# SECURITIES AND EXCHANGE COMMISSION WASHINGTON, DC 20549

#### **SCHEDULE 13D**

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO RULE 13d-2(a)

(Amendment No. 26)1

PIZZA INN, INC.

(Name of Issuer)

#### COMMON STOCK, PAR VALUE \$0.01 PER SHARE

(Title of class of securities)

725848 10 5

(CUSIP Number)

Mark E. Schwarz Newcastle Capital Management, L.P. 200 Crescent Court, Suite 1400 Dallas, Texas 75201 (214) 661-7474

(Name, address and telephone number of person authorized to receive notices and communications)

January 7, 2011

(Date of event which requires filing of this statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(g), check the following box //.

Note. Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

(Continued on following pages)

(Page 1 of 14 Pages)

The information required on 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 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).

Page 1 of 14

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 disclosures provided in a prior cover page.

1	NAME OF REPORTING				
	I.R.S. IDENTIFICATION	N NOS. OF ABOVE PERSONS (ENTITIES ONLY)			
	NEWCASTLE PARTNERS, L.P.				
2	CHECK THE APPROPE	HATE BOX IF A MEMBER OF A			
	GROUP*				
			(a)o		
			(b)o		
3	SEC USE ONLY		(-)-		
3	SEC COE CIVET				
4	SOURCE OF FUNDS*				
4	WC				
5		OSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)			
5	CHECK BOX IF DISCL	OSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUAINT TO ITEM 2(II) OR 2(e)	_		
	CIENTED NO. DI AL	CE OF OR CANYELETON	0		
6	CITIZENSHIP OR PLAC	CE OF ORGANIZATION			
	TEXAS				
NUMBER OF	7	SOLE VOTING POWER			
SHARES					
BENEFICIALLY		1,729,771			
OWNED BY	8	SHARED VOTING POWER			
EACH					
REPORTING		- 0 -			
PERSON WITH	9	SOLE DISPOSITIVE POWER			
		1,729,771			
	10	SHARED DISPOSITIVE POWER			
		- 0 -			
11	AGGREGATE AMOUN	T BENEFICIALLY OWNED BY EACH REPORTING PERSON			
11		DETERMENT OF THE DI ENGINEE ORTHOTEROOM			
	1,729,771				
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*				
14	CHECK BOX IF THE A	OOKLOTTE TIMOON IN KOW (II) EXCEODES CERTAIN SHAKES	0		
13	DEDCENT OF CLASS F	EPRESENTED BY AMOUNT IN ROW (11)			
15	PERCENT OF CLASS F	EFRESENTED DI AMUUNI IN KUW (II)			
	21.60/				
	21.6%	DED CON-			
14	TYPE OF REPORTING	PERSON*			
	PN				

1	NAME OF REPORTING			
	I.R.S. IDENTIFICATIOIN	NOS. OF ABOVE PERSONS (ENTITIES ONLY)		
	NEWCASTLE CAPITAL MANAGEMENT, L.P.			
2	CHECK THE APPROPRI	ATE BOX IF A MEMBER OF A GROUP*		
			(a)o	
			(b)o	
3	SEC USE ONLY			
4	SOURCE OF FUNDS*			
	00			
5	CHECK BOX IF DISCLO	SURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)		
			0	
6	CITIZENSHIP OR PLAC	E OF ORGANIZATION		
	TEXAS			
NUMBER OF	7	SOLE VOTING POWER		
SHARES		4 = 40 040		
BENEFICIALLY		1,746,819		
OWNED BY	8	SHARED VOTING POWER		
EACH REPORTING				
PERSON WITH		- 0 -		
PERSON WITH	9	SOLE DISPOSITIVE POWER		
		1.746.010		
	10	1,746,819 SHARED DISPOSITIVE POWER		
	10	SHARED DISPOSITIVE POWER		
		-0-		
11	ACCRECATE AMOUNT	BENEFICIALLY OWNED BY EACH REPORTING PERSON		
11	AGGREGATE AMOUNT	DETERIGINED DI ENGIRED ONTING I EROON		
	1,746,819			
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*			
			Ω	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)			
15				
	21.8%			
14	12.11	TYPE OF REPORTING PERSON*		
	PN			
	+			

1	NAME OF REPORTING	PERSONS	
	I.R.S. IDENTIFICATIOIN NOS. OF ABOVE PERSONS (ENTITIES ONLY)		
	NEWCASTLE CAPITAL GROUP, L.L.C.		
2	CHECK THE APPROPR	HATE BOX IF A MEMBER OF A GROUP*	
			(a)o
			(b)o
3	SEC USE ONLY		
4	SOURCE OF FUNDS*		
	00		
5	CHECK BOX IF DISCL	OSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)	
			0
6	CITIZENSHIP OR PLAC	CE OF ORGANIZATION	
	TEXAS		
NUMBER OF	7	SOLE VOTING POWER	
SHARES			
BENEFICIALLY		1,746,819	
OWNED BY	8	SHARED VOTING POWER	
EACH			
REPORTING		-0-	
PERSON WITH	9	SOLE DISPOSITIVE POWER	
		1,746,819	
	10	SHARED DISPOSITIVE POWER	
		-0-	
11	AGGREGATE AMOUN	T BENEFICIALLY OWNED BY EACH REPORTING PERSON	
	1,746,819		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*		
			0
13	PERCENT OF CLASS R	EPRESENTED BY AMOUNT IN ROW (11)	
	21.8%		
14	TYPE OF REPORTING	PERSON*	
	00		
	1		

	NAME OF BEROPE	NO DEDGOVO	
1	NAME OF REPORTI		
	I.R.S. IDENTIFICATI	ON NOS. OF ABOVE PERSONS (ENTITIES ONLY)	
	MARK E. SCHWARZ	7	
2		DPRIATE BOX IF A MEMBER OF A GROUP*	
2	CHECK THE ATTIC	I MALE DOX IF A MEMBER OF A GROOT	(a)o
			(b)o
3	SEC USE ONLY		(-)-
4	SOURCE OF FUNDS	3*	
	OO, PF		
5	CHECK BOX IF DIS	CLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)	
_			0
6	CITIZENSHIP OR PI	LACE OF ORGANIZATION	
	USA		
NUMBER OF	7 7	SOLE VOTING POWER	
SHARES	/	SOLE VOTINGTOWER	
BENEFICIALLY		1,912,662	
OWNED BY	8	SHARED VOTING POWER	
EACH			
REPORTING		- 0 -	
PERSON WITH	9	SOLE DISPOSITIVE POWER	
		1.010.000	
	10	1,912,662 SHARED DISPOSITIVE POWER	
	10	SHARED DISPOSITIVE POWER	
		-0-	
11	AGGREGATE AMO	UNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	
	1,912,662		
12	CHECK BOX IF THI	E AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*	
	O		
13	PERCENT OF CLAS	S REPRESENTED BY AMOUNT IN ROW (11)	
	23.9%		
14	TYPE OF REPORTIN	JG PERSON*	
17	111L OI KLI OKIII	TO LEIGOTT	
	IN		

1	NAME OF REPORTIN	G PERSONS		
	I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)			
	NEWCASTLE FOCUS FUND II, L.P.			
2		RIATE BOX IF A MEMBER OF A GROUP*		
_			(a)o	
			(b)o	
3	SEC USE ONLY		(5)5	
	SEC COE CIVET			
4	SOURCE OF FUNDS*			
<b>"</b>	00			
5		LOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)		
5	CHECK BOX IF DISC	LOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(ti) OR 2(e)		
	CITIZENCIUS OS SI	CE OF ORCANIZATION	0	
6	CITIZENSHIP OR PLA	ACE OF ORGANIZATION		
	TTT A C			
	TEXAS	COVE VOCENIC POVER		
NUMBER OF	7	SOLE VOTING POWER		
SHARES				
BENEFICIALLY		17,048		
OWNED BY	8	SHARED VOTING POWER		
EACH				
REPORTING		- 0 -		
PERSON WITH	9	SOLE DISPOSITIVE POWER		
		17,048		
	10	SHARED DISPOSITIVE POWER		
		- 0 -		
11	AGGREGATE AMOU	NT BENEFICIALLY OWNED BY EACH REPORTING PERSON		
	17,048			
12	CHECK BOX IF THE	AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*		
		• •	0	
13	PERCENT OF CLASS	REPRESENTED BY AMOUNT IN ROW (11)		
	Less than 1%			
14	TYPE OF REPORTING F	PERSON*		
	PN			

1 NAME OF REPORTING PERSONS 1.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  CLINTON J. COLEMAN 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*  (a)0 (b)0  3 SEC USE ONLY  4 SOURCE OF FUNDS* OO. PF 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)  6 CITIZENSHIP OR PLACE OF ORGANIZATION USA  NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH 9 SOLE VOTING POWER  107,259 10 SHARED DISPOSITIVE POWER  107,259 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 107,259 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  0 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 1.3%					
CLINTON J. COLEMAN  CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*  (a)0 (b)0  3 SEC USE ONLY  4 SOURCE OF FUNDS* OO, PF  5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)  6 CITIZENSHIP OR PLACE OF ORGANIZATION USA  NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH  9 SOLE DISPOSITIVE POWER  107,259  10 SHARED DISPOSITIVE POWER  -0-  11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 107,259  12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  0  13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 1.3%	1				
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*   (a)0 (b)0 (b)0 (c)0 (c)0 (c)0 (c)0 (c)0 (c)0 (c)0 (c		I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)			
2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*  (a)0 (b)0  3 SEC USE ONLY  4 SOURCE OF FUNDS* OO, PF  5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)  6 CITIZENSHIP OR PLACE OF ORGANIZATION USA  NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH  9 SOLE VOTING POWER  107,259  10 SHARED DISPOSITIVE POWER  107,259  11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  107,259  12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  0  13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)		CLINTON I COLEN	AAN		
3 SEC USE ONLY  4 SOURCE OF FUNDS* OO, PF  5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)  6 CITIZENSHIP OR PLACE OF ORGANIZATION USA  NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH  9 SOLE VOTING POWER  -0- 107,259  10 SHARED DISPOSITIVE POWER -0- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 107,259  12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  0  13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	2				
SEC USE ONLY  4 SOURCE OF FUNDS* OO, PF  5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)  6 CITIZENSHIP OR PLACE OF ORGANIZATION USA  NUMBER OF SHARES BENEFICIALLY OWED BY EACH REPORTING PERSON WITH  9 SOLE DISPOSITIVE POWER  107,259  10 SHARED DISPOSITIVE POWER  107,259  11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  0  13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	_	CHECK THE ZITTE	STABLE BOX II TIMEMBER OF THOROUT	(a)o	
4 SOURCE OF FUNDS* OO, PF  5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)  6 CITIZENSHIP OR PLACE OF ORGANIZATION  USA  NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH  9 SOLE VOTING POWER  -0 -  107,259  10 SHARED DISPOSITIVE POWER  -107,259  11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  0  13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)					
OO, PF CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)  6 CITIZENSHIP OR PLACE OF ORGANIZATION USA  NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH  9 SOLE VOTING POWER  107,259  10 SHARED DISPOSITIVE POWER  107,259  11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  1107,259  12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  0 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  1.3%	3	SEC USE ONLY			
OO, PF CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)  6 CITIZENSHIP OR PLACE OF ORGANIZATION USA  NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH  9 SOLE VOTING POWER  107,259  10 SHARED DISPOSITIVE POWER  107,259  11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  1107,259  12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  0 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  1.3%	4	COLIDCE OF FUND	r.		
5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)  6 CITIZENSHIP OR PLACE OF ORGANIZATION  USA  NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH  9 SOLE DISPOSITIVE POWER  107,259  10 SHARED DISPOSITIVE POWER  - 0 -  11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  107,259  12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  0  13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  1.3%	4	SOURCE OF FUNDS			
5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)  6 CITIZENSHIP OR PLACE OF ORGANIZATION  USA  NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH  9 SOLE DISPOSITIVE POWER  107,259  10 SHARED DISPOSITIVE POWER  - 0 -  11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  107,259  12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  0  13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  1.3%		OO, PF			
NUMBER OF   SHARES   BENEFICIALLY   107,259	5		SCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)		
NUMBER OF   SHARES   BENEFICIALLY   107,259				0	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH  9 SOLE DISPOSITIVE POWER  107,259  10 SHARED DISPOSITIVE POWER  - 0 -  11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  107,259  12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  0  PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  1.3%	6	CITIZENSHIP OR P	LACE OF ORGANIZATION		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH  9 SOLE DISPOSITIVE POWER  107,259  10 SHARED DISPOSITIVE POWER  - 0 -  11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  107,259  12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  0  PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  1.3%		IISA			
BENEFICIALLY   107,259     8	NUMBER OF		SOLE VOTING POWER		
OWNED BY EACH REPORTING PERSON WITH  9 SOLE DISPOSITIVE POWER  107,259  10 SHARED DISPOSITIVE POWER  - 0 -  11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  107,259  12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  0  13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  1.3%					
EACH REPORTING PERSON WITH  9 SOLE DISPOSITIVE POWER  107,259  10 SHARED DISPOSITIVE POWER  - 0 -  11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  107,259  12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  0  13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  1.3%	_				
REPORTING PERSON WITH  9 SOLE DISPOSITIVE POWER  107,259  10 SHARED DISPOSITIVE POWER  -0-  11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  107,259  12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  0  13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  1.3%		8	SHARED VOTING POWER		
107,259  10 SHARED DISPOSITIVE POWER  - 0 -  11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  107,259  12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  0  13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  1.3%			-0-		
10 SHARED DISPOSITIVE POWER  - 0 -  11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  107,259  12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  0  13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  1.3%	PERSON WITH	9	SOLE DISPOSITIVE POWER		
10 SHARED DISPOSITIVE POWER  - 0 -  11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  107,259  12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  0  13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  1.3%					
11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  107,259  12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  0  13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  1.3%		10			
11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  107,259  12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  0  13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  1.3%		10	SHARED DISPOSITIVE POWER		
107,259 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  0 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  1.3%			-0-		
12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  0 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  1.3%	11	AGGREGATE AMO	UNT BENEFICIALLY OWNED BY EACH REPORTING PERSON		
12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  0 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  1.3%		407.070			
13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  1.3%	12	-	E A CODEC ATE A MOUNT IN DOM (44) EVOLUDES CEDTAIN SHADES*		
1.3%	12	CHECK BUX IF IH.	E AGGREGATE AMOUNT IN KOW (11) EACLUDES CERTAIN SHARES*	n	
1.3%	13	PERCENT OF CLAS	SS REPRESENTED BY AMOUNT IN ROW (11)		
****					
	4.4		N/G DEDCOM*		
14 TYPE OF REPORTING PERSON*	14	I YPE OF REPORTI	NG PERSUN*		
IN		IN			

		nen cons		
1	NAME OF REPORTING			
	I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)			
	HALLMADIZ EINANCIAL SEDVICES INC			
	HALLMARK FINANCIAL SERVICES, INC.			
2	CHECK THE APPROPR	RIATE BOX IF A MEMBER OF A GROUP*		
			(a)o	
2	CEC LICE ONLY	(b)		
3	SEC USE ONLY			
4	SOURCE OF FUNDS*			
4	SOURCE OF FUNDS.			
	00			
5		OSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)		
		2222 22 22012 110 3222 110 30 12 12 12 12 12 11 2 11	0	
6	CITIZENSHIP OR PLAC	CE OF ORGANIZATION		
	NEVADA			
NUMBER OF	7	SOLE VOTING POWER		
SHARES				
BENEFICIALLY		647,284		
OWNED BY	8	SHARED VOTING POWER		
EACH				
REPORTING		-0-		
PERSON WITH	9	SOLE DISPOSITIVE POWER		
		647,284		
	10	SHARED DISPOSITIVE POWER		
	10	OILINED DIOI COITIVE I OWER		
		-0-		
11	AGGREGATE AMOUN	T BENEFICIALLY OWNED BY EACH REPORTING PERSON		
		- · · · · · · · · · · · · · · · · · · ·		
	647,284			
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*			
		· ·	0	
13	PERCENT OF CLASS R	EPRESENTED BY AMOUNT IN ROW (11)		
	8.1%			
14	TYPE OF REPORTING	PERSON*		
	IC, CO			

1	NAME OF REPORTIN	G PERSONS		
	I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)			
	AMERICAN HALLMARK INSURANCE COMPANY OF TEXAS			
2	CHECK THE APPRO	OPRIATE BOX IF A MEMBER OF A GROUP*		
			(a)o	
			(b)o	
3	SEC USE ONLY		(5)5	
3	SEC USE OINLI			
4	SOURCE OF FUNDS*			
4	SOURCE OF FUNDS			
	WC, OO			
Г		I OCUDE OF LECAL PROCEEDINGS IS DECLUDED DURSULANT TO ITEM 2(1) OR 2(-)		
5	CHECK BOX IF DISC	LOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)		
	CITIZENCINE OF PL	A CELOF OR CANUTATION	0	
6	CITIZENSHIP OR PLA	ACE OF ORGANIZATION		
	TEXAS			
NUMBER OF	7	SOLE VOTING POWER		
SHARES				
BENEFICIALLY		647,284		
OWNED BY	8	SHARED VOTING POWER		
EACH				
REPORTING		- 0 -		
PERSON WITH	9	SOLE DISPOSITIVE POWER		
		647,284		
	10	SHARED DISPOSITIVE POWER		
		- 0 -		
11	AGGREGATE AMOU	NT BENEFICIALLY OWNED BY EACH REPORTING PERSON		
	647,284			
12	CHECK BOX IF THE	AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*		
			0	
13	PERCENT OF CLASS	REPRESENTED BY AMOUNT IN ROW (11)		
15				
	8.1%			
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The following statement constitutes Amendment No. 26 to the Schedule 13D filed by the undersigned (the "Statement"). Except as specifically amended by this Amendment No. 26, the Statement remains in full force and effect.

#### Item 3. Source and Amount of Funds

Item 3 is hereby amended and restated in its entirety as follows:

As of the filing date of this Statement, NP had invested \$4,446,101 (inclusive of brokerage commissions) in shares of Common Stock. The source of the foregoing funds was the working capital of NP. Neither NCG nor NCM directly owns any shares of Common Stock.

As of the filing date of this Statement, Mr. Schwarz had invested \$127,470 (inclusive of brokerage commissions) in shares of Common Stock. The source of the foregoing funds was the personal funds of Mr. Schwarz. Mr. Schwarz also directly owns options exercisable within 60 days from the date hereof into 110,000 shares of Common Stock, which options were granted to him as consideration for his service as a director of the Issuer.

As of the filing date of this Statement, NFF had invested \$43,272 (inclusive of brokerage commissions) in shares of Common Stock. Such amount represents the share contribution by Mr. Schwarz to NFF as of July 9, 2010.

As of the filing date of this Statement, Mr. Coleman had invested \$64,108 (inclusive of brokerage commissions) in shares of Common Stock. The source of the foregoing funds was the personal funds of Mr. Coleman. Mr. Coleman also directly owns options exercisable within 60 days from the date hereof into 71,506 shares of Common Stock, which options were granted to him as consideration for his service as a director of the Issuer.

As of the filing date of this Statement, AHIC had invested \$849,176 (inclusive of brokerage commissions) in shares of Common Stock. The source of the foregoing funds was the working capital of AHIC. Hallmark does not directly own any shares of Common Stock.

#### Item 5. <u>Interest in Securities of the Issuer</u>

Items 5(a)-(b) are hereby amended in their entirety to read as follows:

(a). The aggregate percentage of shares of Common Stock reported to be owned by the Reporting Persons is based upon 8,010,919 shares of Common Stock outstanding as of November 3, 2010 as reported in the Company's Form 10-Q as filed with the Securities and Exchange Commission on November 9, 2010.

As of the filing date of this Statement, NP beneficially owned 1,729,771 shares of Common Stock, representing approximately 21.6% of the issued and outstanding Common Stock.

NCM, as the general partner of NP and NFF, may be deemed to beneficially own the 1,729,771 shares of Common Stock beneficially owned by NP and the 17,048 shares of Common Stock beneficially owned by NFF, representing in total approximately 21.8% of the issued and outstanding Common Stock.

NCG, as the general partner of NCM, which in turn is the general partner of NP and NFF, may also be deemed to beneficially own the 1,729,771 shares of Common Stock beneficially owned by NP and the 17,048 shares of Common Stock beneficially owned by NFF, representing in total approximately 21.8% of the issued and outstanding Common Stock.

Mark E. Schwarz, as the managing member of NCG, the general partner of NCM, which in turn is the general partner of NP and NFF, may also be deemed to beneficially own the 1,729,771 shares of Common Stock beneficially owned by NP and the 17,048 shares of Common Stock beneficially owned by NFF. In addition, as of the filing date of this Statement, Mr. Schwarz directly owns 55,843 shares of Common Stock and 110,000 shares of Common Stock underlying currently exercisable stock options. In total, Mr. Schwarz may be deemed to own shares representing approximately 23.9% of the issued and outstanding Common Stock.

As of the filing date of this Statement, NFF beneficially owned 17,048 shares of Common Stock, representing less than 1% of the issued and outstanding Common Stock.

As of the filing date of this Statement, Mr. Coleman beneficially owned 35,753 shares of Common Stock and 71,506 shares of Common Stock underlying currently exercisable stock options, representing in total approximately 1.3% of the issued and outstanding Common Stock.

As of the filing date of this Statement, AHIC beneficially owned 647,284 shares of Common Stock, representing approximately 8.1% of the issued and outstanding Common Stock. Hallmark, as the parent of AHIC, may also be deemed to beneficially own the 647,284 shares of Common Stock beneficially by AHIC, representing approximately 8.1% of the issued and outstanding Common Stock.

The filing of this Statement and any future amendment by the Reporting Persons, and the inclusion of information herein and therein, shall not be considered an admission that any of such persons, for the purpose of Section 13(d) of the Act, or otherwise, are the beneficial owners of any shares of Common Stock in which such persons do not have a pecuniary interest.

(b). By virtue of his position with NP, NFF, NCM and NCG, Mr. Schwarz has the sole power to vote and to dispose of the shares of Common Stock owned by NP reported in this Statement. Mr. Schwarz has the sole power to vote and to dispose of the shares of Common Stock he holds directly reported in this Statement. Mr. Coleman has the sole power to vote and dispose of the shares of Common Stock he holds directly reported in this Statement. AHIC has the sole power to vote and dispose of the shares of Common Stock owned by AHIC.

Items 5(c) is hereby amended to add the following:

(c). During the past sixty days, the following transactions by the Reporting Persons were effected: (1) on January 7, 2011, NP effected a distribution of a total of 107,105 shares of Common Stock to limited partners of NP in satisfaction of redemption requests as of December 31, 2010 and (2) the purchase transactions set forth on Schedule A (which were effected in the open market).

#### **SIGNATURES**

After due inquiry and to the best of his knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: January 11, 2011

#### NEWCASTLE PARTNERS, L.P.

By: Newcastle Capital Management, L.P., its

general partner

By: Newcastle Capital Group, L.L.C., its

general partner

By: /s/ Mark E. Schwarz

Mark E. Schwarz, Managing Member

#### NEWCASTLE CAPITAL MANAGEMENT, L.P.

By: Newcastle Capital Group, L.L.C., its

general partner

By: /s/ Mark E. Schwarz

Mark E. Schwarz, Managing Member

NEWCASTLE CAPITAL GROUP, L.L.C.

By: /s/ Mark E. Schwarz

Mark E. Schwarz, Managing Member

<u>/s/ Mark E. Schwarz</u> MARK E. SCHWARZ

## NEWCASTLE FOCUS FUND II, L.P.

By: Newcastle Capital Management, L.P., its

general partner

By: Newcastle Capital Group, L.L.C., its

general partner

By: /s/ Mark E. Schwarz

Mark E. Schwarz, Managing Member

/s/ Clinton J. Coleman CLINTON J. COLEMAN

#### HALLMARK FINANCIAL SERVICES, INC.

By: <u>/s/ Mark E. Schwarz</u> Name: Mark E. Schwarz

Title: Chairman

## AMERICAN HALLMARK INSURANCE COMPANY OF TEXAS

By: <u>/s/ Mark E. Schwarz</u> Name: Mark E. Schwarz

Title: Director

## Schedule A

## Transactions in the Common Stock During the Past 60 Days

## American Hallmark Insurance Company of Texas

Transaction Date Buy/Sell		Quantity (Shares)	Price (\$)
12/7/10	Buy	6,000	1.89
12/23/10	Buy	14,000	1.89