

ATLAS CAPITAL QP LP
Form SC 13G/A
February 14, 2007

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

SCHEDULE 13G

**Under the Securities Exchange Act of 1934
(Amendment No. 1)***

Penn Treaty American Corporation
(Name of Issuer)
Common Stock
(Title of Class of Securities)
707874103
(CUSIP Number)
December 31, 2006
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

* 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 the disclosures provided in a prior cover page.

The information required in 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. 707874103

1 NAMES OF REPORTING PERSONS:

Atlas Advantage Master Fund, L.P.

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

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

(a)

(b)

3 SEC USE ONLY:

4 CITIZENSHIP OR PLACE OF ORGANIZATION:

Cayman Islands

SOLE VOTING POWER:

5

NUMBER OF 836,099

SHARED VOTING POWER:

6

SHARES BENEFICIALLY OWNED BY 0

SOLE DISPOSITIVE POWER:

7

EACH REPORTING PERSON 836,099

SHARED DISPOSITIVE POWER:

8

0

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

836,099

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9):

3.6%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

PN

CUSIP No. 707874103

NAMES OF REPORTING PERSONS:

1

Atlas Allocation Fund, L.P.

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

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

2

(a)

(b)

SEC USE ONLY:

3

CITIZENSHIP OR PLACE OF ORGANIZATION:

4

Texas

SOLE VOTING POWER:

5

NUMBER OF 49,017

SHARED VOTING POWER:

SHARES BENEFICIALLY OWNED BY 6 0

SOLE DISPOSITIVE POWER:

EACH REPORTING PERSON 7 49,017

SHARED DISPOSITIVE POWER:

WITH: 8 0

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

9

49,017

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9):

0.2%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

PN

CUSIP No. 707874103

1 NAMES OF REPORTING PERSONS:

Atlas Capital (Q.P.), L.P.

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

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

(a)

(b)

3 SEC USE ONLY:

4 CITIZENSHIP OR PLACE OF ORGANIZATION:

Texas

5 SOLE VOTING POWER:

NUMBER OF 99,459

6 SHARED VOTING POWER:

SHARES BENEFICIALLY OWNED BY 0

7 SOLE DISPOSITIVE POWER:

EACH REPORTING PERSON 99,459

8 SHARED DISPOSITIVE POWER:

WITH: 0

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

99,459

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9):

0.4%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

PN

CUSIP No. 707874103

NAMES OF REPORTING PERSONS:

1

Atlas Capital ID Fund, L.P.

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

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

2

(a)

(b)

SEC USE ONLY:

3

CITIZENSHIP OR PLACE OF ORGANIZATION:

4

Texas

SOLE VOTING POWER:

5

NUMBER OF 10,512

SHARED VOTING POWER:

SHARES BENEFICIALLY OWNED BY 6 0

SOLE DISPOSITIVE POWER:

EACH REPORTING PERSON 7 10,512

SHARED DISPOSITIVE POWER:

WITH: 8 0

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

9

10,512

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9):

0.1%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

PN

CUSIP No. 707874103

1 NAMES OF REPORTING PERSONS:

Atlas Capital Master Fund, L.P.

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

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

(a)

(b)

3 SEC USE ONLY:

4 CITIZENSHIP OR PLACE OF ORGANIZATION:

Cayman Islands

SOLE VOTING POWER:

5

NUMBER OF 209,082

SHARED VOTING POWER:

6

SHARES BENEFICIALLY OWNED BY 0

SOLE DISPOSITIVE POWER:

7

EACH REPORTING PERSON 209,082

SHARED DISPOSITIVE POWER:

8

0

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

209,082

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9):

0.9%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

PN

CUSIP No. 707874103

1 NAMES OF REPORTING PERSONS:

Atlas Capital Offshore Exempt Fund, Ltd.

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

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

(a)

(b)

3 SEC USE ONLY:

4 CITIZENSHIP OR PLACE OF ORGANIZATION:

Cayman Islands

SOLE VOTING POWER:

5

NUMBER OF 0

SHARED VOTING POWER:

6

SHARES BENEFICIALLY OWNED BY 0

SOLE DISPOSITIVE POWER:

7

EACH REPORTING PERSON 0

SHARED DISPOSITIVE POWER:

8

WITH: 0

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

0

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9):

0.0%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

OO

CUSIP No. 707874103

1 NAMES OF REPORTING PERSONS:

Atlas Capital Management, L.P.

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

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

(a)

(b)

3 SEC USE ONLY:

4 CITIZENSHIP OR PLACE OF ORGANIZATION:

Texas

5 SOLE VOTING POWER:

NUMBER OF 1,204,169

6 SHARED VOTING POWER:

SHARES BENEFICIALLY OWNED BY 0

7 SOLE DISPOSITIVE POWER:

EACH REPORTING PERSON 1,204,169

8 SHARED DISPOSITIVE POWER:

WITH: 0

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

1,204,169

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9):

5.2%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

PN/IA

CUSIP No. 707874103

NAMES OF REPORTING PERSONS:

1

RHA, Inc.

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

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

2

(a)

(b)

SEC USE ONLY:

3

CITIZENSHIP OR PLACE OF ORGANIZATION:

4

Texas

SOLE VOTING POWER:

5

NUMBER OF 1,204,169

SHARED VOTING POWER:

SHARES BENEFICIALLY OWNED BY 6

0

SOLE DISPOSITIVE POWER:

EACH REPORTING PERSON 7

1,204,169

SHARED DISPOSITIVE POWER:

WITH: 8

0

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

9

1,204,169

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9):

5.2%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

CO

CUSIP No. 707874103

NAMES OF REPORTING PERSONS:

1

Robert H. Alpert

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

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

2

(a)

(b)

SEC USE ONLY:

3

CITIZENSHIP OR PLACE OF ORGANIZATION:

4

United States

SOLE VOTING POWER:

5

NUMBER OF 1,204,169

SHARED VOTING POWER:

SHARES BENEFICIALLY OWNED BY 6

0

SOLE DISPOSITIVE POWER:

EACH REPORTING PERSON 7

1,204,169

SHARED DISPOSITIVE POWER:

WITH: 8

0

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

9

1,204,169

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9):

5.2%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

IN

Item 1.

(a) Name of Issuer

Penn Treaty American Corporation

(b) Address of Issuer's Principal Executive Offices

3440 Lehigh Street, Allentown, Pennsylvania 18103

Item 2.

(a) Name of Person Filing

This statement is filed by and on behalf of: (i) Atlas Advantage Master Fund, L.P. (Advantage Fund); (ii) Atlas Allocation Fund, L.P. (Allocation Fund); (iii) Atlas Capital (Q.P.), L.P. (Q.P. Fund); (iv) Atlas Capital ID Fund, L.P. (ID Fund); (v) Atlas Capital Master Fund, L.P. (Master Fund); (vi) Atlas Capital Offshore Exempt Fund, Ltd. (Offshore Exempt Fund); (vii) Atlas Capital Management, L.P. (Atlas Management); (viii) RHA, Inc. (RHA); and (ix) Robert H. Alpert. Advantage Fund, Allocation Fund, Q.P. Fund, ID Fund, Master Fund, and Offshore Exempt Fund may be referred to herein, each, as an Atlas Fund and, collectively, as the Atlas Funds.

Atlas Management is the general partner of, and serves as an investment adviser to, Allocation Fund, Q.P. Fund, ID Fund, and Master Fund. Atlas Management serves as an investment adviser to Advantage Fund and Offshore Exempt Fund. Because of the relationships described herein, Atlas Management may be deemed to have or share voting and/or investment (including dispositive) power with respect to shares of common stock of the issuer (Shares) owned and/or held by or for the account or benefit of each Atlas Fund.

RHA is the general partner of Atlas Management. Because of the relationships described herein, RHA may be deemed to have or share voting and/or investment (including dispositive) power with respect to Shares owned and/or held by or for the account or benefit of Atlas Management.

Mr. Alpert is the President and sole director of RHA. Mr. Alpert also is a director of Offshore Exempt Fund. Because of the relationships described herein, Mr. Alpert may be deemed to have or share voting and/or investment (including dispositive) power with respect to Shares owned and/or held by or for the account or benefit of RHA and Offshore Exempt Fund.

Each of the reporting persons declares that neither the filing of this statement nor anything herein shall be construed as an admission that such person is, for the purposes of Sections 13(d) or 13(g) of the Act, the beneficial owner of any securities covered by this statement.

(b) Address of Principal Business Office or, if none, Residence

The address of the principal business office of each of the reporting persons is 100 Crescent Court, Suite 880, Dallas, Texas 75201.

(c) Citizenship

See the disclosure provided in response to Item 4 on the attached cover page(s).

(d) Title of Class of Securities

Common Stock, \$0.10 par value per share, of Penn Treaty American Corporation

(e) CUSIP Number

707874103

Item 3. If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is:

- (a) A Broker or dealer registered under Section 15 of the Act (15 U.S.C. 78o).
- (b) A Bank as defined in Section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c) An insurance company as defined in Section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d) An investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e) An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);
- (f) An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with §240.13d-1(b)(1)(ii)(G);
- (h) A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) A group, in accordance with §240.13d-1(b)(1)(ii)(J).

Item 4. Ownership.

(a) Amount beneficially owned:

See the disclosure provided in response to Item 9 on the attached cover page(s).

(b) Percent of class:

See the disclosure provided in response to Item 11 on the attached cover page(s).

(c) Number of shares as to which such person has:

(i) Sole power to vote or to direct the vote:

See the disclosure provided in response to Item 5 on the attached cover page(s).

(ii) Shared power to vote or to direct the vote:

See the disclosure provided in response to Item 6 on the attached cover page(s).

(iii) Sole power to dispose or to direct the disposition of:

See the disclosure provided in response to Item 7 on the attached cover page(s).

(iv) Shared power to dispose or to direct the disposition of:

See the disclosure provided in response to Item 8 on the attached cover page(s).

Item 5. Ownership of 5% or Less of a Class.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following o.

Item 6. Ownership of More than 5 Percent on Behalf of Another Person

Each Atlas Fund may have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, Shares owned and/or held by or for the account or benefit of such Atlas Fund. Each Atlas Fund is identified in Item 2 of this statement.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person.

Not Applicable

Item 8. Identification and Classification of Members of the Group

Each of the reporting persons declares that neither the filing of this statement nor anything herein shall be construed as an admission that such person is, for the purposes of Sections 13(d) or 13(g) of the Act, (i) acting (or has agreed or is agreeing to act together with any other person) as a partnership, limited partnership, syndicate, or other group for the purpose of acquiring, holding, or disposing of securities of the issuer or otherwise with respect to the issuer or any securities of the issuer or (ii) a member of any group with respect to the issuer or any securities of the issuer.

Item 9. Notice of Dissolution of Group

Each of the reporting persons declares that neither the filing of this statement nor anything herein shall be construed as an admission that such person is, for the purposes of Sections 13(d) or 13(g) of the Act, (i) acting (or has agreed or is agreeing to act together with any other person) as a partnership, limited partnership, syndicate, or other group for the purpose of acquiring, holding, or disposing of securities of the issuer or otherwise with respect to the issuer or any securities of the issuer or (ii) a member of any group with respect to the issuer or any securities of the issuer.

Item 10. Certifications

(a) Not Applicable

(b) By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

Each reporting person certifies that, after reasonable inquiry and to the best of such reporting person's knowledge and belief, the information set forth in this statement is true, complete and correct.

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

Date: February 14, 2007

Atlas Allocation Fund, 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

Date: February 14, 2007

Atlas Capital (Q.P.), 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

Date: February 14, 2007

Atlas Capital ID Fund, 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

Date: February 14, 2007

Atlas Capital Master Fund, 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

Date: February 14, 2007

Atlas Capital Offshore Exempt Fund, Ltd.

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

Date: February 14, 2007

Atlas Capital Management, L.P.

By: RHA, Inc., its General Partner

By: /s/ Robert H. Alpert

Name: Robert H. Alpert

Title: President

Date: February 14, 2007

RHA, Inc.

By: /s/ Robert H. Alpert

Name: Robert H. Alpert

Title: President

Date: February 14, 2007

Robert H. Alpert

By: /s/ Robert H. Alpert

Date: February 14, 2007

EXHIBIT INDEX

| Exhibit No. | Description of Exhibit |
|--------------------|--|
| 99.1 | Joint Filing Agreement dated August 18, 2006 among Atlas Advantage Master Fund, L.P., Atlas Allocation Fund, L.P., Atlas Capital (Q.P.), L.P., Atlas Capital ID Fund, L.P., Atlas Capital Master Fund, L.P., Atlas Capital Offshore Exempt Fund, Ltd., Atlas Capital Management, L.P., RHA, Inc., and Robert H. Alpert |

EXHIBIT 99.1
JOINT FILING AGREEMENT
August 18, 2006

Pursuant to and in accordance with the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, each party hereto hereby agrees to the joint filing, on behalf of each of them, of any filing required by such party under Section 13 or Section 16 of the Exchange Act or any rule or regulation thereunder (including any amendment, supplement, and/or exhibit thereto) with the Securities and Exchange Commission (and, if such security is registered on a national securities exchange or national securities association, also with the exchange or association), and further agrees to the filing and/or incorporation by reference of this Joint Filing Agreement as an exhibit thereto. This Joint Filing Agreement shall remain in full force and effect until revoked by any party hereto in a signed writing provided to each other party hereto, and then only with respect to such revoking party.

IN WITNESS WHEREOF, each party hereto, being duly authorized, has caused this Joint Filing Agreement to be executed and effective as of the date first written above.

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

Date: August 18, 2006

Atlas Allocation Fund, 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

Date: August 18, 2006

Atlas Capital (Q.P.), 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

Date: August 18, 2006

Atlas Capital ID Fund, 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
Date: August 18, 2006