

HEALTHCARE SERVICES GROUP INC
Form SC 13G/A
February 14, 2007

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

SCHEDULE 13G/A

Under the Securities Exchange Act of 1934
(Amendment No. 7)*

Healthcare Services Group, Inc.

(Name of Issuer)

Common Stock, \$0.01 par value

(Title of Class of Securities)

421906108

(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 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).

Continued on following pages
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1 Names of Reporting Persons
I.R.S. Identification Nos. of above persons (entities only)

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PEQUOT CAPITAL MANAGEMENT, INC.
06-1524885

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

CONNECTICUT

Number of Shares Beneficially Owned By Each Reporting Person With	5 6 7 8	Sole Voting Power 1,666,800 Shared Voting Power 0 Sole Dispositive Power 1,666,800 Shared Dispositive Power 0
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9 Aggregate Amount Beneficially Owned by Each Reporting Person
1,666,800

10 Check Box If the Aggregate Amount in Row (9) Excludes Certain
Shares (See Instructions)

11 Percent of Class Represented By Amount in Row (9)
6.1%

12 Type of Reporting Person (See Instructions)
IA, CO

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Item 1(a) Name of Issuer: Healthcare Services Group, Inc.
(the "Issuer").

1(b) Address of the Issuer's Principal Executive Offices: 3220
Tillman Drive, Suite 300, Bensalem, PA 19020

Item 2(a) - (c) Name, Principal Business Address, and Citizenship of
Person Filing: Pequot Capital Management, Inc., 500
Nyala Farm Road, Westport, CT, 06880, which is a
Connecticut corporation.

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- 2(d) Title of Class of Securities: Common Stock, \$0.01 par value per share
- 2(e) CUSIP Number: 421906108
- Item 3. This statement is filed pursuant to Rule 13d-1(b)(1)(ii)(E). Pequot Capital Management, Inc. is an investment adviser registered under Section 203 of the Investment Advisers Act of 1940.
- Item 4. Ownership:
- Ownership as of December 31, 2006 is incorporated herein by reference from items (5) - (9) and (11) of the cover page of the Reporting Person.
- Item 5. Ownership of Five Percent or Less of a Class:
- Not applicable.
- Item 6. Ownership of More than Five Percent on Behalf of Another Person:
- The Reporting Person is an investment adviser registered under Section 203 of the Investment Advisers Act of 1940 and, as such, has beneficial ownership of the shares which are the subject of this filing through the investment discretion the Reporting Person exercises over its clients' accounts. Although such accounts do not have beneficial ownership of such shares for purposes of Section 13 and Section 16 of the Securities Exchange Act of 1934, one account of the reporting person, Pequot Scout Fund, L.P., owns of record 5% or more of the Issuer's outstanding Securities.
- Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company:
- Not applicable.
- Item 8. Identification and Classification of Members of the Group:
- Not applicable.
- Item 9. Notice of Dissolution of Group:
- Not applicable.

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- Item 10. Certification:
- By signing below, I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the

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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.

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SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Date: February 14, 2007

PEQUOT CAPITAL MANAGEMENT, INC.

By: /s/ Aryeh Davis

Name: Aryeh Davis

Title: Chief Operating Officer, General
Counsel and Secretary