

PENN TREATY AMERICAN CORP  
Form SC 13D/A  
February 14, 2011

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

**SCHEDULE 13D**

**Under the Securities Exchange Act of 1934  
(Amendment No. 2)\***

Penn Treaty American Corporation

(Name of Issuer)

Common Stock

(Title of Class of Securities)

707874400

(CUSIP Number)

Taylor H. Wilson, Esq.

Haynes and Boone, LLP

2323 Victory Avenue, Suite 700

Dallas, Texas 75219-7673

(214) 651-5615

(Name, Address and Telephone Number of Person Authorized to  
Receive Notices and Communications)

November 2, 2010

(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 §§240.13d-1(e), 240.13d-1(f) or 240.13d-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.

\* 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 ( 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).

CUSIP No. 707874400

NAMES OF REPORTING PERSONS

1

Atlas Advantage Master Fund, L.P.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2

(a)

(b)

SEC USE ONLY

3

SOURCE OF FUNDS (SEE INSTRUCTIONS)

4

WC

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

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Cayman Islands

SOLE VOTING POWER

7

NUMBER OF 638,446

SHARED VOTING POWER

SHARES BENEFICIALLY OWNED BY 8

0

SOLE DISPOSITIVE POWER

EACH REPORTING 9

PERSON 638,446

WITH SHARED DISPOSITIVE POWER

10

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

638,446

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

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

2.7%

14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

PN

---

CUSIP No. 707874400

NAMES OF REPORTING PERSONS

1

Atlas Capital L.P.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2

(a)

(b)

SEC USE ONLY

3

SOURCE OF FUNDS (SEE INSTRUCTIONS)

4

WC

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

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Texas

SOLE VOTING POWER

7

NUMBER OF 539,845

SHARED VOTING POWER

SHARES BENEFICIALLY OWNED BY 8

0

SOLE DISPOSITIVE POWER

EACH REPORTING 9

PERSON 539,845

WITH SHARED DISPOSITIVE POWER

10

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

539,845

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

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

2.3%

14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

PN

---

CUSIP No. 707874400

NAMES OF REPORTING PERSONS

1

Atlas Capital Management, L.P.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2

(a)

(b)

SEC USE ONLY

3

SOURCE OF FUNDS (SEE INSTRUCTIONS)

4

AF

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

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Texas

SOLE VOTING POWER

7

NUMBER OF 1,178,291

SHARED VOTING POWER

SHARES BENEFICIALLY OWNED BY 8

0

SOLE DISPOSITIVE POWER

EACH REPORTING 9

PERSON 1,178,291

WITH SHARED DISPOSITIVE POWER

10

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,178,291

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

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

5.1%

14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

PN/IA/HC

---

CUSIP No. 707874400

NAMES OF REPORTING PERSONS

1

RHA, Inc.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2

(a)

(b)

SEC USE ONLY

3

SOURCE OF FUNDS (SEE INSTRUCTIONS)

4

AF

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

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Texas

SOLE VOTING POWER

7

NUMBER OF 1,178,291

SHARED VOTING POWER

SHARES BENEFICIALLY OWNED BY 8

0

SOLE DISPOSITIVE POWER

EACH REPORTING 9



PERSON 1,178,291

WITH SHARED DISPOSITIVE POWER

10

0

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

1,178,291

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

12

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

5.1%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

14

CO/HC

---

CUSIP No. 707874400

NAMES OF REPORTING PERSONS

1

Robert H. Alpert

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2

(a)

(b)

SEC USE ONLY

3

SOURCE OF FUNDS (SEE INSTRUCTIONS)

4

AF

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

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

United States

SOLE VOTING POWER

7

NUMBER OF 1,178,291

SHARED VOTING POWER

SHARES BENEFICIALLY OWNED BY 8

0

SOLE DISPOSITIVE POWER

EACH REPORTING 9

PERSON 1,178,291

WITH SHARED DISPOSITIVE POWER

10

0

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

1,178,291

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

12

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

5.1%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

14

IN/HC

---

This Amendment No. 2 to Schedule 13D (this Amendment) is filed by and on behalf of each of the reporting persons to amend the Schedule 13D related to the common stock of the issuer filed with the Commission on July 10, 2009, as amended and/or supplemented by Amendment No. 1 to the Schedule 13D filed on April 8, 2010 by the reporting persons with the Commission (as amended, the Schedule 13D). Each capitalized term used and not defined in this Amendment shall have the meaning assigned to such term in the Schedule 13D. Except as provided herein, each Item of the Schedule 13D remains unchanged.

**Item 2. Identity and Background.**

Item 2 of the Schedule 13D is hereby amended and restated in its entirety as follows:

The name of each person filing this statement and the place of organization or citizenship of such reporting person is stated in Items 1 and 6 on the cover pages hereto. The principal business of each of Atlas Advantage Master Fund, L.P. and Atlas Capital L.P. (collectively, the Atlas Funds) is making investments. Atlas Capital Management, L.P. is the general partner of, and serves as investment adviser to, Atlas Capital, and also serves as an investment adviser to Atlas Advantage Master Fund. Because of the relationships described herein, Atlas Capital Management may be deemed to control each of the Atlas Funds and beneficially own securities owned by each of the Atlas Funds. The principal business of Atlas Capital Management is investment management. RHA, Inc. is the general partner of Atlas Capital Management and may be deemed to control each of the Atlas Funds and Atlas Capital Management and beneficially own securities owned by each of the Atlas Funds and Atlas Capital Management. The principal business of RHA is serving as the general partner of Atlas Capital Management. Robert H. Alpert (i) is the president and sole director of RHA and (ii) may be deemed to control each of the Atlas Funds, Atlas Capital Management and RHA and beneficially own securities owned by each of the Atlas Funds, Atlas Capital Management and RHA. The present principal occupation of Mr. Alpert is serving as the president and sole director of RHA. The address of the principal office or business address of each reporting person is 8214 Westchester Drive, Suite 650, Dallas, Texas 75225. During the last five years, no reporting person has been convicted in a criminal proceeding, or was a party to a civil proceeding, required to be disclosed herein.

**Item 3. Source and Amount of Funds or Other Consideration.**

Item 3 of the Schedule 13D is hereby amended and restated in its entirety as follows:

The reporting persons have acquired an aggregate of 1,178,291 shares of common stock of the issuer, which are reported herein, in multiple open market transactions for an aggregate purchase price of approximately \$95,865 (\$0.08 per share) (excluding commissions). The source of funds for the purchase of common stock of the issuer was the general working capital of the Atlas Funds.

**Item 5. Interest in Securities of the Issuer.**

Item 5(c) of the Schedule 13D is hereby amended and restated in its entirety as follows:

(c) Transactions in the class of securities reported on that were effected by the reporting persons during the sixty days prior to November 2, 2010, and thereafter through the date of filing of this Amendment, are described below.

Transaction Date	Effecting Person(s)	Shares Acquired	Shares Disposed	Price Per Share (1)	Description of Transaction
11/02/2010	Atlas Capital L.P.		117,400	\$ 0.15	Open Market
11/02/2010	Atlas Capital L.P.		46,300	\$ 0.14	Open Market
11/03/2010	Atlas Capital L.P.		114,600	\$ 0.15	Open Market
11/15/2010	Atlas Capital L.P.		229,100	\$ 0.15	Open Market
11/02/2010	Atlas Advantage Master Fund, L.P.		54,700	\$ 0.14	Open Market
11/02/2010	Atlas Advantage Master Fund, L.P.		132,600	\$ 0.15	Open Market
11/03/2010	Atlas Advantage Master Fund, L.P.		135,400	\$ 0.15	Open Market
11/15/2010			270,900	\$ 0.15	Open Market

Atlas Advantage Master Fund,  
L.P.

(1) Price per share excludes commissions.

---

Except as otherwise described herein, no transactions in class of securities reported on were effected by any reporting person during the sixty days prior to November 2, 2010, and thereafter through the date of filing of this Amendment.

**Item 7. Material to be Filed as Exhibits.**

Item 7 of the Schedule 13D is hereby amended and restated in its entirety as follows:

The following exhibits are filed as exhibits hereto:

<b>Exhibit</b>	<b>Description of Exhibit</b>
<b>24.10</b>	Joint Filing Agreement (furnished herewith)
<b>99.10</b>	Letter to the board of directors of the issuer, dated July 10, 2009 (incorporated herein by reference from Exhibit 99.1 to the Schedule 13D related to the common stock of the issuer filed July 10, 2009 by the reporting persons with the Commission)

---

**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.

Date: February 9, 2011

ATLAS ADVANTAGE MASTER FUND, L.P.

By: Atlas Capital Management, L.P., its  
Investment Adviser

By: RHA, Inc., its General Partner

By: /s/ Robert H. Alpert

Name: Robert H. Alpert

Title: President

ATLAS CAPITAL L.P.

By: Atlas Capital Management, L.P., its  
General Partner

By: RHA, Inc., its General Partner

By: /s/ Robert H. Alpert

Name: Robert H. Alpert

Title: President

ATLAS CAPITAL MANAGEMENT, L.P.

By: RHA, Inc., its General Partner

By: /s/ Robert H. Alpert

Name: Robert H. Alpert

Title: President

RHA, INC.

By: /s/ Robert H. Alpert

Name: Robert H. Alpert

Title: President

ROBERT H. ALPERT

By: /s/ Robert H. Alpert

Name: Robert H. Alpert

**EXHIBIT INDEX**

<b>Exhibit</b>	<b>Description of Exhibit</b>
<b>24.10</b>	Joint Filing Agreement (furnished herewith)
<b>99.10</b>	Letter to the board of directors of the issuer, dated July 10, 2009 (incorporated herein by reference from Exhibit 99.1 to the Schedule 13D related to the common stock of the issuer filed July 10, 2009 by the reporting persons with the Commission)