OMB APPROVAL

FORM 4

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U.S. SECURITIES AND EXCHANGE COMMISSION WASHINGTON, DC 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

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

<ol> <li>Name and Ad Clemens</li> </ol>	dress of Report Peter	Α.	2. Issuer Name and Ticker or Trading Symbol 6. Relationship of Reporting Personal Halsey Drug Co., Inc. HDG Issuer (Check all applicable)	
(Last)	(First)	(Middle)	3. IRS or Social Security 4. Statement for	iei
, ,	,	, ,	Number of Reporting Month/Year X Officer (give Other (Sp	
c/o Halsey Dru 695 N. Per	g Co., Inc ryville Rd. Bld	g. 2	Person (Voluntary) 1/00 title be below)	elow)
	(Street)		5. If Amendment, Vice President & Chief Date of Original Financial Officer	
Rockford,	Illinois	61107	(Month/Year)	
(City)	(State)	(Zip)		
			TABLE 1 NON-DERIVATIVE SECURITIES ACQUIRED, DISPOSED OF, OR BENEFICIALLY OWN	NED
1. Title of Se	curitv	2. Trans- 3	Transac- 4. Securities Acquired (A) 5. Amount of Se- 6. Owner- 7. No	ature
(Instr. 3)	,	action	tion or Disposed of (D) curities Benefi- ship of	f In-
		Date	, , ,	irect enefi-
		(Month/		ial
		Day/		wner-
		Year) Cod		nip Instr.
			(2)	
Common Stoc	K 	1/1/00 A*	1,195 A* \$1.3281 D	
			3.370 D	
Reminder: Repor	t on a senarate	line for each	(Print or Type Responders). Print or Type Responders of securities beneficially owned directly or indirectly.	oonses)
SFC 1474 (3/91)	c on a separate	TIME TOT EACH	1433 OF SCOULTIES DELICITED OF THE UTIES OF THAT ESCITY.	
*See footnote 2	on Table II			

	Title of Derivative Security (Instr. 3)	2. Conver- sion or Exercise Price of Deriv- ative Security	3. Trans- action Date (Month/ Day/ Year)	4. Trans- action Code (Instr	. 8) c (8 .	lumber of erivative securities uired (A) isposed o Instr. 3, and 5)	Ac- or f (D)	cisal Expi Date	th/Day/	of Und Securi	e and Amount nderlying rities tr. 3 and 4)		Price of Derivative Security (Instr	. 5)
				Code V	( A	.) (D)		er-	Expira- tion Date	Title	Amount or Number of Shares			
	Convertible Senior Secured Debentures	\$1.404	3/10/98	Α	(1	.)	3/:	10/98	3/15/03	Common Stock	71,225			
	Warrants	\$1.404	3/10/98	A	(1	.)	3/:	10/98	3/15/05	Common Stock	10,101			
	Warrants	\$2.279	3/10/98	A	(1	.)	3/:	10/98	3/15/05	Common Stock	10,101			
	Convertible Senior Secured Debentures	\$1.404	6/12/98	A4	(2	()	6/:	12/98	3/15/03	Common Stock	17,121			
	Warrants	\$1.404	6/12/98	A4	(2	)	6/:	12/98	3/15/05	Common Stock	2,428			
	Warrants	\$2.279	6/12/98	A4	(2	)	6/:	12/98	3/15/05	Common Stock	2,428			
	-qualified Stock Options	\$2.375	2/19/98	A4				(3)	2/19/08	Common Stock	300,000			
	Convertible Senior Secured Debentures	\$1.1312	4/1/99	A	(2	)	4.	/1/99	3/15/03	Common Stock	1,370			
Non	-qualified Stock Options	\$1.125	4/12/99	A	(4	.)	3.	/8/00	3/8/09	Common Stock	100,000			
	Convertible Senior Secured Debentures	\$2.4250	7/1/99	A	(2		7.	/1/99	3/15/03	Common Stock	647			
		9. Number Deriva Securi Benefi Owned ; of Mon (Instr	tive ties cially at End th	Deri Secu Dire or I	ership m of ivative urity: ect (D) Indirec str. 4)	t (I)	1:	Ind Bei Owi	ture of direct neficial nership nstr. 4)					
	Convertible Senior Secured Debentures	71,225		D										
	Warrants	10,101		D										
	Warrants	10,101		D										
	Convertible Senior Secured Debentures	17,121		D										
	Warrants	2,428		D										
	 Warrants	2,428		D										
Non	 -qualified Stock Options	300,000		D										
	Convertible Stock Secured Debentures	1,370		D										
	-qualified Stock Options	100,000		D										

- (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 (10,101 shares of which are presently exercisable at \$1.404 per share and 10.101 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 share of common stock (2,428 shares of which are presently exercisable at \$1.404 per share and 2,428 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 share of common stock of the Issuer (See Table 1).

- (3) Options vest quarterly, with 25,000 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.

By: /s/ Peter A. Clemens February 9, 2000

Peter A. Clemens Date

\*\*Signature of Reporting Person

\*\*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.

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