

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

1. Name and Address of Reporting Person* <u>CLEMENS PETER A</u> (Last) (First) (Middle) <u>C/O ACURA PHARMACEUTICALS, INC.</u> <u>616 N. NORTH COURT, SUITE 120</u> (Street) <u>PALATINE</u> <u>IL</u> <u>60067</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>HALSEY DRUG CO INC/NEW</u> [<u>HDGC.OB</u>] 3. Date of Earliest Transaction (Month/Day/Year) <u>08/12/2004</u> 4. If Amendment, Date of Original Filed (Month/Day/Year)	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Senior VP and CFO</u> 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person
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Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned										
1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

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)	3A. Deemed Execution Date, if any (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 Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: 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				
Employee Stock Options	\$0.13	08/12/2004		A		0 ⁽¹⁾		(2)	08/12/2014	Common Stock	375,000 ⁽¹⁾	\$0	1,000,000	D	
5% Convertible Senior Secured Debentures ⁽³⁾	\$0.5776	08/13/2004		C			127,914	08/13/2004	08/13/2004	Preferred Stock	221,458	\$0	0	D	
5% Convertible Senior Secured Debentures ⁽³⁾	\$0.5776	08/13/2004		C			14,589	08/13/2004	08/13/2004	Preferred Stock	25,258	\$0	0	I	by minor daughter
5% Convertible Senior Secured Debentures ⁽³⁾	\$0.5776	08/13/2004		C			13,029	08/13/2004	08/13/2004	Preferred Stock	22,557	\$0	0	I	by minor son
Series C-1 Convertible Preferred Stock	(4)	08/13/2004		C		221,458		(5)	(6)	Common Stock	221,458	\$0	221,458	D	
Series C-1 Convertible Preferred Stock	(4)	08/13/2004		C		25,258		(5)	(6)	Common Stock	25,258	\$0	25,258	I	by minor daughter
Series C-1 Convertible Preferred Stock	(4)	08/13/2004		C		22,557		(5)	(6)	Common Stock	22,557	\$0	22,557	I	by minor son

Explanation of Responses:

1. Options to purchase 375,000 shares of the Issuer's common stock, \$.01 par value per share.
2. Options vests and is exercisable 25% per annum commencing on March 9, 2005 until fully vested.
3. 5% Convertible Senior Secured Debentures, due March 31, 2006, are automatically convertible into Series C-1 Convertible Preferred Stock of the Issuer on August 13, 2004.
4. 1-for-1
5. Immed.
6. None

/s/ Peter A. Clemens 08/12/2004
** Signature of Reporting Person Date

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).
** 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 is insufficient, see Instruction 6 for procedure.
Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.