

IMPAC MORTGAGE HOLDINGS INC  
Form 10-K/A  
April 30, 2014

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-K/A  
(Amendment No. 1)**

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**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2013 or

o

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

**Commission File Number: 1-14100**

**IMPAC MORTGAGE HOLDINGS, INC.**

(Exact name of registrant as specified in its charter)

**Maryland**  
(State or other jurisdiction of  
incorporation or organization)

**33-0675505**  
(I.R.S. Employer  
Identification No.)

**1950 Jamboree Road, Irvine, California 92612**

(Address of principal executive offices)

**(949) 475-3600**

(Registrant's telephone number, including area code)

**Securities registered pursuant to Section 12(b) of the Act:**

<b>Title of each class</b>	<b>Name of each exchange on which registered</b>
Common Stock, \$0.01 par value	NYSE MKT
Preferred Stock Purchase Rights	NYSE MKT

**Securities registered pursuant to Section 12(g) of the Act: none**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act Yes o No ý

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes o No ý

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject

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to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of the Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer       Accelerated filer       Non-accelerated filer       Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2) Yes  No

As of June 30, 2013, the aggregate market value of the voting stock held by non-affiliates of the registrant was approximately \$66.0 million, based on the closing sales price of common stock on the NYSE MKT on June 28, 2013. For purposes of the calculation only, all directors and executive officers and beneficial holders of more than 10% of the stock of the registrant have been deemed affiliates. There were 9,160,309 shares of common stock outstanding as of April 25, 2014.

**DOCUMENTS INCORPORATED BY REFERENCE**

The following documents (or parts thereof) are incorporated by reference into the following parts of this Form 10-K/A:

None.

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**EXPLANATORY NOTE**

This Amendment No. 1 to Form 10-K (this "Amendment") amends the Annual Report on Form 10-K for the fiscal year ended December 31, 2013 (the "Original Filing"), originally filed with the Securities and Exchange Commission (the "SEC") on March 20, 2014, of Impac Mortgage Holdings, Inc. Because we do not expect to file our definitive proxy statement within 120 days of the end of our fiscal year ended December 31, 2013, we are filing this Amendment to provide the information required by Items 10, 11, 12, 13 and 14 of Part III of the SEC's Form 10-K and not included in the Original Filing.

As required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended, this Amendment includes as exhibits the certifications required of our principal executive officer and principal financial officer under Section 302 of the Sarbanes-Oxley Act of 2002. We have included Part IV, Item 15 in this Amendment solely to reflect the filing of these exhibits with this Amendment. We are not including certifications under Section 906 of the Sarbanes-Oxley Act of 2002 as no financial statements are being filed with this Amendment.

No attempt has been made with this Amendment to modify or update the other disclosures presented in the Original Filing, including the exhibits thereto, except that we have updated the number of outstanding shares of our common stock on the cover page of this Amendment. The Original Filing continues to speak as of the date of the Original Filing, and we have not updated the disclosures contained therein to reflect any events which occurred at a date subsequent to the filing of the Original Filing. Accordingly, this Amendment should be read in conjunction with the Original Filing and our other filings made with the SEC.

Unless otherwise noted or as the context otherwise requires, the term "the Company," "we," "us," or "our" refers to Impac Mortgage Holdings, Inc. and its subsidiaries.

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<b>NAME</b>	<b>AGE</b>	<b>POSITION</b>
Joseph R. Tomkinson	66	Chairman of the Board and Chief Executive Officer
William S. Ashmore	64	President and Director
James Walsh	64	Director
Frank P. Filippis	66	Director
Stephan R. Peers	61	Director
Leigh J. Abrams	71	Director
Todd R. Taylor	49	Executive Vice President and Chief Financial Officer
Ronald M. Morrison	63	General Counsel, Executive Vice President and Secretary

**Joseph R. Tomkinson** has been Chairman of the Board since April 1998 and Chief Executive Officer and a Director of the Company since its formation in August 1995. Mr. Tomkinson was also an officer and director of a real estate investment trust investing in commercial mortgage assets and a specialty finance company until its sale. Mr. Tomkinson brings over 35 years of combined experience in real estate, real estate financing and mortgage banking. The Company believes that Mr. Tomkinson's financial and business expertise, including his past senior executive positions and operating experience with real estate and finance companies, give him the qualifications and skills to serve as a director.

**William S. Ashmore** has been President of the Company since August 1995 and a Director since July 1997. Mr. Ashmore also served as the Chief Operating Officer from August 1995 to May 2006. Mr. Ashmore has over 35 years of combined experience in real estate, asset liability management, risk management, and mortgage banking. Mr. Ashmore received a B.S. degree in Psychology from the University of California at Los Angeles in 1971 and a Master's degree in Social Psychology from California State University at Northridge in 1974. The Company believes that Mr. Ashmore's real estate, financial and business expertise give him the qualifications and skills to serve as a director.

**James Walsh** has been a Director of IMH since August 1995. Since January 2000, he has been Managing Director of Sherwood Trading and Consulting Corporation. The Company believes that Mr. Walsh's financial and business expertise, including his past senior executive positions and operating experience with large, complex organizations give him the qualifications and skills to serve as a director.

**Frank P. Filippis** has been a Director of IMH since August 1995. From April 2005 to July 2008, Mr. Filippis was Chairman and Chief Executive Officer of Clayton Holdings, Inc., a mortgage services company. From June 1999 to April 2005, Mr. Filippis was Chairman and Chief Executive Officer of Radian Group, Inc. (NYSE: RDN) and its principal subsidiary, Radian Guaranty, Inc., which were formed through a merger of Amerin and Commonwealth Mortgage Assurance Company. Mr. Filippis has been a director of Primus Guaranty, Ltd. (NYSE: PRS), a holding company primarily engaged in selling credit protection against investment grade credit obligations of corporate and sovereign entities, since September 2004, a director of Fortegra Financial Corp (NYSE: FRF), an insurance services company, since December 2010, and a director of Orchid Island Capital (NYSE: ORC), a specialty finance company that invests in residential mortgage-backed securities, since February 2013. Mr. Filippis received a B.A. in Economics in 1969 from Rutgers University and a Master's degree in Corporate Finance and International Business in

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1972 from New York University. The Company believes that Mr. Filipp's financial and business expertise, including a diversified background of managing companies and his past senior executive positions and operating experience with real estate-related and mortgage services companies, give him the qualifications and skills to serve as a director.

**Stephan R. Peers** has been a Director of IMH since October 1995. Since January 2005, Mr. Peers has been an independent financial advisor. From September 2001 to January 2005, Mr. Peers was a Managing Director of Sandler O'Neill & Partners, LP practicing corporate finance covering financial institutions. Mr. Peers received a B.S. in Civil Engineering from Manhattan College in 1974, a M.S. in Industrial Engineering from Stanford University in 1975 and an M.B.A. from Stanford University in 1979. The Company believes that Mr. Peers' financial and business expertise, including his past senior executive positions and operating experience with corporate finance companies, give him the qualifications and skills to serve as a director.

**Leigh J. Abrams** has been a Director of IMH since April 2001 and lead independent director since June 2004. Mr. Abrams became Chairman of the Board of Drew Industries Incorporated (NYSE: DW), which manufactures a wide variety of components for recreational vehicles and manufactured homes, in January 2009. Prior to that, since August 1979, Mr. Abrams previously served as the President and Chief Executive Officer of Drew, from which positions he resigned in May 2008 and December 2008, respectively, to become Chairman of the Board of Drew. Mr. Abrams has served as a director of Drew Industries since August 1979. Mr. Abrams, a CPA, has over 35 years of experience in corporate finance, mergers and acquisitions, and operations. Mr. Abrams received a B.A. in Accounting from Baruch College in 1964. The Company believes that Mr. Abrams' financial and business expertise, including his past senior executive positions and operating experience with large, complex organizations, give him the qualifications and skills to serve as a director.

**Todd R. Taylor** has had the position of Chief Financial Officer and Executive Vice President since November 2008. From February 2008 until November 2008, Mr. Taylor had the position of Interim Chief Financial Officer. Mr. Taylor joined IMH in October 2004 as the Senior Vice President, Controller and served in this position until he was promoted to Senior Vice President and Director of Accounting in June 2006. Mr. Taylor served as the Senior Vice President and Director of Accounting until October 2007 when he was promoted to Chief Accounting Officer in October 2007 in which he served until he was appointed to the Interim Chief Financial Officer in February 2008. Prior to joining IMH, Mr. Taylor served as the Chief Financial Officer and Secretary for Primal Solutions, Inc. from August 2003 until October 2004. Mr. Taylor earned his B.A. degree in Business from California State University at Fullerton and is a certified public accountant.

**Ronald M. Morrison** became General Counsel in July 1998 and was promoted to Executive Vice President in August 2001. In July 1998 he was also elected Secretary of IMH and in August 1998 he was elected Secretary of our mortgage operations and our warehouse lending operations. Mr. Morrison received his B.A. degree in History in 1973 from the University of California Los Angeles and his Juris Doctor degree in 1976 from Pepperdine University.

### **Family Relationships**

There are no family relationships between any of the directors or executive officers of IMH.

### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires our directors, executive officers, and persons who own more than 10% of a registered class of our equity securities, to file reports of ownership of such securities with the SEC. Directors, executive officers and greater than 10% beneficial owners are required by SEC

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regulations to furnish us with copies of all Section 16(a) forms they file. To our knowledge, based solely on review of the copies of such reports furnished to us during the fiscal year ended December 31, 2013, all Section 16(a) filing requirements applicable to our executive officers, directors and greater than 10% stockholders were satisfied by such persons except for the following: each of Leigh Abrams, Frank Filippis, Stephan Peers, James Walsh, Todd Taylor, Ron Morrison, William Ashmore and Joseph Tomkinson filed a late Form 4 report each for one transaction; Richard H. Pickup filed three late Form 4 reports with a total of 36 transactions; RHP Trust filed a two late Form 4 reports with a total of 4 transactions; and Todd M. Pickup filed a late Form 4 report with a total of two transactions.

### **Code of Business Conduct and Ethics**

We have adopted a Code of Business Conduct and Ethics. This code of ethics applies to our directors, executive officers and employees. This code of ethics is publicly available in the corporate governance section of the stockholder relations page of our website located at [www.impacompanies.com](http://www.impacompanies.com) and in print upon request to the Secretary at Impac Mortgage Holdings, Inc., 19500 Jamboree Road, Irvine, California, 92612. If we make amendments to the code of ethics or grant any waiver that the SEC requires us to disclose, we will disclose the nature of such amendment or waiver on our website.

### **Recommendation of Nominees to Our Board of Directors**

Information concerning our procedures by which stockholders may recommend nominees to our board of directors is set forth in our proxy statement relating to our 2013 Annual Meeting of Stockholders under the heading "Corporate Governance and Board Matters The Director Nomination Process." We have not made any material changes to these procedures since they were last disclosed in our proxy statement.

### **Audit Committee and Financial Expert**

The Audit Committee of the Board of Directors consists of four directors, all of whom are independent pursuant to the Director Independence Standards of the NYSE MKT and other SEC rules and regulations applicable to audit committees. The following directors are currently members of the Audit Committee: Frank P. Filippis, who serves as the chairman, Leigh J. Abrams, Stephan R. Peers and James Walsh. The Board of Directors has determined that Frank P. Filippis qualifies as an audit committee financial expert, as such term is defined by Item 407(d)(5)(ii) of Regulation S-K of the Securities Exchange Act of 1934, as amended.

Table of Contents**ITEM 11. EXECUTIVE COMPENSATION****Compensation of Executive Officers****Summary Compensation Table**

The following table presents compensation earned by our executive officers for the years ended December 31, 2013 and 2012 (the "Named Executive Officers"). The compensation of Messrs. Tomkinson and Ashmore is based on each of their employment agreements, which are further described below under "Employment Agreements."

**Summary Compensation Table**

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Option Awards (\$)(1)	Non-Equity Incentive Plan	All Other	Total (\$)
					Compensation (\$)(5)	Compensation (\$)(6)	
Joseph R. Tomkinson	2013	600,000		266,250		14,400	880,650
Chairman of the Board and Chief Executive Director	2012	600,000		395,168	1,007,500 (2)	14,400	2,017,068
William S. Ashmore	2013	600,000		266,250		14,400	880,650
President	2012	600,000		395,168	1,007,500 (3)	14,400	2,017,068
Todd R. Taylor	2013	357,500		234,300	221,000 (4)	6,000	818,800
Chief Financial Officer							

- (1) The amounts disclosed reflect the full grant date fair values in accordance with FASB ASC Topic 718. For assumptions used in calculation of the option awards, see "Note 19- Share Based Payments and Employee Benefit Plans" to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2013. See "Option Grants During 2013" below for a further description of the terms of the options.
- (2) Mr. Tomkinson's annual incentive bonus is based on 7.5% of the Company's adjusted net earnings. In 2013, Mr. Tomkinson did not earn an incentive bonus, and in 2012 he earned \$1,007,500 of which approximately \$254,170 was paid during 2013 and \$100,000 during 2014. On March 17, 2014, Mr. Tomkinson agreed to waive \$150,000 of his 2012 annual incentive bonus earned pursuant to the terms of his employment agreement during the year ended December 31, 2012. In 2011, Mr. Tomkinson earned an incentive bonus of which \$145,829 was paid in 2013. Based on the waiver, the amount due to Mr. Tomkinson for his 2012 annual incentive bonus is now \$503,329.
- (3) Mr. Ashmore's annual incentive bonus is based on 7.5% of the Company's adjusted net earnings. In 2013, Mr. Ashmore did not earn an incentive bonus, and in 2012 he earned \$1,007,500 which was paid during 2013.
- (4) During 2013, Mr. Taylor was eligible to receive a quarterly incentive bonus of up to 65% of his bases salary based upon the achievement of mutually agreed management objectives. In 2013, Mr. Taylor earned an incentive bonus of \$221,000 of which \$104,000 was paid in 2013 and \$58,500 was paid in 2014. The remaining amount due to Mr. Taylor for his 2013 bonus is \$58,500.
- (5) Amounts set forth in this column are based on the terms of the incentive bonuses set forth in the employment agreements as described below under "Employment Agreements."
- (6) Consists of an annual car allowance.

**Option Grants During 2013**



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The following table presents option awards granted to the Named Executive Officers during the year ended December 31, 2013 pursuant to the Company's 2010 Omnibus Incentive Plan, as amended. All of

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the options expire on July 23, 2023 and vest annually in one-third increments beginning on the one year anniversary of the date of grant.

Name	Grant Date	Option Awards: Number of Securities Underlying Options (#)	Exercise Price of Option Awards (\$/Sh)
Joseph R. Tomkinson Chairman of the Board and Chief Executive Officer	7/23/2013	25,000	10.65
William S. Ashmore President	7/23/2013	25,000	10.65
Todd R. Taylor Chief Financial Officer	7/23/2013	22,000	10.65

### **Outstanding Equity Awards at December 31, 2013**

The following table sets forth the outstanding stock options for each of our Named Executive Officers as of December 31, 2013.

#### OUTSTANDING OPTION AWARDS AT DECEMBER 31, 2013

Name	OPTION AWARDS			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date
Joseph R. Tomkinson	105,660		0.53	6/9/2019
	48,000		2.73	12/3/2020
	14,625	14,625	13.81	11/27/2022
		25,000	10.65	7/23/2023
William S. Ashmore	16,000		2.73	12/3/2020
	14,625	14,625	13.81	11/27/2022
		25,000	10.65	7/23/2023
Todd R. Taylor	10,000		0.53	6/9/2019
	20,000		2.73	12/3/2020
	12,000	12,000	13.81	11/27/2022
		22,000	10.65	7/23/2023

### **Employment Agreements**

#### *Joseph R. Tomkinson and William S. Ashmore*

On May 7 and May 3, 2013, Joseph R. Tomkinson, Chief Executive Officer, and William S. Ashmore, President, executed, respectively, new employment agreements with the Company. The agreements were effective as of January 1, 2013 and continue through December 31, 2015, unless terminated earlier, and may be extended by mutual written agreement of the officer and the Company.

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*Base Salary, Annual Bonus and Other Compensation.* The base salary for each of Messrs. Tomkinson and Ashmore is \$600,000 per year and each is eligible to receive an annual bonus in an amount equal to 7.5% of the Company's adjusted net earnings (the "Annual Bonus"). The Annual Bonus is subject to a cap in any calendar year in an amount equal to 2.5 times annual base salary; provided that there will be no cap on the Annual Bonus if the officer pre-elects on or before December 31 of the prior year to receive 5.0% of adjusted net earnings during a year. The officers may elect to defer any portion of his base salary, bonuses or incentive compensation into an approved Company-sponsored deferred compensation plan.

An amount equal to 80% of the estimated Annual Bonus will be paid within 10 days after the Company has determined its adjusted net earnings for the year for which the annual bonus is to be paid and the remaining amount will be finally calculated and paid within 10 days after the release of the Company's audited financial statements for the year. The Annual Bonus is required to be paid by the Company by December 31 of the calendar year immediately following the year for which adjusted net earnings is determined for purposes of the Annual Bonus. If it is determined that any bonus or incentive compensation is underpaid or overpaid to the officer, then the Company will either pay the amount owed within 15 days after the determination is made by the Compensation Committee of the Board of Directors or offset an overpayment against the officer's next bonus or incentive compensation payments or require the officer to repay such amounts, as applicable.

For purposes of the Annual Bonus, "adjusted net earnings" means the net earnings (loss) attributable to common stockholders excluding (1) any adjustment relating to change in fair value of net trust assets, change in fair value of long-term debt (including preferred stock) and noncash level yield long-term debt, (ii) any accrual already made with respect to the officer's bonus compensation, (iii) any charge relating to amortization of deferred charges, and (iv) any adjustment relating to lower of cost or market and repurchase liability of the discontinued operations.

Messrs. Tomkinson and Ashmore are also eligible to receive paid vacation, an annual car allowance of \$1,200 per month, participate in the Company's health and other benefit plans, be reimbursed for reasonable and necessary business and entertainment expenses, and receive other benefits at the discretion of the Board of Directors. Each officer is prohibited, without approval from the Board of Directors, from receiving compensation, directly or indirectly, from any company with whom the Company or any of its affiliates has any financial, business, or affiliated relationship. Any amounts paid to the officer are subject to any claw back policy that the Company is required to adopt pursuant to listing standards of any national securities exchange or as otherwise required under applicable law.

*Severance Compensation.* If either Mr. Tomkinson's or Mr. Ashmore's employment is terminated (a) by the Company for cause, (b) voluntarily by such officer, (c) as a result of such officer's death, (d) by mutual agreement of the parties, or (e) such officer is declared legally incompetent or he has a mental or physical condition that can reasonably be expected to prevent him from carrying out his essential duties for more than six months, then such officer will be entitled to receive the following:

- (i) base salary earned through the termination date;
- (ii) Annual Bonus prorated through the termination date; with 80% of the amount due relating to the Annual Bonus paid upon termination and the balance paid after the preparation of the Company's audited financial statements;
- (iii) any expense reimbursements due and owing for reasonable and necessary business and entertainment expenses; and

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(iv) the dollar value of accrued and unused paid time off.

If either officer is terminated (a) without cause or (b) resigns with good reason, such officer will also receive the following severance payments:

(i) the lesser of 18 months of base salary or the base salary payable through the balance of the employment contract term with (A) the lesser of 12 months of base salary or the balance through the employment contract term paid, and (B) the lesser of six months of base salary or the balance through the employment contract term paid over the six-month period from the termination date, in each case to be paid after the officer executes a waiver and release agreement within 52 days of the termination date;

(ii) incentive compensation whereby 80% of the Annual Bonus earned as of the termination date will be paid on the termination date and the remaining 20% will be paid after calculation of the Company's audited financial statements on or before December 31 of that year; and

(iii) health insurance benefits for 18 months following the termination date.

Each officer has agreed that if he is terminated without cause or resigns for good reason, he will not compete with the Company during the 18 months after termination, provided that the agreement not to compete will be waived if the officer foregoes the severance compensation.

Termination with cause, which will be determined only by an affirmative majority vote of the Board of Directors (not including the officer if he is a director), includes (a) conviction of, or entry of plea of nolo contendere to, a crime of dishonesty or a felony leading to incarceration of more than 90 days or a penalty or fine of \$100,000 or more, (b) material and substantial failure by the officer to perform his duties after notice (and given a reasonable time to correct any failures, if possible), (c) willful misconduct or gross negligence that causes material harm, or (d) material breach by the officer of the terms of the employment agreement or any other obligation.

Good reason includes (a) material changes to employee's duties without his prior written consent, (b) relocation, without his prior written consent, of the place of principal performance of such officer's responsibilities and duties to a location more than 65 miles away, (c) a material breach by the Company of the terms of the employment agreement, including a material reduction of the officer's base salary, or (d) failure by the Company to obtain from any acquirer of the Company an agreement to assume the employment agreement prior to an acquisition. Each of Messrs. Tomkinson and Ashmore may terminate his employment for good reason upon providing the Company at least 90 days prior written notice and the Company has a reasonable time to cure.

*Change of Control.* The employment agreements will not be terminated by merger, an acquisition by another entity, or by transferring of all or substantially all of the Company's assets. In the event of any such change of control, the surviving entity or transferee would be bound by the employment agreements.

*Ron Morrison and Todd R. Taylor*

On February 25, and March 11, 2014, the Company entered into employment agreements with Todd Taylor, Chief Financial Officer, and Ron Morrison, Executive Vice President and General Counsel, respectively. Each employment agreement is effective January 1, 2014 and continues through December 31, 2014, unless terminated earlier, and may be extended by mutual written consent.

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*Base Salary, Annual Bonus, and Other Compensation.* The base salary for Mr. Taylor and Mr. Morrison is \$360,000 and \$390,000 per year, respectively. Each are eligible to receive a bonus of up to 65%, in the case of Mr. Taylor, and up to 50%, in the case of Mr. Morrison, of their respective base salary if mutually agreed management objectives are achieved (the "Incentive Bonus"). The Incentive Bonus will be paid quarterly within 30 days of each calendar year quarter end. Each officer (a) may elect to defer any portion of his base salary, bonuses, or incentive compensation into an approved Company-sponsored deferred compensation plan, (b) is eligible to receive stock options, paid vacation, an automobile allowance of \$500 per month, and to be reimbursed for reasonable and necessary business and entertainment expenses, (c) may participate in the Company's health and other benefit plans, and (d) may receive other benefits at the discretion of the Board of Directors.

Each officer is prohibited, without approval from the Board of Directors, from receiving compensation, directly or indirectly, from any company with whom the Company or any of its affiliates has any financial, business, or affiliated relationship. Any amounts paid under the employment agreements are subject to any claw back policy that the Company is required to adopt pursuant to listing standards of any national securities exchange or as otherwise required under applicable law.

*Severance Compensation.* If either officer's employment is terminated (a) by the Company for cause, (b) voluntarily by the officer, (c) as a result of death, (d) by mutual agreement of the parties, or (e) because the officer is declared legally incompetent or he has a mental or physical condition that can reasonably be expected to prevent him from carrying out his essential duties for more than six months, then such officer will be entitled to receive the following:

- (i) base salary earned through the termination date;
- (ii) Incentive Bonus through the last consolidated quarter;
- (iii) any expense reimbursements due and owing for reasonable and necessary business and entertainment expenses; and
- (iv) the dollar value of accrued and unused paid time off.

If either officer is terminated (a) without cause or (b) resigns with good reason, in addition to the foregoing compensation, such officer will receive the following severance payments:

- (i) additional payments of (A) the lesser of 12 months of base salary or the balance through the contract term, and (B) six months of base salary paid over the six-month period from the termination date, in each case to be paid after the officer executes a waiver and release agreement within 52 days of the termination date;
- (ii) 100% of the unpaid portion of earned Incentive Bonus and the prorated Incentive Bonus for the current calendar year quarter as of and paid on the termination date; and
- (iii) health insurance benefits for 12 months following the termination date.

Each officer has agreed that if he is terminated without cause or resigns for good reason, he will not compete with the Company during the 12 months after termination or the balance of the employment contract term, if shorter, provided that the agreement not to compete will be waived if the officer foregoes the severance compensation.

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Termination with cause, which will be determined only by an affirmative majority vote of the Board of Directors (not including the officer if he is a director), includes (a) conviction of, or entry of plea of nolo contendere to a crime of dishonesty or a felony leading to incarceration of more than 90 days or a penalty or fine of \$100,000 or more, (b) material and substantial failure by such officer to perform his duties after notice (and given a reasonable time to correct any failures, if possible), (c) willful misconduct or gross negligence that causes material harm, or (d) material breach of the terms of the employment agreement or any other obligation.

Good reason includes (a) material changes to such officer's duties without his prior written consent, (b) relocation, without his prior written consent, of the place of principal performance of his responsibilities and duties to a location more than 65 miles away, (c) a material breach by the Company of the terms of the employment agreement, including a material reduction in base salary, without such officer's consent, or (d) failure by the Company to obtain from any acquirer of the Company an agreement to assume the employment agreement prior to an acquisition. Each officer may terminate his employment for good reason upon providing the Company at least 90 days prior written notice and the Company has a reasonable time to cure any event constituting good reason.

*Change of Control.* The employment agreements will not be terminated by merger, an acquisition by another entity, or by transferring of all or substantially all of the Company's assets. In the event of any such change of control, the surviving entity or transferee would be bound by the employment

As a Smaller Reporting Company, a compensation discussion and analysis is not required.

**401(k) Plan**

We maintain the Impac Companies 401(k) Savings Plan for all full time employees with at least six months of service, which is designed to be tax deferred in accordance with the provisions of Section 401(k) of the Internal Revenue Code. The 401(k) Plan provides that each participant may contribute from 1% to 25% of his or her salary pursuant to certain restrictions or up to \$17,500 annually for 2013. We will contribute to the participant's plan account at the end of each plan year 50% of the first 4% of salary contributed by a participant. Under the 401(k) Plan, employees may elect to enroll on the first day of any month, provided that they have been employed for at least six months. Subject to the rules for maintaining the tax status of the 401(k) Plan, an additional company contribution may be made at our discretion, as determined by the Board of Directors. The discretionary contributions made to the plan vest over a three year period. We recorded approximately \$473,000 for matching contributions and no discretionary contributions during 2013.

**Compensation of Directors**

The compensation of the Company's non-employee directors is described below.

*Board Fees.* The Company's non-employee directors are paid the following fees: (i) an annual fee of \$40,000; (ii) a meeting fee of \$2,500; (iii) for services on the Audit Committee, the Compensation Committee and the Corporate Governance Committee, fees of \$2,500, \$1,000 and \$1,000, respectively, per meeting; (iv) an annual fee payable to the chairperson of each of the Audit Committee, the Compensation Committee and the Corporate Governance Committee of \$20,000, \$5,000 and \$5,000, respectively; and (v) an annual fee payable to the lead independent director of \$10,000.

*Equity Awards.* Non-employee directors typically receive an annual equity award of options to purchase shares of the Company's common stock (the "Director Stock Options"), or instead, at the election of the individual director, a number of shares of restricted Company common stock equal in value to the number of Director Stock Options (based on the binomial value of the Director Stock Options) not taken by such director. No dividend equivalent rights will be issued with respect to the

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Director Stock Options granted, although the existing dividend equivalent rights on prior option grants continue to be retained.

*Special Services.* From time to time, the Company's non-employee directors may be asked to engage in special director services, whether or not a committee of the Board has been formed for such purpose. Such services have included and may include strategic reviews, strategic transaction oversight, independent major litigation oversight and like matters involving substantially greater commitments of time from the relevant directors. In such circumstances, the directors engaged in such efforts may receive additional fees for the duration of such service. Fees related to a special committee may be paid whether or not the matter concludes in a transaction or other specific result and may be adjusted upward or downward based on the amount of work required and any other criteria the committee and Board deem appropriate. No fees related to special services were paid during 2013.

Set forth below is the compensation earned for our non-employee directors during 2013. Messrs. Tomkinson and Ashmore received no additional compensation for their services as directors.

### Director Compensation For 2013

Name	Fees Earned or Paid in Cash (\$)	Stock Awards \$(1)(2)	Total (\$)
James Walsh	\$ 110,500	\$ 79,875	\$ 194,375
Frank P. Filippis	118,750	79,875	198,625
Stephan R. Peers	114,250	79,875	194,125
Leigh J. Abrams	\$ 114,500	\$ 79,875	\$ 190,375

(1) The amounts disclosed reflect the full grant date fair values in accordance with FASB ASC Topic 718. For assumptions used in calculation of the awards, see note 1- stock-based compensation to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2013.

(2) On July 23, 2013, each director was granted 7,500 deferred stock units pursuant to the Non-Employee Director Deferred Stock Unit Award Program. The deferred stock units vest in three equal annual installments, commencing with the first anniversary of the date of grant, subject to the director's continued service on the board of directors. The settlement of the deferred stock units and distribution of shares are further described below. As of December 31, 2013, the following deferred stock units were outstanding:

Name	Vested DSUs	Unvested DSUs
James Walsh	9,000	10,500
Frank P. Filippis	9,000	10,500
Stephan R. Peers	9,000	10,500
Leigh J. Abrams	6,000	7,500

Table of Contents**Outstanding Stock Options as of December 31, 2013**

No stock options were granted to the directors during 2013. As of December 31, 2013, the directors held the following options:

<b>Name</b>	<b>Option Awards: Number of Securities Underlying Options (#)</b>	<b>Exercise Price of Option Awards (\$)</b>	<b>Expiration Date</b>
James Walsh	4,000	2.73	12/3/2020
Frank P. Filippis	6,000	2.73	12/3/2020
Stephan R. Peers	4,000	2.73	12/3/2020
Leigh J. Abrams	6,000	2.73	12/3/2020
	12,000	13.81	11/27/2022

**Non-Employee Director Deferred Stock Unit Award Program**

Effective December 1, 2010, the Company adopted the Non-Employee Director Deferred Stock Unit Award Program (the "DSU Program"). The DSU Program provides for the grant of deferred stock units ("DSUs") to non-employee directors pursuant to the 2010 Plan. Each DSU grant vests in substantially equal annual installments, commencing with the first anniversary of the date of grant, subject to the director's continued service on the board of directors. Upon vesting, the DSUs continue to be held in the director's stock account until payment becomes due. In the event a director is no longer a member of the board of directors prior to vesting, all DSUs that remain unvested terminate and are forfeited. Dividends and other distributions on DSUs are credited to the director's stock account as if such DSUs were actual shares of common stock issued and outstanding. No interest is credited on stock amounts. Dividends and distributions are converted, based on fair market value of the common stock, into DSUs and credited to the director's stock account. The board may, in its sole discretion, waive vesting and forfeiture of DSUs. In the event a change in control, all outstanding DSUs are deemed fully vested. Directors receive a distribution of stock within thirty (30) days after the date the director no longer serves on the board. The distribution will consist of one share of common stock for each DSU. Any shares of common stock issued are deemed issued under the 2010 Plan.

**Risk Management**

The Company faces a variety of operational and market risks, including interest rate risk, credit risk, liquidity risk and prepayment risk. The Board of Directors believes an effective risk management system will (1) timely identify the material risks that the Company faces, (2) communicate necessary information with respect to material risks to senior executives and, as appropriate, to the Board or Audit Committee, (3) implement appropriate and responsive risk management strategies consistent with Company's risk profile, and (4) integrate risk management into Company decision-making.

The Board has designated the Audit Committee to take the lead in overseeing risk management. The Audit Committee discusses with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies. The Audit Committee also reviews the significant reports to management, including assessment of the Company's risk management processes and systems of internal controls.



Table of Contents**ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The following table sets forth certain information known to us with respect to beneficial ownership of our common stock as of April 25, 2014 by (i) each director, (ii) each Named Executive Officer, (iii) each person known to us to beneficially own more than five percent of our common stock, and (iv) all directors and executive officers as a group. In computing the number of shares beneficially owned by a person and the percentage of ownership of that person, shares of common stock subject to options held by that person that are currently exercisable or become exercisable within 60 days of April 25, 2014 are deemed outstanding even if they have not actually been exercised. Those shares, however, are not deemed outstanding for the purpose of computing the percentage ownership of any other person. Unless otherwise indicated in the footnotes to the table, the beneficial owners named have, to our knowledge, sole voting and investment power with respect to the shares beneficially owned, subject to community property laws where applicable.

<b>Name of Beneficial Owner(1)</b>	<b>Number of Shares Beneficially Owned</b>	<b>Percentage of Shares Beneficially Owned</b>
Richard H. Pickup (2)	1,827,627	18.9%
Todd M. Pickup (3)	1,633,651	16.2%
Joseph R Tomkinson (4)	297,200	3.2%
William S Ashmore (5)	160,087	1.7%
Todd R. Taylor (6)	47,358	*
James Walsh (7)	19,377	*
Leigh J Abrams (8)	34,710	*
Stephan R Peers (9)	26,943	*
Frank P Filippis (10)	18,810	*
Directors and executive officers as a group (8 persons) (11)	642,377	6.8%

\*

Indicates less than 1%

- (1) Except as otherwise noted, all named beneficial owners can be contacted at 19500 Jamboree Road, Irvine, California 92612.
- (2) According to a Schedule 13G/A filed with the SEC on February 14, 2014 and subsequent filings pursuant to Section 16 of the Exchange Act, (i) 885,587 shares are owned directly by RHP Trust, dated May 31, 2011 (the "Trust"), 100,000 shares are owned by Mr. Pickup and held in an individual retirement account, and the Trust has the right to acquire 524,138 shares at any time by converting into such shares the outstanding principal balance of Convertible Promissory Notes Due 2018 issued to the Trust, at the initial conversion price of \$10.875 per share, over all of which shares Mr. Pickup exercises sole investment and voting power, and (ii) 120,000 shares are owned directly by Dito Caree LP, and 197,902 shares are owned directly by Dito Devcar LP, over all of which shares Mr. Pickup shares investment and voting power. The stockholder's and the Trust's address is 2532 Dupont Drive, Irvine, California 92612.
- (3) According to a Schedule 13G/A filed on February 14, 2014, the share amount consists of (A) (i) 71,800 shares owned directly by Mr. Pickup; (ii) 213,000 shares owned by Pickup Grandchildren's Trust; (iii) 50,000 shares owned directly by Pickup Living Trust; (iv) 300,000 shares owned directly by Vintage Trust II, dated July 19, 2007, (the "Trust"); and (v) 898,851 shares that the Trust has the right to acquire at any time by converting into such shares the outstanding principal balance of Convertible Promissory Notes Due 2018 issued to the Trust, at the initial conversion price of \$10.875 per share, over all of which shares Mr. Pickup exercises sole investment and voting power, and (B) 100,000 shares owned directly by Plus Four Equity Partners, L.P., over all of which shares Mr. Pickup shares investment and voting power. The stockholder's address is 2532 Dupont Drive, Irvine, California 92612.

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- (4) Represents (i) 7,854 shares of common stock, (ii) options to purchase an aggregate of 168,285 shares and (iii) 121,061 shares held in trust with Mr. Tomkinson as trustee.
- (5) Represents (i) 6,495 shares of common stock, (ii) 122,967 shares held in trust with Mr. Ashmore as trustee, and (iii) options to purchase an aggregate of 30,625 shares.
- (6) Represents (i) 5,358 shares of common stock and (ii) options to purchase an aggregate of 42,000 shares.
- (7) Represents (i) 6,377 shares of common stock, (ii) options to purchase an aggregate of 4,000 shares, and (iii) 9,000 shares with respect to vested deferred stock units.
- (8) Represents (i) 16,710 shares of common stock, (ii) options to purchase an aggregate of 12,000 shares, and (iii) 6,000 shares with respect to vested deferred stock units.
- (9) Represents (i) 13,943 shares of common stock, (i) options to purchase an aggregate of 4,000 shares, and (ii) 9,000 shares with respect to vested deferred stock units.
- (10) Represents (i) 3,810 shares of common stock, (ii) options to purchase an aggregate of 6,000 shares, and (iii) 9,000 shares with respect to vested deferred stock units.
- (11) Includes (i) options to purchase an aggregate of 289,910 shares and (ii) an aggregate of 33,000 shares with respect to vested deferred stock units.

**Equity Compensation Plan Information**

Our current stock plan is the Company's 2010 Omnibus Incentive Plan (the "2010 Plan"), which was approved by our stockholders and became effective on July 20, 2010. The 2010 Plan is administered by the Compensation Committee of the Company's Board of Directors, with participation and approval of the Board of Directors. Awards under the Plan may include incentive stock options, nonqualified stock options, stock appreciation rights, restricted shares of common stock, restricted stock units, performance share or unit awards, other stock-based awards and cash-based incentive awards.

As a result of the approval of the 2010 Plan by the Company's stockholders, the Company's 2001 Stock Plan was frozen and no further grants or awards are under such plan. Further, all outstanding awards under the 2001 Stock Option, Deferred Stock and Restricted Stock Plan, as well as the Company's 1995 Stock Option, Deferred Stock and Restricted Stock Plan (together, the "Prior Plans"), were assumed by the 2010 Plan and are deemed to be awards granted and outstanding under the 2010 Plan (the "Assumed Options"). To the extent any of the Assumed Options are forfeited or canceled, shares of common stock underlying those options will not be available for new awards under the 2010 Plan.

The following table summarizes our equity compensation plan information as of December 31, 2013 with respect to outstanding awards and shares remaining available for issuance under our Plan.

Plan Category	Number of securities to be issued upon exercise of outstanding options (A)	Weighted-average exercise price of outstanding options (B)	Number of securities remaining available for future issuance (excluding securities in column (A))
2010 Omnibus Incentive Plan approved by stockholders	931,132	\$ 9.03	77,322
Equity compensation plans not approved by stockholders			
<b>Total</b>	<b>931,132</b>	<b>\$ 9.03</b>	<b>77,322</b>

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**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

**Certain Relationships and Related Transactions**

Except as disclosed herein, no director, executive officer, shareholder holding at least 5% of shares of our common stock, or any immediate family member thereof, had any material interest, direct or indirect, in any transaction, or proposed transaction since the beginning of our last fiscal year, in which the amount involved in the transaction exceeded or exceeds the lesser of \$120,000 or one percent of the average of our total assets at year-end for the last two completed fiscal years.

On April 29, 2013, the Company entered into a Note Purchase Agreement with trusts related to Richard H. Pickup and Todd M. Pickup, each of which beneficially own more than 5% of the Company's common stock. Pursuant to the Note Purchase Agreement, each stockholder (through their respective related entities) purchased \$5,700,000 and \$9,775,000, respectively, in outstanding principal balance of the Company's Convertible Promissory Notes Due 2018 (the "Notes"). The Notes mature on or before April 30, 2018 and accrue interest at a rate of 7.5% per annum, to be paid quarterly. The Notes carry an additional penalty interest rate of 2% per annum upon an event of default. The Notes have an initial conversion price of \$10.875 per share, subject to adjustment for stock splits and dividends. This transaction was reported by the Company in its Current Report on Form 8-K filed with the SEC on April 30, 2013.

On March 17, 2014, Joseph Tomkinson, the Company's CEO, agreed to waive \$150,000 of his annual incentive bonus earned pursuant to the terms of his employment agreement during the year ended December 31, 2012. The total annual incentive bonus for 2012 earned by Mr. Tomkinson was \$1,007,500, was deferred for an indeterminate period of time. Based on the waiver, the amount due to Mr. Tomkinson for his 2012 annual incentive bonus is now \$857,500.

During 2013, the Company incurred an expense of \$132,000 from a vendor partially owned by Joseph Tomkinson. Services were at arms-length and performed at prevailing market rates.

**Board Member Independence**

We are listed on the NYSE MKT and accordingly, we have applied the listing standards of the NYSE MKT in determining the "independence" of the members of our Board of Directors. Based the listing standards of the NYSE MKT and after reviewing the relationships with members of our Board, our Board of Directors has determined, with the assistance of the Corporate Governance and Nomination Committee, that James Walsh, Frank P. Filippis, Stephan R. Peers and Leigh J. Abrams as independent members of the Board of Directors. The Governance and Nomination Committee reviews with the Board at least annually the qualifications of new and existing Board members, considering the level of independence of individual members, together with such other factors as the Board may deem appropriate, including overall skills and experience. The Governance and Nomination Committee also evaluates the composition of the Board as a whole and each of its committees to ensure the Company's on-going compliance with the independence standards of the NYSE MKT.

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The following table sets forth the aggregate fees billed to us by Squar Milner for the years ended December 31, 2013 and 2012.

	<b>For the Year Ended December 31,</b>	
	<b>2013</b>	<b>2012</b>
Audit fees	\$ 750,000	\$ 741,636
Audit-related fees (1)	32,400	32,400
Tax fees (2)	16,165	
<i>All other fees (3)</i>	<i>20,000</i>	
<b>Total</b>	<b>\$ 819,165</b>	<b>\$ 774,036</b>

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- (1) Audit-related fees include fees for an examination under section 1122 of Regulation AB for loan servicing as well as a separate examination of certain requirements of our master servicing policies and procedures.
- (2) Tax fees relate to tax planning and consultation services.
- (3) All other fees relate to non-tax related advisory and consulting services.

**Pre-Approval Policies and Procedures for Audit and Non-Audit Services**

The Audit Committee pre-approves all auditing services and permitted non-audit services, including the fees and terms thereof, to be performed by our independent registered public accounting firm, subject to the de minimis exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which are approved by the Audit Committee prior to the completion of the audit. The Audit Committee may form and delegate authority to subcommittees consisting of one or more members of the Audit Committee when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting. In pre-approving the services in 2013 and 2012 under audit related fees, tax fees or all other fees, the Audit Committee did not rely on the de minimis exception to the SEC pre-approval requirements.

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**PART IV**

**ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES**

(a)(3) Exhibits

The exhibits listed on the accompanying Exhibit Index are incorporated by reference into this Item 15 of this Annual Report on Form 10-K/A.

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**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Irvine, State of California, on the 30th day of April 2014.

**IMPAC MORTGAGE HOLDINGS, INC.**

by /s/ JOSEPH R. TOMKINSON

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Joseph R. Tomkinson  
*Chairman of the Board  
and Chief Executive Officer*

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**Exhibit Index**

**Exhibit**

<b>Number</b>	<b>Description</b>
31.1	Certification of Chief Executive Officer pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.