

OMB NUMBER: 3235-0287
EXPIRES: FEBRUARY 1, 2001
ESTIMATED AVERAGE BURDEN
HOURS PER RESPONSE . . . . 1.0

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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(1) 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

Reicher Michael 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: HDGC

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

4. Statement for Month/Year

01/02

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)

Chief Executive Officer

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

Table with 7 columns: 1. Title of Security (Instr. 3), 2. Transaction Date (Month/Day Year), 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. Ownership Form: Direct (D) or Indirect (I) (Instr.4), 7. Nature of Beneficial Ownership (Instr. 4)

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

(over)

(Print or Type Responses) SFC 1474 (3/91)

\*See footnote 2 on Table II

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)		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 Deriv- ative Secur- ity (Instr. 5)	9. Number of Deriv- ative Secur- ities Bene- fici- ally 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)
			Code	V	(A)	(D)	Date	Expira- tion 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	213,675			D	
Warrants	\$ 1.404	3/10/98	A		(1)		3/10/98	3/15/05	Common Stock	32,375			D	
Warrants	\$ 2.279	3/10/98	A		(1)		3/10/98	3/15/05	Common Stock	31,579	277,629		D	
5% Convertible Senior Secured Debentures	\$ 1.404	6/12/98	A		(2)		6/12/98	3/15/03	Common Stock	51,363			D	
Warrants	\$ 1.404	6/12/98	A		(2)		6/12/98	3/15/05	Common Stock	7,782			D	
Warrants	\$ 2.279	6/12/98	A		(2)		6/12/98	3/15/05	Common Stock	7,590	344,364		D	
Non-qualified Stock Options	\$ 2.375	2/19/98	A				(3)	2/19/98	Common Stock	1,000,000	1,344,364		D	
5% Convertible Senior Secured Debentures	\$1.1312	4/1/99	A		(4)		4/1/99	3/15/03	Common Stock	4,111			D	
Non-qualified Stock Options	\$ 1.125	4/12/99	A		(5)		4/12/00	4/12/09	Common Stock	100,000	1,448,475		D	
5% Convertible Senior Secured Debentures	\$2.4250	7/1/99	A		(4)		7/1/99	3/15/03	Common Stock	1,939	1,450,414		D	
5% Convertible Senior Secured Debentures	\$2.3063	10/1/99	A		(4)		10/1/99	3/15/03	Common Stock	1,789	1,452,203		D	
Non-qualified Stock Options	\$ 1.875	2/17/00	A		(5)		2/17/01	2/17/10	Common Stock	125,000	1,577,203		D	
5% Convertible Senior Secured Debentures	\$ 1.722	4/1/00	A		(4)		4/1/00	3/15/03	Common Stock	1,440	1,578,643		D	
5% Convertible Senior Secured Debentures	\$ 1.404	3/10/98	A		(6)		3/10/98	3/15/03	Common Stock	(106,837)			D	
Warrants	\$ 1.404	3/10/98	A		(6)		3/10/98	3/15/05	Common Stock	(16,187)			D	
Warrants	\$ 2.279	3/10/98	A		(6)		3/10/98	3/15/05	Common Stock	(15,789)	1,439,830		D	

5% Convertible Senior Secured Debentures	\$ 1.404	6/12/98	A	(6)	6/12/98	3/15/03	Common Stock	(25,681)		D
Warrants	\$ 1.404	6/12/98	A	(6)	6/12/98	3/15/05	Common Stock	(3,891)		D
Warrants	\$ 2.279	6/12/98	A	(6)	6/12/98	3/15/05	Common Stock	(3,795)		D
Non-qualified Stock Options	\$1.1125	6/29/00	A	(5)	6/29/01	6/29/10	Common Stock	200,000	1,606,463	D
5% Convertible Senior Secured Debentures	\$1.1125	7/1/00	A	(4)	7/01/00	3/15/03	Common Stock	2,087	1,608,550	D
5% Convertible Senior Secured Debentures	\$ 1.404	6/12/98	A	(7)	6/12/98	3/15/03	Common Stock	(3,561)		D
5% Convertible Senior Secured Debentures	\$ 1.404	6/12/98	A	(7)	6/12/98	3/15/03	Common Stock	(3,561)		D
5% Convertible Senior Secured Debentures	\$ 1.404	6/12/98	A	(7)	6/12/98	3/15/03	Common Stock	(3,561)	1,597,867	D
5% Convertible Senior Secured Debentures	\$ .9071	10/1/00	A	(4)	10/01/00	3/15/03	Common Stock	2,592	1,600,459	D
5% Convertible Senior Secured Debentures	\$ 1.404	6/12/98	A	(7)	6/12/98	3/15/03	Common Stock	(3,561)		D
5% Convertible Senior Secured Debentures	\$ 1.404	6/12/98	A	(7)	6/12/98	3/15/03	Common Stock	(3,561)		D
5% Convertible Senior Secured Debentures	\$ 1.404	6/12/98	A	(7)	6/12/98	3/15/03	Common Stock	(3,561)	1,589,776	D
5% Convertible Senior Secured Debentures	\$ .6258	01/01/01	A	(4)	01/01/01	3/15/03	Common Stock	3,503	1,593,279	D
5% Convertible Senior Secured Debentures	\$ 1.03	04/01/01	A	(4)	04/01/01	3/15/03	Common Stock	2,156	1,595,435	D
5% Convertible Senior Secured Debentures	\$ 2.22	07/01/01	A	(4)	07/01/01	3/15/03	Common Stock	1,013	1,596,448	D
5% Convertible Senior Secured Debentures	\$ 2.22	10/01/01	A	(4)	10/01/01	3/15/03	Common Stock	1,026	1,597,474	D
5% Convertible Senior Secured Debentures	\$ 1.86	01/01/02	A	(4)	01/01/02	3/15/03	Common Stock	1,239	1,589,713	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 (32,375 shares of which are presently exercisable at \$1.404 per share and 31,579 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 share of common stock (7,782 shares of which are presently exercisable at \$1.404 per share and 7,590 shares of which are presently exercisable at \$2.279 per share)
- (3) Options vest quarterly, with 62,500 options vesting every quarter effective May 1, 1998.
- (4) Certain quarterly interest payments are paid in the form of convertible debentures.
- (5) Options vest 25% annually.
- (6) Transferred without consideration of as part of a settlement agreement contained within a QDRO.

(7) Transferred as gift without consideration.

By: /s/ Michael k. Reicher January 29, 2002

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Michael K. Reicher

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.