

## OMB APPROVAL

OMB Number: 3235-0287  
 Expires: February 1, 2001  
 Estimated average burden  
 hours per response .... 1.0

FORM 4

U.S. SECURITIES AND EXCHANGE COMMISSION  
 WASHINGTON, D.C. 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 7(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(1) of the Investment Company  
 Act of 1940

1. Name and Address of Reporting Person Heimeyer Stephanie K. (Last) (First) (Middle) c/o Halsey Drug Co., Inc. 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. Symbol: HDG	6. Relationship of Reporting Person to Issuer (Check all applicable) Director 10% Owner --- X Officer (give title --- Other (Specify below) below)
	3. IRS or Social Security Number of Reporting Person (Voluntary)	4. Statement for Month/Year 1/00
	5. If Amendment, Date of Original (Month/Year)	Vice President - Sales

TABLE 1 -- NON-DERIVATIVE SECURITIES ACQUIRED, DISPOSED OF, OR BENEFICIALLY OWNED

1. Title of Security (Instr. 3)	2. Trans- action Date (Month/ Day/ Year)	3. Transac- tion Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Se- curities Benefi- cially Owned at End of Month (Instr. 3 and 4)	6. Owner- ship Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of In- direct Benefi- cial Owner- ship (Instr. 4)
Common Stock	1/1/00	A*	233 A*	\$1.3281	D	
				634	D	

Report on a separate line for each class of securities beneficially owned directly or indirectly. (over)  
 SFC 1474 (3/91)

(Print or Type Responses)

\* See footnote 2 on Table II

2  
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. Conversion or Exercise Price of Derivative Security	3. Transaction Date (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 Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)
			Code V	(A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares	
5% Convertible Senior Secured Debentures	\$1,404	3/10/98	A	(1)	3/10/98 3/15/03	Common Stock	14,245
Warrants	\$1,404	3/10/98	A	(1)	3/10/98 3/15/05	Common Stock	2,020
Warrants	\$2,279	3/10/98	A	(1)	3/10/98 3/15/05	Common Stock	2,020
5% Convertible Senior Secured Debentures	\$1,404	6/12/98	A4	(2)	6/12/98 3/15/03	Common Stock	3,424
Warrants	\$1,404	6/12/98	A4	(2)	6/12/98 3/15/05	Common Stock	485
Warrants	\$2,279	6/12/98	A4	(2)	6/12/98 3/15/05	Common Stock	485
Non-qualified Stock Options	\$2,375	2/19/98	A4		(3) 2/19/08	Common Stock	40,000

	9. Number of Derivative Securities Beneficially Owned at End of Month (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
5% Convertible Senior Secured Debentures	14,245	D	
Warrants	2,020	D	
Warrants	2,020	D	
5% Convertible Senior Secured Debentures	3,424	D	
Warrants	485	D	
Warrants	485	D	
Non-qualified Stock Options	40,000	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 (2,020 shares of which are presently exercisable at \$1,404 per share and 2,020 shares of which are presently exercisable at \$2,279 per share).
- (2) Acquired pursuant to an option exercise in June 1998, consisting of: (1) a Convertible Debenture, convertible at any time, (ii) Warrants to purchase share of common stock (485 shares of which are presently exercisable at \$1,404 per share and 485 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 10,000 options vesting every quarter effective May 1, 1999.

By: /s/ Stephanie K. Heitmeyer  
Stephanie K. Heitmeyer  
\*\* Signature of Reporting Person

February 9, 2000  
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.

Note: File three copies of this Form, one of which must be manually signed.  
If spaced provided is insufficient, see Instruction 6 for procedure.

