

OMB APPROVAL
OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response...0.5

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 1/03 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		\$.58(6)		3/10/98			A			(1)	
	5% Convertible Senior Secured Debentures		\$.58(6)		6/12/98			A			(2)	
	Non-qualified Stock Options		\$2.375		2/19/98			A				
	5% Convertible Senior Secured Debentures		\$.47(6)		4/1/99			A			(5)	
	Non-qualified Stock Options		\$1.125		4/12/99			A			(4)	
	5% Convertible Senior Secured Debentures		\$1.06(6)		7/1/99			A			(5)	
	Non-qualified Stock Options		\$1.875		2/17/00			A			(4)	
	5% Convertible Senior Secured Debentures		\$.75(6)		4/1/00			A			(5)	
	Non-qualified Stock Options		\$1.1125		6/29/00			A			(4)	
	5% Convertible Senior Secured Debentures		\$.49(6)		7/1/00			A			(5)	
	5% Convertible Senior Secured Debentures		\$.40(6)		10/1/00			A			(5)	
	5% Convertible Senior Secured Debentures		\$.27(6)		01/01/01			A			(5)	
	5% Convertible Senior Secured Debentures		\$.45(6)		04/01/01			A			(5)	
	5% Convertible Senior Secured Debentures		\$.97(6)		07/01/01			A			(5)	
	5% Convertible Senior Secured Debentures		\$.97(6)		10/01/01			A			(5)	
	5% Convertible Senior Secured Debentures		\$.81(6)		01/01/02			A			(5)	
	5% Convertible Senior Secured Debentures		\$.88(6)		04/01/02			A			(5)	
	5% Convertible Senior Secured Debentures		\$.75(6)		07/01/02			A			(5)	
	5% Convertible Senior Secured Debentures		\$.76(6)		10/01/02			A			(5)	
	5% Convertible Senior Secured Debentures		\$1.02		1/01/03			A			(5)	
	Warrants		\$.57		12/20/02			D			J(7)	V
	Warrants		\$.92		12/20/02			D			J(7)	V
	Warrants		\$.57		12/20/02			D			J(7)	V
	Warrants		\$.92		12/20/02			D			J(7)	V

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	3/31/06	Common Stock	172,414(6)	D	
6/12/98	3/31/06	Common Stock	41,445(6)	D	
(3)	2/19/08	Common Stock	300,000	D	
4/1/99	3/31/06	Common Stock	3,300(6)	D	
4/12/00	4/12/09	Common Stock	100,000	D	
7/1/99	3/31/06	Common Stock	1,480(6)	D	
2/17/01	2/17/10	Common Stock	125,000	D	
4/1/00	3/31/06	Common Stock	2,120(6)	D	
6/29/01	6/29/10	Common Stock	100,000	D	
7/01/00	3/31/06	Common Stock	3,284(6)	D	
10/1/00	3/31/06	Common Stock	3,875(6)	D	
01/01/01	3/31/06	Common Stock	5,741(6)	D	
04/01/01	3/31/06	Common Stock	3,444(6)	D	
07/01/01	3/31/06	Common Stock	1,598(6)	D	
10/01/01	3/31/06	Common Stock	1,598(6)	D	
01/01/02	3/31/06	Common Stock	1,914(6)	D	
04/01/02	3/31/06	Common Stock	1,761(6)	D	
07/01/02	3/31/06	Common Stock	2,067(6)	D	
10/01/02	3/31/06	Common Stock	2,039(6)	D	
1/01/03	3/31/06	Common Stock	1,520	874,600	D
3/10/98	3/15/05	Common Stock	25,259(6)	0	D
3/10/98	3/15/05	Common Stock	24,696(6)	0	D
6/12/98	3/15/05	Common Stock	7,992(6)	0	D
6/12/98	3/15/05	Common Stock	7,814(6)	0	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.
- (2) Acquired pursuant to an option exercise in June 1998, consisting of a Convertible Debenture, convertible at any time.
- (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.
- (7) Pursuant to a recapitalization exempt under Rule 16b-7, the warrants were exchanged for shares of common stock.

/s/ Peter A. Clemens

January 6, 2003

**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.