OMB APPROVAL

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U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

# FORM 4

## STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or
Section 30(f) of the Investment Company Act of 1940

[_] Check box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

1. Name and Address of Reporting Person*

| Reicher | Michael | K. |
|---|---|---|
| (Last) | (First) | (Middle) |

c/o Halsey Drug Co., Inc. 695 N. Perryville Rd. Bldg. 2
(Street)

| Rockford | Illinois | 61107 |
|---|---|---|
| (City) | (State) | (Zip) |

2. Issuer Name and Ticker or Trading Symbol

Halsey Drug Co., Inc. Symbol: HDG

3. IRS or Social Security Number of Reporting Person (Voluntary)

4. Statement for Month/Year

10/99

5. If Amendment, Date of Original (Month/Year)

6. Relationship of Reporting Person to Issuer
(Check all applicable)

[X] Director [_] 10% Owner
[X] Officer (give title below) [_] Other (specify below)

Chief Executive Officer

7. Individual or Group Filing (Check Applicable Line)

[X] Form filed by one Reporting Person
[_] Form filed by more than one Reporting Person

## Table I -- Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 3. Transaction Code (Instr. 8) Code | V | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) Amount | (A) or (D) | Price | 5. Amount of Securities Beneficially Owned at End of Month (Instr. 3 and 4) | 6. Owner-ship Form: Direct (D) or Indirect (I) (Instr.4) | 7. Nature of In-direct Beneficial Ownership (Instr. 4) |
|---|---|---|---|---|---|---|---|---|---|
| Common Stock | 10/1/98 | A* | | 2,186 | A* | $1.8406 | | D | |
| Common Stock | 1/1/99 | A* | | 3,462 | A* | $1.1625 | 5,648 | D | |

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Reminder: Report on a separate line for each class of securities beneficially
owned directly or indirectly. (over)

* If this form is filed by more than one person, see
Instruction 4(b)(v)

* See Footnote 2 to Table II.

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Table II -- Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of(D) (Instr. 3, 4 and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned at End of Month (Instr. 4) | 10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |
| 5% Convertible Senior Secured Debentures | $ 1.404 | 3/10/98 | A | | (1) | | 3/10/98 | 3/15/03 | Common Stock | 213,675 | | 213,675 | D | |
| Warrants | $ 1.404 | 3/10/98 | A | | (1) | | 3/10/98 | 3/15/05 | Common Stock | 30,303 | | 30,303 | D | |
| Warrants | $ 2.279 | 3/10/98 | A | | (1) | | 3/10/98 | 3/15/05 | Common Stock | 30,303 | | 30,303 | D | |
| 5% Convertible Senior Secured Debentures | $ 1.404 | 6/12/98 | A4 | | (2) | | 6/12/98 | 3/15/03 | Common Stock | 51,363 | | 51,363 | D | |
| Warrants | $ 1.404 | 6/12/98 | A4 | | (2) | | 6/12/98 | 3/15/05 | Common Stock | 7,284 | | 7,284 | D | |
| Warrants | $ 2.279 | 6/12/98 | A4 | | (2) | | 6/12/98 | 3/15/05 | Common Stock | 7,284 | | 7,284 | D | |
| Non-qualified Stock Options | $ 2.375 | 2/19/98 | A4 | | | | (3) | 2/19/08 | Common Stock | 1,000,000 | | 1,000,000 | D | |
| 5% Convertible Senior Secured Debentures | $1.1312 | 4/1/99 | A | | (2) | | 4/1/99 | 3/15/03 | Common Stock | 4,111 | | 4,111 | D | |
| Non-qualified Stock Options | $ 1.125 | 4/12/99 | A | | (4) | | 3/8/00 | 3/8/09 | Common Stock | 100,000 | | 100,000 | D | |
| 5% Convertible Senior Secured Debentures | $2.4250 | 7/1/99 | A | | (2) | | 7/1/99 | 3/15/03 | Common Stock | 1,939 | | 1,939 | D | |
| 5% Convertible Senior Secured Debentures | $2.3063 | 10/1/99 | A | | (2) | | 10/1/99 | 3/15/03 | Common Stock | 1,789 | | 1,789 | D | |

Explanation of Responses:

(1) Purchased in connection with a private offering on March 10, 1998 consisting of a Convertible Debenture convertible at any time and Stock Purchase Warrants (30,303 shares of which are presently exercisable at $1.404 per share and 30,303 shares of which are presently exercisable at $2.279 per share).

(2) Acquired pursuant to an option exercise in June 1998, consisting of: (i) a Convertible Debenture, convertible at any time; (ii) Warrants to purchase shares of common stock (7,284 shares of which are presently exercisable at $1.404 per share and 7,284 shares of which are presently exercisable at $2.279 per share); and (iii) certain interest payments payable quarterly which are paid in the form of shares of common stock of the Issuer (See Table I).

(3) Options vest quarterly, with 62,500 options vesting every quarter effective May 1, 1998.

(4) Options vest 25% annually, with 25,000 options vesting every March 8, beginning March 8, 2000.

/s/ Michael K. Reicher — November 9, 1999

Michael K. Reicher
Signature of Reporting Person

Date

Intentional misstatements or omissions of facts constitute Federal Criminal Violations.

See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note:  File three copies of this Form, one of which must be manually signed.

If space provided is insufficient, see Instruction 6 for procedure.