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NICHOLAS FINANCIAL INC  
Form SC 13G  
February 21, 2007

OMB APPROVAL  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

SCHEDULE 13G

UNDER THE SECURITIES EXCHANGE ACT OF 1934  
(AMENDMENT NO. \_\_\_\_\_) \*

Nicholas Financial, Inc.

-----  
(Name of Issuer)

Common Stock, no par value

-----  
(Title of Class of Securities)

65373J209

-----  
(CUSIP Number)

January 31, 2007

-----  
(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).

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1 NAME OF REPORTING PERSON.  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY).

Midwood Capital Management LLC

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

Delaware

|              |   |                          |
|--------------|---|--------------------------|
|              | 5 | SOLE VOTING POWER        |
| NUMBER OF    |   | 516,589                  |
| SHARES       |   |                          |
| BENEFICIALLY | 6 | SHARED VOTING POWER      |
| OWNED BY     |   | 0                        |
| EACH         | 7 | SOLE DISPOSITIVE POWER   |
| REPORTING    |   | 516,589                  |
| PERSON       |   |                          |
| WITH         | 8 | SHARED DISPOSITIVE POWER |
|              |   | 0                        |

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

516,589

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)

5.2%

12 TYPE OF REPORTING PERSON (See Instructions)

IA

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-----  
1 NAME OF REPORTING PERSON.  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY).

David E. Cohen  
-----

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

USA  
-----

|              |   |                          |
|--------------|---|--------------------------|
|              | 5 | SOLE VOTING POWER        |
| NUMBER OF    |   |                          |
| SHARES       |   | 0                        |
| BENEFICIALLY | 6 | SHARED VOTING POWER      |
| OWNED BY     |   | 516,589                  |
| EACH         | 7 | SOLE DISPOSITIVE POWER   |
| REPORTING    |   |                          |
| PERSON       |   | 0                        |
| WITH         | 8 | SHARED DISPOSITIVE POWER |
|              |   | 516,589                  |

-----

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

516,589  
-----

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)

5.2%  
-----

12 TYPE OF REPORTING PERSON (See Instructions)

IN

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1 NAME OF REPORTING PERSON.  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY).

Ross D. DeMont

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

USA

|              |   |                          |
|--------------|---|--------------------------|
|              | 5 | SOLE VOTING POWER        |
| NUMBER OF    |   |                          |
| SHARES       |   | 0                        |
| BENEFICIALLY | 6 | SHARED VOTING POWER      |
| OWNED BY     |   | 516,589                  |
| EACH         | 7 | SOLE DISPOSITIVE POWER   |
| REPORTING    |   |                          |
| PERSON       |   | 0                        |
| WITH         | 8 | SHARED DISPOSITIVE POWER |
|              |   | 516,589                  |

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

516,589

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)

5.2%

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12 TYPE OF REPORTING PERSON (See Instructions)

IN

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1 NAME OF REPORTING PERSON.  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY).

Midwood Capital Partners, L.P.

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

Delaware

5 SOLE VOTING POWER

NUMBER OF  
SHARES

215,789

BENEFICIALLY

6 SHARED VOTING POWER

OWNED BY

0

EACH

7 SOLE DISPOSITIVE POWER

REPORTING

215,789

PERSON

8 SHARED DISPOSITIVE POWER

WITH

0

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

215,789

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES  
(See Instructions)

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

2.2%

12 TYPE OF REPORTING PERSON (See Instructions)

PN

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1 NAME OF REPORTING PERSON.  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY).

Midwood Capital Partners QP, L.P.

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

Delaware

5 SOLE VOTING POWER

NUMBER OF

300,800

SHARES

BENEFICIALLY

6 SHARED VOTING POWER

OWNED BY

0

EACH

7 SOLE DISPOSITIVE POWER

REPORTING

300,800

PERSON

8 SHARED DISPOSITIVE POWER

WITH

0

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

300,800

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-----  
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)

3.0%

-----  
12 TYPE OF REPORTING PERSON (See Instructions)

PN  
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ITEM 1.

(a) NAME OF ISSUER: Nicholas Financial, Inc. (the "Issuer").

(b) ADDRESS OF THE ISSUER'S PRINCIPAL EXECUTIVE OFFICES: 2454 McMullen Booth Road, Building C, Clearwater, Florida 33759.

ITEM 2.

(a) NAME OF PERSON FILING: This joint statement on Schedule 13G is being filed by David E. Cohen, Ross D. DeMont, Midwood Capital Management LLC, Midwood Capital Partners, L.P. and Midwood Capital Partners QP, L.P., who are collectively referred to as the "Reporting Persons." Messrs. Cohen and DeMont (the "Managers") are the managers of Midwood Capital Management LLC ("Capital"), which is the sole general partner of each of Midwood Capital Partners, L.P. ("LP") and Midwood Capital Partners QP, L.P. ("QP" and together with LP, the "Funds"). The Reporting Persons have entered into a Joint Filing Agreement, dated as of February 20, 2007, a copy of which is filed with this Schedule 13G as Exhibit 1 (which is incorporated herein by reference), pursuant to which the Reporting Persons have agreed to file this statement jointly in accordance with the provisions of Rule 13d-1(k) under the Act.

(b) ADDRESS OF PRINCIPAL BUSINESS OFFICE: The principal business office of the Reporting Persons with respect to the shares reported hereunder is 575 Boylston St., 4th Floor, Boston, MA 02116.

(c) CITIZENSHIP: Capital is a Delaware limited liability company. Each of the Funds is a Delaware limited partnership. Each of the Managers is a U.S. citizen.

(d) TITLE AND CLASS OF SECURITIES: Common stock, no par value ("Common Stock")

(e) CUSIP Number: 65373J209

ITEM 3. IF THIS STATEMENT IS FILED PURSUANT TO SECTIONS 240.13D-1(b) OR 240.13D-2(b) OR (c), CHECK WHETHER THE PERSON FILING IS A:

N/A

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### ITEM 4. OWNERSHIP

In the aggregate, as of February 20, 2007, the Reporting Persons beneficially own 516,589 shares of the Common Stock of the Issuer, representing approximately 5.2% of such class of securities. The beneficial ownership of each Reporting Person is as follows: (i) LP beneficially owns 215,789 shares of the Common Stock, representing approximately 2.2% of the class, (ii) QP beneficially owns 300,800 shares of the Common Stock, representing approximately 3.0% of the class, and (iii) Capital, as the sole general partner of each Fund, and Messrs. Cohen and DeMont, as the managers of Capital, each beneficially own 516,589 shares of the Common Stock of the Issuer representing approximately 5.2% of the class. The percentage of the Common Stock beneficially owned by each Reporting Person is based on a total of 9,962,381 shares of the

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Common Stock of the Issuer outstanding as of January 31, 2007, as reported in the most recent quarterly report of the Issuer on Form 10-Q for the fiscal quarter ended December 31, 2006.

Each Fund has the power to vote and dispose of the shares of Common Stock beneficially owned by such Fund (as described above). Capital, as the sole general partner of the Fund, has the sole authority to vote and dispose of all of the shares of Common Stock reported in this Schedule 13G. Each of the Managers, by virtue of their positions as managers of Capital, has the shared authority to vote and dispose of all of the shares of Common Stock reported in this joint statement Schedule 13G.

### ITEM 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS

N/A

### ITEM 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON

N/A

### ITEM 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY OR CONTROL PERSON

N/A

### ITEM 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP

N/A

### ITEM 9. NOTICE OF DISSOLUTION OF GROUP

N/A

### ITEM 10. CERTIFICATION

By signing below I hereby 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.



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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 20, 2007  
-----

MIDWOOD CAPITAL PARTNERS, L.P.

By: Midwood Capital Management LLC  
General Partner

By: /s/ David E. Cohen  
-----

David E. Cohen  
Manager

MIDWOOD CAPITAL  
PARTNERS QP, L.P.

By: Midwood Capital Management LLC  
General Partner

By: /s/ David E. Cohen  
-----

David E. Cohen  
Manager

MIDWOOD CAPITAL  
MANAGEMENT LLC

By: /s/ David E. Cohen  
-----

David E. Cohen  
Manager

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DAVID E. COHEN

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/s/ David E. Cohen

-----  
David E. Cohen

ROSS D. DEMONT

/s/ Ross D. DeMont

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Ross D. DeMont