

# **EXHIBIT A**

1 UNITED STATES BANKRUPTCY COURT  
2 SOUTHERN DISTRICT OF NEW YORK

3 . Chapter 11  
4 IN RE: . Case No. 04-15739 (SMB)  
5 .  
6 QUIGLEY COMPANY, INC. . New York, New York  
7 . Friday, May 23, 2008  
8 Debtors. . 10:04 a.m.  
9 . . . . .

7 TRANSCRIPT OF SCHEDULING CONFERENCE  
8 BEFORE THE HONORABLE STUART M. BERNSTEIN  
9 CHIEF UNITED STATES BANKRUPTCY JUDGE

9 APPEARANCES:

10 For the Debtors: Michael L. Cook, Esq.  
11 Lawrence V. Gelber, Esq.  
12 Jessica L. Fainman, Esq.  
13 SCHULTE, ROTH & ZABEL, LLP  
14 919 Third Avenue  
15 New York, New York 10022

16 For the Ad Hoc Committee  
17 of Tort Victims: Gregory T. Arnold, Esq.  
18 Edward S. Weisfelner, Esq.  
19 BROWN, RUDNICK, BERLACK  
20 ISRAELS, LLP  
21 Seven Times Square  
22 New York, New York 10036

18 (Appearances Continued)

19 Audio Operator: Electronically Recorded  
20 by Chantel Greene, ECRO

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22 80 Broad Street, Fifth Floor  
23 New York, New York 10004  
24 (212) 504-2919  
25 www.randreporting.com

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1 APPEARANCES: (Continued)

2 For Albert Togut,  
3 as Future Claims  
4 Representative:

Scott E. Ratner, Esq.  
TOGUT, SEGAL & SEGAL, LLP  
One Penn Plaza  
New York, New York 10119

5  
6 For The U.S. Trustee:

Greg M. Zipes, Esq.  
OFFICE OF THE U.S. TRUSTEE  
33 Whitehall Street, 21st Floor  
New York, New York 10004

7  
8 For Pfizer, Inc.:

John H. Bae, Esq.  
CADWALADER, WICKERSHAM & TAFT, LLP  
One World Financial Center  
New York, New York 10281

9  
10  
11 David B. Killalea, Esq.  
12 GILBERT RANDOLPH, LLP  
13 1100 New York Avenue, NW, Ste. 700  
14 Washington, D.C. 20005

15 For Allianz:

Karel S. Karpe, Esq.  
James S. Yoder, Esq.  
WHITE AND WILLIAMS, LLP  
One Penn Plaza, 18th Fl., Ste. 1801  
New York, New York 10119

16 For One Beacon  
17 America Insurance Co.:

Mark D. Plevin, Esq.  
CROWELL MORING  
1001 Pennsylvania Avenue, NW  
Washington, D.C. 20004-2595

18  
19 For Continental Casualty  
20 and The Continental  
21 Insurance Co.:

Robert W. Dremluk, Esq.  
SEYFARTH SHAW, LLP  
620 Eighth Avenue  
New York, New York 10018-1405

22  
23 Also appearing:

Eric B. Stern, Esq.  
RIVKIN RADLER  
926 Reckson Plaza  
Uniondale, New York 11556-0926

24  
25

1 APPEARANCES: (Continued)

2 Also appearing: Rita C. Tobin, Esq.  
CAPLIN & DRYSDALE  
3 375 Park Avenue, 35th Floor  
New York, New York 10152-3500  
4  
5 Elit R. Felix, II, Esq.  
MARGOLIS EDELSTEIN  
6 The Curtis Center, Fourth Floor  
Independence Square West  
Philadelphia, Pennsylvania 19106  
7  
8 Nancy I. Manzer, Esq.  
WILMER, CUTLER, PICKERING, HALE  
AND DORR, LLP  
9 1875 Pennsylvania Avenue, NW  
Washington, D.C. 20006  
10  
11 Via Telephone: Andrea L. Niedermeyer  
12 Sharla Frost  
13 Paul S. Jasper  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
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1 (Proceedings commence at 10:04 a.m.)

2 THE COURT: Please be seated.

3 The purpose of this conference -- it's not really a  
4 hearing -- is to consider how the confirmation order -- how  
5 the confirmation hearing is going to proceed, given 524G and  
6 the issues that come up in asbestos bankruptcies.

7 I had consulted with Judge Presca, as her order  
8 indicated. I'll consult with her afterwards, so what is said  
9 may or may not affect whether she withdraws the reference in  
10 whole or in part. In essence, I'll probably make a  
11 recommendation to her as a result of this conference or as a  
12 result of conferences to follow.

13 So I'll hear from the debtor.

14 MR. COOK: Your Honor, I have to say that I must be  
15 doing something wrong, but we did talk amongst ourselves and  
16 other people can correct any damage I do, but I think we have  
17 a consensus that Your Honor can conduct a hearing on -- the  
18 entire hearing on confirmation 524 G and, consistent with the  
19 statute, Judge Presca can affirm or modify if she wants.

20 THE COURT: How do you get -- I know we had this  
21 issue in Keenan a long time ago. How do you -- if no one  
22 appeals, in the unlikely event, how does Judge Presca affirm  
23 it? I know that's what the statute says. I don't know what  
24 it means. I'm not sure anybody really knows what it means.  
25 Procedurally, how does she do that?

1 MR. COOK: You know, I thought about it and at least  
2 my take on it is that she would -- the word "firm" is hardly  
3 new. She could follow the procedure in the statute if there  
4 are fact findings. She can use the same standard on review  
5 if there are legal issues. I know of no other way.

6 And I think that's the fairest to everybody, unless  
7 somebody wants to make an alternative proposal.

8 MR. WEISFELNER: Look, we're going to appeal Your  
9 Honor's 524G decision as it relates to the injunction and my  
10 guess is that goes up to Judge Presca in any event.

11 And depending on the timing of her consideration of  
12 that appeal, you know, I think that ought to color, you know,  
13 how we deal with confirmation hearing.

14 THE COURT: But that whole issue is moot if the plan  
15 doesn't get confirmed.

16 MR. WEISFELNER: Well, I understand that, but, you  
17 know, to us it's a critical legal issue and one that we think  
18 we're entitled to appellate review on.

19 THE COURT: You may be. How does that affect,  
20 though, the timing or the conduct of confirmation?

21 MR. WEISFELNER: Well, because, again, if -- what  
22 the judge has to consider --

23 THE COURT: By the way, I'm not sure it will go to  
24 Judge Presca. It will go to whoever is on the wheel.

25 MR. WEISFELNER: It seems to me that if -- what the

1 statute requires is district court. And I agree with you, I  
2 don't know what the language necessarily means, but this  
3 report has to consider 524G and the appeal is focused on 524G  
4 in its scope, then, you know, I don't necessarily want to be  
5 in front of district court on a record that is less than what  
6 the statute and our appellate rights anticipate we're  
7 entitled to in front of a district court.

8 THE COURT: I don't know what that means.

9 MR. WEISFELNER: Well, it means that I want an  
10 opportunity to argue my appeal, as opposed to having the  
11 Court consider under some procedure that no one is really  
12 sure of what an affirmance of Your Honor's decision may  
13 ultimately be. I mean, I'm presuming that Your Honor will be  
14 consistent between your decision on the scope of the  
15 injunction and what's proper for 524G purposes.

16 If the only consideration I get on Your Honor's  
17 interpretation of 524G and the appropriate precedent is, you  
18 know, some sort of affirmance consideration or review, then I  
19 think I've been short changed. I want my full appellate  
20 rights. I know what those are.

21 THE COURT: Well, maybe you go right to the circuit.  
22 In other words, maybe -- and I know in other cases, it was  
23 just a little paragraph at the end in which the district  
24 court says, I affirm, at the bottom, then presumably it's a  
25 decision of the district court.

1 I assume you don't want two levels of the same  
2 argument. That's why they have direct appeals, or the  
3 possibility of direct appeals.

4 MR. WEISFELNER: And again, Your Honor, you know,  
5 we're in sort of uncharted territory here, but, you know, I'm  
6 loathe to give up, you know, our appellate rights.

7 THE COURT: Look, the question really is how does  
8 the hearing proceed? The statute seems to require the  
9 district court to put its pen on that order in some sense.  
10 And for example, when we had Keenan, it was essentially a  
11 consensual confirmation hearing. We did everything in one  
12 day. Both of us sat together and --

13 MR. WEISFELNER: Right.

14 THE COURT: That was not a problem, but that's not  
15 this case. So for example, my question is if the district  
16 court would have to decide the issues relating to the  
17 settlement in order to issue the injunction. Does she have  
18 to hear it? Or are there just a very finite number of issues  
19 that she would have to decide in order to issue that  
20 injunction?

21 MR. WEISFELNER: Yeah. I mean, look, you know, the  
22 more I think about it, and the more, you know, the question  
23 of good faith tinges the 524G issue, you know, one wonders  
24 whether or not the district court, in effect, shouldn't  
25 withdraw the reference.



1 I mean, look. I think Your Honor's expertise and  
2 knowledge of the case and its background would probably be  
3 very useful to the district court. In that regard, I sort of  
4 see, you know, the benefit of having Your Honor and Judge  
5 Presca presiding, but --

6 THE COURT: Yeah, but in a multi-day trial it's just  
7 -- it's really not a very efficient way. I mean, another  
8 possibility is for me to simply do it and then you can argue  
9 before the district court what's a recommendation and what's,  
10 you know, what I heard and determined and what I reported and  
11 recommended.

12 MR. WEISFELNER: Right.

13 THE COURT: Which has been done, I know, in other  
14 cases.

15 MR. WEISFELNER: But in any event, and one of the  
16 other things I would ask Your Honor to consider -- I know  
17 this is a status conference -- I guess our time to lodge a  
18 notice of appeal would expire on Tuesday. And given the  
19 holiday, under the authority of I guess Rule 803C -- 802C,  
20 Your Honor is entitled to grant us an extension of time to  
21 file the notice of appeal. And we were hoping for a couple  
22 of days beyond Tuesday.

23 MR. WEISFELNER: Is there any objection from Pfizer?

24 MR. BAE: Your Honor, it's a two-page piece of paper  
25 to file a notice of appeal. I'm not sure why Mr. Weisfelner

1 needs more than today or even Tuesday to file a notice of  
2 appeal.

3 THE COURT: What's the showing that's required under  
4 --

5 MR. WEISFELNER: Well, again, our understanding is  
6 what we'd be obligated to file is a notice of appeal. And if  
7 counsel is prepared to concede that we have a right to  
8 appeal, then that's all I need to file.

9 THE COURT: But I thought if you filed a notice of  
10 appeal and it was an interlocutory order, then it's treated  
11 as leave to appeal.

12 MR. WEISFELNER: Well, you have to file a motion for  
13 leave to appeal, and what I'm really looking for is some time  
14 on the motion for leave to appeal.

15 MR. BAE: Your Honor, the way I think this would  
16 play out is if Mr. Weisfelner were to file a notice of  
17 appeal, we likely will move to dismiss the appeal on the  
18 grounds that it's interlocutory. We've been down this road  
19 before.

20 The original time the PI order was entered, the  
21 district court already rejected the right of the Ad Hoc  
22 Committee to appeal the PI order. He's trying to do it  
23 again. It's a waste of time. We will file a motion to  
24 dismiss the appeal.

25 But I don't see why Mr. Weisfelner needs more time

1 to file a two-page notice of appeal and we can follow the  
2 proper procedures.

3 THE COURT: He's saying he's going to make a motion  
4 for leave to appeal also, on the possibility that it's an  
5 interlocutory order.

6 MR. WEISFELNER: Right. And the difference,  
7 obviously, between the first appeal in the preliminary and  
8 the appeal on this one is -- and argue this decides, for all  
9 practical purposes, 524G issues.

10 THE COURT: You know, I don't really think it pays  
11 to argue about this extensively. I'll give you until Friday.

12 MR. WEISFELNER: Great. Thank you, Judge.

13 THE COURT: The record is so ordered.

14 MR. PLEVIN: Your Honor, Mark Plevin from Crowell  
15 Moring on behalf of One Beacon America Insurance Company.

16 When the debtors filed their motion to withdraw in  
17 the district court, we filed an objection to that, which  
18 other insurers later joined, and we explained the legal basis  
19 for our objection. Our position was essentially that we  
20 didn't have a preference as to whether the confirmation  
21 hearing went forward in this court before Your Honor or in  
22 the district court before a district judge, but that there's  
23 no statutory or other basis for a hearing before two judges  
24 at two different levels at the same time.

25 And that remains our position, and so we're

1 gratified to hear Mr. Cook say that the debtors are now  
2 prepared to do the confirmation hearing entirely before Your  
3 Honor with any subsequent proceedings going up to the  
4 district court as appropriate.

5           What I wanted to just point out is I've been through  
6 a number of these things and the way they've worked when  
7 we've had -- just before a bankruptcy court is that in many  
8 cases there were appeals and that's how it got to the  
9 district court. In a couple of other instances where there  
10 were no parties appealing, either the debtor or the  
11 bankruptcy judge brought it to the attention of the district  
12 court and said in order to get 524G protection, you the  
13 district court needs to put your hand on the order and sign  
14 it and --

15           THE COURT: To affirm it in the absence of an  
16 appeal?

17           MR. PLEVIN: Yes. And that's how the proceeding  
18 went forward. So -- and of course, in those instances, there  
19 were no appeals so that no one was objecting to the procedure  
20 and --

21           THE COURT: Well, there was an appeal in Combustion  
22 Engineering. How was it?

23           MR. PLEVIN: In Combustion Engineering what happened  
24 is we had the --

25           THE COURT: Oh, the district court withdrew their

1 reference to that, didn't they?

2 MR. PLEVIN: No. No. We had a hearing before Judge  
3 Fitzgerald in the bankruptcy court. We went up before Judge  
4 Wolin who --

5 THE COURT: But she decided every -- all of the  
6 issues?

7 MR. PLEVIN: She decided all the issues sitting all  
8 by herself.

9 THE COURT: So she issued either a ruling or a  
10 report and recommendation and sent it up to the district  
11 court to figure out which was which?

12 MR. PLEVIN: I think it was actually both.

13 THE COURT: Okay.

14 MR. PLEVIN: She characterized it as both a final  
15 order and a report and recommendation. We had briefing and a  
16 full-day argument before Judge Wolin, who then issued a  
17 ruling based on that hearing and his review of the record.

18 THE COURT: What review did he give? Could it be  
19 erroneous on all factual issues?

20 MR. PLEVIN: You know, I don't recall, Your Honor.  
21 And I don't know that Judge Wolin specified the standard of  
22 review either, because he found that everything the  
23 bankruptcy judge did was correct. And that was the posture  
24 when we went up to the Third Circuit.

25 In the federal Mobil hearing, for example, before

1 Judge Fitzgerald, that, too, was done just by Judge  
2 Fitzgerald in the bankruptcy court, and that's the way it has  
3 gone. I -- you know, from the papers we filed in the  
4 district court on this, I also mentioned the JT Thorpe case  
5 in Houston, which I did in 2003.

6 That one was presided over by a bankruptcy judge and  
7 a district judge, and I can just tell Your Honor it was utter  
8 chaos afterwards because the bankruptcy judge and the  
9 district judge issued two separate opinions. We appealed the  
10 bankruptcy judge's opinion to the district court, where it  
11 was assigned to the same district judge who had already sat  
12 on the hearing, and therefore, she would in effect be  
13 reviewing her own evidentiary rulings.

14 We moved to recuse her and we also sought mandamus  
15 in the Fifth Circuit because at the same time the district  
16 judge issued an order and we had appealed her order to the  
17 Fifth Circuit. We ended up getting the whole thing before  
18 the Fifth Circuit, but only because the Fifth Circuit reached  
19 down and pulled the bankruptcy court ruling up. There's no  
20 procedure, as you know, for appealing from the bankruptcy  
21 court, or at least then there wasn't a procedure for  
22 appealing from the bankruptcy court to the circuit court.  
23 And the new statute I don't think applies in this case, so --

24 THE COURT: It doesn't.

25 MR. PLEVIN: -- so you couldn't do it here either.

1 THE COURT: Okay.

2 MR. PLEVIN: So that's a long-winded way of saying  
3 that we agree with the debtor that having the hearing  
4 completely before Your Honor is the appropriate thing to do  
5 under the law and if you want the legal background for our  
6 position, as I said, we've filed a brief in the district  
7 court in response to their motion and it's set forth in that  
8 paper.

9 THE COURT: Well, the legal background is more of a  
10 concern to Judge Presca if, you know, depending on how she  
11 considers the motion. I'm just trying to figure out a way to  
12 do this in an expeditious manner, which obviously runs with  
13 the statute. It just sounds like the easiest thing may be  
14 for me to try everything and then you can argue about what's  
15 subject clearly erroneous and what's de novo and up in the  
16 district court.

17 Now, in terms of the hearing, how do you foresee it  
18 going forward? Because there are a lot of issues which I  
19 assume are not disputed, like the 1123 issues. I can look at  
20 the plan and determine whether it contains the information  
21 that's necessary. I don't know if the -- the issues that are  
22 necessary to actually issue the 524G injunction are disputed  
23 in terms of the debtor being subject to claims. Those are  
24 disputed?

25 MR. WEISFELNER: Well, I mean, the biggest dispute