

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*

Feinberg, Larry N.

(Last) (First) (Middle)

c/o Oracle Strategic Partners, L.P.
200 Greenwich Avenue, 3rd Floor

(Street)

Greenwich, CT 06830

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

Halsey Drug Co., Inc. ("HDGC")

3. IRS Identification Number of Reporting Person, if an Entity (Voluntary)

4. Statement for Month/Year

January, 2002

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

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

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

7. Individual or Joint/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 (mm/dd/yy) | 3. Transaction Code (Instr. 8) ----- Code V | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) ----- Amount or Price (A) (D) | 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 Beneficial Ownership (Instr. 4) |
|---------------------------------------|---|--|---|--|--|--|
|---------------------------------------|---|--|---|--|--|--|

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.
* If the Form is filed by more than one Reporting Person, see Instruction 4(b)(v).

(Over)

FORM 4 (continued)

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. Conver- sion or Exer- cise Price of Deriv- ative Secur- ity | 3. Trans- action Date (Month/ Day/ Year) | 4. Trans- action Code (Instr. 8) ----- Code V | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) ----- (A) (D) | 6. Date Exercisable and Expiration Date (Month/Day/Year) ----- Date Expira- tion Date | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) ----- Amount or Number of Shares | 8. Price of Deriv- ative Secur- ity (Instr. 5) | 9. Number of Deriv- ative Secur- ities Bene- ficially Owned at End of Month (Instr. 4) | 10. Owner- ship Form of Deriv- ative Secur- ity: Direct (D) or In- direct (I) (Instr. 4) | 11. Nature of In- direct Bene- ficial Owner- ship (Instr. 4) |
|--|---|--|---|--|---|--|---|---|--|---|
| 5% Convertible Senior Secured Debentures | \$1.86 | 01/01/02 | J(2) | 1 | Immed. 3/15/03 | Common Stock 73,310 | See Note 7,978,887 I (2) under Explanation of Responses Below. | | | See Note (1) under Explanation of Responses Below |
| Common Stock Purchase Warrants | | | NONE | | | | | 2,020,200 I | | See Note (1) under Explanation of Responses Below |
| Stock Options | | | NONE | | | | | 10,000 I | | See Note (1) under Explanation of Responses Below |

Explanation of Responses:

- (1) The 5% Convertible Senior Secured Debentures ("Debentures"), Common Stock Purchase Warrants ("Warrants") and Stock Options ("Options") of Halsey Drug Co., Inc. ("Halsey") to which this note relates are held directly by Oracle Strategic Partners, L.P. ("Strategic Partners"). The Debentures, Warrants and Options are presently convertible into 7,978,887 shares of Common Stock, 2,020,200 shares of Common Stock, and 10,000 shares of Common Stock of Halsey, respectively. Oracle Strategic Capital, L.L.C. ("Strategic Capital") serves as the general partner of Strategic Partners. The undersigned is the managing member of Strategic Capital. The undersigned does not directly own any Debentures, Warrants, Options or Common Stock of Halsey. In accordance with Instruction 4(b)(iv), the entire number of shares of Debentures, Warrants and Options held by Strategic Partners is reported herein. The undersigned disclaims any beneficial ownership of the securities to which this Form 4 relates for purposes of Section 16 of the Securities Exchange Act of 1934, except as to such securities representing the undersigned's pro rata interest in, and interest in the profits of, Strategic Partners.
- (2) The Debenture to which this note relates, in the principal amount of \$136,356, was received as interest payment in pre-existing Debentures held by Strategic Partners. The Debenture to which this note relates is presently convertible into 73,310 shares of Common Stock of Halsey, reflecting a conversion price of \$1.86 per share of Common Stock. Interest on all the Debentures held by Strategic Partners are paid quarterly on each January 1, April 1, July 1 and October 1.

/s/ Larry N. Feinberg

February 11, 2002

**Signature of Reporting Person

Date

Larry N. Feinberg, as managing member of Oracle Strategic Capital, L.L.C., the general partner of Oracle Strategic Partners, L.P.

** 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.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.