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

FORM 4

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 1(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(f) of the Investment Company Act of 1940

1. Name and Address of Reporting Person

Clemens	Peter	A.
(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: HDGC

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

4. Statement for Month/Year

07/02

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

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

[X] Director [] 10% Owner
[X] Officer (give title below) [] Other (specify below)

Vice President & Chief Financial Officer

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

1. Title of Security (Instr. 3)	2. Transaction Date (mm/dd/yy)	3. Transaction Code (Instr. 8)	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)
		----- Code V	----- Amount or Price (D)			

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

(over)

* See footnote 2 on Table II
(Print or Type Responses)

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

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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 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	1.34 (6)	3/10/98	A	(1)	3/10/98	3/15/03	Common Stock	74,626 (6)		D	
Warrants	\$1.34 (6)	3/10/98	A	(1)	3/10/98	3/15/05	Common Stock	11,028 (6)		D	
Warrants	\$2.279	3/10/98	A	(1)	3/10/98	3/15/05	Common Stock	10,526		D	
5% Convertible Senior Secured Debentures	\$1.34 (6)	6/12/98	A	(2)	6/12/98	3/15/03	Common Stock	17,938 (6)		D	
Warrants	\$1.34 (6)	6/12/98	A	(2)	6/12/98	3/15/05	Common Stock	2,718 (6)		D	
Warrants	\$2.279	6/12/98	A	(2)	6/12/98	3/15/05	Common Stock	2,530		D	
Non-qualified Stock Options	\$2.375	2/19/98	A		(3)	2/19/08	Common Stock	300,000		D	
5% Convertible Senior Secured Debentures	\$1.1312	4/1/99	A	(5)	4/1/99	3/15/03	Common Stock	1,370		D	
Non-qualified Stock Options	\$1.125	4/12/99	A	(4)	4/12/00	4/12/09	Common Stock	100,000		D	
5% Convertible Senior Secured Debentures	\$2.4250	7/1/99	A	(5)	7/1/99	3/15/03	Common Stock	647		D	
Non-qualified Stock Options	\$1.875	2/17/00	A	(4)	2/17/01	2/17/10	Common Stock	125,000		D	
5% Convertible Senior Secured Debentures	\$1.722	4/1/00	A	(5)	4/1/00	3/15/03	Common Stock	923		D	
Non-qualified Stock Options	\$1.1125	6/29/00	A	(4)	6/29/01	6/29/10	Common Stock	100,000		D	
5% Convertible Senior Secured Debentures	\$1.1125	7/1/00	A	(5)	7/01/00	3/15/03	Common Stock	1,446		D	
5% Convertible Senior Secured Debentures	\$.9071	10/1/00	A	(5)	10/01/00	3/15/03	Common Stock	1,709		D	
5% Convertible Senior Secured Debentures	\$.6258	01/01/01	A	(5)	01/01/01	3/15/03	Common Stock	2,477		D	

5% Convertible Senior Secured Debentures	\$1.03	04/01/01	A	(5)	04/01/01	3/15/03	Common Stock	1,505		
5% Convertible Senior Secured Debentures	\$2.22	07/01/01	A	(5)	07/01/01	3/15/03	Common Stock	698		D
5% Convertible Senior Secured Debentures	\$2.22	10/01/01	A	(5)	10/01/01	3/15/03	Common Stock	698		D
5% Convertible Senior Secured Debentures	\$1.86	01/01/02	A	(5)	01/01/02	3/15/03	Common Stock	833		D
5% Convertible Senior Secured Debentures	\$2.02	04/01/02	A	(5)	04/01/02	3/15/03	Common Stock	767		D
5% Convertible Senior Secured Debentures	\$1.72	07/01/02	A	(5)	07/01/02	3/15/03	Common Stock	901	758,340	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.

By: /s/ Peter A. Clemens July 20, 2002

 Peter A. Clemens Date
 Signature of Reporting Person

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 provided is insufficient, see Instruction 6 for procedure.