

SCHEDULE 13D

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

(Amendment No. 26)<sup>1</sup>

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(f) or 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)

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<sup>1</sup> 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.

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).

1	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  NEWCASTLE PARTNERS, L.P.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* <span style="float: right;">&lt; /div&gt;</span>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS* WC	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)	
6	CITIZENSHIP OR PLACE OF ORGANIZATION  TEXAS	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER  1,729,771
	8	SHARED VOTING POWER  - 0 -
	9	SOLE DISPOSITIVE POWER  1,729,771
	10	SHARED DISPOSITIVE POWER  - 0 -
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  1,729,771	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  21.6%	
14	TYPE OF REPORTING PERSON*  PN	

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

1	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  NEWCASTLE CAPITAL MANAGEMENT, 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	SOURCE OF FUNDS*  OO	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)  <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION  TEXAS	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER  1,746,819
	8	SHARED VOTING POWER  - 0 -
	9	SOLE DISPOSITIVE POWER  1,746,819
	10	SHARED DISPOSITIVE POWER  - 0 -
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  1,746,819	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  21.8%	
14	TYPE OF REPORTING PERSON*  PN	

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

1	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  NEWCASTLE CAPITAL GROUP, L.L.C.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*  (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS*  OO	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)  <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION  TEXAS	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER  1,746,819
	8	SHARED VOTING POWER  - 0 -
	9	SOLE DISPOSITIVE POWER  1,746,819
	10	SHARED DISPOSITIVE POWER  - 0 -
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  1,746,819	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  21.8%	
14	TYPE OF REPORTING PERSON*  OO	

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

1	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  MARK E. SCHWARZ	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*  <span style="float: right;">(a) <input type="checkbox"/></span> <span style="float: right;">(b) <input type="checkbox"/></span>	
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)  <span style="float: right;">(a) <input type="checkbox"/></span> <span style="float: right;">(b) <input type="checkbox"/></span>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION  USA	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER  1,912,662
	8	SHARED VOTING POWER  - 0 -
	9	SOLE DISPOSITIVE POWER  1,912,662
	10	SHARED DISPOSITIVE POWER  - 0 -
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  1,912,662	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  <span style="float: right;">(a) <input type="checkbox"/></span> <span style="float: right;">(b) <input type="checkbox"/></span>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  23.9%	
14	TYPE OF REPORTING PERSON*  IN	

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

1	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  NEWCASTLE FOCUS FUND II, L.P.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*  <span style="float: right;">(a) <input type="checkbox"/></span> <span style="float: right;">(b) <input type="checkbox"/></span>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS* OO	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)  <span style="float: right;">(a) <input type="checkbox"/></span>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION  TEXAS	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER  17,048
	8	SHARED VOTING POWER  - 0 -
	9	SOLE DISPOSITIVE POWER  17,048
	10	SHARED DISPOSITIVE POWER  - 0 -
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  17,048	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  <span style="float: right;">(a) <input type="checkbox"/></span>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  Less than 1%	
14	TYPE OF REPORTING PERSON*  PN	

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1	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  CLINTON J. COLEMAN	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*  (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
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)  <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION  USA	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER  107,259
	8	SHARED VOTING POWER  - 0 -
	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*  <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  1.3%	
14	TYPE OF REPORTING PERSON*  IN	

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

1	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  HALLMARK FINANCIAL SERVICES, INC.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*  <span style="float: right;">(a) <input type="checkbox"/></span> <span style="float: right;">(b) <input type="checkbox"/></span>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS*  OO	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)  <span style="float: right;"><input type="checkbox"/></span>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION  NEVADA	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER  647,284
	8	SHARED VOTING POWER  - 0 -
	9	SOLE DISPOSITIVE POWER  647,284
	10	SHARED DISPOSITIVE POWER  - 0 -
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  647,284	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  <span style="float: right;"><input type="checkbox"/></span>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  8.1%	
14	TYPE OF REPORTING PERSON*  IC, CO	

\*SEE INSTRUCTIONS BEFORE FILLING OUT!



1	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  AMERICAN HALLMARK INSURANCE COMPANY OF TEXAS	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*  <span style="float: right;">(a) <input type="checkbox"/> (b) <input type="checkbox"/></span>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS*  WC, OO	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)  <span style="float: right;">(a) <input type="checkbox"/> (b) <input type="checkbox"/></span>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION  TEXAS	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER  647,284
	8	SHARED VOTING POWER  - 0 -
	9	SOLE DISPOSITIVE POWER  647,284
	10	SHARED DISPOSITIVE POWER  - 0 -
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  647,284	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*  <span style="float: right;">(a) <input type="checkbox"/> (b) <input type="checkbox"/></span>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  8.1%	
14	TYPE OF REPORTING PERSON*  IC, CO	

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

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. Interest in Securities of the Issuer**

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

/s/ Mark E. Schwarz  
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: /s/ Mark E. Schwarz  
Name: Mark E. Schwarz  
Title: Chairman

AMERICAN HALLMARK INSURANCE COMPANY OF TEXAS

By: /s/ Mark E. Schwarz  
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

