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. 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

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. 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	7 SOLE VOTING POWER	
SHARES BENEFICIALLY OWNED BY	3,307,200	
EACH REPORTING		
PERSON WITH	8 SHARED VOTING POWER	
	0	
	9 SOLE DISPOSITIVE POWER	
	3,307,200	
	10 SHARED DISPOSITIVE POWER	
	Θ	
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)	
10	32.9%	
	52.3%	
14	TYPE OF REPORTING PERSON*	
14	TYPE OF REPORTING PERSON*	
14	TYPE OF REPORTING PERSON*	
	TYPE OF REPORTING PERSON* PN *SEE INSTRUCTIONS BEFORE FILLING OUT!	
	TYPE OF REPORTING PERSON* PN *SEE INSTRUCTIONS BEFORE FILLING OUT! 348 10 5 13D Page 3 of	
USIP No. 725	TYPE OF REPORTING PERSON* PN *SEE INSTRUCTIONS BEFORE FILLING OUT! 348 10 5 13D Page 3 of	10 pages
USIP No. 725	TYPE OF REPORTING PERSON* PN *SEE INSTRUCTIONS BEFORE FILLING OUT! 348 10 5 13D Page 3 of	10 pages
USIP No. 725	TYPE OF REPORTING PERSON* PN *SEE INSTRUCTIONS BEFORE FILLING OUT! 348 10 5 13D Page 3 of	10 pages
USIP No. 725	TYPE OF REPORTING PERSON* PN *SEE INSTRUCTIONS BEFORE FILLING OUT! 348 10 5 13D Page 3 of NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY NEWCASTLE CAPITAL GROUP, L.L.C. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*	10 pages
USIP No. 725	TYPE OF REPORTING PERSON* PN *SEE INSTRUCTIONS BEFORE FILLING OUT! 348 10 5 13D Page 3 of DAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY NEWCASTLE CAPITAL GROUP, L.L.C.	10 pages
USIP No. 725 1 2 3	TYPE OF REPORTING PERSON* PN *SEE INSTRUCTIONS BEFORE FILLING OUT! B48 10 5 13D Page 3 of AMMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY NEWCASTLE CAPITAL GROUP, L.L.C. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*	10 pages
USIP No. 725 1 2 3	TYPE OF REPORTING PERSON* PN *SEE INSTRUCTIONS BEFORE FILLING OUT! 348 10 5 13D Page 3 of NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY NEWCASTLE CAPITAL GROUP, L.L.C. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* SEC USE ONLY	10 pages
USIP No. 725 1 2 3	TYPE OF REPORTING PERSON* PN *SEE INSTRUCTIONS BEFORE FILLING OUT! 348 10 5 13D Page 3 of AMMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY NEWCASTLE CAPITAL GROUP, L.L.C. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* SEC USE ONLY SOURCE OF FUNDS* 00 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO TTEM 2(d) OR 2(e)	10 pages =======) (a) / / (b) / /
USIP No. 725 1 2 3 4	TYPE OF REPORTING PERSON* PN *SEE INSTRUCTIONS BEFORE FILLING OUT! 348 10 5 13D Page 3 of A48 10 5 13D Page 3 of A	10 pages =======) (a) / / (b) / /
USIP No. 7253 1 2 3 4 5	TYPE OF REPORTING PERSON* PN *SEE INSTRUCTIONS BEFORE FILLING OUT! 348 10 5 13D Page 3 of AMMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY NEWCASTLE CAPITAL GROUP, L.L.C. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* SEC USE ONLY SOURCE OF FUNDS* 00 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) CITIZENSHIP OR PLACE OF ORGANIZATION	10 pages =======) (a) / / (b) / /
USIP No. 7253 1 2 3 4 5 6	TYPE OF REPORTING PERSON* PN *SEE INSTRUCTIONS BEFORE FILLING OUT! 348 10 5 13D Page 3 of AAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY NEWCASTLE CAPITAL GROUP, L.L.C. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* SEC USE ONLY SOURCE OF FUNDS* 00 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) CITIZENSHIP OR PLACE OF ORGANIZATION TEXAS	10 pages
USIP No. 725 1 2 3 4 5	TYPE OF REPORTING PERSON* PN *SEE INSTRUCTIONS BEFORE FILLING OUT! 348 10 5 13D Page 3 of A48 10 5 13D Page 3 of NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY NEWCASTLE CAPITAL GROUP, L.L.C. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* SEC USE ONLY SOURCE OF FUNDS* 00 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) CITIZENSHIP OR PLACE OF ORGANIZATION TEXAS	10 pages

OWNED BY EACH REPORTING PERSON WITH _____ 8 SHARED VOTING POWER 0 _____ 9 SOLE DISPOSITIVE POWER 3,307,200 ----------SHARED DISPOSITIVE POWER 10 0 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING 11 PERSON 3,307,200 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES 12 CERTAIN SHARES* 11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 13 32.9% TYPE OF REPORTING PERSON* 14 CO _____ *SEE INSTRUCTIONS BEFORE FILLING OUT! ----------CUSIP No. 725848 10 5 13D Page 4 of 10 pages ----------______ NAMES OF REPORTING PERSONS 1 I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) NEWCASTLE CAPITAL MANAGEMENT, L.P. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* 2 (a) / / (b) / / SEC USE ONLY 3 _____ 4 SOURCE OF FUNDS* 00 _____ CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) 5 // 6 CITIZENSHIP OR PLACE OF ORGANIZATION TEXAS 7 SOLE VOTING POWER NUMBER OF SHARES BENEFICIALLY 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					
	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*	/ /				
	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 32.9%					
14	TYPE OF REPORTING PERSON*					
	PN					
*SEE INSTRUCTIONS BEFORE FILLING OUT!						
CUSIP No. 725	 848 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) / /				
	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					
	7 SOLE VOTING POWER					
SHARES BENEFICIALLY OWNED BY EACH	3,307,200					
REPORTING PERSON WITH	8 SHARED VOTING POWER					
	Θ					
	9 SOLE DISPOSITIVE POWER					
	3,307,200					
	10 SHARED DISPOSITIVE POWER					
	0					
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON					
	3,307,200					
	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*	/ /				
	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 32.9%					
14	TYPE OF REPORTING PERSON*					
	IN					

-----------13D CUSIP No. 725848 10 5 Page 6 of 10 pages ______ 1 NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) STEVEN PULLY 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) / / (b) / / _____ 3 SEC USE ONLY _____ 4 SOURCE OF FUNDS* 00 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED 5 PURSUANT TO ITEM 2(d) OR 2(e) 11 6 CITIZENSHIP OR PLACE OF ORGANIZATION U.S. Citizen NUMBER OF 7 SOLE VOTING POWER SHARES BENEFICIALLY 0 OWNED BY EACH REPORTING PERSON WITH 8 SHARED VOTING POWER 0 _____ 9 SOLE DISPOSITIVE POWER 0 _____ 10 SHARED DISPOSITIVE POWER 0 -----11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 0 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* 11 _____ 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 0.0% _____ 14 TYPE OF REPORTING PERSON* ΙN *SEE INSTRUCTIONS BEFORE FILLING OUT! 13D CUSIP No. 725848 10 5 Page 7 of 10 pages -----------

The following statement constitutes Amendment No. 2 to the Schedule 13D filed by the undersigned (the "Statement"). Except as specifically amended by this Amendment No. 2, the Statement remains in full force and effect. Item 3 is hereby amended in its entirety to read as follows:

On January 3, 2003, Newcastle Partners, L.P. ("NP") exercised an option to acquire 2,905,000 shares of Common Stock pursuant to the Omnibus Agreement dated as of December 6, 2002 between NP and C. Jeffrey Rogers. The net investment cost (including commissions, if any) of the shares of Common Stock held directly by NP was approximately \$8,115,811.95, all of which was obtained from NP's working capital. None of NCG, NCM, Mr. Schwarz or Mr. Pully directly owns any shares of Common Stock.

Item 5(a) is hereby amended in its entirety to read as follows:

(a) As of the filing date of this Statement, NP beneficially owned 3,307,200 shares of Common Stock, representing approximately 32.9% of the Company's issued and outstanding Common Stock.

Newcastle Capital Management, L.P. ("NCM"), as the general partner of NP, may be deemed to beneficially own the 3,307,200 shares of Common Stock beneficially owned by NP, representing approximately 32.9% of the issued and outstanding Common Stock of the Company.

Newcastle Capital Group, L.L.C. ("NCG"), as the general partner of NCM, which in turn is the general partner of NP, may also be deemed to beneficially own the 3,307,200 shares of Common Stock beneficially owned by NP, representing approximately 32.9% of the issued and outstanding Common Stock of the Company.

Mark Schwarz, as the managing member of NCG, the general partner of NCM, which in turn is the general partner of NP, may also be deemed to beneficially own the 3,307,200 shares of Common Stock beneficially owned by NP, representing approximately 32.9% of the issued and outstanding Common Stock of the Company.

Steven Pully currently does not own any shares of Common Stock.

Item 5(b) is hereby amended in its entirety to read as follows:

(b) By virtue of his position with NP, NCG and NCM, Mark Schwarz has the sole power to vote and dispose of 3,307,200 shares of Common Stock or 32.9% of the issued and outstanding shares of Common Stock.

 CUSIP No. 725848 10 5
 13D
 Page 8 of 10 pages

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

(c) Schedule A annexed hereto lists all transactions by the Reporting Persons in the Company's Common Stock since the filing of Amendment No. 1 to Schedule 13D. The 29,500 shares of Common Stock purchased on December 31, 2002 was effected in the open market. The 2,905,000 shares of Common Stock purchased on January 3, 2003 was effected through the exercise of an option to acquire 2,905,000 shares of Common Stock pursuant to the Omnibus Agreement dated as of December 6, 2002 between NP and C. Jeffrey Rogers.

[Signature Page Follows]

CUSIP No. 725848 10 5

13D

Page 9 of 10 pages

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 7, 2003	NEWCASTLE PARTNERS, L.P.				
	By: Newcastle Capital Ma general partner By: Newcastle Capital Gr				
	general partner				
	By: /s/ Mark Schwarz				
	Mark Schwarz, Managi NEWCASTLE CAPITAL MANAGE	-			
	By: Newcastle Capital Gr				
	general partner	ουρ, Ε.Ε.Ο., ΙΕς			
	By: /s/ Mark Schwarz				
	Mark Schwarz, Managi				
	NEWCASTLE CAPITAL GROUP,	L.L.C.			
	By: /s/ Mark Schwarz				
	Mark Schwarz, Managi	ng Member			
	/s/ Mark Schwarz				
	MARK SCHWARZ				
	/s/ Steven Pully				
	STEVEN PULLY				
CUSIP No. 725848 10 5	13D	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.