) to the extent permitted by the Committee, in Shares having a Fair Market Value equal to the aggregate Option Price for the Shares being purchased and satisfying such other requirements as may be imposed by the Committee; provided, that such Shares have been held by the Participant for no less than six months (or such other period as established from time to time by the Committee in order to avoid adverse accounting treatment applying generally accepted accounting principles), (iii) partly in cash and, to the extent permitted by the Committee, partly in such Shares, (iv) if there is a public market for the Shares at such time, through the delivery of irrevocable instructions to a broker to sell Shares obtained upon the exercise of the Option and to deliver promptly to the Company an amount out of the proceeds of such Sale equal to the aggregate option price for the Shares being purchased, or (v) through a "net settlement" as described in Section 6(c) of the Plan. No Participant shall have any rights to dividends or other rights of a stockholder with respect to Shares subject to an Option until the Participant has given written notice of exercise of the Option, paid in full for such Shares and, if applicable, has satisfied any other conditions imposed by the Committee pursuant to the Plan.

(ii) Notwithstanding any other provision of the Plan or this Agreement to the contrary, the Option may not be exercised prior to the completion of any registration or qualification of the Option or the Shares under applicable state and federal securities or other laws, or under any ruling or regulation of any governmental body or national securities exchange that the Committee shall in its sole discretion determine to be necessary or advisable.

(iii) Upon the Company's determination that the Option has been validly exercised as to any of the Shares, the Company shall issue certificates in the Participant's name for such Shares. However, the Company shall not be liable to the Participant for damages relating to any delays in issuing the certificates to him, any loss of the certificates, or any mistakes or errors in the issuance of the certificates or in the certificates themselves.

(iv) In the event of the Participant's death, the Vested Portion of the Option shall remain exercisable by the Participant's executor or administrator, or the person or persons to whom the Participant's rights under this Agreement shall pass by will or by the laws of descent and distribution as the case may be, to the extent set forth in Section 3(a). Any heir or legatee of the Participant shall take rights herein granted subject to the terms and conditions hereof.

4. Change of Control. Upon a Change of Control (as defined by the Plan), the terms of the Plan shall apply. Notwithstanding the foregoing, the Options granted hereby shall become immediately exercisable in full upon the occurrence of a Change of Control.

5. Option Recovery. If the Committee determines that the Participant (a) engaged in conduct that constituted Cause as defined in Section 3(a) of this Agreement at any prior to the Participant's termination of services, (b) engaged in conduct during the 6 month period after the Participant's termination of services that would have constituted Cause if the Participant had not ceased to provide services, or (c) violates the terms of any non-compete agreement, non-solicitation agreement, confidentiality agreement, or any other restriction on the Participant's post-termination activities established under any agreement with the Company or other Company policy or arrangement during the 6 months after the Participant's ceases to provide services to the Company, then (i) any Option held by the Participant shall immediately terminate, and the Participant shall automatically forfeit all Shares underlying any exercised portion of an Option for which the Company has not yet delivered the Share certificates, upon refund by the Company of the Exercise Price paid by the Participant for such Shares and (ii) the Participant shall return any Shares received upon exercise of this Option or repay to the Company any proceeds received from the sale of other disposition of the Shares transferred pursuant to this Option less the Exercise Price. Upon any exercise of an Option, the Company may withhold delivery of share certificates pending resolution of an inquiry that could lead to a finding resulting in a forfeiture under this Section.

6. No Right to Continued Employment. The granting of the Option evidenced hereby and this Agreement shall impose no obligation on the Company or any Affiliate to continue the Employment of the Participant and shall not lessen or affect the Company's or its Affiliate's right to terminate the Employment of such Participant.

7. Legend on Certificates. The certificates representing the Shares purchased by exercise of the Option shall be subject to the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which such Shares are listed, and any applicable Federal or state laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

8. Transferability. The Option may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant otherwise than by will or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance. No such permitted transfer of the Option to heirs or legatees of the Participant shall be effective to bind the Company unless the Committee shall have been furnished with written notice thereof and a copy of such evidence as the Committee may deem necessary to establish the validity of the transfer and the acceptance by the transferee or transferees of the terms and conditions hereof. During the Participant's lifetime, the Option is exercisable only by the Participant.

9. Withholding. The Participant may be required to pay to the Company or any Affiliate and the Company shall have the right and is hereby authorized to withhold, any applicable withholding taxes in respect of the Option, its exercise or any payment or transfer under or with respect to the Option and to take such other action as may be necessary in the opinion of the Committee to satisfy all obligations for the payment of such withholding taxes.

10. Securities Laws. Upon the acquisition of any Shares pursuant to the exercise of the Option, the Participant will make or enter into such written representations, warranties and agreements as the Committee may reasonably request in order to comply with applicable securities laws or with this Agreement.

11. Notices. Any notice necessary under this Agreement shall be addressed to the Company in care of its Secretary at the principal executive office of the Company and to the Participant at the address appearing in the personnel records of the Company for the Participant or to either party at such other address as either party hereto may hereafter designate in writing to the other. Any such notice shall be deemed effective upon receipt thereof by the addressee.

12. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Delaware without regard to conflicts of laws.

13. Option Subject to Plan. By entering into this Agreement the Participant agrees and acknowledges that the Participant has received and read a copy of the Plan. The Option is subject to the Plan. The terms and provisions of the Plan, as they may be amended from time to time, are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail.

14. Signature in Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

*[Signatures on next page.]*

IN WITNESS WHEREOF, the parties have caused this Agreement to be effective as of the day and year first above written.

**The Quigley Corporation**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Participant**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**THE QUIGLEY CORPORATION**

**2010 DIRECTORS' EQUITY COMPENSATION PLAN**

**OPTION AWARD AGREEMENT**

THIS AGREEMENT (the "Agreement"), is made effective as of the [DAY] day of [MONTH], [YEAR], (hereinafter called the "Date of Grant"), between The Quigley Corporation, a Delaware corporation (hereinafter called the "Company"), and [NAME] (hereinafter called the "Participant");

**RECITALS:**

WHEREAS, the Company has adopted The Quigley Corporation 2010 Directors' Equity Compensation Plan (the "Plan"), which Plan is incorporated herein by reference and made a part of this Agreement. Capitalized terms not otherwise defined herein shall have the same meanings as in the Plan; and

WHEREAS, the Committee has determined that it would be in the best interests of the Company and its shareholders to grant the option provided for herein to the Participant pursuant to the Plan and the terms set forth herein.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

1. Grant of the Option. The Company hereby grants to the Participant the right and option (the "Option") to purchase, on the terms and conditions hereinafter set forth, all or any part of an aggregate of [# OF SHARES] Shares, subject to adjustment as set forth in the Plan. The purchase price of the Shares subject to the Option shall be \$[PRICE] per Share (the "Option Price"). The Option is intended to be a non-qualified stock option, and is not intended to be treated as an option that complies with Section 422 of the Internal Revenue Code of 1986, as amended.

2. Vesting.

(a) All Options granted pursuant to the Plan shall vest and become exercisable in accordance with the following schedule:

First Anniversary of the Date of Grant	[%]
Second Anniversary of the Date of Grant	[%]
Third Anniversary of the Date of Grant	[%]
Fourth Anniversary of the Date of Grant	[%]

---



3. Exercise of Option.

(a) Period of Exercise. Subject to the provisions of the Plan and this Agreement, the Participant may exercise all or any part of the Vested Portion of the Option at any time prior to the earliest to occur of:

- (i) the seventh anniversary of the Date of Grant;
- (ii) one year following the date of the Participant's separation from service due to death or Disability;
- (iii) three months following the date of the Participant's separation from service with the Company without Cause ; and
- (iv) the date of the Participant's separation from service with the Company for Cause or by the Participant for any reason or by the Participant for death or Disability.

For purposes of this agreement, "Cause" shall mean (i) the willful failure or refusal by such Participant to perform his or her duties to the Company or its Affiliates (other than any such failure resulting from such Participant's incapacity due to physical or mental illness), which has not ceased within ten days after a written demand for substantial performance is delivered to such Participant by the Company, which demand identifies the manner in which the Company believes that such Participant has not performed such duties; (ii) the willful engaging by such Participant in misconduct which is materially injurious to the Company or its Affiliates, monetarily or otherwise (including breach of any confidentiality or non-competition covenants to which such Participant is bound); (iii) the conviction of such Participant of, or the entering of a plea of nolo contendere by such Participant with respect to, a felony or to any crime which is materially injurious to the Company or its Affiliates; or (iv) substantial or repeated acts of dishonesty by such Participant in the performance of his/her duties to the Company or its Affiliates. The determination of the existence of Cause shall be made by the remainder of the Board in good faith.

(b) Method of Exercise.

(i) Subject to Section 3(a), the Vested Portion of the Option may be exercised by delivering to the Company at its principal office written notice of intent to so exercise; provided that, the Option may be exercised with respect to whole Shares only. Such notice shall specify the number of Shares for which the Option is being exercised and shall be accompanied by payment in full of the Option Price. The payment of the Option Price may be made at the election of the Participant (i) in cash or its equivalent (e.g., by check), (ii) to the extent permitted by the Committee, in Shares having a Fair Market Value equal to the aggregate Option Price for the Shares being purchased and satisfying such other requirements as may be imposed by the Committee; provided, that such Shares have been held by the Participant for no less than six months (or such other period as established from time to time by the Committee in order to avoid adverse accounting treatment applying generally accepted accounting principles), (iii) partly in cash and, to the extent permitted by the Committee, partly in such Shares, (iv) if there is a public market for the Shares at such time, through the delivery of irrevocable instructions to a broker to sell Shares obtained upon the exercise of the Option and to deliver promptly to the Company an amount out of the proceeds of such Sale equal to the aggregate option price for the Shares being purchased, or (v) through a "net settlement" as described in Section 6(c) of the Plan. No Participant shall have any rights to dividends or other rights of a stockholder with respect to Shares subject to an Option until the Participant has given written notice of exercise of the Option, paid in full for such Shares and, if applicable, has satisfied any other conditions imposed by the Committee pursuant to the Plan.

(ii) Notwithstanding any other provision of the Plan or this Agreement to the contrary, the Option may not be exercised prior to the completion of any registration or qualification of the Option or the Shares under applicable state and federal securities or other laws, or under any ruling or regulation of any governmental body or national securities exchange that the Committee shall in its sole discretion determine to be necessary or advisable.

(iii) Upon the Company's determination that the Option has been validly exercised as to any of the Shares, the Company shall issue certificates in the Participant's name for such Shares. However, the Company shall not be liable to the Participant for damages relating to any delays in issuing the certificates to him, any loss of the certificates, or any mistakes or errors in the issuance of the certificates or in the certificates themselves.

(iv) In the event of the Participant's death, the Vested Portion of the Option shall remain exercisable by the Participant's executor or administrator, or the person or persons to whom the Participant's rights under this Agreement shall pass by will or by the laws of descent and distribution as the case may be, to the extent set forth in Section 3(a). Any heir or legatee of the Participant shall take rights herein granted subject to the terms and conditions hereof.

4. Change of Control. Upon a Change of Control (as defined by the Plan), the terms of the Plan shall apply. Notwithstanding the foregoing, the Options granted hereby shall become immediately exercisable in full upon the occurrence of a Change of Control.

5. Option Recovery. If the Committee determines that the Participant (a) engaged in conduct that constituted Cause as defined in Section 3(a) of this Agreement at any prior to the Participant's termination of services, (b) engaged in conduct during the 6 month period after the Participant's termination of services that would have constituted Cause if the Participant had not ceased to provide services, or (c) violates the terms of any non-compete agreement, non-solicitation agreement, confidentiality agreement, or any other restriction on the Participant's post-termination activities established under any agreement with the Company or other Company policy or arrangement during the 6 months after the Participant's ceases to provide services to the Company, then (i) any Option held by the Participant shall immediately terminate, and the Participant shall automatically forfeit all Shares underlying any exercised portion of an Option for which the Company has not yet delivered the Share certificates, upon refund by the Company of the Exercise Price paid by the Participant for such Shares and (ii) the Participant shall return any Shares received upon exercise of this Option or repay to the Company any proceeds received from the sale of other disposition of the Shares transferred pursuant to this Option less the Exercise Price. Upon any exercise of an Option, the Company may withhold delivery of share certificates pending resolution of an inquiry that could lead to a finding resulting in a forfeiture under this Section.

6. Legend on Certificates. The certificates representing the Shares purchased by exercise of the Option shall be subject to the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which such Shares are listed, and any applicable Federal or state laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

7. Transferability. The Option may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant otherwise than by will or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance. No such permitted transfer of the Option to heirs or legatees of the Participant shall be effective to bind the Company unless the Committee shall have been furnished with written notice thereof and a copy of such evidence as the Committee may deem necessary to establish the validity of the transfer and the acceptance by the transferee or transferees of the terms and conditions hereof. During the Participant's lifetime, the Option is exercisable only by the Participant.

8. Securities Laws. Upon the acquisition of any Shares pursuant to the exercise of the Option, the Participant will make or enter into such written representations, warranties and agreements as the Committee may reasonably request in order to comply with applicable securities laws or with this Agreement.

9. Notices. Any notice necessary under this Agreement shall be addressed to the Company in care of its Secretary at the principal executive office of the Company and to the Participant at the address appearing in the personnel records of the Company for the Participant or to either party at such other address as either party hereto may hereafter designate in writing to the other. Any such notice shall be deemed effective upon receipt thereof by the addressee.

10. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Delaware without regard to conflicts of laws.

11. Option Subject to Plan. By entering into this Agreement the Participant agrees and acknowledges that the Participant has received and read a copy of the Plan. The Option is subject to the Plan. The terms and provisions of the Plan, as they may be amended from time to time, are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail.

12. Signature in Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

*[Signatures on next page.]*

IN WITNESS WHEREOF, the parties have caused this Agreement to be effective as of the day and year first above written.

**The Quigley Corporation**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Participant**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

THE QUIGLEY CORPORATION

2010 DIRECTORS' EQUITY COMPENSATION PLAN

RESTRICTED STOCK AWARD AGREEMENT

This **RESTRICTED STOCK AWARD GRANT AGREEMENT** (the "Agreement"), is made effective as of the [DAY] day of [MONTH], [YEAR] (the "Date of Grant"), is delivered by The Quigley Corporation, a Delaware corporation (the "Company"), to [GRANTEE NAME] (the "Grantee").

**RECITALS**

A. The Quigley Corporation 2010 Directors' Equity Compensation Plan (the "Plan") provides for the grant of restricted stock in accordance with the terms and conditions of the Plan. The Company has decided to make a restricted stock grant as an inducement for the Grantee to promote the best interests of the Company and its stockholders. A copy of the Plan is attached.

B. The Plan is administered by the Compensation Committee of the Board of Directors of the Company (the "Committee").

**NOW, THEREFORE**, the parties to this Agreement, intending to be legally bound hereby, agree as follows:

1. **Restricted Stock Grant.** Subject to the terms and conditions set forth in this Agreement and the Plan, the Company hereby grants to the Grantee [# of SHARES] shares of common stock of the Company, subject to the restrictions set forth below and in the Plan ("Restricted Stock"). Shares of Restricted Stock may not be transferred by the Grantee or subjected to any security interest until the shares have become vested pursuant to this Agreement and the Plan.

2. **Vesting and Nonassignability of Restricted Stock**

The shares of Restricted Stock shall become vested, and the restrictions described in Sections 2(b) and 2(c) shall lapse, in the manner provided below, if the Grantee continues to provide service to the Employer (as defined in the Plan) from the Date of Grant until the applicable vesting date. For this purpose, the term "Shares" refers to the number of shares underlying that portion of the Award that vests in the manner described under Vest Type and Full Vest Date. The term "Vest Type" describes how those shares will vest before the Full Vest Date. For example, if Vest Type is "monthly", those shares will vest on a pro rata basis on each monthly anniversary of the Date of Grant. The term "Full Vest Date" is the date on which the shares will be fully vested.

Shares

Vest Type

Full Vest Date

---

(a) If the Grantee's service with the Employer terminates for any reason before the Restricted Stock is fully vested, the shares of Restricted Stock that are not then vested shall be forfeited and must be immediately returned to the Company.

(b) During the period before the shares of Restricted Stock vest (the "Restriction Period"), the non-vested Restricted Stock may not be assigned, transferred, pledged or otherwise disposed of by the Grantee. Any attempt to assign, transfer, pledge or otherwise dispose of the shares contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon the shares, shall be null, void and without effect.

(c) The vesting of the Grant is cumulative, but shall not exceed one hundred percent (100%) of the Shares subject to the Grant. If the foregoing schedule would produce fractional Shares, the number of Shares for which the Grant vests shall be rounded down to the nearest whole Share.

3. **Issuance of Certificates.**

(a) Stock certificates representing the Restricted Stock may be issued by the Company and held in escrow by the Company until the Restricted Stock vests, or the Company may hold non-certificated shares until the Restricted Stock vests. In the event of a dividend or distribution payable in stock or other property or a reclassification, split up or similar event during the Restriction Period, the shares or other property issued or declared with respect to the non-vested shares of Restricted Stock shall be subject to the same terms and conditions relating to vesting as the shares to which they relate.

(b) When the Grantee obtains a vested right to shares of Restricted Stock, a certificate representing the vested shares shall be issued to the Grantee, free of the restrictions under Paragraph 2 of this Agreement.

(c) The obligation of the Company to deliver shares upon the vesting of the Restricted Stock shall be subject to all applicable laws, rules, and regulations and such approvals by governmental agencies as may be deemed appropriately to comply with relevant securities laws and regulations.

4. **Change in Control.** The provisions of the Plan applicable to a Change in Control (as defined in the Plan) shall apply to the Restricted Stock.

---

5. **Grant Subject to Plan Provisions.** This grant is made pursuant to the Plan, the terms of which are incorporated herein by reference, and in all respects shall be interpreted in accordance with the Plan. The grant is subject to interpretations, regulations and determinations concerning the Plan established from time to time by the Committee in accordance with the provisions of the Plan, including, but not limited to, provisions pertaining to (i) rights and obligations with respect to withholding taxes, (ii) the registration, qualification or listing of the shares, (iii) changes in capitalization of the Company, and (iv) other requirements of applicable law. The Committee shall have the authority to interpret and construe the grant pursuant to the terms of the Plan, and its decisions shall be conclusive as to any questions arising hereunder.
6. **Assignment by Company.** The rights and protections of the Company hereunder shall extend to any successors or assigns of the Company and to the Company's parents, subsidiaries, and affiliates. This Agreement may be assigned by the Company without the Grantee's consent.
7. **Applicable Law.** The validity, construction, interpretation and effect of this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to the conflicts of laws provisions thereof.
8. **Notice.** Any notice to the Company provided for in this Agreement shall be addressed to the Company in care of the Compensation Committee at [INSERT ADDRESS] and any notice to the Grantee shall be addressed to such Grantee at the current address shown on the payroll of the Employer, or to such other address as the Grantee may designate to the Employer in writing. Any notice shall be delivered by hand, sent by facsimile or enclosed in a properly sealed envelope addressed as stated above deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service.

[Signatures on next page.]

---



**IN WITNESS WHEREOF**, the Company has caused its duly authorized officer to execute this Agreement, and the Grantee has placed his or her signature hereon, effective as of the Date of Grant.

**THE QUIGLEY CORPORATION**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I hereby accept the grant of Restricted Stock described in this Agreement, and I agree to be bound by the terms of the Plan and this Agreement. I hereby further agree that all the decisions and determinations of the Committee shall be final and binding.

\_\_\_\_\_  
Grantee

\_\_\_\_\_  
Date

\_\_\_\_\_

# The Quigley Corporation Shareholders Approve Name Change to ProPhase Labs, Inc.

Shareholders also approve four additional key proposals, all by substantial majority

DOYLESTOWN, Pennsylvania – May 6, 2010. The Quigley Corporation (Nasdaq: QGLY) held its annual shareholder meeting on Wednesday, May 5, 2010 in Doylestown, Pennsylvania. During the meeting, shareholders voted to change the name of the corporation to ProPhase Labs, Inc. In addition to the new corporate name, the ticker symbol of the company will change to Nasdaq: PRPH. The changes in the name and ticker are expected to become effective on May 6 and May 7, 2010, respectively. The new corporate website will be [www.prophaselabs.com](http://www.prophaselabs.com). The Quigley Corporation is well known as the manufacturer and distributor of Cold-EEZE(R), Kids-EEZE(R) and other OTC healthcare remedies. The name change reflects favorable changes in management and direction that have taken place during the past year.

The name change was one of five proposals overwhelmingly approved by a substantial majority of the shareholders who voted. The other four proposals include:

- Re-election of the seven members of the Board of Directors
- The ratification of the 2010 Equity Compensation Plan
- The ratification of the 2010 Directors' Equity Compensation Plan
- The ratification of Amper, Politziner & Mattia, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2010

“The vote was a culmination and affirmation of more than a year of very hard work,” said CEO Ted Karkus. “The shareholder support for our team is very much appreciated. Our new identity sets the stage for a new growth phase for our Company by improving our image with our important retailers as well as with investors.”

The roll-out of the corporate identity change to “ProPhase Labs” will occur over the next 6-8 weeks. Other aspects of the new corporate name and identity will include a new corporate logo, and improved product Cold-EEZE(R), and Kids-EEZE(R) packaging.

## About The Quigley Corporation

The Quigley Corporation is a diversified natural health medical science company. It is a leading marketer and manufacturer of the Cold-EEZE(R) family of lozenges and sugar free tablets clinically proven to significantly reduce the severity and duration of the common cold. Cold-EEZE(R) customers include leading national wholesalers and distributors, as well as independent and chain food, drug and mass merchandise stores and pharmacies. The Quigley Corporation has several wholly owned subsidiaries including Quigley Manufacturing Inc., which consists of an FDA approved facility to manufacture Cold-EEZE(R) lozenges and fulfill other contract manufacturing opportunities, and Quigley Pharma, Inc., which conducts research in order to develop and commercialize a pipeline of patented botanical and naturally derived potential prescription drugs. For more information visit us at [www.Quigleyco.com](http://www.Quigleyco.com).

---

## **Forward-Looking Statements**

Certain statements in this press release are “forward-looking statements” and involve known and unknown risk, uncertainties and other factors that may cause the Company’s actual performance or achievements to be materially different from the results, performance or achievements expressed or implied by the forward-looking statement. Factors that impact such forward-looking statements include, among others, changes in worldwide general economic conditions; government regulations; the ability of our new management to successfully implement our business plan and strategy; our ability to fund our operations including the cost and availability of capital and credit; our ability to compete effectively including our ability to maintain and increase our market share in the markets in which we do business; and our dependence on sales from our main product, Cold-EEZE(R), and our ability to successfully develop and commercialize new products.

## **CONTACT**

Media Relations  
The Lexicomm Group  
Wendi Tush  
Wendi@lexicommgroup.com  
(212) 794-4531  
Lindsey Gardner  
Lgardner651@gmail.com  
(570) 479-4895

Investor Relations  
Ted Karkus  
Chairman and CEO  
The Quigley Corporation  
(215) 345-0919 x 0

---