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

FORM 10-KSB

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 of incorporation or organization)	(IRS Employer Identification No.)

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. 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, 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 Registrants 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 and COLD-EEZER PLUS cold-remedy lozenge products and on development of various product extensions. The Registrant' 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.

The COLD-EEZE TM lozenge products are distributed through hundreds of independent and chain drug and discount stores throughout the United States, including Walgreen's, Revco, Osco/Sav-On, Thrift Drug, CVS, RiteAid, Eckhard, 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.

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.

In 1996, the Registrant also acquired an exclusive license to manufacture and market a zinc-formulated lozenge which had been patented by George Eby III, thereby assuring the Registrant of exclusivity in the manufacturing and marketing of zinc-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 their 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.

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 Broker, Distributor 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 has completed its research and development projects with respect to the COLD-EEZE product and consequently no such expenditures were incurred in the fiscal year ending September 30, 1996. However, the Registrant will in the 1997 fiscal year incur research and development expenditures to develop extensions of the lozenge product, including potential pediatric, chewing gum and mouthwash formulations of the COLD-EEZE product.

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.

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 Nathan Blumenfrucht, CPA, as independent auditor of the Registrant for fiscal year 1996.

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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 Year Ended September 30, 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 Year Ended September 30, 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	$2.250	$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.

(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 the fiscal years ended September 30, 1995 and September 30, 1996. 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. Selected Financial Data

	For the Fiscal Years Ended 1996	1995
Statement of Operations Summary:		
Net Sales	$1,049,561	$501,903
Net Loss	($694,269)	($152,556)
Net Loss Per Share	($.15)	(1)
Balance Sheet Summary:		
Total Assets	$1,456,031	$498,951
Total Liabilities	$125,253	$ 93,836
Stockholder's Equity	$1,330,778	$361,015

(1) Less than one cent per Share

ITEM 7. Management's Discussion And Analysis of Financial Condition And Results of Operations

During this fiscal year ended September 30, 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" cold relief lozenge product and the development and marketing of brand extension products based upon the Registrant's proprietary zinc gluconate formula.

By commencing national distribution of the only 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 brokers and marketers to represent the Registrant's COLD-EEZE 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 fiscal quarter on 1996. As a result of the release of the clinical study by The Cleveland Clinic in July, 1996, and the resultant increased national publicity concerning the COLD-EEZE product, revenue from product sales greatly increased during the fourth quarter ending September 30, 1996. For the full fiscal year ending September 30, 1996, the Registrant had a net loss of ($694,269) on revenues of $1,049,561.

OUTLOOK

The statements contained in this Outlook are based upon management's current expectations for Fiscal Year 1997. These statements are forward-looking, and actual results may differ materially.

Due to the release in July, 1996 of the results of the clinical study conducted by The Cleveland Clinic which found the Registrant's COLD-EEZE formulation to significantly decrease the duration and severity of the common cold, the Registrant in the fourth quarter of Fiscal Year 1996 experienced a dramatic increase in purchase orders for the COLD-EEZE product. As a result of national media coverage of the study's positive results of the efficacy of the Registrant's COLD-EEZE formulation, public demand for the COLD-EEZE product quickly resulted in a significant backlog in purchase orders by the close of Fiscal Year 1996.

Based upon continuing strong consumer demand for the COLD-EEZE product, the Registrant in September, 1996 initiated a program designed to increase manufacturing capacity in several stages throughout Fiscal Year 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 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 product, and was, during the months of November, 1996 and December, 1996, manufacturing and shipping COLD-EEZE 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 Year 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 product to fill their distribution pipeline and meet increasing consumer demand for the product. In addition, the Registrant expects that it will during Fiscal Year 1997 utilize its increased manufacturing capacity to manufacture sufficient product for international distribution of COLD-EEZE. Although the Registrant has begun to establish an international network of independent distributors, the current inability to meet domestic demand for the COLD-EEZE product has delayed the introduction of the COLD-EEZE 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.

Trends and Uncertainties

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. The Registrant believes that its increased marketing efforts and increased national publicity concerning the COLD-EEZE product, together with the Registrant's increased manufacturing capacity, will result in significantly increased revenues in Fiscal 1997 and positive trends for the Registrant's business operations.

RESULTS OF OPERATIONS

Fiscal 1996 Compared With Fiscal 1995

For the fiscal year ended September 30, 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 loss of ($152,556) for the comparable period ended September 30, 1995. This substantial increase in revenue is due primarily to the Registrant's national marketing program for its "Cold-Eeze" lozenge products which commenced in the fourth quarter, and the Registrant anticipates that this increase in revenue will continue through the 1997 fiscal year. The total assets of the Registrant at September 30, 1996 and September 30, 1995 were $1,456,031 and $498,951 respectively. This significant increase in assets was due primarily to increased cash and accounts receivable attributable to the increased sales as well as increased capital infusions from the exercise of Common Stock options and warrants.

During this period, the Registrant experienced a significant increase in operating expenses which were directly related to the increased revenue and the expenses associated with the national marketing effort of the COLD-EEZE product. In particular, the major expense items of advertising and promotion expenses increased to $570,752 in Fiscal 1996 from $93,931 in Fiscal 1995, and officer salaries increased to $558,281 in Fiscal 1996 from $106,660 in Fiscal 1995. As a result of these increased expenses, the loss from operations increased to ($694,269) for Fiscal 1996 from ($152,556) for Fiscal 1995. Total general and administrative expenses for Fiscal 1996 were $1,493,794. Management anticipates that greatly increased revenues during Fiscal 1997 will result in increased expenditures for brokerage and sales commissions, advertising and promotion, and product packaging and freight, whereas other categories of general and administrative expenses should remain stable.

As of September 30, 1996 and September 30, 1995, the Registrant had working capital of $998,700 and $349,156 respectively. The increase in working capital primarily attributed to the increase in total current assets attributable to increased accounts receivable and cash as a result of increased revenues from product sales, and from the exercise of Common Stock options and warrants.

Fiscal 1995 Compared with Fiscal 1994

The Registrant had working capital of $349,156 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, 1993. This improvement in working capital was due primarily to a significant increase in revenues from $76,907 in Fiscal 1994 to $509,903 in Fiscal 1995, combined with additional capital obtained by the Company through sale of Common Stock. Interest expense for Fiscal 1995 increased to $3,728 from $3,676 in Fiscal 1992.

As of September 30, 1995, the Registrant did not have any current material commitments for capital expenditures. The Registrant intends to seek additional capital during Fiscal 1996, which, together with an anticipated increase in revenues, should be sufficient to fund anticipated expenses.

Fiscal 1994 Compared with Fiscal 1993

The Registrant had a working capital deficiency of ($68,610) for its fiscal year ended September 30, 1994, as compared to a working capital deficiency of ($118,464) for its fiscal year ended September 30, 1993. This improvement in working capital was due primarily to a significant increase in revenues from $35,932 in Fiscal 1993 to $76,907 in Fiscal 1994, combined with a significant decrease in General and Administrative Expenses. Interest expense for Fiscal 1994 increased to $3,676 from $1,289 from Fiscal 1993. This increase in revenues results from increasing sales of the Registrant's products which occurred primarily due to the Registrant's marketing program.

Administrative expenses, comprised primarily of office expense and supplies and employee business expenses, increased to $26,949 in Fiscal 1994 from $14,002 in Fiscal 1993, while Travel and Entertainment Expenses increased to $15,551 in Fiscal 1994 from $8,058 in Fiscal 1993. Increases in these categories of general and administrative expense during this period were directly related to increased marketing and sales of the Registrant's products.

During fiscal year ended September 30, 1994, the Registrant reached an agreement with its prior attorney for a reduction in legal fees owed for the fiscal year ended September 30, 1993. As a result of this reduction of $17,500, the Statement of Operations for the fiscal year ended September 30, 1994 reflects a negative balance of ($8,081) in the category of Professional Fees.

As of September 30, 1994, the Registrant did not have any current material commitments for capital expenditures. The Registrant sought additional capital during Fiscal 1995, which, together with an anticipated increase in revenues, should be sufficient to fund anticipated expenses.

Material Commitments and Significant Elements of Income/Loss

The Registrant does not have any material commitments for capital expenditures, although it anticipates making reasonable capital expenditures during Fiscal 1997 to increase its manufacturing capacity. There have not been any significant elements of income or loss that did not arise as a result of the Registrant's continuing operations, with accumulated losses due primarily to the Registrant's research and development costs associated with the development and marketing of the COLD-EEZE lozenge product.

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 8. Financial Statements and Supplementary Data

The information required by Item 8 is included immediately following Item 14 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 9. Changes In and Disagreements With Accountants on Accounting and Financial Disclosure

None.

PART III

ITEM 10. 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 301 Dorset Court Doylestown PA 19801	55	President, CEO and Director	1989
Eric H. Kaytes 15210 Wayside Road Phila., PA 19116	41	Vice President of Finance, CFO, Secretary-Treas. and Director	1989
Charles A. Phillips 35 Swamp Road Erwinna, PA 18920	50	Vice President, COO and Director	1989
Robert L. Pollack, Ph.D. 8442 Chippewa Road Phila., PA 19128	72	Director of Research and Development, and Director	1993

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.

ITEM 11. 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 the fiscal year ended September 30, 1996:

(i) Each of the Registrant's five most compensated executive officers whose cash compensation exceeded $60,000; and

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

Name	Position	Salary
Guy J. Quigley 301 Dorset Court Doylestown PA 19801	President, CEO and Director	$125,000
Eric H. Kaytes 15210 Wayside Road Phila., PA 19116	Vice President of Finance, CFO, Secretary-Treas. and Director	$75,000
Charles A. Phillips 35 Swamp Road Erwinna, PA 18920	Vice President, COO and Director	$85,000
All Executive Officers	$285,000 as a group (3 Persons)	

(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:

Name	Options To Purchase #of Shares Indicated	Exercise Price	Date Granted	Expires
Guy J. Quigley	100,000	$1.00	12/95	12/00
	150,000	3.50	7/96	6/01
Charles A. Phillips	75,000	$1.00	12/95	12/00
	150,000	3.50	7/96	6/01
Eric H. Kaytes	30,000	$1.00	12/95	12/00
	25,000	3.50	7/96	6/01
Robert L. Pollack	30,000	$1.00	12/95	12/00
	25,000	3.50	7/96	6/01

ITEM 12. Security Ownership of Certain Beneficial Owners and Management

(a) Security Ownership of Certain Beneficial Owners

The following individuals or entities are known to the Registrant to be the beneficial owners of more than 5% of the 6,049,596 shares of Common Stock issued and outstanding as of December 31, 1996. Each individual or entity has beneficial ownership of the shares and has sole voting power and sole investment power with respect to the number of shares beneficially owned.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership (1)	Percent of Class
NUTRITIONAL FOODS, LTD. 539 Park Terrace Harrisburg, PA 17111	364,964 (2)	6.0%

(1) All shares referred to herein are "restricted" securities as that term is defined under the Securities Act of 1933, as amended.

(2) 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. To date none of these shares has ever been presented for transfer, nor has the Registrant been able to contact NFL via Certified Mail within the past two years despite several attempts to do so.

(b) Security Ownership of Management

As of September 30, 1996, the total number of shares of Common Stock of the Registrant, exclusive of stock options, beneficially owned by each officer and director and all officers and directors of the Registrant as a group (4 persons) are set forth as follows. Each individual has beneficial ownership of the shares and has sole voting power and sole investment power with respect to the number of shares beneficially owned.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership (1)(3)	Percent of Class
GUY J. QUIGLEY 301 Dorset Court Doylestown, PA 18901	1,153,427 (2)	19.0%
ERIC H. KAYTES 15210 Wayside Road	134,496	0.2%

Philadelphia, PA 19116		
CHARLES A. PHILLIPS 35 Swamp Road Erwinna, PA 18920	436,496	0.7%
ROBERT L. POLLACK, Ph.D. 8442 Chippewa Road Phila., PA 19128	81,000	0.1%
ALL DIRECTORS AND OFFICERS AS A GROUP (4 PERSONS)	1,805,419	20.0%

(1) All shares referred to herein are "restricted" securities as that term is defined under the Securities Act of 1933, as amended.

(2) Does not include an aggregate of 156,496 shares of Common Stock owned by members of Guy J. Quigley's family, which number of shares is inclusive of 100,000 shares owned by Wendy Quigley, his wife. Mr. Quigley disclaims any beneficial interest in or control over those shares owned by his wife other than that which may be attributed to him by operation of law.

(3) Does not include an aggregate of 585,000 Common Stock Purchase Warrants issued in December, 1995 and July, 1996 to Messrs. Quigley, Kaytes, Phillips and Pollack. These Warrants entitle the holder to purchase the Registrant's shares of Common Stock at various prices ranging for $1.00 to $3.50 per share.

(c) 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 13. Certain Relationships and Related Transactions

For the fiscal year ended September 30, 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.

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PART IV

ITEM 14. Exhibits, Financial Statements, Schedules and Reports on Form 8-K

Reference is herewith made to (i) pages F-1 through F-15 inclusive of this 10-K with respect to the financial statements and notes thereto and Report of the independent Certified Public Account with respect thereto; and (ii) the cover page of this 10-K with respect to documents incorporated by reference in accordance with Rule 12b-23.

SUPPLEMENTAL INFORMATION

Not applicable.

N. BLUMENFRUCH
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.

/s/ Nathum Blumenfrucht

Nathum Blumenfrucht
Certified Public Accountant

Brooklyn, New York
December 12, 1996

<TABLE>
<CAPTION>

THE QUIGLEY CORPORATION
Balance Sheet

As of September 30,

ASSETS

<S>	<C> 1996	<C> 1995
CURRENT ASSETS		
Cash	$ 370,147	$ 132,739
Accounts receivable-Note 1	607,078	135,983
Notes receivable-Shareholder-Note 6	88,389	64,59
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	1,123,953	429,286
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

	1996	1995
	==========	==========
TOTAL FIXED AND OTHER ASSETS	332,078	69,665
	----------	----------
TOTAL ASSETS	$1,456,031	$498,951
	==========	==========

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable & acor.expenses-Notie 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
STOCKHOLDERS' EQUITY - Note 10		
Common Stock, $.001 par value; authorized 100,000 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
Accumulated Deficit	(2,803,247)	(2,108,978)
	----------	----------
TOTAL STOCKHOLDERS' EQUITY	1,330,778	361,015
	----------	----------
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$1,456,031	$498,951
	==========	==========

</TABLE>

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

<TABLE>
<CAPTION>

THE QUIGLEY CORPORATION
Statement of Operations

	Years Ended September 30, 1996	1995	1994
<S>	<C>	<C>	<C>
REVENUE			
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
Waages 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	(.15)	(.00)	(.01)
Cumulative effect adjustment	(.15)	(.00)	-
	------------	------------	------------
NET LOSS PER SHARE	$ (.15)	$ (.00)	$ (.01)
	============	============	============

</TABLE>

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

<TABLE>
<CAPTION>

THE QUIGLEY CORPORATION
Statement of Cash Flows

	Years Ended September 30,		
	1996	1995	1994
	----	----	----
<S>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:			
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)
Conversion of put option	(44,100)	0	0
Change in assets and liabilities:			
Accounts receivable	(471,095)	(135,983)	0
Inventory	24,098	(64,912)	(8,318)
Prepaid expenses	4,468	(4,468)	
			8,474
Notes and escrow receivable	(14,730)	(73,659)	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 Used by Operations	(51,122)	(315,044)	(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
CASH FLOWS FROM FINANCING ACTIVITIES:			
Sale of restricted common stock	515,346	433,925	20,388
Conversion of put option into equity .	44,100	0	0
Exercise and issuance of various options	0	38,042	0
Loans and notes payable	(18,159)	6,919	3,440
NET INCREASE (DECREASE) IN CASH	237,408	128,117	4,220
CASH AT BEGINNING OF PERIOD	132,739	4,622	402
CASH AT END OF PERIOD	$ 370,147	$ 132,739	$ 4,622

</TABLE>

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

<TABLE>
<CAPTION>

THE QUIGLEY CORPORATION
Statement of Cash Flows (continued)

	Years 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.

<TABLE>
<CAPTION>

THE QUIGLEY CORPORATION
STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)

NOTE 10

<S> <C>	Common Stock Shares <C>	Issued Amount <C>	Additional Paid-In Capital <C>	Retained Earnings (Deficit) <C>	Total
Balance Sept. 30, 1993	24,455,253	$ 2,445	$ 1,761,729	$(1,882,638)	$ (118,464)
Sale of S registration shares-net of commissions June 1994	285,500	29	16,359		16,388
Exercise of options by officers August 1994	3,000,000	300	20,700		21,000
Exercise of options- August 1994	500,000	50	(50)		0
Issuance of stock in settlement of accounts payable balance- August 1994	256,667	26	3,474		3,500
Issuance of stock in exchange of loan and notes payable- August and September 1994	600,000	60	29,940		30,000
Sale of shares- Sept. 1994	53,334	5	3,995		4,000
Issuance of stock for services rendered - September 1994	100,000	10	8,740		8,750
Expenses incurred without cost 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	29,250,754	2,925	1,884,887	(1,956,422)	(68,610)
Issuance of stock for services rendered Oct. 1, 1994-Sept. 30, 1995	881,711	88	110,126		110,214
Exercise of warrants-Jan. 1995	211,343	21	38,021		38,042
Subtotal	$30,343,808	$ 3,034	$ 2,033,034	$(1,956,422)	$ 79,646

</TABLE>

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

<TABLE>
<CAPTION>

THE QUIGLEY CORPORATION

STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)

(Continued)

NOTE 10	Common Stock Shares	Issued Amount	Additional Paid-In Capital	Retained Earnings (Deficit)	Total
<S>	<C>	<C>	<C>	<C>	<C>
Balance	30,343,808	$3,034	$2,033,034	$(1,956,422)	$79,646
Sale of 504 Stock- December 1994 for cash & notes- Net of expenses	1,597,000	160	185,715		185,875
Sale of Stock Oct. 1, 1994- Sept. 30, 1995 for cash	1,673,333	167	247,883	248,050	
Net Loss for period ended September 30, 1995				(152,556)	(152,556)
Balance at Sept. 30, 1995	33,614,141	3,361	2,466,632	(2,108,978)	361,015
Reverse-1 for 10 Stock split Dec. 1995	(30,252,727)				
Conversion of put option to equity Jan. 1996	42,000	42	44,058		44,100
Shares issued to officers net of prior compensation recognized	530,000	530	313,220	313,750	
Issuance of stock for services rendered -Oct. 1, 1995 - Sept. 30, 1996	269,320	269	580,567	580,836	
Issuance of stock for Patent rights- Note 1	60,000	60	209,940		210,000
Stock issued to underwriter-June 1996	7,873	8	(8)		0
Exercise of warrants- Jan. 1996	2,070	2	2,068		2,070
Sale of Stock, options & exercise of options- Oct. 1, 1995- Sept. 30, 1996 for cash & notes	497,087	497	512,779		513,276
Net Loss for period ended September 30, 1996				(694,269)	(694,269)
Balance at Sept. 30, 1996	4,769,764	$4,769	$4,129,256	$(2,803,247)	$1,330,778

</TABLE>

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

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". 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 -Lased 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.

(g) Deposits

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

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 car-ryforward 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) Expenses Incurred Without Cost

Certain expenses were incurred without cost. For the fiscal year ended Sept. 30, 1994 these costs were for $40,000 of officers' salaries. The corresponding expenses was charged on the Statement of operations 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- MANAGEMENTS 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.

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. Rtiyala is owned in its entirety by Wendy Quigley (the vjife 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 a shareholder. 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 till 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.

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.

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

(a) In August of 1994 a 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 restricted shares of the Company for each $1,000 invested up to an initial maximum of 1,800,000 restricted common shares for a maximum, investment of $150,000.

The Company had granted the invest-or 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 420,000 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 285,500 shares in a Regulation 'IS" 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 3,000,000 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 theCompany's President) exercised 500,000 options out of the 1,000,000 granted to him in 1992. in lieu of paying the $.10 per share Gary Quigley relinquished the remaining 500,000 options issued to him. The options were then cancelled by the Company.

(f) In August 1994 the Company issued 360,000 restricted shares to Dr. Robert Pollack in total repayment of a debt of $18,000 ($.05 per share). The debt was incurred over a period of fifteen months and included $820 worth of interest.

(g) In Sept-ember 1994 the Company issued 240,000 restricted shares to

Dr. and Mrs. John Godfrey in full repayment of a loan owing to them in the amount of $12,000 ($. 05 per share) .

(h) In August 1994- 61667 restricted shares were issued to Robert Moore in payment of a debt owed to him of $1,000 ($.15 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 53,334 restricted shares of the Company at $.075 for a total cash consideration of $4,000.

NOTE 10- CAPITALIZATION (Continued)

(j) In August 1994 the Company issued 100,000 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, 2-995 various individuals purchased restricted stock from the Company. 1,884,676 shares were sold for which the Company received consideration of $243,050 or an average price of approximately $.13 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 211,1343 in consideration of an $38,042 exercise price or a per share price of $.18.

(m) In December 1994 and January 1995 the Company sold 1,597,000 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 881,711. The statement of operations was charged a total of $110,214 or $.125 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 $.OOI 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.

(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 (postreverse split) 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

THE QUIGLEY CORPORATION

NOTES TO FINANCIAL STATEMENTS
September 30, 1996

NOTE 10- CAPITALIZATION (Continued)

(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) 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 to officers which was never paid.

(s) In January and February 1996 20,700 of A warrants were exercised by various individual 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 Fom 8-A in Agust 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.

NOTE 12- EXPENSES

(a) Certain expenses were incurred without cost. 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.

NOTE 14- STOCK OPTIONS AND WARRANTS

As of September 30, 1996 the following is a list of stock warrants outstanding:

AMOUNT	CLASS	PRICE EXERCISE	DATE OF ISSUANCE	DATE OF EXPIRATION
850,000	E	$3.50	JULY 1996	JUNE 2001
250,000	D	$1.00	DEC. 1995	DEC. 2000
250,000	D	$1.00	DEC. 1994	DEC. 2000
300,000	D	$1.00	FEB. 1996	DEC. 2000

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.

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: December 30, 1996

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:

Signature	Title	Date
/s/ Guy J. Quigley Guy J. Quigley	Chairman of the Board, President, Chief Executive Officer and Director	12/31/96
/s/ Eric H. Kaytes Eric H. Kaytes	Vice Pres. of Finance, CFO, Secretary-Treas., and Director	12/31/96
/s/ Charles A. Phillips		

Charles A. Phillips	Vice President, COO and Director	12/31/96
/s/ Dr. Robert L. Pollack		
Dr. Robert L. Pollack	Director	12/31/96

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<CIK>	0000868278
<NAME>	E.H. Kaytes
<MULTIPLIER>	1
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