

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

SCHEDULE 13G

Information Statement Pursuant to Rules 13d-1 and 13d-2
Under the Securities Exchange Act of 1934
(Amendment No. 1)*

Atlantic Pharmaceuticals, Inc.

(Name of Issuer)

Common Stock

(Title of Class of Securities)

048785 10 9

(CUSIP Number)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

| | |
|---|--|
| 1 | NAME OF REPORTING PERSON S.S OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Joseph Stevens & Company, Inc. (successor to Joseph Stevens & Company, L.P.) |
| 2 | CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input type="checkbox"/> |
| 3 | SEC USE ONLY |
| 4 | CITIZENSHIP OR PLACE OF ORGANIZATION New York |
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 5 SOLE VOTING POWER 330,000 shares of Common Stock. See Item 4. |
| | 6 SHARED VOTING POWER |
| | 7 SOLE DISPOSITIVE POWER 330,000 shares of Common Stock. See Item 4. |
| | 8 SHARED DISPOSITIVE POWER |
| 9 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 330,000 shares of Common Stock. See Item 4. |
| 10 | CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES <input type="checkbox"/> |
| 11 | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9 9.9% of shares of Common Stock. See Item 4. |
| 12 | TYPE OF REPORTING PERSON BD |

| | |
|---|---|
| 1 | NAME OF REPORTING PERSON S.S OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Joseph Sorbara |
| 2 | CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) [] (b) [] |
| 3 | SEC USE ONLY |
| 4 | CITIZENSHIP OR PLACE OF ORGANIZATION United States |
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 5 SOLE VOTING POWER 330,000 shares of Common Stock. See Item 4. |
| | 6 SHARED VOTING POWER |
| | 7 SOLE DISPOSITIVE POWER 330,000 shares of Common Stock. See Item 4. |
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| 10 | CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES [] |
| 11 | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9 9.9% of shares of Common Stock. See Item 4. |
| 12 | TYPE OF REPORTING PERSON IN |

| | |
|---|---|
| 1 | NAME OF REPORTING PERSON S.S OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Steven Markowitz |
| 2 | CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) [] (b) [] |
| 3 | SEC USE ONLY |
| 4 | CITIZENSHIP OR PLACE OF ORGANIZATION United States |
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 5 SOLE VOTING POWER 330,000 shares of Common Stock. See Item 4. |
| | 6 SHARED VOTING POWER |
| | 7 SOLE DISPOSITIVE POWER 330,000 shares of Common Stock. See Item 4. |
| | 8 SHARED DISPOSITIVE POWER |
| 9 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 330,000 shares of Common Stock. See Item 4. |
| 10 | CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES [] |
| 11 | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9 9.9% of shares of Common Stock. See Item 4. |
| 12 | TYPE OF REPORTING PERSON IN |

ITEM 1.

- (a) Name of Issuer:
Atlantic Pharmaceuticals, Inc.

- (b) Address of Issuer's Principal Executive Offices:
142 Cypress Point Road
Half Moon Bay, California 94019

ITEM 2.

- (a) Name of Person Filing:
Joseph Stevens and Company, Inc. (successor to Joseph Stevens & Company, L.P.), Mr. Joseph Sorbara and Mr. Steven Markowitz

- (b) Address of Principal Business Office:
The principal business address for each of Joseph Stevens & Company, Inc. and Messrs. Sorbara and Markowitz is:
c/o Joseph Stevens & Company, Inc.
33 Maiden Lane
New York, New York 10038

- (c) Citizenship:
Joseph Stevens & Company, Inc. is incorporated in the state of New York. Mr. Sorbara and Mr. Markowitz are United States citizens

- (d) Title of Class of Securities:
Common Stock, \$.001 par value per share (the "Common Stock").

- (e) CUSIP Number:
048785 10 9

ITEM 3. If this statement is filed pursuant to Rule 13d-1(b), or 13d-2(b), check whether the person filing is a:

- (a) /X/ Broker or Dealer registered under Section 15 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). See Item 4.
- (b) / / Bank as defined in section 3(a)(6) of the Exchange Act.
- (c) / / Insurance Company as defined in section 3(a)(19) of the Exchange Act
- (d) / / Investment Company registered under section 8 of the Investment Company Act.
- (e) / / Investment Advisor registered under section 203 of the Investment Advisers Act of 1940.
- (f) / / Employee Benefit Plan, Pension Fund which is subject to the provisions of the Employee Retirement Income Security Act of 1974 or Endowment Fund; see ss.240.13d-1(b)(1)(ii)(F).
- (g) / / Parent Holding Company, in accordance with 240.13d-1(b)(ii)(G).
- (h) / / Group, in accordance with 240.13d-1(b)(1)(ii)(H).

ITEM 4. Ownership.

- (a) Amount Beneficially Owned:

As of December 31, 1997, Joseph Stevens & Company, Inc. owned warrants ("JSC Warrants") to purchase 165,000 units, each unit consisting of one share of Common Stock and one redeemable common stock purchase warrant ("Redeemable Warrants"). Each Redeemable Warrant entitled the holder to purchase an additional share of Common Stock. The JSC Warrants were exercisable commencing on December 14, 1996. Therefore as of December 31, 1997, Joseph Stevens & Company, Inc. beneficially owned 330,000 shares of Common Stock. Each of Messrs. Sorbara and Markowitz is a controlling shareholder, director and officer of Joseph Stevens & Company, Inc. Based upon the foregoing, as of December 31, 1997, each of Messrs. Sorbara and Markowitz individually beneficially owned 330,000 shares of Common Stock.

- (b) Percent of Class:

As of December 31, 1997, each of Joseph Stevens & Company, Inc., Mr. Sorbara and Mr. Markowitz was the beneficial owner of an aggregate of 330,000 shares of Common Stock, which constituted approximately 9.9% of the 3,016,920 shares of Common Stock outstanding as of September 30, 1997 (as reported in the Company's Form 10-KQS for the quarter ended September 30, 1996).

- (c) Number of shares as to which such person has:

- (i) Sole power to vote or direct the vote:

330,000 shares of Common Stock. See Item 4(a) above.

- (ii) Shared power to vote or direct the vote:

0 shares of Common Stock. See Item 4(a) above.

- (iii) Sole power to dispose or to direct the disposition of:

330,000 shares of Common Stock. See Item 4(a) above.

(iv) Shared power to dispose or to direct the disposition of:
 0 shares of Common Stock. See Item 4(a) above.

ITEM 5. Ownership of Five Percent or Less of a Class.
Not Applicable.

ITEM 6. Ownership of More than Five Percent on Behalf of Another
 Person.
Not Applicable.

ITEMS 7. Identification and Classification of the Subsidiary Which
 Acquired the Security Being Reported on By the Parent Holding
 Company.
Not Applicable.

ITEM 8. Identification and Classification of Members of the Group.
Not Applicable.

ITEM 9. Notice of Dissolution of Group.
Not Applicable.

ITEM 10.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired in the ordinary course of business and were not acquired for the purpose of and do not have the effect of changing or influencing the control of the issuer of such securities and were not acquired in connection with or as a participant in any transaction having such purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

January 23, 1998

(Date)

JOSEPH STEVENS & COMPANY, INC.

/s/Joseph Sorbara

Joseph Sorbara
Chief Executive Officer

January 23, 1998

(Date)

/s/Joseph Sorbara

(Signature)

Joseph Sorbara

(Name/Title)

January 23, 1998

(Date)

/s/Steven Markowitz

(Signature)

Steven Markowitz

(Name/Title)

EXHIBIT INDEX

| Exhibit No. | Title: | Sequentially Numbered Page on Which Exhibit Begins |
|-------------|--|---|
| 1. | Joint Filing Agreement pursuant to Rule 13d-1(f)(1) under the Securities Exchange Act of 1934, as amended, among Joseph Stevens & Company, Inc., Mr. Joseph Sorbara and Mr. Steven Markowitz | 10 |

EXHIBIT 1

Joint Filing Agreement pursuant to Rule 13d-1(f)(1) under the Securities Exchange Act of 1934, as amended.

Each of the undersigned hereby agrees to be included in the filing of the Schedule 13G dated January 23, 1998 with respect to the issued and outstanding Common Stock of Atlantic Pharmaceuticals, Inc. beneficially owned by each of the undersigned, respectively.

Dated: January 23, 1998

JOSEPH STEVENS & COMPANY, INC.

/s/Joseph Sorbara

Joseph Sorbara
Chief Executive Officer

/s/Joseph Sorbara

(Signature)

/s/Steven Markowitz

(Signature)