

FORM 4

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

OMB APPROVAL

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

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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

1. Name and Address of Reporting Person			2. Issuer Name and Ticker or Trading Symbol		6. Relationship of Reporting Person to Issuer (Check all applicable)	
Skelly	William	G.	Halsey Drug Co., Inc.		<input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner	
(Last)	(First)	(Middle)	Symbol: HDGC		<input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)	
C/o Halsey Drug Co., Inc. 695 N. Perryville Rd. Bldg. 2			3. IRS or Social Security Number of Reporting Person (Voluntary)		4. Statement for Month/Year 02/01	
(Street)			5. If Amendment, Date of Original (Month/Year)			
Rockford,	Illinois	61107				
(City)	(State)	(Zip)				

(City)	(State)	(Zip)	Table I - NonDerivative Securities Acquired, Disposed of, or Beneficially Owned												
1. Title of Security (Instr. 3)			2. Transaction Date (Month/Day/ Year)		3. Transaction Code (Instr. 8)		4. Securities Acquired(A) or disposed of (D) (Instr. 3, 4, and 5)			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 Indirect Bene- ficial Owner- ship (Instr.4)	
					CODE	V	Amount	(A) or (D)	Price						
Common Stock										10,000					
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TABLE II - DERIVATIVE SECURITIES ACQUIRED, DISPOSED OF, OR BENEFICIALLY OWNED  
(e.g., PUTS, CALLS, WARRANTS, OPTIONS, CONVERTIBLE SECURITIES)

[illegible][illegible]

(1) Options vest 25% quarterly

By: /s/ William Skelly

March 2, 2001

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\*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.

