

**EXHIBIT B**  
**Altit Declaration**

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11  
QUIGLEY COMPANY, INC., : Case No. 04-15739 (SMB)  
:   
Debtor. :  
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**DECLARATION OF KEVIN M. ALTIT IN OPPOSITION TO THE  
MOTION OF THE AD HOC COMMITTEE OF TORT CLAIMANTS FOR AN ORDER  
DIRECTING THE APPOINTMENT OF A TRUSTEE UNDER 11 U.S.C. § 1104(a)**

I, Kevin M. Altit, state under penalty of perjury that the following is true and correct to the best of my knowledge:

1. I am a director of Quigley Company, Inc. ("Quigley"), and have served in that capacity since 2004. I have no prior or current business relationship with Pfizer Inc. ("Pfizer"), Quigley's sole shareholder.

2. I submit this declaration in opposition to the motion (the "Trustee Motion"), dated May 2, 2007, made by the Ad Hoc Committee of Tort Claimants ("AHC") for an order directing the appointment of a trustee in this case. Unless otherwise indicated, I have personal knowledge of the facts set forth below based on my review of Quigley's records and from information obtained in my capacity as a member of Quigley's Board of Directors ("Board").

A. The Duties of Quigley's Board of Directors.

3. As a practicing corporate lawyer in Brazil for most of the past 15 years, I have regularly worked with Brazilian and U.S. corporate entities. I not only have a Brazilian law

degree, but also an L.L.M. degree from the University of California at Los Angeles Law School. I also serve on more than ten other corporate boards.

4. Based on my understanding of applicable law, I have exercised my duties and business judgment as a Quigley director diligently, loyally, with care and good faith in order to maximize Quigley's enterprise value. Because Quigley is insolvent, the Board has acknowledged its primary obligation to Quigley's creditors, recognizing that we should be independent, loyal and diligent in everything we do on Quigley's behalf.

B. Board Activities.

5. The Quigley Board has had eight formal meetings over the past three years for the purpose of deliberating and, if appropriate, authorizing certain corporate actions taken by Quigley. Prior to each meeting, the Board's Chairman and Quigley's President, Paul A. Street, instructed counsel and management to send appropriate materials in advance to directors whenever Board action was required. I would review the materials, have preliminary conferences with Mr. Street, and then discuss them with Quigley's counsel whenever I felt it necessary to understand the matters being considered. With the appropriate informational materials, we also received a meeting agenda. In addition, we received substantive materials between meetings updating us on current developments, enabling us to stay informed and to ask questions. Mr. Street and counsel were always available to answer questions.

C. Quigley's Claims Handling Business.

6. Pfizer transferred its claims handling division, primarily devoted to the processing of Quigley and Pfizer asbestos-related claims, to Quigley in early 2004. With the transfer of this division came at least eight highly qualified, experienced Pfizer employees who then became Quigley employees. As a director, I read appropriate materials prepared by counsel

and management explaining the appropriateness of Quigley's taking on this business, including compensation received by Quigley from Pfizer for services rendered. I was satisfied that the shared services agreement between Pfizer and Quigley was entered into on an arms-length basis.

7. The Board understood, moreover, that Pfizer not only paid Quigley \$50,000 per month for claims handling services, but also provided Quigley with valuable computer services (e.g., servers, backup software), human resources, technical support and other related infrastructure benefits, (e.g., telephone, copiers, vendor discounts) plus important human know-how from a trained claims-handling staff. I believe that these benefits will help Quigley operate immediately as a fully functioning, effective claims handling business upon the consummation of the Quigley plan.

8. Pfizer also guaranteed Quigley's office lease.

D. Consideration of Quigley's Legal Options in 2004.

9. The Quigley Board considered at length Quigley's legal options during the summer of 2004, particularly in view of the increasing number of asbestos-related claims being asserted against and its eroding base of shared insurance with Pfizer. We not only evaluated Quigley's options, but we also reviewed materials prepared by counsel and discussed the relevant legal issues, during and after Board meetings with counsel. Consistent with our duty to preserve Quigley's assets and to maximize the value of the Quigley enterprise, we reviewed the benefits of a possible Chapter 11 filing — e.g., the automatic stay of litigation against Quigley; Quigley's ability to focus on negotiations with insurers to maximize recoveries; and the protection of the valuable insurance assets that Quigley shared with Pfizer for the benefit of present and future claimants.

10. During our deliberations, we also discussed with counsel the outline of a likely reorganization plan that would enable Quigley to emerge from Chapter 11. As directors, we also understood that Quigley would be seeking a preliminary injunction staying suits against Pfizer for the purpose of preserving Quigley's liability insurance previously purchased by Pfizer and shared by the two companies for the benefit of asbestos claimants. Quigley's objective was to prevent those assets from being depleted by asbestos-related suits filed against Pfizer. During the course of the reorganization case, we knew that certain parties had objected to the preliminary injunction unsuccessfully, and that their appeal from the preliminary injunction had also been unsuccessful. Indeed, we understood that both this Court and the District Court had acknowledged the propriety of the preliminary injunction to protect Quigley's insurance assets.

E. Reorganization Plan Process.

11. Quigley filed its first proposed reorganization plan in early March, 2005. Because of objections and related litigation delays, Quigley amended its plan over the past two years to address objections, and, most important, to maximize the value of Quigley's assets. Pfizer was a key participant in every version of the Quigley reorganization plan: it made hundreds of millions of dollars available to Quigley's creditors that would not otherwise be available to them. Quigley's Board operated independently of any Pfizer influence during the entire period.

12. Most recently, Quigley filed a reorganization plan on June 7, 2007, after intensive negotiations with the Future Claims Representative and the Creditor's Committee in this case. The major substantive difference in Quigley's latest plan is Pfizer's commitment to contribute about an additional \$100 million of value to the Quigley reorganization trust. Thus, as

the Board understood the facts, Pfizer is committed to contribute a total of approximately \$650 million of value to a trust to be set up for Quigley's creditors.

13. We on the Quigley Board also understood that the recent additional contribution by Pfizer takes into account and compensates for any possible dilution of Quigley's assets by the waiver by Pfizer of a subordination provision in settlement agreements between Pfizer and certain asbestos claimants. Under earlier versions of the Quigley plan, these settling claimants had agreed to subordinate 90% of their distribution on account of their allowed claims against Quigley. Although these claimants may now seek to recover the full amount of their claims against the Quigley estate, Pfizer has made an additional compensating contribution that was the result of intensive arm's length negotiations between Pfizer, on one hand, and the Future Claims Representative and the Creditor's Committee on the other hand. Quigley's role in these negotiations was to bring the parties together and attempt to broker a negotiated resolution so as to avoid unnecessary litigation in this Court.

14. The Quigley Board monitored the negotiations and was kept apprised of their progress by Quigley's counsel for the past six months. As a Board member, I asked questions, reviewed materials so that I could keep myself fully informed, and ensured that whatever steps Quigley undertook were in the best interest of all constituencies, primarily Quigley's creditors.

15. The Board relied in these negotiations on Quigley's counsel and on Mr. Street, Quigley's president, who has substantial insurance-related and bankruptcy reorganization experience.

16. We understood that the parties to ongoing plan negotiations during 2007 had appropriate experts supporting their various positions. Indeed, as we understood it, the

dominant issue in the negotiations was the amount of an additional Pfizer contribution. We were satisfied throughout our monitoring of this process that the Future Claims Representative and the creditors' committee obtained the best result possible for Quigley's creditors under the circumstances. Although Quigley had no ability to require Pfizer to contribute to the Quigley estate, we satisfied ourselves that the increased \$100 million Pfizer contribution, when added to Pfizer's prior commitment is in the best interest of the Quigley estate. The total Pfizer contribution can be summarized as follows:

- \$293 million of shared insurance;
- \$405 million AIG settlement annuity payable over 40 years (\$180 million present value);
- \$30 million secured loan forgiveness;
- \$23 million of insurance trust proceeds;
- \$50 million of cash on Plan's effective date;
- \$45.1 million annuity to be contributed to Asbestos PI Trust on the sixth anniversary of the Plan effective date, payable in annual installments of \$1.1 million over 41 years.

In addition, under the Plan, Pfizer has agreed to retain Reorganized Quigley under a \$25 million long-term (5-year) contract for claims-handling services, which will generate \$5 million in revenues per year for the initial term of the contract.

F. Pfizer's Claims.

17. The Quigley Board understood that Pfizer had asserted both secured and unsecured claims against the Quigley estate based upon Pfizer's satisfaction of Quigley liabilities. We understood from counsel during the early stages of the Quigley case, almost three years ago, that Quigley management had satisfied itself as to the validity of the Pfizer unsecured claims and the underlying secured claim.

18. As noted above, Pfizer has already committed under the Plan to forgive \$30 million of its secured claim.

G. The AIG Settlement.

19. The Board also reviewed the settlement agreement reached between Quigley, Pfizer and AIG during the summer of 2004. Under that agreement, Pfizer and Quigley were able to realize the full amount of AIG's insurance coverage available. AIG agreed to pay the agreed upon amount to Pfizer and Quigley over a period of ten years. As part of the Quigley proposed reorganization plan, Quigley would assign its interest in the AIG policies to Pfizer in exchange for a Pfizer annuity payable to the Trust to be set up under the proposed reorganization plan. The Quigley Board satisfied itself that Quigley would benefit from this arrangement because the present value of the payments to be received by Quigley from AIG in the ten years had a present value of approximately \$140 million, whereas the present value of the Pfizer annuity to be contributed to the proposed reorganization trust would total approximately \$180 million. Quigley and its creditors would thus benefit from a net \$40 million increase in value.

H. The AHC Motion for the Appointment of a Trustee.

20. The Quigley Board believes there is no cause for the appointment of a trustee in this case. Not only would the appointment of a Trustee create additional expense, but it would also cause further delay. The Board believes that Quigley should be able to solicit votes on its proposed reorganization plan so that creditors can receive the \$650 million of Pfizer's substantial contribution under the plan in addition to Quigley's contribution.

I. Quigley's Administrative Expenses.

21. The Quigley Board has also been apprised on a current basis of Quigley's administrative expenses. Although the total expenses (approximately \$23 million) to date are substantial, the Quigley Board has satisfied itself that these numbers are reasonable.



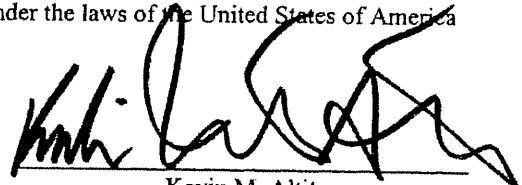
22. Any cash losses from Quigley's current operations are and have been absorbed by Pfizer. First, all of the cash used to fund Quigley's operations over the past three years has been obtained from Pfizer's cash collateral with its consent. Moreover, Pfizer has committed to forgive \$30 million of its secured loan in the proposed reorganization plan.

23. The Board was also aware of the professional fees paid by Quigley pursuant to Court order. Not only has management monitored the fees, but we understand that professionals have applied to the Court every four months in this case for interim approval of their fees and expenses, on notice to all creditors and other parties in this case. We also understood that the Court had directed a holdback of a portion of all professional fees incurred pending the outcome of this case. Because of the extensive fee review approval process already in place for the past three years and because we understand that management has also been monitoring these fees, we are satisfied that the fees incurred to date are reasonable.

I declare under penalty of perjury under the laws of the United States of America

that the foregoing is true and correct.

Executed on June 8, 2007  
Rio De Janeiro, Brazil



Kevin M. Altit