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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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(h) of the Investment Company Act of 1940

☐ 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. <i>(Last) (First) (Middle)</i> C/o Halsey Drug Co., Inc. 695 N. Perryville Rd. Bldg. 2 <i>(Street)</i> Rockford, Illinois 61107 <i>(City) (State) (Zip)</i>	2. Issuer Name and Ticker or Trading Symbol Halsey Drug Co., Inc. Symbol: HDGC 4. Statement for Month/Day/Year 10/02 6. Relationship of Reporting Person(s) to Issuer (Check All Applicable) <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer <i>(give title below)</i> <input type="checkbox"/> Other <i>(specify below)</i> Vice President & Chief Financial Officer	3. I.R.S. Identification Number of Reporting Person, if an entity (Voluntary) 5. If Amendment, Date of Original (Month/Day/Year) 7. Individual or Joint/Group Filing (Check Applicable Line) <input type="checkbox"/> Form Filed by One Reporting Person <input type="checkbox"/> Form Filed by More than One Reporting Person
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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).

Table I — Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

[illegible]

**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)
								Code	V		(A) (D)
	5% Convertible Senior Secured Debentures		1.34(6)		3/10/98			A			(1)
	Warrants		\$1.34(6)		3/10/98			A			(1)
	Warrants		\$2.279		3/10/98			A			(1)
	5% Convertible Senior Secured Debentures		\$1.34(6)		6/12/98			A			(2)
	Warrants		\$1.34(6)		6/12/98			A			(2)
	Warrants		\$2.279		6/12/98			A			(2)
	Non-qualified Stock Options		\$2.375		2/19/98			A			
	5% Convertible Senior Secured Debentures		\$1.1312		4/1/99			A			(5)
	Non-qualified Stock Options		\$1.125		4/12/99			A			(4)
	5% Convertible Senior Secured Debentures		\$2.4250		7/1/99			A			(5)
	Non-qualified Stock Options		\$1.875		2/17/00			A			(4)
	5% Convertible Senior Secured Debentures		\$1.722		4/1/00			A			(5)
	Non-qualified Stock Options		\$1.1125		6/29/00			A			(4)
	5% Convertible Senior Secured Debentures		\$1.1125		7/1/00			A			(5)
	5% Convertible Senior Secured Debentures		\$.9071		10/1/00			A			(5)
	5% Convertible Senior Secured Debentures		\$.6258		01/01/01			A			(5)
	5% Convertible Senior Secured Debentures		\$1.03		04/01/01			A			(5)
	5% Convertible Senior Secured Debentures		\$2.22		07/01/01			A			(5)
	5% Convertible Senior Secured Debentures		\$2.22		10/01/01			A			(5)
	5% Convertible Senior Secured Debentures		\$1.86		01/01/02			A			(5)
	5% Convertible Senior Secured Debentures		\$2.02		04/01/02			A			(5)
	5% Convertible Senior Secured Debentures		\$1.72		07/01/02			A			(5)
	5% Convertible Senior Secured Debentures		\$1.75		10/01/02			A			(5)

Table II — Derivative Securities Acquired, Disposed of, or Beneficially Owned — Continued
(e.g., puts, calls, warrants, options, convertible securities)

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)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
Date Exercisable	Expiration Date	Title	Amount or Number of Shares		
3/10/98	3/15/03	Common Stock	74,626(6)	D	
3/10/98	3/15/05	Common Stock	11,028(6)	D	
3/10/98	3/15/05	Common Stock	10,526	D	
6/12/98	3/15/03	Common Stock	17,938(6)	D	
6/12/98	3/15/05	Common Stock	2,718(6)	D	
6/12/98	3/15/05	Common Stock	2,530	D	
(3)	2/19/08	Common Stock	300,000	D	
4/1/99	3/15/03	Common Stock	1,370	D	
4/12/00	4/12/09	Common Stock	100,000	D	
7/1/99	3/15/03	Common Stock	647	D	
2/17/01	2/17/10	Common Stock	125,000	D	
4/1/00	3/15/03	Common Stock	923	D	
6/29/01	6/29/10	Common Stock	100,000	D	
7/01/00	3/15/03	Common Stock	1,446	D	
10/01/00	3/15/03	Common Stock	1,709	D	
01/01/01	3/15/03	Common Stock	2,477	D	
04/01/01	3/15/03	Common Stock	1,505		
07/01/01	3/15/03	Common Stock	698	D	
10/01/01	3/15/03	Common Stock	698	D	
01/01/02	3/15/03	Common Stock	833	D	
04/01/02	3/15/03	Common Stock	767	D	
07/01/02	3/15/03	Common Stock	901	D	
10/01/02	3/15/02	Common Stock	883	759,223	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 (11,028 shares of which are presently exercisable at \$1.34 per share and 10,526 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 (2,718 shares of which are presently exercisable at \$1.34 per share and 2,530 shares of which are presently exercisable at \$2.279 per share).
- (3) Options vest quarterly, with 25,000 options vesting every quarter effective May 1, 1998.
- (4) Options vest 25% annually.
- (5) Certain quarterly interest payments are paid in the form of convertible debentures.
- (6) Adjusted to reflect results of an anti-dilution calculation contained in the instrument.

/s/ Peter A. Clemens

October 2, 2002

**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 space is insufficient, *see* Instruction 6 for procedure.