

# SECURITIES AND EXCHANGE COMMISSION

## FORM 4

Statement of changes in beneficial ownership of securities

Filing Date: **2001-08-03** | Period of Report: **2001-07-31**  
SEC Accession No. **0000950123-01-505048**

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### SUBJECT COMPANY

#### **HALSEY DRUG CO INC/NEW**

CIK: **786947** | IRS No.: **110853640** | State of Incorpor.: **NY** | Fiscal Year End: **1231**  
Type: **4** | Act: **34** | File No.: **001-10113** | Film No.: **01697043**  
SIC: **2834** Pharmaceutical preparations

Mailing Address  
*695 N. PERRYVILLE ROAD  
ROCKFORD IL 61107*

Business Address  
*1827 PACIFIC ST  
BROOKLYN NY 11233  
7184677500*

### REPORTING OWNER

#### **REICHER MICHAEL K**

CIK: **1056655**  
Type: **4**

Mailing Address  
*C/O HALSEY DRUG CO INC  
1827 PACIFIC ST  
BROOKLYN NY 11233*

Business Address  
*C/O HALSEY DRUG CO INC  
1827 PACIFIC ST  
BROOKLYN NY 11233  
7184677500*

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 BOX IF NO LONGER SUBJECT TO SECTION 16. FORM 4 OR FORM 5 OBLIGATIONS  
MAY CONTINUE. SEE INSTRUCTION 1(b).

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OMB APPROVAL  
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OMB NUMBER 3235-0287  
EXPIRES: FEBRUARY 1, 2001  
ESTIMATED AVERAGE BURDEN  
HOURS PER RESPONSE.....1.0  
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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  
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(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

Halsey Drug Co., Inc. Symbol: HDGC

3. IRS Identification Number of Reporting Person, if an Entity (Voluntary)

4. Statement for Month/Year

07/01

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

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

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<TABLE>  
<CAPTION>

2.	3.	4.	5.	6.	7.
Transaction Code	Transaction Code	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	Amount of Securities Beneficially Owned at End	Ownership Form: Direct (D) or Indirect	Nature of
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1. Title of Security (Instr. 3)	Transaction Date (mm/dd/yy)	(Instr. 8) Code	V	Amount	(A) or (D)	Price	of Month (Instr. 3 and 4)	Indirect (I) (Instr.4)	Beneficial Ownership (Instr. 4)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>

</TABLE>

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

(Print or Type Responses)

(Over)

SFC 1474 (3/91)

\*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)

<TABLE>  
<CAPTION>

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 or Disposed of (D) (Instr. 3, 4 and 5) (A) (D)	6. Date Exercisable and Expiration Date (Month/Day/Year) Date Expira- tion Exer- cisable	7. Title and Amount of Underlying Securities (Instr. 3 and 4) Amount or Number of Shares Title	8. Price of Deriv- ative Secur- ity (Instr. 5)	9. Number of Deriv- ative Secur- ities Bene- ficially Owned at End Month (Instr. 4)	10. Owner- ship Form of Deriv- ative Secur- ity: Direct (D) or In- direct (I) (Instr. 4)	11. Nature of Bene- ficial Owner- ship (Instr. 4)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
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)	2/19/08	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)	10/01/01	3/15/03	Common Stock	3,503	1,593,279	D
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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
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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
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</TABLE>

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 August 3, 2001

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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.