



TAMPA BAY BANKRUPTCY CENTER, P.A.

PHONE: (813) 200-4133

TOLL FREE: (800) 965-5074

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Bankruptcy of Quigley Unit of Pfizer to Continue

In September last year, bankruptcy judge Stuart M. Bernstein overruled the application of Quigley Company Inc to exit bankruptcy for the fourth time in its Chapter 11 plan. In his ruling, Judge Bernstein found that Pfizer, the parent company, had manipulated the bankruptcy process for its own benefit. The judge went on to say that the Chapter 11 plan was filed in 'bad faith' and made mention of claims against Quigley that could exceed \$4.45 billion over the next 42 years. Pfizer plans to the judge's ruling.

Lawyers for the US trustee claim that the bankruptcy protection of Quigley should have been dismissed by now. The bankruptcy protection, which has been in force since 2004, has protected Quigley from its creditors and prevented those with asbestos-related health problems from taking up lawsuits against Pfizer. Many of these have even died. The many individuals who have filed asbestos claims against Quigley and Pfizer are still waiting to be heard. According to court papers filed December 23, the court has decided to give a hearing to the US bankruptcy trustee's request on January 13.

Pfizer said they were prepared to contribute funds to Quigley for it to satisfy whatever conditions the court has set in order for it to exit

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bankruptcy. It plans to use the January 13 hearing to offer fair compensation to all claimants.

Some 43,100 claimants have formed an ad hoc committee to represent them in Quigley's bankruptcy case. The committee has asked the judge to end the case and dismiss the injunction that has protected Pfizer from being sued since 2004.

Judge Bernstein has ruled that Pfizer should put an amount of money into a trust equal to the alleged present and future claims against it. Under the proposed Chapter 11 plan, Pfizer would have paid \$450 million into a trust to satisfy claims of derived asbestos-related liability.

Pfizer said in its appeal against the judge's ruling that it was working with Quigley to come up with a plan that took into consideration some of the points brought up by Judge Bernstein.

The bankruptcy code would direct all future claims against 3 products that Quigley produced for the steel industry (Panelag, Damit and Insulag) that contain asbestos to the trust. These claims include death and personal injury claims. These 3 products were made by Quigley from the 1940s to the 1970s and were bought over by Pfizer in 1968.

If you are considering filing for bankruptcy either for yourself or your business, call us at (813) 200-4133 for a free consultation.