

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

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. 2)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)

STEVEN WOLOSKY, ESQ.  
OLSHAN GRUNDMAN FROME ROSENZWEIG & WOLOSKY LLP  
505 Park Avenue  
New York, New York 10022  
(212) 753-7200

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

January 3, 2003

(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 1

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 10 Pages)

1 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).

CUSIP No. 725848 10 5

13D

Page 2 of 10 pages

1 NAMES 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\* (a) / /  
(b) / /

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  
3,307,200

8 SHARED VOTING POWER  
0

9 SOLE DISPOSITIVE POWER  
3,307,200

10 SHARED DISPOSITIVE POWER  
0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
3,307,200

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES\* / /

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
32.9%

14 TYPE OF REPORTING PERSON\*

PN

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

1 NAMES 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) / /  
(b) / /

3 SEC USE ONLY

4 SOURCE OF FUNDS\*

00

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 7 SOLE VOTING POWER  
3,307,200

OWNED BY  
EACH  
REPORTING  
PERSON WITH

8 SHARED VOTING POWER

0

9 SOLE DISPOSITIVE POWER

3,307,200

10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING  
PERSON

3,307,200

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES  
CERTAIN SHARES\*

/ /

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

32.9%

14 TYPE OF REPORTING PERSON\*

CO

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\*SEE INSTRUCTIONS BEFORE FILLING OUT!

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CUSIP No. 725848 10 5

13D

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Page 4 of 10 pages

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1 NAMES 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) / /  
(b) / /

3 SEC USE ONLY

4 SOURCE OF FUNDS\*

00

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 7 SOLE VOTING POWER

SHARES 3,307,200

BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON WITH

8 SHARED VOTING POWER

0

9 SOLE DISPOSITIVE POWER

3,307,200

10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,307,200

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES\*

/ /

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

32.9%

14 TYPE OF REPORTING PERSON\*

PN

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 725848 10 5

13D

Page 5 of 10 pages

1 NAMES 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\*

(a) / /

(b) / /

3 SEC USE ONLY

4 SOURCE OF FUNDS\*

00

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

/ /

6 CITIZENSHIP OR PLACE OF ORGANIZATION

U.S. Citizen

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH 7 SOLE VOTING POWER 3,307,200

8 SHARED VOTING POWER

0

9 SOLE DISPOSITIVE POWER

3,307,200

10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,307,200

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES\*

/ /

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

32.9%

14 TYPE OF REPORTING PERSON\*

IN

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1	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)	
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STEVEN PULLY

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2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*	(a) / / (b) / /
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3	SEC USE ONLY	
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4	SOURCE OF FUNDS*	
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5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)	/ /
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6	CITIZENSHIP OR PLACE OF ORGANIZATION	
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U.S. Citizen

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NUMBER OF	7	SOLE VOTING POWER	
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SHARES

BENEFICIALLY

OWNED BY

EACH

REPORTING

PERSON WITH

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8	SHARED VOTING POWER	
---	---------------------	--

0

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9	SOLE DISPOSITIVE POWER	
---	------------------------	--

0

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10	SHARED DISPOSITIVE POWER	
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0

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11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	
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0

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12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*	/ /
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13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	
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0.0%

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14	TYPE OF REPORTING PERSON*	
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IN



Dated: January 7, 2003

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 Schwarz

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Mark Schwarz, Managing Member

NEWCASTLE CAPITAL MANAGEMENT, L.P.

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

By: /s/ Mark Schwarz

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Mark Schwarz, Managing Member

NEWCASTLE CAPITAL GROUP, L.L.C.

By: /s/ Mark Schwarz

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Mark Schwarz, Managing Member

/s/ Mark Schwarz

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MARK SCHWARZ

/s/ Steven Pully

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STEVEN PULLY

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CUSIP No. 725848 10 5

13D

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Page 10 of 10 pages

SCHEDULE A

Transactions in the Common Stock Since the Filing of Amendment No. 1 to Schedule 13D

-----  
Shares of Common Stock  
Purchased

Price Per  
Share(\$)  
-----

Date of  
Purchase  
-----

Newcastle Partners, L.P.

29,500  
2,905,000 (1)

\$2.50  
\$2.56

December 31, 2002  
January 3, 2003

(1) Purchased through exercise of an option pursuant to the Omnibus Agreement dated as of December 6, 2002 between C. Jeffrey Rogers and Newcastle Partners, L.P.