
OMB APPROVAL

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

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

FORM 4

☐ Check this 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*

CLEMENS	PETER	A.
(Last)	(First)	(Middle)
c/o Halsey Drug Co. 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. (HDG)

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

4. Statement for Month/Year

7/99

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

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

<input checked="" type="checkbox"/> Director	<input type="checkbox"/> 10% Owner
<input checked="" type="checkbox"/> Officer (give title below)	<input type="checkbox"/> Other (specify below)
Vice President and Chief Financial Officer	

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)			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)
			Amount	(A) or (D)	Price			
Common Stock	10/1/98	A*	842	A*	\$1.8406		D	
Common Stock	1/1/99	A*	1,333	A*	\$1.1625		D	
						2,175		

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

*See Footnote (2) to Table II

(Over)

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 Exer- cisable 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	\$1.404	3/10/98	A	(1)	3/10/98 3/15/03	Common Stock	71,225	71,225	D	
Warrants	\$1.404	3/10/98	A	(1)	3/10/98 3/15/05	Common Stock	10,101	10,101	D	
Warrants	\$2.279	3/10/98	A	(1)	3/10/98 3/15/05	Common Stock	10,101	10,101	D	
5% Convertible Senior Secured Debentures	\$1.404	6/12/98	A4	(2)	6/12/98 3/15/03	Common Stock	17,121	17,121	D	
Warrants	\$1.404	6/12/98	A4	(2)	6/12/98 3/15/05	Common Stock	2,428	2,428	D	
Warrants	\$2.279	6/12/98	A4	(2)	6/12/98 3/15/05	Common Stock	2,428	2,428	D	
Non-qualified Stock Options	\$2.375	2/19/98	A4		(3) 2/19/98	Common Stock	300,000	300,000	D	
5% Convertible Senior Secured Debentures	\$1.1312	4/1/99	A	(2)	4/1/99 3/15/03	Common Stock	1,370	1,370	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	647	647	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 (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 shares 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 shares of common stock of the Issuer (See Table I).

(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.

/s/ Peter A. Clemens

August 9, 1999

NAME: PETER A. CLEMENS
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 SPACED PROVIDED IS INSUFFICIENT, SEE INSTRUCTION 6 FOR PROCEDURE.