

IMPAC MORTGAGE HOLDINGS INC  
Form 4  
August 11, 2015

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

<p>1. Name and Address of Reporting Person *</p> <p>RHP Trust, dated May 31, 2011</p> <p>(Last) (First) (Middle)</p> <p>2532 DUPONT DRIVE</p> <p>(Street)</p> <p>IRVINE, CA 92612</p> <p>(City) (State) (Zip)</p>	<p>2. Issuer Name and Ticker or Trading Symbol</p> <p>IMPAC MORTGAGE HOLDINGS INC [IMH]</p>	<p>3. Date of Earliest Transaction</p> <p>(Month/Day/Year)</p> <p>08/07/2015</p>	<p>4. If Amendment, Date Original Filed(Month/Day/Year)</p>	<p>5. Relationship of Reporting Person(s) to Issuer</p> <p>(Check all applicable)</p> <p>____ <input checked="" type="checkbox"/> Director 10% Owner</p> <p>____ <input type="checkbox"/> Officer (give title below)</p> <p>____ <input type="checkbox"/> Other (specify below)</p> <p>6. Individual or Joint/Group Filing(Check Applicable Line)</p> <p><input checked="" type="checkbox"/> Form filed by One Reporting Person</p> <p>____ Form filed by More than One Reporting Person</p>
---	---	--	---	--

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

Identification No.)

---

151 S. El Camino Boulevard  
Beverly Hills, California 90212  
(Address of Principal Executive

Offices, Including Zip Code)

---

KENNEDY-WILSON HOLDINGS,  
INC. SECOND AMENDED AND  
RESTATED 2009 EQUITY  
PARTICIPATION PLAN

(Full title of the plans)

Copies to:

Justin Enbody	Julian T.H.
Chief Financial	Kleindorfer, Esq.
Officer	Latham & Watkins
Kennedy-Wilson	LLP
Holdings, Inc.	355 South Grand
151 S. El Camino	Avenue
Boulevard	Suite 100
Beverly Hills,	Los Angeles,
California 90212	California
(310) 887-6400	90071-1560
	(213) 485-1234

(Name and Address, Including Zip  
Code, and Telephone Number,  
Including Area Code, of Agent for  
Service)

---

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Limited secondary market liquidity, with no exchange listing

**The notes are being issued by BofA Finance LLC ( BofA Finance ) and are fully and unconditionally guaranteed by Bank of America Corporation ( BAC ). There are important differences between the notes and a conventional debt security, including different investment risks and certain additional costs. See Risk Factors beginning on page TS-6 of this term sheet, page PS-6 of product supplement EQUITY INDICES LIRN-1, page S-4 of the accompanying Series A MTN prospectus supplement and page 7 of the accompanying prospectus.**

**The initial estimated value of the notes as of the pricing date is expected to be between \$9.35 and \$9.82 per unit, which is less than the public offering price listed below.** See Summary on the following page, Risk Factors beginning on page TS-6 of this term sheet and Structuring the Notes beginning on page TS-12 of this term sheet for additional information. The actual value of your notes at any time will reflect many factors and cannot be predicted with accuracy.

None of the Securities and Exchange Commission (the SEC ), any state securities commission, or any other regulatory body has approved or disapproved of these securities or determined if this Note Prospectus (as defined below) is truthful or complete. Any representation to the contrary is a criminal offense.

	<u>Per Unit</u>	<u>Total</u>
Public offering price <sup>(1)</sup>	\$10.00	\$
Underwriting discount <sup>(1)</sup>	\$0.25	\$
Proceeds, before expenses, to BofA Finance	\$9.75	\$

(1) For any purchase of 500,000 units or more in a single transaction by an individual investor or in combined transactions with the investor's household in this offering, the public offering price and the underwriting discount will be \$9.95 per unit and \$0.20 per unit, respectively. See Supplement to the Plan of Distribution; Conflicts of Interest below.

**The notes and the related guarantee:**

**Are Not FDIC  
Insured**

**Are Not Bank  
Guaranteed**

**May Lose Value**

**Merrill Lynch & Co.**

February , 2019

## Leveraged Index Return Notes®

Linked to the Dow Jones Industrial Average<sup>SM</sup>, due February , 2024

## Summary

The Leveraged Index Return Notes® Linked to the Dow Jones Industrial Average<sup>SM</sup>, due February , 2024 (the notes ) are our senior unsecured debt securities. Payments on the notes are fully and unconditionally guaranteed by BAC. The notes and the related guarantee are not insured by the Federal Deposit Insurance Corporation or secured by collateral. **The notes will rank equally with all of BofA Finance's other unsecured and unsubordinated debt, and the related guarantee will rank equally with all of BAC's other unsecured and unsubordinated obligations. Any payments due on the notes, including any repayment of principal, will be subject to the credit risk of BofA Finance, as issuer, and BAC, as guarantor.** The notes provide you a leveraged return if the Ending Value of the Market Measure, which is the Dow Jones Industrial Average<sup>SM</sup> (the Index ), is greater than its Starting Value. If the Ending Value is less than the Threshold Value, you will lose a portion, which could be significant, of the principal amount of your notes. Any payments on the notes, will be calculated based on the \$10 principal amount per unit and will depend on the performance of the Index, subject to our and BAC's credit risk. See Terms of the Notes below. The economic terms of the notes (including the Participation Rate) are based on BAC's internal funding rate, which is the rate it would pay to borrow funds through the issuance of market-linked notes and the economic terms of certain related hedging arrangements. BAC's internal funding rate is typically lower than the rate it would pay when it issues conventional fixed or floating rate debt securities. This difference in funding rate, as well as the underwriting discount and the hedging related charge described below, will reduce the economic terms of the notes to you and the initial estimated value of the notes on the pricing date. Due to these factors, the public offering price you pay to purchase the notes will be greater than the initial estimated value of the notes.

On the cover page of this term sheet, we have provided the initial estimated value range for the notes. This initial estimated value range was determined based on our, BAC's and our other affiliates' pricing models, which take into consideration BAC's internal funding rate and the market prices for the hedging arrangements related to the notes. The initial estimated value of the notes calculated on the pricing date will be set forth in the final term sheet made available to investors in the notes. For more information about the initial estimated value and the structuring of the notes, see Structuring the Notes beginning on page TS-12.

## Terms of the Notes

## Redemption Amount Determination

<b>Issuer:</b>	BofA Finance LLC ( BofA Finance )	On the maturity date, you will receive a cash payment per unit determined as follows:
<b>Guarantor:</b>	Bank of America Corporation ( BAC )	
<b>Principal Amount:</b>	\$10.00 per unit	
<b>Term:</b>	Approximately five years	
<b>Market Measure:</b>	The Dow Jones Industrial Average <sup>SM</sup> (Bloomberg symbol: INDU ), a price return index	
<b>Starting Value:</b>	The closing level of the Market Measure on the pricing date	
<b>Ending Value:</b>	The average of the closing levels of the Market Measure on each calculation day occurring during the Maturity Valuation Period. The scheduled calculation days are subject to postponement in the event of	

<b>Threshold Value:</b>	Market Disruption Events, as described beginning on page PS-20 of product supplement EQUITY INDICES LIRN-1. 80% of the Starting Value, rounded to two decimal places.
<b>Participation Rate:</b>	[110.00]% to [120.00]%. The actual Participation Rate will be determined on the pricing date.
<b>Maturity Valuation Period:</b>	Five scheduled calculation days shortly before the maturity date.
<b>Fees and Charges:</b>	The underwriting discount of \$0.25 per unit listed on the cover page and the hedging related charge of \$0.075 per unit described in Structuring the Notes beginning on page TS-12.
<b>Calculation Agent:</b>	Merrill Lynch, Pierce, Fenner & Smith Incorporated ( MLPF&S ), an affiliate of BofA Finance.

Leveraged Index Return Notes®

TS-2

Leveraged Index Return Notes®

Linked to the Dow Jones Industrial Average<sup>SM</sup>, due February, 2024

The terms and risks of the notes are contained in this term sheet and in the following:

Product supplement EQUITY INDICES LIRN-1 dated November 28, 2016:

<https://www.sec.gov/Archives/edgar/data/70858/000119312516778251/d301984d424b5.htm>

Series A MTN prospectus supplement dated November 4, 2016 and prospectus dated November 4, 2016:

<https://www.sec.gov/Archives/edgar/data/70858/000119312516760144/d266649d424b3.htm>

These documents (together, the Note Prospectus) have been filed as part of a registration statement with the SEC, which may, without cost, be accessed on the SEC website as indicated above or obtained from MLPF&S by calling 1-800-294-1322. Before you invest, you should read the Note Prospectus, including this term sheet, for information about us, BAC and this offering. Any prior or contemporaneous oral statements and any other written materials you may have received are superseded by the Note Prospectus. Capitalized terms used but not defined in this term sheet have the meanings set forth in product supplement EQUITY INDICES LIRN-1. Unless otherwise indicated or unless the context requires otherwise, all references in this document to we, us, our, or similar references are to BofA Finance, and not to BAC.

Investor Considerations

**You may wish to consider an investment in the notes if:**      **The notes may not be an appropriate investment for you if:**

You anticipate that the Index will increase from the Starting Value to the Ending Value.      You believe that the Index will decrease from the Starting Value to the Ending Value or that it will not increase sufficiently over the term of the notes to provide you with your desired return.

You are willing to risk a loss of principal and return if the Index decreases from the Starting Value to an Ending Value that is below the Threshold Value.      You seek 100% principal repayment or preservation of capital.

You are willing to forgo the interest payments that are paid on conventional interest bearing debt securities.      You seek interest payments or other current income on your investment.

You are willing to forgo dividends or other benefits of owning the stocks included in the Index.      You want to receive dividends or other distributions paid on the stocks included in the Index.

You are willing to accept a limited or no market for sales prior to maturity, and understand that the market prices for the notes, if any, will be affected by various factors, including our and BAC's actual and perceived creditworthiness, BAC's internal funding rate and fees and charges on the notes.      You seek an investment for which there will be a liquid secondary market.

You are willing to assume our credit risk, as issuer of the notes, and BAC's credit risk, as guarantor of the notes, for all payments under the notes, including the Redemption Amount.      You are unwilling or are unable to take market risk on the notes, to take our credit risk, as issuer of the notes, or to take BAC's credit risk, as guarantor of the notes.

You are willing to assume our credit risk, as issuer of the notes, and BAC's credit risk, as guarantor of the notes, for all payments under the notes, including the Redemption Amount. We urge you to consult your investment, legal, tax, accounting, and other advisors before you invest in the notes.



## Leveraged Index Return Notes®

Linked to the Dow Jones Industrial Average<sup>SM</sup>, due February , 2024

Hypothetical Payout Profile and Examples of Payments at Maturity

The below graph is based on **hypothetical** numbers and values.

**Leveraged Index Return Notes®**

This graph reflects the returns on the notes, based on a Participation Rate of 115.00% (the midpoint of the Participation Rate range of [110.00% to 120.00%]) and a Threshold Value of 80% of the Starting Value. The green line reflects the returns on the notes, while the dotted gray line reflects the returns of a direct investment in the stocks included in the Index, excluding dividends.

This graph has been prepared for purposes of illustration only.

The following table and examples are for purposes of illustration only. They are based on **hypothetical** values and show **hypothetical** returns on the notes. They illustrate the calculation of the Redemption Amount and total rate of return based on a hypothetical Starting Value of 100, a Threshold Value of 80, a Participation Rate of 115.00% and a range of hypothetical Ending Values. **The actual amount you receive and the resulting total rate of return will depend on the actual Starting Value, Threshold Value, Participation Rate, Ending Value, and whether you hold the notes to maturity.** The following examples do not take into account any tax consequences from investing in the notes.

For recent actual levels of the Market Measure, see The Index section below. The Index is a price return index and as such the Ending Value will not include any income generated by dividends paid on the stocks included in the Index, which you would otherwise be entitled to receive if you invested in those stocks directly. In addition, all payments on the notes are subject to issuer and guarantor credit risk.

Ending Value	Percentage Change from the Starting Value to the Ending Value	Redemption Amount per Unit <sup>(1)</sup>	Total Rate of Return on the Notes
0.00	-100.00%	\$2.00	-80.00%
50.00	-50.00%	\$7.00	-30.00%
70.00	-30.00%	\$9.00	-10.00%
80.00 <sup>(2)</sup>	-20.00%	\$10.00	0.00%
90.00	-10.00%	\$10.00	0.00%
94.00	-6.00%	\$10.00	0.00%
97.00	-3.00%	\$10.00	0.00%
100.00 <sup>(3)</sup>	0.00%	\$10.00	0.00%
102.00	2.00%	\$10.23	2.30%
105.00	5.00%	\$10.575	5.75%
110.00	10.00%	\$11.15	11.50%
120.00	20.00%	\$12.30	23.00%
130.00	30.00%	\$13.45	34.50%
140.00	40.00%	\$14.60	46.00%
150.00	50.00%	\$15.75	57.50%
160.00	60.00%	\$16.90	69.00%

(1) The Redemption Amount per unit is based on the **hypothetical** Participation Rate.

(2) This is the **hypothetical** Threshold Value.

(3) The **hypothetical** Starting Value of 100 used in these examples has been chosen for illustrative purposes only, and does not represent a likely actual Starting Value for the Market Measure.

Leveraged Index Return Notes®

TS-4



Leveraged Index Return Notes®

Linked to the Dow Jones Industrial Average<sup>SM</sup>, due February , 2024

**Redemption Amount Calculation Examples**

**Example 1**

The Ending Value is 70.00, or 70.00% of the Starting Value:

Starting Value: 100.00

Threshold Value: 80.00

Ending Value: 70.00

Redemption Amount per unit

**Example 2**

The Ending Value is 90.00, or 90.00% of the Starting Value:

Starting Value: 100.00

On July 18, 2007, the Company entered into an asset purchase agreement with ParexLahabra, a manufacturer of premixed mortars for the construction industry, for the sales of the business, accounts receivable, inventory and certain intangible assets of the Company's Stone Holdings operation. The sale proceeds were approximately \$2.4 million. In fiscal 2008, the Company recorded a gain on the sale of the Stone Holdings operation of approximately \$0.6 million as other income.

In the third quarter of fiscal 2008, the Company's UK operation completed the closure of its manufacturing operation and will be sourcing all of its products from the Company's Asian and other worldwide suppliers. In connection with this product sourcing initiative the Company's UK operation sold certain of its manufacturing equipment to one of its overseas suppliers. In connection with this sale the Company recorded a gain of \$0.2 million as other income.

In connection with the disposition of the Company's Holland operation in fiscal 2007 and one of its UK operations in 2008, the

## **Table of Contents**

Company receives royalty income in connection with the associated license and royalty agreement entered into with Estillon B.V. During fiscal 2008, the Company recorded royalty income of \$0.2 million as other income.

### ***Changes in the Put Warrant Liability***

On July 23, 2007, the Company received written notice from HillStreet of the exercise of their right to put to the Company the put warrants in the Company pursuant to the Warrant Agreement. On July 31, 2007, the Company and HillStreet agreed upon a cash settlement value of \$2.3 million for the put obligation. The Company paid the settlement out of funds available under its existing revolving credit facility.

For accounting purposes, the Company has historically recorded the put warrant liability by calculating the difference between the closing stock price at the end of a reporting period and the exercise price of \$3.63 per share multiplied by the 325,000 warrants outstanding. Based on this methodology, a liability of \$0.9 million was reported for the put warrants as of the end of fiscal 2007. As a result of the settlement, the Company reported a put warrant expense of \$1.4 million in fiscal 2008. This compares with income of \$1.4 million recorded in fiscal 2007 related to the revaluation of the put warrant liability. No further income or expense will be recorded related to this Warrant Agreement. For a more detailed discussion regarding the put warrants, see Liquidity and Capital Resources .

### ***Interest Expense***

Interest expense for the fiscal 2008 period was approximately \$2.5 million compared to approximately \$3.0 million in fiscal 2007. Interest expense decreased as a result of a reduction in average borrowings throughout the year to fund the Company's acquisition debt and working capital needs, as well as lower interest rates during the fiscal 2008 period.

### ***Income Taxes***

The Company recorded a provision for income taxes in fiscal 2008 of approximately \$3.5 million compared to approximately \$0.6 million in fiscal 2007. The Company performed a detailed analysis under the guidelines of Statement of Financial Accounting Standards No. 109, which included a review of each subsidiary's financial results and projections and considers the likelihood that deferred tax assets will be recoverable from future taxable income and, to the extent that the Company believes that recoverability is not likely, establishes a valuation allowance. The Company does not realize a tax benefit or incur a tax provision associated with the accounting for the put warrant liability. Estimated tax rates are based upon the most recent effective tax rates available in every jurisdiction in which the Company operates.

The effective tax rate for fiscal 2008 was 62% due to the put warrant expense in the current year that provides no tax benefit, full valuation allowance taken on certain of the Company's net operating losses, primarily in the UK and Mexico, and foreign tax rate differential.

Despite having a pre-tax loss in fiscal 2007, the Company recorded an income tax provision due to various permanent differences including approximately \$2.4 million of goodwill impairment charges in the Domestic segment that are non deductible for tax purposes.

### ***Net Income and Net Income, as Adjusted***

Due to the reasons stated above the Company recorded net income of approximately \$2.2 million or \$0.61 per diluted share in fiscal 2008 compared to net loss of \$5.8 million or \$1.71 per diluted share in fiscal 2007. Net income adjusted for the change in the put warrant liability and other non-recurring items was \$3.6 million or \$1.00 per diluted share in fiscal 2008 compared to net loss of \$0.2 million or \$0.05 per diluted share in fiscal 2007.

**Table of Contents****Reconciliation of Net Income to Net Income Adjusted for the Change in the Put Warrant Liability and Other Non-Recurring Items**

Net Income Adjusted for the Change in the Put Warrant Liability and Other Non-Recurring Items and Earnings Per Share Adjusted for the Change in the Put Warrant Liability and Other Non-Recurring Items are Non-GAAP financial measures. The Company has included these Non-GAAP financial measures because it believes that the measures provide an indicator of profitability and performance of the Company's operations and provide a meaningful comparison of its current operating performance with its historical results. The Company uses Net Income Adjusted for the Change in the Put Warrant Liability and Other Non-Recurring Items and Earnings Per Share Adjusted for the Change in the Put Warrant Liability and Other Non-Recurring Items as internal measures of its business. Net Income Adjusted for the Change in the Put Warrant Liability and Other Non-Recurring Items and Earnings Per Share Adjusted for the Change in the Put Warrant Liability and Other Non-Recurring Items are not meant to be considered a substitute or replacement for Net Income and Earnings Per Share as prepared in accordance with generally accepted accounting principles.

The reconciliation of Net Income to Net Income Adjusted for the Change in the Put Warrant Liability and Other Non-Recurring Items and Earnings Per Share Adjusted for the Change in the Put Warrant Liability and Other Non-Recurring Items is as follows (in thousands except for per share amounts):

	Year Ended	
	February 29, 2008	February 28, 2007
Net income (loss), as reported (a)	\$ 2,196	\$ (5,806) *
Add back (deduct):		
(Gain) loss on sale of businesses, net of tax	(346)	563
Impairment loss on goodwill and other intangible assets, net of tax		6,052
Realization of currency translation loss related to the disposition of certain assets and obligations of foreign subsidiary	323	478
Change in put warrant liability	1,439	(1,437)
Net income adjusted for the change in the put warrant liability and non-recurring items (b)	\$ 3,612	\$ (150) *
Earnings (loss) per share, as reported:		
Basic ((a)/(c))	\$ 0.63	\$ (1.71) *
Diluted ((a)/(d))	\$ 0.61	\$ (1.71) *
Weighted average number of shares outstanding, as reported:		
Basic (c)	3,435	3,411
Diluted (d)	3,588	3,411
Earnings per share adjusted for the change in the put warrant liability and non-recurring items:		
Basic ((b)/(e))	\$ 1.05	\$ (0.05) *
Diluted ((b)/(f))	\$ 1.00	\$ (0.05) *
Weighted average number of shares outstanding as adjusted for the change in the put warrant liability and non-recurring items:		
Basic (e)	3,435	3,411
Diluted (f)	3,588	3,411 *

\* Amounts revised. See Note D of Notes to the Consolidated Financial Statements.

---

## **Table of Contents**

### **Liquidity and Capital Resources**

Working capital increased to approximately \$9.1 million, as of February 29, 2008 from approximately \$4.8 million at February 28, 2007, an increase of approximately \$4.3 million.

Net cash provided by operating activities during the fiscal 2008 period was approximately \$7.2 million compared to approximately \$4.9 million for the comparable fiscal 2007 period. The increase in cash flow from operating activities was primarily due to net income as adjusted for non-cash income statement items, which would include adjustments for depreciation, amortization, goodwill impairment, change in the fair value of the put warrant, and the gain on the sale of plant, equipment and businesses, increasing by \$7.3 million in fiscal 2008 compared to fiscal 2007. In fiscal 2008, the reduction in accounts receivables provided cash of approximately \$1.7 million that was partially offset by the use of cash to increase prepaid expense by \$1.1 million and reduce accounts payable by \$0.6 million.

Net cash provided by investing activities was approximately \$1.1 million in fiscal 2008 compared to net cash used of approximately \$0.7 million in fiscal 2007. The cash provided by investing activities in fiscal 2008 was comprised of proceeds from the sale of plant, equipment and businesses of approximately \$4.0 million, partially offset by capital expenditures of \$3.0 million, which consist mainly of the purchase of the Adelanto, California manufacturing and distribution facility.

Net cash used in financing activities was approximately \$8.3 million in the fiscal 2008 period compared to approximately \$4.1 million in the fiscal 2007 period. The change is primarily due to the settlement of the Company's put warrant obligation for \$2.3 million in fiscal 2008 and the repayment of acquisition and term debt of \$6.2 million in fiscal 2008 compared to repayment of \$4.7 million in fiscal 2007.

The Company has an asset based loan agreement with two domestic financial institutions to provide a revolving credit facility, mortgage and term note financing. The loan agreement expires in July 2008. Under the agreement, the Company is allowed to borrow up to \$29 million under the revolving credit facility based on a formula for eligible accounts receivable and inventory. On April 26, 2007, the loan agreement was amended to make certain financial covenants from February 28, 2007 through July 2008 less restrictive and to increase the ability of the Company to borrow against eligible inventory of raw material and finished goods of the Company and certain subsidiaries. As of February 29, 2008, the term loan has an interest rate that ranges from Libor plus 2.13% to Libor plus 2.88%, while the revolver bears an interest rate that ranges from Libor plus 1.50% to Libor plus 2.25%. These loans are collateralized by substantially all of the Company's assets. The agreement also prohibits the Company from incurring certain additional indebtedness, limits certain investments, advances or loans, restricts substantial asset sales and capital expenditures and prohibits the payment of dividends, except for dividends due on the Company's Series A and C preferred stock. At February 29, 2008 the rate was Libor (3.26%) plus 1.75% and the Company had borrowed approximately \$22.0 million and had \$4.3 million available for future borrowings under its revolving loan facility net of approximately \$0.9 million in outstanding letters of credit. The loan agreement contains a subjective acceleration clause and lockbox arrangement; therefore, the borrowing under this agreement is classified as a current liability.

In May 2008, the Company amended its existing asset based loan agreement with two domestic institutions. The amendment extended the maturity date for the \$29 million revolving credit facility and the mortgage on the Canadian facility to May 20, 2011. The amendment revises the loan agreement so that the loan agreement will no longer provide for the BV loan or term loan and will consist solely of the revolving credit loan and mortgage on the Canadian facility. The amendment also made the following modifications to the loan agreement: (i) all foreign subsidiaries other than Roberts Company Canada Limited were released as borrowers under the loan agreement, (ii) all foreign subsidiaries excluding all subsidiaries in Canada, the U.K., France, Australia and New Zealand executed negative pledge agreements, and (iii) the covenants relating to the maintenance of a minimum current ratio and a minimum tangible net worth were eliminated. The total amount available for borrowing under the revolving credit loan, the interest rates applicable to the borrowings outstanding and all other covenants under the loan agreement remain unchanged from the loan agreement, as amended by prior amendments.

The Company's Australian subsidiary has a payment facility that allows it to borrow against a certain percentage of inventory and accounts receivable. In March 2007, this facility was amended to make the maximum permitted borrowing approximately \$1.9 million of which \$1.4 million was outstanding at February 29, 2008. The facility is considered a demand note and carries an interest rate of the Australian Commercial Bill Rate (8.14% as of February 29, 2008) plus 1.25%.

---

**Table of Contents**

In connection with the purchase of the Company's United Kingdom operations, a U.K. subsidiary of the Company entered into two financing arrangements with a U.K. financial institution. In January 2008, the Company replaced these facilities with an additional asset based loan agreement with a domestic financial institution to provide a revolving credit facility with a borrowing capacity of \$3.5 million for the Company's U.K. operations. The facility has a term that varies with the term of the Company's other domestic revolving credit facility and bears an interest rate that ranges from Sterling Libor plus 1.50% to Sterling Libor plus 2.25%. This agreement is collateralized by substantially all of the Company's UK operation's assets and is guaranteed by the Company. The agreement similarly prohibits the Company's U.K. operations from incurring certain additional indebtedness, limits certain investments, advances or loans, restricts substantial asset sales and capital expenditures, and prohibits the payment of dividends. At February 29, 2008 the interest rate was Sterling Libor (5.60%) plus 2.00%, the Company's U.K. operations had borrowed approximately \$2.0 million under this facility and had \$0.5 million available for future borrowing. The facility is considered a demand note.

**Payable to Banks Under Term Loan Facilities**

The Company has a term loan financing arrangement that provides for repayment of this facility at a rate of \$0.2 million per month. At February 29, 2008, the interest rate was Libor (3.26%) plus 2.38% and the balance on the term note was \$0.3 million.

In March 2007, the Company's Australian subsidiary amended its payment facility by consolidating the then existing three term facilities into one three-year term facility. The subsidiary received approximately \$1.4 million of additional financing under the amendment. The loan requires quarterly payments of AUD 0.2 million (US \$0.2 million) for the first four installments and AUD 0.1 million (US \$0.1 million) thereafter with a final balloon payment. The balance of this term note was US \$1.4 million at February 29, 2008. The term loan is collateralized by substantially all of the assets of the subsidiary (approximately \$12.6 million) as well as a parent company guaranty.

In July 2003, the Company refinanced its mortgage loan in Canada to finance the expansion of the Canadian physical facilities. As of February 29, 2008, the mortgage balance was \$1.9 million and is amortized based on a 15-year period. The mortgage bears an interest rate of Libor (4.05% as of February 29, 2008) plus 2.00% and will mature in September 2008. The mortgage loan requires payments of less than \$0.1 million per month. In May 2008, the Company entered into an agreement with its existing lenders to renew the Canadian mortgage for an additional three years. Although, the maturity date is within one year as at February 29, 2008, the Company continues to classify the mortgage as long term debt in accordance with Statement of Financial Accounting Standards No. 6, "Classification of Short-Term Obligations Expected to Be Refinanced" due to the May 2008 amendment to its loan agreement.

In February 2008, the Company entered into a mortgage agreement to finance its purchase of the manufacturing and distribution facility located in Adelanto, California. As of February 29, 2008, the mortgage balance is approximately \$1.7 million and is amortized based on a 15-year period. The mortgage bears an interest rate of LIBOR (3.26% at February 29, 2008) plus 1.50% and will mature in February 2013. The mortgage loan requires principal payments of less than \$0.1 million per month.

In connection with an acquisition during fiscal years 2000, the Company issued an unsecured note, which was amended on two occasions to extend the final \$0.3 million due as of February 29, 2004 to October 10, 2009 with interest payable quarterly at 7%.

In connection with the August 2004 purchase of the assets of Tplex Corporation, a flooring underlayment manufacturer in the United States, the Company issued a note to the seller in the amount of \$0.8 million. The note requires an annual payment of \$0.2 million over four years. Interest on the note accrues at 4% per year. At February 29, 2008, \$0.2 million remains unpaid.

In connection with the acquisition of PRCI S.A. in November 2004, the Company issued a note to the related seller for approximately \$1.1 million. The note is repayable in four equal annual installments beginning November 2005. Interest on the note accrues at the EURIBOR three month rate (4.38% at February 29, 2008) per year. Approximately \$0.3 million was outstanding at February 29, 2008.

---

**Table of Contents**

In May 2005, in connection with the acquisition of adhesives manufacturing assets, the Company issued a four-year, non-interest-bearing \$4.0 million note due in annual installments of \$1.0 million. The principal balance of the note is discounted at an imputed interest rate of 5.2%. In the fourth quarter of fiscal 2008, the Company paid approximately \$1.7 million to settle the two remaining outstanding installments of \$1.0 million each, which would become due in May 2008 and 2009. The company recorded a gain on the early extinguishment of this debt of approximately \$0.2 million, net of any unamortized discount on the note. At February 29, 2008 this note was paid in full.

In November 2005, in connection with the acquisition of the Australian distributor of tools and flooring installation products, the Company issued a three-year, AUD 0.5 million note (approximately US \$0.5 million) bearing interest at the Australian 180-day commercial bill rate (8.14% at February 29, 2008) due in semi-annual installments totaling approximately AUD 0.2 million per year. At February 29, 2008, \$0.2 million remains unpaid.

In connection with the subordinated loan agreement between the Company and HillStreet Fund, L.P. ( HillStreet ), entered into on April 5, 2001, the Company issued 325,000 10-year warrants (the put warrants ) at an exercise price of \$3.63 per share. Once the put warrants are put to the Company, the Company is required to pay the holder of the put warrants in cash in accordance with the put warrant agreement. The payment is based on the determination of the Company's entity value, which is defined in the warrant agreement as the greatest of: (1) the fair market value of the Company established as of a capital transaction or public offering; (2) a formula value based on a multiple of the trailing twelve month EBITDA; or (3) an appraised value as if the Company was sold as a going concern.

On July 23, 2007, the Company received written notice from HillStreet of the exercise of their right to put to the Company the put warrants pursuant to the warrant agreement. On July 31, 2007, the Company and HillStreet agreed upon a cash settlement value of \$2.3 million for the put obligation. On August 6, 2007, the Company paid the settlement out of funds available under its existing revolving credit facility.

For accounting purposes, the Company has historically recorded the put warrant liability by calculating the difference between the closing stock price at the end of a reporting period and the exercise price of \$3.63 per share multiplied by the 325,000 warrants outstanding. Based on this methodology, a liability of \$0.9 million was reported for the put warrants as of February 28, 2007. As a result of the settlement, the Company reported a put warrant expense of \$1.4 million during fiscal 2008. No further income, expense or payments will be recorded related to this Warrant Agreement.

The Company believes its existing cash balances, internally generated funds from operations and its available bank lines of credit will provide the liquidity necessary to satisfy the Company's working capital needs, including the growth in inventory and accounts receivable balances, and will be adequate to finance anticipated capital expenditures and debt obligations for the next twelve months. There can be no assurance, however, that the assumptions upon which the Company bases its future working capital and capital expenditure requirements and the assumptions upon which it bases its belief that funds will be available to satisfy such requirements will prove to be correct. If these assumptions are not correct, the Company may be required to raise additional capital through loans or the issuance of debt securities that would require the consent of the Company's current lenders, or through the issuance of equity securities.

To the extent the Company raises additional capital by issuing equity securities or obtaining borrowings convertible into equity, ownership dilution to existing stockholders will result, and future investors may be granted rights superior to those of existing stockholders. Moreover, additional capital may be unavailable to the Company on acceptable terms, or may not be available at all.

---

## **Table of Contents**

### **Impact of Inflation and Changing Prices**

During fiscal 2007 and continuing through fiscal 2008, the Company experienced price increases in certain key commodities and components related to the purchase of raw materials and finished goods. The Company believes that its level of gross profit as a percent of net sales is affected by these increases. Other than the changes described, the effect of inflation on the Company's operations has been minimal.

### **Recently Issued Accounting Standards**

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, Fair Value Measurements (SFAS No. 157). SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. SFAS No. 157 applies under other accounting pronouncements that require or permit fair value measurements, the FASB having previously concluded in those accounting pronouncements that fair value is the relevant measurement attribute. Accordingly, SFAS No. 157 does not require any new fair value measurements. In February 2008, the FASB issued FSP 157-2 Partial Deferral of the Effective Date of Statements 157, which delays the effective date of SFAS 157, for all non-financial assets and non-financial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually) to fiscal years beginning after November 15, 2008. The Company is currently evaluating the impact, if any, that the adoption of SFAS No. 157 will have on the Company's operating income or net earnings.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, The Fair Value Option for Financial Assets and Financial Liabilities (SFAS No. 159). SFAS No. 159 permits companies to choose to measure certain financial instruments and certain other items at fair value, and requires that unrealized gains and losses on items for which the fair value option has been elected be reported in earnings. SFAS No. 159 is effective for the Company beginning in the first fiscal quarter of 2008 although earlier adoption is permitted. The Company expects that SFAS No. 159 will not have an impact on its consolidated financial statements.

In June 2007, the Emerging Issues Task Force (EITF) reached a consensus on Issue No. 06-11, Accounting for Income Tax Benefits of Dividends on Share-Based Payment Awards (EITF 06-11). EITF 06-11 states that an entity should recognize a realized tax benefit associated with dividends on nonvested equity shares, nonvested equity share units and outstanding equity share options charged to retained earnings as an increase in additional paid in capital. The amount recognized in additional paid in capital should be included in the pool of excess tax benefits available to absorb potential future tax deficiencies on share-based payment awards. EITF 06-11 should be applied prospectively to income tax benefits of dividends on equity-classified share-based payment awards that are declared in fiscal years beginning after December 15, 2007. The Company expects that EITF 06-11 will not have an impact on its consolidated financial statements.

In November 2007, the FASB issued FSP FAS 142-f, Goodwill and Other Intangible Assets. This proposed FSP amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of an intangible asset under FASB Statement No. 142, Goodwill and Other Intangibles (FAS 142). The FSP aims to improve the consistency between the useful life of an intangible asset as determined under FAS 142 and the period of expected cash flows used to measure the fair value of the asset under FASB Statement No. 141, Business Combinations, and other applicable accounting literature. As a result of this FSP, entities generally will be able to align the assumptions used for valuing an intangible asset with those used to determine its useful life. This FSP will be effective for financial statements issued for fiscal years beginning after June 15, 2008 and interim periods within those fiscal years. The Company is currently evaluating the effect, if any, of this statement on its consolidated financial statements.

In December 2007, the FASB issued FAS No. 141(R) Business Combinations, which is effective for fiscal years beginning after December 15, 2008. This statement retains the fundamental requirements in FAS 141 that the acquisition method be used for all business combinations and for an acquirer to be identified for each business combination. FAS 141(R) broadens the scope of FAS 141 by requiring application of the purchase method of accounting to transactions in which one entity establishes control over another

## **Table of Contents**

entity without necessarily transferring consideration, even if the acquirer has not acquired 100% of its target. Among other changes, FAS 141(R) applies the concept of fair value and more likely than not criteria to accounting for contingent consideration, and preacquisition contingencies. As a result of implementing the new standard, since transaction costs would not be an element of fair value of the target, they will not be considered part of the fair value of the acquirer's interest and will be expensed as incurred. This pronouncement may impact the Company in the event that acquisitions are done in the future.

In December 2007, the FASB also issued FAS No. 160, *Accounting for Noncontrolling Interests*, which is effective for fiscal years beginning after December 15, 2008. This statement clarifies the classification of noncontrolling interests in the consolidated statements of financial position and the accounting for and reporting of transactions between the reporting entity and the holders of non-controlling interests. The Company does not expect that the adoption of this standard will have a significant impact on its consolidated financial statements.

### **Off Balance Sheet Arrangements**

The Company is not involved in any off-balance sheet arrangements.

### **Item 7A. *Quantitative and Qualitative Disclosures about Market Risk***

Not required.

### **Item 8. *Financial Statements and Supplementary Data***

The response to this item is submitted on pages F-1 F-30 of this Report.

### **Item 9. *Changes in and Disagreements With Accountants on Accounting and Financial Disclosure***

None.

### **Item 9A(T). *Controls and Procedures***

#### *Evaluation of Disclosure Controls and Procedures*

For the year ended February 29, 2008, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including Lewis Gould, the Company's Chief Executive Officer, and Stuart Fleischer, the Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of the end of the period covered by this report pursuant to Exchange Act Rule 13a-15(e). The Company's disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed in its reports filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission's rules and forms, and is accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures. Based upon the Company's evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that as a result of the material weaknesses in the Company's internal control over financial reporting described more fully below, the Company's disclosure controls and procedures were not effective as of February 29, 2008.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Management necessarily applied its judgment in assessing the benefits of controls relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. Because of the inherent limitations in a control system, misstatements due to error or fraud may occur and may not be detected.





---

**Table of Contents**

*Management's Annual Report on Internal Control over Financial Reporting*

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. Under the supervision and with the participation of the Company's management, the Company's Chief Executive Officer and Chief Financial Officer, the Company conducted an evaluation of the effectiveness of its internal control over financial reporting as of February 29, 2008 based on criteria set forth in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ( COSO ).

On performing this assessment, management identified the following material weaknesses:

**Intercompany Accounts** A material weakness existed with the recording, reconciling and elimination of intercompany account balances between the Company's Domestic and foreign subsidiaries and amongst the Company's foreign subsidiaries.

**Review of Foreign Operations** A material weakness existed with the local preparation and review of the financial results of certain of the Company's foreign operations.

As a result of these material weaknesses in the Company's internal control over financial reporting, the Company's management concluded that its internal control over financial reporting, as of February 29, 2008, was not effective based on the criteria set forth by COSO in Internal Control - Integrated Framework. A material weakness in internal control over financial reporting is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

This annual report does not include an attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's independent registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this Annual Report on Form 10-K.

*Management's Plan for Remediation of Material Weaknesses*

The Company has implemented and continues to implement various measures to address the identified material weaknesses and to improve the overall internal control over financial reporting. The following steps are planned for fiscal 2009 to remediate the conditions leading to the above stated material weaknesses:

**Intercompany Accounts** (i) develop and implement standardized policy and procedure for the recording of inter-company transactions, (ii) identify, procure and implement an appropriate technology to record, match and track intercompany transactions, (iii) complete timely reconciliation of all intercompany accounts, and (iv) record in a timely manner the foreign currency translation and exchange rate gains or losses related to intercompany accounts.

**Review of Foreign Operations** (i) use of a comprehensive, standard financial close disclosure checklist, (ii) provide additional training to financial personnel at the Company's foreign subsidiaries, and (iii) implement an internal review function over all foreign operations coordinated through the Company's corporate office.

**Table of Contents**

*Changes in Internal Control over Financial Reporting*

There were no changes during the quarter ended February 29, 2008 in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

***Item 9B. Other Information***

None.

**Table of Contents**

**PART III**

***Item 10. Directors, Executive Officers and Corporate Governance***

Information required by this item regarding directors and officers is incorporated by reference from the Company's definitive Proxy Statement for its 2008 Annual Meeting of Stockholders to be filed no later than 120 days after February 29, 2008.

***Item 11. Executive Compensation***

Information required by this item regarding compensation of officers and directors is incorporated by reference from the Company's definitive Proxy Statement for its 2008 Annual Meeting of Stockholders to be filed no later than 120 days after February 29, 2008.

***Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

Information required by this item is incorporated by reference from the Company's definitive Proxy Statement for its 2008 Annual Meeting of Stockholders to be filed no later than 120 days after February 29, 2008.

***Item 13. Certain Relationships and Related Transactions, and Director Independence***

Information required by this item is incorporated by reference from the Company's definitive Proxy Statement for its 2008 Annual Meeting of Stockholders to be filed no later than 120 days after February 29, 2008.

***Item 14. Principal Accounting Fees and Services***

Information required by this item is incorporated by reference from the Company's definitive Proxy Statement for its 2008 Annual Meeting of Stockholders to be filed no later than 120 days after February 29, 2008.

**Table of Contents**

**PART IV**

**Item 15. Exhibits and Financial Statement Schedules**

(a) The following documents are filed as part of the report:

1. and 2. The financial statements and financial statement schedule filed as part of this report are listed separately in the index to Financial Statements beginning on page F-1 of this report.

3. For Exhibits see Item 15(b), below.

(b) List of Exhibits:

<b>Exhibit No.</b>	<b>Description</b>
2.1	Form of Agreement and Plan of Merger regarding the change in incorporation of the Company from a New York Corporation to a Delaware Corporation <sup>(1)</sup>
2.2	Stock Purchase Agreement dated October 21, 1997 between the Company and RCI Holdings, Inc. <sup>(2)</sup>
3.1	Certificate of Incorporation of the Company <sup>(1)</sup>
3.2	Amended and Restated Bylaws of the Company <sup>(12)</sup>
3.3	Form of Indemnification Agreement executed by Officers and Directors of the Company <sup>(1)</sup>
4.1	Form of specimen certificate for Common Stock of the Company <sup>(1)</sup>
9	Voting Trust Agreement, dated August 3, 1996, by and between Lewis Gould and Susan J. Gould <sup>(1)</sup>
10.1	Q.E.P. Co., Inc. Omnibus Stock Plan of 1996, as amended on July 9, 2004 <sup>(7)+</sup>
10.2	Employment Agreement dated May 1, 2002 by and between Lewis Gould and the Company. <sup>(3)+</sup>
10.7	Second Amended and Restated Loan Agreement dated November 14, 2002, by and among the Company, its subsidiaries, Fleet Capital Corporation, HSBC Bank USA and Fleet Capital Corporation, as agent. <sup>(3)</sup>
10.8	Form of Term Note, Domestic Advances Note, Foreign Advances Note and B.V. Note executed in connect with Second Amended and Restated Loan Agreement dated November 14, 2002. <sup>(3)</sup>
10.9	Agreement by the Company and Lewis Gould, dated May 12, 2003. <sup>(4)+</sup>
10.10	Agreement between the Company and Valfin, SA dated September 23, 2004. <sup>(6)</sup>
10.11	Liability and Asset Guarantee between Company and Valfin, SA dated September 23, 2004. <sup>(6)</sup>
10.12	QEP Executive Deferred Compensation Plan effective December 15, 2004. <sup>(8)+</sup>
10.13	Trust under the QEP Executive Deferred Compensation Plan dated December 27, 2004. <sup>(8)</sup>
10.14	Fourth Amendment and Waiver Agreement dated March 31, 2005 by and among the Company, its subsidiaries, Fleet Capital Corporation, HSBC Bank USA and Fleet Capital Corporation, as agent. <sup>(9)</sup>

**Table of Contents**

- 10.16 Fifth Amendment and Waiver Agreement dated June 14, 2005 by and between the Company, its subsidiaries, Fleet Capital Corporation, HSBC Bank USA and Fleet Capital Corporation, as agent. <sup>(9)</sup>
- 10.17 Form of Term Notes, Amended and Restated Domestic Advances Note and Debenture executed in connect with Fourth Amendment and Waiver Agreement dated March 31, 2005. <sup>(9)</sup>
- 10.20 Seventh Amendment and Waiver Agreement dated June 1, 2006 by and among the Company, certain affiliates of the Company, Bank of America, N.A., successor-in-interest to Fleet Capital Corporation, and HSBC Bank USA, National Association, successor-by-merger to HSBC Bank USA. <sup>(10)</sup>
- 10.21 Employment Letter Agreement, dated July 14, 2006, between Stuart Fleischer and Q.E.P. Co., Inc. <sup>(11) +</sup>
- 10.22 Ninth Amendment and Waiver Agreement dated April 26, 2007 by and among the Company, certain affiliates of the Company, Bank of America, N.A., successor-in-interest to Fleet Capital Corporation, and HSBC Bank USA, National Association, as successor-by-merger to HSBC Bank USA, and Bank of America, N.A., as agent. <sup>(13)</sup>
- 10.23 Employment Letter Agreement, dated November 9, 2007, between Lawrence P. Levine and Q.E.P. Co., Inc. <sup>(14) +</sup>
- 10.24 Eleventh Amendment Agreement dated May 21, 2008 by and among the Company, certain affiliates of the Company, Bank of America N.A., successor-in-interest to Fleet Capital Corporation, and HSBC Bank USA, National Association as successor-by-merger to HSBC Bank USA, and Bank of America as agent. <sup>(15)</sup>
- 14.1 Code of Ethics for Senior Financial Officers. <sup>(5)</sup>
- 21 Subsidiaries of the Company. <sup>(15)</sup>
- 23 Consent of Independent Registered Public Accountants. <sup>(15)</sup>
- 31.1 Certification of Principal Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. <sup>(15)</sup>
- 31.2 Certification of Principal Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. <sup>(15)</sup>
- 32.1 Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. <sup>(15)</sup>
- 32.2 Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. <sup>(15)</sup>

<sup>(1)</sup> Filed with the Company's Registration Statement on Form S-1, as amended (Reg. No. 333-07477) filed with the Securities and Exchange Commission, and incorporated herein by reference.

<sup>(2)</sup> Filed with the Company's Report on Form 8-K filed with the Securities and Exchange Commission on November 3, 1997, and incorporated herein by reference.

**Table of Contents**

- (3) Filed with the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on January 13, 2003, and incorporated herein by reference.
  - (4) Filed with the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on May 28, 2003, and incorporated herein by reference.
  - (5) Filed with the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on May 27, 2004, and incorporated herein by reference.
  - (6) Filed with the Company's Current Report on Form 8-K with the Securities and Exchange Commission on September 27, 2004, and incorporated herein by reference.
  - (7) Filed with the Company's Quarterly Report herein on Form 10-Q filed with the Securities and Exchange Commission on October 14, 2004, and incorporated herein by reference.
  - (8) Filed with the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 1, 2005, and incorporated herein by reference.
  - (9) Filed with the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on June 15, 2005, and incorporated herein by reference.
  - (10) Filed with the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on June 13, 2006 and incorporated herein by reference.
  - (11) Filed with the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on October 23, 2006 and incorporated herein by reference.
  - (12) Filed with the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 28, 2007 and incorporated herein by reference.
  - (13) Filed with the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on May 29, 2007 and incorporated herein by reference.
  - (14) Filed with the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on January 14, 2008 and incorporated herein by reference.
  - (15) Filed herewith.
  - + Management contracts or compensatory plans or arrangements.
- (c) The financial statement schedule filed as part of this report is listed separately in the Index to Financial Statements beginning on page F-1 of this report.

**Table of Contents**

**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 Boca Raton, State of Florida, on May 29, 2008.

Q.E.P. CO., INC.

By: /s/ Lewis Gould  
 Lewis Gould  
 Chairman and Chief Executive Officer  
 May 29, 2008

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Lewis Gould and Stuart F. Fleischer and each of them, his true and lawful attorney-in-fact and agents, with full power of substitution and resubstitution for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Lewis Gould Lewis Gould	Chairman and Chief Executive Officer (Principal Executive Officer)	May 29, 2008
/s/ Stuart F. Fleischer Stuart F. Fleischer	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	May 29, 2008
/s/ Emil Vogel Emil Vogel	Director	May 29, 2008
/s/ David W. Kreilein David Kreilein	Director	May 29, 2008
/s/ Leonard Gould Leonard Gould	Director	May 29, 2008
/s/ Robert Walters Robert Walters	Director	May 29, 2008



**Table of Contents**

**CONTENTS**

	<b>Page</b>
<u>Report of Independent Registered Public Accounting Firm</u>	F-2
Financial Statements	
<u>Consolidated Balance Sheets</u>	F-3
<u>Consolidated Statements of Operations</u>	F-4
<u>Consolidated Statements of Shareholders' Equity and Comprehensive Income (Loss)</u>	F-5
<u>Consolidated Statements of Cash Flows</u>	F-6
<u>Notes to Consolidated Financial Statements</u>	F-7 to F-30
<u>Schedule II - Valuation and Qualifying Accounts</u>	S-1

F-1

---

**Table of Contents**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Board of Directors and Shareholders

Q.E.P. Co., Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheets of Q.E.P. Co., Inc. (a Delaware Corporation) and Subsidiaries as of February 29, 2008 and February 28, 2007, and the related consolidated statements of operations, shareholders' equity and comprehensive income (loss), and cash flows for the years then ended. Our audits of the basic consolidated financial statements included the financial statement schedule listed in the index appearing under Item 15(a)(2). These financial statements and the financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and the financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Q.E.P. Co., Inc. and Subsidiaries as of February 29, 2008 and February 28, 2007, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As discussed in Note B to the consolidated financial statements, effective March 1, 2007 the Company adopted the provisions of Financial Accounting Standards Board (FASB) Interpretation No 48, Accounting for Uncertainty in Income Taxes. Also as discussed in Note B to the consolidated financial statements, the Company recorded a cumulative effect adjustment as of March 1, 2006, in connection with the adoption of SEC Staff Accounting Bulletin No. 108, Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements.

/s/ GRANT THORNTON LLP  
Miami, Florida

May 29, 2008

**Table of Contents****Q.E.P. CO., Inc. and Subsidiaries****Consolidated Balance Sheets**

(In thousands, except par values)

	February 29, 2008	February 28, 2007
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 949	\$ 822
Accounts receivable, less allowance for doubtful accounts of approximately \$431 and \$354 as of February 29, 2008 and February 28, 2007, respectively	32,543	34,491
Inventories (Note G)	26,496	27,042
Prepaid expenses and other current assets	2,505	1,349
Deferred income taxes (Note M)	754	1,299
<b>Total current assets</b>	<b>63,247</b>	<b>65,003</b>
Property and equipment, net (Note H)	7,851	6,770
Deferred income taxes, net (Note M)	1,787	2,764
Goodwill (Note I)	9,685	9,563
Other intangible assets, net (Note I)	2,717	2,831
Other assets	339	225
<b>Total Assets</b>	<b>\$ 85,626</b>	<b>\$ 87,156</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Trade accounts payable	\$ 15,968	\$ 18,037 *
Accrued liabilities	11,690	9,769 *
Lines of credit (Note J)	24,537	27,405
Current maturities of long term debt (Note J)	1,977	4,085
Put warrant liability (Note J)		861
<b>Total current liabilities</b>	<b>54,172</b>	<b>60,157 *</b>
Notes payable (Note J)	4,472	2,398
Other long-term debt (Note J)	250	2,551
Other long-term liabilities	377	
<b>Total Liabilities</b>	<b>59,271</b>	<b>65,106 *</b>
Commitments and Contingencies (Note K)		
<b>SHAREHOLDERS EQUITY</b>		
Preferred stock; 2,500 shares authorized, \$1.00 par value; 337 shares issued and outstanding at February 29, 2008 and February 28, 2007 (Note O)	337	337
Common stock; 20,000 shares authorized, \$.001 par value; 3,528 shares and 3,523 shares issued, and 3,433 shares and 3,440 shares outstanding at February 29, 2008 and February 28, 2007, respectively	3	3
Additional paid-in capital	10,154	9,981
Retained earnings	16,574	14,770 *
Treasury stock; 95 and 83 shares held at cost at February 29, 2008 and February 28, 2007, respectively (Note O)	(756)	(639)
Accumulated other comprehensive income (loss)	43	(2,402)

	26,355	22,050 *
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	\$ 85,626	\$ 87,156

\* Amounts revised. See Note D to the Consolidated Financial Statements.

*The accompanying notes are an integral part of these financial statements.*

**Table of Contents****Q.E.P. CO., INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF OPERATIONS**

(In thousands except per share data)

	Year Ended	
	February 29, 2008	February 28, 2007
Net sales (Note F)	\$ 217,505	\$ 216,006
Cost of goods sold	154,684	156,658 *
<b>Gross profit</b>	<b>62,821</b>	<b>59,348 *</b>
Costs and expenses:		
Shipping	23,037	23,577
General and administrative	18,051	19,355
Selling and marketing	13,166	12,581
Impairment loss on goodwill and other intangibles		7,520
Other expense (income), net	(1,118)	(43)
<b>Total costs and expenses</b>	<b>53,136</b>	<b>62,990</b>
<b>Operating income (loss)</b>	<b>9,685</b>	<b>(3,642) *</b>
Change in put warrant liability (Note J)	(1,439)	1,437
Interest expense, net	(2,538)	(2,977)
<b>Income (loss) before provision for income taxes</b>	<b>5,708</b>	<b>(5,182) *</b>
Provision for income taxes (Note M)	3,512	624 *
<b>Net income (loss)</b>	<b>\$ 2,196</b>	<b>\$ (5,806) *</b>
<b>Net income (loss) per share:</b>		
Basic	\$ 0.63	\$ (1.71) *
Diluted	\$ 0.61	\$ (1.71) *
<b>Weighted average number of common shares outstanding</b>		
Basic	3,435	3,411
Diluted	3,588	3,411

\* Amounts revised. See Note D to the Consolidated Financial Statements.

*The accompanying notes are an integral part of these financial statements.*

**Table of Contents****Q.E.P. CO., INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF SHAREHOLDERS EQUITY AND COMPREHENSIVE INCOME (LOSS)**

(In thousands, except share data)

	Preferred Stock		Common Stock			Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Shareholders Equity	Comprehensive Income (Loss)
	Shares	Amount	Shares	Amount	Amount						
<b>Balance at Feb 28, 2006</b>	336,660	\$ 337	3,458,341	\$ 3	\$ 9,539	\$ 21,205	\$ (3,524)	\$ (543)	\$ 27,017	\$ (68)	
Cumulative effect of adjustments resulting from the adoption of SAB 108, net of tax							(607)		(607)		
<b>Adjusted balance at Feb 28, 2006</b>	336,660	\$ 337	3,458,341	\$ 3	\$ 9,539	\$ 20,598	\$ (3,524)	\$ (543)	\$ 26,410		
Net loss							(5,806)		(5,806)	\$ (5,806) *	
Foreign currency translation adjustment								644	644	644	
Realized foreign currency translation adjustment								478	478	478	
Stock option expense					145				145		
Purchase of Treasury Stock								(96)	(96)		
Issuance of stock in connection with the exercise of stock options			65,000		297				297		
Dividends							(22)		(22)		
<b>Balance at Feb 28, 2007</b>	336,660	\$ 337	3,523,341	\$ 3	\$ 9,981	\$ 14,770	\$ (2,402)	\$ (639)	\$ 22,050	\$ (4,684) *	
Cumulative effect of adjustments resulting from the adoption of FIN 48							(370)		(370)		
<b>Adjusted balance at Feb 28, 2007</b>	336,660	\$ 337	3,523,341	\$ 3	\$ 9,981	\$ 14,400	\$ (2,402)	\$ (639)	\$ 21,680	*	
Net income							2,196		2,196	\$ 2,196	
Foreign currency translation adjustment								2,122	2,122	2,122	
Realized foreign currency translation adjustment								323	323	323	
Stock option expense					139				139		
Purchase of Treasury Stock								(117)	(117)		
Issuance of stock in connection with the exercise of stock options			5,000		34				34		
Dividends							(22)		(22)		
<b>Balance at Feb 29, 2008</b>	336,660	\$ 337	3,528,341	\$ 3	\$ 10,154	\$ 16,574	\$ 43	\$ (756)	\$ 26,355	\$ 4,641	

\* Amounts revised. See Note D to the Consolidated Financial Statements.

*The accompanying notes are an integral part of these financial statements.*

F-5

**Table of Contents****Q.E.P. CO., INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In thousands)

	Year Ended	
	February 29, 2008	February 28, 2007
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ 2,196	\$ (5,806) *
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	2,089	2,568
Impairment loss on goodwill and other intangibles		7,520
Change in fair value of put warrant liability (Note J)	1,439	(1,437)
Write-off of accumulated foreign translation adjustment	323	478
Bad debt expense	284	313
Gain on sale of plant and equipment	(135)	
Gain on sale of businesses	(547)	
Stock-based compensation expense	244	171
Deferred income taxes (Note M)	1,522	(3,657)
Changes in assets and liabilities, net of acquisitions:		
Accounts receivable	1,708	(1,256)
Inventories	(254)	7,355
Prepaid expenses	(1,126)	2,381
Other assets	115	(78)
Trade accounts payable and accrued liabilities	(646)	(3,693) *
<b>Net cash provided by operating activities</b>	<b>7,212</b>	<b>4,859</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(2,981)	(730)
Proceeds from sales of equipment	244	
Proceeds from sales of businesses	3,801	
<b>Net cash provided by (used in) investing activities</b>	<b>1,064</b>	<b>(730)</b>
<b>Cash flows from financing activities:</b>		
Net borrowings under lines of credit (Note J)	(3,202)	443
Borrowings of long term debt (Note J)	3,509	
Repayments of notes payable (Note J)	(3,218)	(2,771)
Repayments of acquisition debt (Note J)	(2,948)	(1,885)
Settlement of put warrant liability (Note J)	(2,300)	
Purchase of treasury stock	(120)	(120)
Proceeds from exercise of stock options	34	297
Dividends	(22)	(22)
<b>Net cash used in financing activities</b>	<b>(8,267)</b>	<b>(4,058)</b>
<b>Effect of exchange rate changes on cash</b>	<b>118</b>	<b>(101)</b>
<b>Net increase (decrease) in cash</b>	<b>127</b>	<b>(30)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>822</b>	<b>852</b>



<b>Cash and cash equivalents at end of year</b>	\$ 949	\$ 822
---	--------	--------

\* Amounts revised. See Note D to the Consolidated Financial Statements.

*The accompanying notes are an integral part of these financial statements.*

F-6

**Table of Contents**

**Q.E.P. CO., INC. AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE A DESCRIPTION OF BUSINESS**

Q.E.P. Co., Inc. (the Company) is a leading manufacturer, marketer and distributor of a broad line of specialty tools and flooring related products for the home improvement market. Under brand names including Q.E.P.®, ROBERTS®, Capitol®, QSet, Vitrex® and Elastiment, the Company markets specialty tools and flooring related products used primarily for the surface preparation and installation of ceramic tile, carpet, vinyl and wood flooring. Q.E.P. and its subsidiaries market approximately 3,000 products in the U.S., Canada, Europe, Australia and Latin America. The Company sells its products primarily to large home improvement retail centers, as well as traditional distribution outlets in all the markets it serves.

**NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*1. Principles of Consolidation*

The consolidated financial statements include the accounts of Q.E.P. Co., Inc. and its wholly owned subsidiaries, after eliminating all significant inter-company accounts and transactions.

*2. Cash and Cash Equivalents*

The Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents include \$0.9 million and \$0.8 million of foreign balances as of February 29, 2008 and February 28, 2007, respectively.

*3. Accounts Receivable*

The Company's accounts receivable are principally due from home centers or flooring accessory distributors. Credit is extended based on an evaluation of a customer's financial condition and collateral is not required. Accounts receivable are due at various times based on each customer's credit worthiness and selling arrangement. The outstanding balances are stated net of an allowance for doubtful accounts. The Company determines its allowance by considering a number of factors, including the length of time trade accounts receivable are past due, the customer's previous loss history, the customer's ability to pay its obligations, and the condition of the general economy and the industry as a whole. An account may be determined to be uncollectible if all collection efforts have been exhausted, the customer has filed for bankruptcy, and all recourse against the account is exhausted, or disputes are unresolved and negotiations to settle are exhausted. Uncollectible accounts are written off against the allowance. Payments subsequently received on such receivables are credited to the allowance for doubtful accounts.

*4. Inventories*

Inventories are stated at the lower of standard cost or market, which approximates first-in, first-out or net realizable value.

*5. Property and Equipment*

Property and equipment are stated at cost. Depreciation is recorded using the straight-line method in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. Leasehold improvements are amortized over their expected useful life or the remaining life of the respective lease, whichever is shorter.



**Table of Contents**

The following are the estimated lives of the Company's property and equipment:

Machinery and warehouse equipment	5 to 10 years
Furniture and computer equipment	3 to 10 years
Capital leases	3 to 5 years
Building	30 to 33 years
Leasehold improvements	5 to 15 years

Maintenance and repairs are charged to expense and significant renewals and betterments are capitalized. When property is sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in operations for the period.

#### 6. *Goodwill and Other Intangible Assets*

Goodwill is tested for impairment in accordance with Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets*, using a fair value approach applied to each reporting unit. Impairment charges are recognized for amounts where the reporting unit's goodwill exceeds its fair value. The Company amortizes the cost of other intangibles over their estimated useful lives. Amortizable intangible assets may also be tested for impairment if indications of impairment exist. The impairment test is based on a valuation provided by an independent appraiser and, if the asset is impaired, it is written down to fair value. The Company's annual impairment assessment date is August 31<sup>st</sup>.

#### 7. *Impairment of Long-Lived Assets*

The Company evaluates its long-lived assets and definite-lived intangibles for impairment in accordance with Statement of Financial Accounting Standards No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, whenever events or circumstances indicate that the carrying amount of such assets or intangibles may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to its fair value as provided by an independent appraiser. If such an asset is considered to be impaired, the impairment to be recognized is the amount by which the carrying amount of the asset exceeds its fair value. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

#### 8. *Income Taxes*

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standard No. 109, or FAS 109, *Accounting for Income Taxes*, as clarified by FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (FIN 48). Under this method, deferred income taxes are determined based on the estimated future tax effects of differences between the financial statement and tax basis of assets and liabilities given the provisions of enacted tax laws. Deferred income tax provisions and benefits are based on changes to the assets or liabilities from year to year. In providing for deferred taxes, the Company considers tax regulations of the jurisdictions in which it operates, estimates of future taxable income, and available tax planning strategies. If tax regulations, operating results or the ability to implement tax-planning strategies vary, adjustments to the carrying value of deferred tax assets and liabilities may be required. Valuation allowances are recorded related to deferred tax assets based on the more likely than not criteria of FAS No. 109.

FIN 48 requires that the Company recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority.

**Table of Contents****9. Leases**

Leases which meet certain criteria are classified as capital leases. For such leases, assets and obligations are recorded initially at the present value of the contractual lease payments. The capitalized leases are amortized using the straight-line method over the shorter of the assets estimated economic lives or the term of the lease. Interest expense relating to the lease liabilities is recorded to affect a constant rate of interest over the terms of the obligations. Leases not meeting capitalization criteria are classified as operating leases and related rentals are charged to expense as incurred.

**10. Stock-Based Compensation**

The Company grants stock options for a fixed number of shares to employees and directors with an exercise price equal to at least 85% of the fair market value of the shares at the date of grant. As of the current date, however, no options have been issued at a discount to market price. The Company adopted SFAS 123(R), *Share-Based Payments*, in the first quarter of fiscal 2007. In accordance with the provisions of SFAS 123(R), the Company has recognized compensation expense related to outstanding stock options that vested in fiscal 2007 and 2008.

No stock options were granted in fiscal 2008. The weighted average fair value at date of grant for options granted during fiscal 2007 was \$2.78 per option. The fair value of each option at date of grant was estimated using the Black-Scholes option pricing model with the weighted average assumptions for grants noted in the table below. Expected volatility is based on the historical volatility of the Company's stock. The expected lives of the options represents the period that the options granted are expected to be outstanding and was calculated based on historical averages. The risk free rate is based on the yield curve of a zero coupon U.S. Treasury bond. The Company does not expect to pay a dividend on common stock.

	<b>2007</b>
Expected stock price volatility	39.3%
Expected lives of options:	
Directors and officers	4.2 years
Employees	4.2 years
Risk-free interest rate	4.8%
Expected dividend yield	0.0%

**11. Earnings Per Share**

Basic earnings per share is computed based on weighted average shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of common and dilutive common stock equivalent shares outstanding during the period. Dilutive common stock equivalent shares consist of the dilutive effect of stock options and warrant common stock equivalents.

**12. Fair Value of Financial Instruments**

The following methods and assumptions were used in estimating the indicated fair values of financial instruments:

Cash and cash equivalents: The carrying amount approximates fair value due to the short maturity of these instruments.

Trade accounts receivable and payable: The carrying amount approximates fair value due to the short maturity of these instruments.

## **Table of Contents**

Short term debt: The carrying amount approximates fair value due to the short maturity of these instruments.

Long term debt: The fair value of the Company's borrowings approximates the carrying value based on current rates offered to the Company for similar debt.

### *13. Foreign Currencies*

The financial statements of subsidiaries outside the United States are generally measured using the local currency as the functional currency. Assets and liabilities recorded in foreign currencies are translated at the exchange rate on the balance sheet date. Translation adjustments resulting from this process are charged or credited to equity. Revenues, costs and expenses are translated at average rates of exchange prevailing during the year. Gains and losses on foreign currency transactions are included in general and administrative expenses. In fiscal 2008, a gain of \$0.1 million was recorded on foreign currency transactions, which included a net loss of \$0.3 million for the write-off of the accumulated foreign currency translation associated with the disposition of one of the Company's UK operations (see Note C). A net loss of \$0.4 million was recorded in fiscal 2007 for foreign currency transactions.

### *14. Revenue Recognition*

Sales are recognized when merchandise is shipped and title has passed to the customer, the selling price is fixed and determinable and collectibility of the sales price is reasonably assured. Such revenue is recorded net of estimated sales returns, discounts and allowances. The Company establishes reserves for returns and allowances based on current and historical information and trends. Sales and accounts receivable have been reduced by such amounts. The Company adopted Emerging Issues Task Force (EITF) Issue 06-3, How Taxes Collected from Customers and Remitted to Governmental Authorities Should Be Presented in the Income Statement (That Is, Gross versus Net Presentation). EITF Issue 06-3 became effective for the Company on March 1, 2007. This adoption has not had an impact on the Company's financial statements as the Company has not changed its existing accounting policy which is to present taxes within the scope of EITF Issue 06-3 on a net basis.

The Company accounts for upfront consideration given to customers as a reduction to revenue in accordance with EITF Issue 01-9, Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products). Where the Company has an agreement with the customer in which the Company expects to receive a benefit from the incentive over time and the Company can control the benefit through a legally enforceable contract, the incentive is recorded as a deferred cost and is amortized as a reduction to revenue over the term of the agreement. Otherwise, the incentive is recorded as a reduction to revenue at the earlier of the Company making payment or incurring an obligation to the customer. The Company evaluates the recoverability of incentives recorded as a deferred cost on a quarterly basis. Prepaid expenses and other current assets include \$0.7 million of deferred customer incentives as of February 29, 2008.

### *15. Shipping and Handling Costs*

Shipping and handling costs are classified as a separate operational expense on the accompanying Consolidated Statements of Operations. Shipping costs billed to customers are included in sales.

### *16. Advertising Costs*

Advertising costs are expensed as incurred and totaled \$0.1 million and \$0.2 million for the year ended February 29, 2008 and February 28, 2007, respectively. These costs are recorded in selling and marketing expenses and primarily consist of advertisement in trade publications.

Advertising allowances are expensed as incurred and totaled \$4.1 million and \$3.7 million for the year ended February 29, 2008 and February 28, 2007, respectively. The majority of these allowances were paid to the Company's two largest customers. In return, the Company receives and tracks the advertising in various forms of media of its products on a local, regional and national level. These retailers also display the Company's products on in-store signage and sends advertising of the Company's products directly to its professional contractor customers. The Company is not able to reasonably estimate the fair value of the benefit received under these arrangements. Accordingly, consistent with the guidance under Emerging Issues Task Force 01-9,



**Table of Contents**

Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products) , the Company accounts for these promotional funds as a reduction to the selling price and the costs are netted against gross sales.

*17. Adoption of SAB No. 108*

In September 2006, the SEC issued Staff Accounting Bulletin No. 108, *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements* , which provides interpretive guidance on the consideration of the effects of prior year misstatements in quantifying current year misstatements for the purpose of a materiality assessment. SAB No. 108 is effective for fiscal years ending after November 15, 2006, and therefore was effective for the Company in fiscal 2007. In accordance with SAB No. 108, the cumulative effect of the initial application of SAB No. 108 was reported in the carrying amount of assets and liabilities, with the offsetting balance to retained earnings. Upon adoption, the Company recorded as of March 1, 2006, a decrease in inventory of \$0.8 million for excess capitalized inventory costs, a decrease in accrued liabilities, inclusive of income tax, of \$0.2 million for various obligations and a decrease in retained earnings of \$0.6 million to correct for errors arising prior to fiscal 2007 that were considered immaterial under the Company's previous method of evaluating materiality.

*18. Use of Estimates*

In preparing financial statements in conformity with accounting principles generally accepted in the United States, management is required to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Significant estimates include the valuation of stock options, income taxes, the allowance for doubtful accounts, inventory valuation reserves, depreciation and amortization. Actual results could differ from those estimates.

*19. Comprehensive Income (Loss)*

Comprehensive income (loss) is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. The Company's balance in comprehensive income (loss) is specifically derived from foreign currency translation adjustments. The Company presents accumulated other comprehensive income (loss), net of taxes, in its consolidated statement of shareholders' equity.

**NOTE C SALE OF BUSINESSES**

On May 4, 2007, the Company entered into agreements with Bon Tool Co., a US supplier of construction tools, equipment and decorative concrete products, for the sale of the business, inventory and certain intangible assets of the Company's O Tool operation, and the sublease of the warehouse space previously occupied by the O Tool operation. Proceeds for the sale are required to be paid over a period of one year, subject to specified minimum and maximum payments, based on the gross margin realized by the purchaser upon the sale of purchased inventory. The sale proceeds are collateralized by a first priority lien on unsold inventory. The assets sold consist mainly of inventory with a cost of approximately \$1.3 million at May 31, 2007. During fiscal 2008, the Company recorded a loss on the sale of the O Tool operation of \$0.1 million, which is recorded in other expense. This transaction was not disclosed as a discontinued operation due to the immateriality of the transaction to the Company's overall operation.

On July 18, 2007, the Company entered into an asset purchase agreement with ParexLahabra, a manufacturer of premixed mortars for the construction industry, for the sales of the business, accounts receivable, inventory and certain intangible assets of the Company's Stone Holdings operation. The sale proceeds were approximately \$2.4 million in cash and the Company recorded a gain on the sale of the Stone Holdings operation of approximately \$0.6 million in fiscal 2008, which is recorded in other income. This transaction was not disclosed as a discontinued operation due to the immateriality of the transaction to the Company's overall operation.

In fiscal 2007, the Company entered into a license and royalty agreement with Estillon B.V., a European supplier of carpet specialty tools, granting Estillon the rights to manufacture, market and distribute products using the Company's Roberts® and Smoothedge® brand names to customers, other than mass merchants, within certain continental European countries. On October 24, 2007, the Company expanded its license and royalty agreement with Estillon B.V to include Great Britain and Ireland. At the same time, additional agreements were executed with Estillon whereby Estillon purchased inventory and accounts receivable from the Company in exchange for cash. The Company recorded a charge of \$0.3 million for the write-off of the Roberts UK's accumulated foreign currency translation adjustment during fiscal 2008, which is



## Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

recorded in general and administrative expenses. This transaction did not qualify for treatment as a discontinued operation due to the Company's continued involvement in the market through the license and royalty agreement. For fiscal 2008, the Company recorded royalty income of \$0.2 million in other income related to the arrangement with Estillion in continental Europe.

F-11

**Table of Contents****NOTE D REVISION OF PRIOR PERIOD AMOUNTS**

During the fourth quarter of fiscal 2008, the Company discovered an accounting error at one of the Company's foreign subsidiaries relating to the accrual for trade accounts payable which caused cost of goods sold to be understated and the related tax expense to be overstated in fiscal 2007 by \$0.3 million and \$0.1 million, respectively. This error had no impact on the previously reported cash flows from operating, financing or investing activities, and is considered immaterial to the Company's previously reported results of operations for fiscal 2007. However, since the cumulative impact of this error would be material to the results of operations for fiscal 2008, the Company applied the guidance of Staff Accounting Bulletin No. 108, Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements (SAB 108). This guidance requires that the prior period financial statements be corrected, even though the revision was immaterial to the prior period financial statements.

Based on SAB 108, the prior period income statement and balance sheet amounts have been corrected to include the following adjustments (in thousands):

	Cost of Goods Sold			Income Tax Provision			Net Income		
	Reported	Adjustment	Revised	Reported	Adjustment	Revised	Reported	Adjustment	Revised
Fiscal 2007	\$ 156,326	\$ 332	\$ 156,658	\$ 723	\$ (99)	\$ 624	\$ (5,573)	\$ (233)	\$ (5,806)

	Accounts Payable			Accrued Liabilities			Retained Earnings		
	Reported	Adjustment	Revised	Reported	Adjustment	Revised	Reported	Adjustment	Revised
Fiscal 2007	\$ 17,705	\$ 332	\$ 18,037	\$ 9,868	\$ (99)	\$ 9,769	\$ 15,003	\$ (233)	\$ 14,770

The statement of cash flows has been corrected to include the following adjustments (in thousands):

	Change in Accounts Payable and Accrued Liabilities			Net Cash Provided by Operating Activities		
	Reported	Adjustment	Revised	Reported	Adjustment	Revised
Fiscal 2007	\$ (3,926)	\$ 233	\$ (3,693)	\$ 4,859	\$	\$ 4,859

**NOTE E EARNINGS PER SHARE**

Basic earnings per share is computed by dividing net income, after deducting preferred stock dividends accumulated during the period, by the weighted average number of shares of common stock outstanding. Diluted earnings per share is computed by dividing net income, after deducting preferred stock dividends accumulated during the period, by the weighted average number of shares of common and dilutive common stock equivalent shares outstanding. The amount of preferred stock dividends is immaterial in all periods presented. There were 0.1 million and 0.7 million common stock equivalent shares excluded from the dilutive earnings per share calculation because they were anti-dilutive in fiscal 2008 and fiscal 2007, respectively. The following is a reconciliation of the number of shares used in the basic and diluted computation of income per share (in thousands):

	Year Ended	
	February 29, 2008	February 28, 2007
Weighted average number of common shares outstanding - basic	3,435	3,411
Dilution from stock options and warrants	153	
Weighted average number of common shares outstanding - diluted	3,588	3,411

**Table of Contents****NOTE F SEGMENT INFORMATION**

The Company operates in five business segments: Domestic, Canada, Europe, Australia/New Zealand and Other. Management has chosen to organize the segments into geographic areas, with each segment, except Canada, which is managed by members of the Domestic segment's senior management team, being the responsibility of a segment manager. Each segment markets and sells flooring-related products to the residential, new construction, do-it-yourself and professional remodeling and renovation markets and home centers. The European segment is made up of operations in the UK, France and Holland. The Australia/New Zealand segment is made up of operations in Australia and New Zealand. The Other segment is made up of operations in Latin America and Asia. Segment results were as follows (in thousands):

	Year Ended	
	2008	2007
Revenues		
Domestic	\$ 143,762	\$ 148,687
Canada	23,909	21,029
Europe	19,682	20,945
Australia/New Zealand	26,795	22,334
Other	3,357	3,011
	\$ 217,505	\$ 216,006
Operating income (loss)		
Domestic	\$ 7,054	\$ (3,012)
Canada	3,864	2,556
Europe	(1,389)	(2,816)
Australia/New Zealand	792	662 *
Other	(636)	(1,032)
Subtotal	9,685	(3,642) *
Change in put warrant liability	(1,439)	1,437
Interest income	21	
Interest expense	(2,559)	(2,977)
Income (loss) before provision for income taxes	\$ 5,708	\$ (5,182) *

\* Amounts revised. See Note D.

**Table of Contents**

	Year Ended	
	2008	2007
Depreciation expense		
Domestic	\$ 778	\$ 1,057
Canada	483	461
Europe	136	221
Australia/New Zealand	320	305
Other	49	41
	\$ 1,766	\$ 2,085

	February 29,	February 28,
	2008	2007
Total assets		
Domestic	\$ 49,949	\$ 53,779
Canada	9,594	8,319
Europe	9,943	10,862
Australia/New Zealand	13,499	11,768
Other	2,641	2,428
	\$ 85,626	\$ 87,156

	Year Ended	
	2008	2007
Capital expenditures		
Domestic	\$ 2,674	\$ 197
Canada	16	21
Europe	64	3
Australia/New Zealand	179	394
Other	48	115
	\$ 2,981	\$ 730

The fiscal 2007 operating income includes the non-cash charge for the impairment of goodwill and other intangibles in the Company's Domestic segment of \$6.2 million, Europe segment of \$1.0 million and Other segment of \$0.3 million.

The results from the Canadian operations are included as their own segment according to the provisions of Statement of Financial Accounting Standards No. 131, Disclosures about Segments of an Enterprise and Related Information. The reported results do not contain allocations of corporate expenses and sales infrastructure and their product costs are not burdened based on Canada's level of sales to external customers.

Amounts are attributed to the country of the legal entity that recognized the sale or holds the assets. The intercompany sales are billed at prices established by the Company. The price takes into account the product cost and overhead of the selling location.

**NOTE G INVENTORIES**

Inventories consisted of the following (in thousands):

	February 29,	February 28,
	2008	2007
Raw materials and work-in-process	3,891	4,703
Finished goods	22,605	22,339

F-14

**Table of Contents****NOTE H PROPERTY AND EQUIPMENT**

Property, plant and equipment consisted of the following (in thousands):

	February 29, 2008	February 28, 2007
Machinery and warehouse equipment	8,551	9,069
Office furniture, equipment and computer equipment	7,975	8,735
Building and leasehold improvements	7,209	4,668
	23,735	22,472
Less: Accumulated depreciation and amortization	(15,884)	(15,702)
	7,851	6,770

On September 28, 2007, the Company purchased a manufacturing and distribution facility situated on 5.8 acres of land in the City of Adelanto, San Bernardino County, California. The Company's previous distribution operation in Henderson, Nevada, was relocated to the Adelanto facility in January 2008. The Company paid approximately \$2.0 million for the Adelanto facility. The purchase price and other related costs, which totaled \$0.1 million, were allocated to land, building and machinery in the amounts of \$0.4 million, \$1.3 million and \$0.4 million, respectively.

Depreciation expense of property and equipment was \$1.8 million and \$2.1 million for fiscal 2008 and 2007, respectively. Amortization of assets recorded under capital leases is included in depreciation expense.

**NOTE I INTANGIBLE ASSETS**

Under Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets ("SFAS No. 142"), intangible assets with definite lives are amortized while intangibles with indefinite lives, such as goodwill, are tested annually for impairment or when events or changes in circumstances indicate the carrying value may not be recoverable. The Company performs an impairment test on goodwill during the second quarter of each fiscal year. The Company performed an impairment test during the second quarter of fiscal 2008 and determined that there was no impairment to goodwill. The impairment test in fiscal 2007 resulted in an impairment charge of \$7.5 million. The Company will continue to assess the impairment of goodwill and other assets in accordance with SFAS No. 142 in the future. If the Company's operating performance and resulting cash flows in the future are less than expected, an additional impairment charge could be incurred which may have a material impact on the Company's results of operations.

The changes in the carrying amount of goodwill were as follows (in thousands):

	<b>Goodwill</b>
Balance on February 28, 2006	\$ 16,799
Additions to goodwill	
Goodwill impairment	(7,457)
Translation adjustments	221
Balance on February 28, 2007	9,563
Additions to goodwill	
Reductions to goodwill due to sale of businesses	(423)
Translation adjustments	545
Balance on February 29, 2008	\$ 9,685



**Table of Contents**

All other intangible assets are subject to amortization. The total balance of intangible assets is classified as follows (in thousands):

	Weighted Avg Useful Life	February 29, 2008		February 28, 2007			
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trademarks	20	3,081	(1,165)	1,916	3,007	(986)	2,021
Other intangibles	5	1,419	(618)	801	1,303	(493)	810
		\$ 4,500	\$ (1,783)	\$ 2,717	\$ 4,310	\$ (1,479)	\$ 2,831

The balance of goodwill by segment as of February 29, 2008 is as follows: Domestic \$6.5 million, Canada \$1.0 million, Europe \$0.4 million and Australia/New Zealand \$1.8 million. No goodwill remains in the Other segment.

Other intangibles include customer lists, non-compete agreements, patents and financing fees. Amortization expense of \$0.3 million was recorded related to intangible assets in both fiscal 2008 and fiscal 2007. The following table provides information regarding estimated amortization expense for each of the following years ending February 28 or 29 (in thousands):

2009	\$ 287
2010	247
2011	229
2012	228
2013	202
Thereafter	1,524
	\$ 2,717

**NOTE J DEBT AND PUT WARRANT LIABILITY**

Total debt consists of the following (in thousands):

	February 29, 2008	February 28, 2007
Payable to banks under revolving credit facilities	\$ 24,537	\$ 27,405
Payable to banks under term loan credit facilities	1,748	3,087
Payable to banks under mortgage agreements	3,561	1,730
Acquisition notes payable	975	4,042
Other debt, including capital leases	415	175
	\$ 31,236	\$ 36,439
Less current installments	26,514	31,490
Long Term Debt	\$ 4,722	\$ 4,949

**Payable to banks under revolving credit facilities**

The Company has an asset based loan agreement with two domestic financial institutions to provide a revolving credit facility, mortgage and term note financing. The loan agreement expires in July 2008. Under the agreement, the Company is allowed to borrow a maximum of \$29 million under the revolving credit facility based on a formula for eligible accounts receivable and inventory. On April 26, 2007, the loan



## Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

agreement was amended to make certain financial covenants less restrictive from February 28, 2007 through July 2008 and to increase the ability of the Company to borrow against eligible inventory of raw material and finished goods of the Company and certain subsidiaries. As of February 29, 2008, the term loan has an interest rate that ranges from Libor plus 2.13% to Libor plus 2.88%, while the revolver bears an interest rate that ranges from Libor plus 1.50% to Libor plus 2.25%. These loans are collateralized by substantially all of the Company's assets. The agreement also prohibits the Company from incurring certain additional indebtedness, limits certain investments, advances or loans, restricts substantial asset sales and capital expenditures and prohibits the payment of dividends, except for dividends due on the Company's Series A and C preferred stock. At February 29, 2008

F-16

**Table of Contents**

the rate was Libor (3.26%) plus 1.75% and the Company had borrowed approximately \$22.0 million and had \$4.3 million available for future borrowings under its revolving loan facility net of approximately \$0.9 million in outstanding letters of credit. The loan agreement contains a subjective acceleration clause and lockbox arrangement; therefore, the borrowing under this agreement is classified as a current liability.

In May 2008, the Company amended its existing asset based loan agreement with two domestic institutions. The amendment extended the maturity date for the \$ 29 million revolving credit facility and the mortgage on the Canadian facility to May 20, 2011. The amendment revises the loan agreement so that the loan agreement will no longer provide for the BV loan or term loan and will consist solely of the revolving credit loan and mortgage on the Canadian facility. The amendment also made the following modifications to the loan agreement: (i) all foreign subsidiaries other than Roberts Company Canada Limited were released as borrowers under the loan agreement, (ii) all foreign subsidiaries excluding all subsidiaries in Canada, the U.K., France, Australia and New Zealand executed negative pledge agreements, and (iii) the covenants relating to the maintenance of a minimum current ratio and a minimum tangible net worth were eliminated. The total amount available for borrowing under the revolving credit loan, the interest rates applicable to the borrowings outstanding and all other covenants under the loan agreement remain unchanged from the loan agreement, as amended by prior amendments.

The Company's Australian subsidiary has a payment facility that allows it to borrow against a certain percentage of inventory and accounts receivable. In March 2007, this facility was amended to make the maximum permitted borrowing approximately \$1.9 million of which \$1.4 million was outstanding at February 29, 2008. The facility is considered a demand note and carries an interest rate of the Australian Commercial Bill Rate (8.14% as of February 29, 2008) plus 1.25%.

A U.K. subsidiary of the Company entered into two financing arrangements with a U.K. financial institution. In January 2008, the Company replaced these facilities with an additional asset based loan agreement with a domestic financial institution to provide a revolving credit facility with a borrowing capacity of \$3.5 million for the Company's U.K. operations. The facility has a term that varies with the term of the Company's other domestic revolving credit facility and bears an interest rate that ranges from Sterling Libor plus 1.50% to Sterling Libor plus 2.25%. This agreement is collateralized by substantially all of the Company's UK operation's assets and is guaranteed by the Company. The agreement similarly prohibits the Company's U.K. operations from incurring certain additional indebtedness, limits certain investments, advances or loans, restricts substantial asset sales and capital expenditures, and prohibits the payment of dividends. At February 29, 2008 the interest rate was Sterling Libor (5.60%) plus 2.00%. The Company's U.K. operations had borrowed approximately \$2.0 million under this facility and had \$0.5 million available for future borrowing. The facility is considered a demand note.

**Payable to Banks Under Term Loan Facilities**

The Company has a term loan financing arrangement under the asset based loan agreement that provides for repayment of this facility at a rate of \$0.2 million per month. At February 29, 2008 the interest rate was Libor (3.26%) plus 2.38% and the balance on the term note was \$0.3 million.

In March 2007, the Company's Australian subsidiary amended its payment facility by consolidating the then existing three term facilities into one three-year term facility. The subsidiary received approximately \$1.4 million of additional financing under the amendment. The loan requires quarterly payments of AUD 0.2 million (US \$0.2 million) for the first four installments and AUD 0.1 million (US \$0.1 million) thereafter with a final balloon payment. The balance of this term note was US \$1.4 million at February 29, 2008. The term loan is collateralized by substantially all of the assets of the subsidiary (approximately \$12.6 million) as well as a parent company guaranty.

**Payable to a Bank Under Mortgage Agreements**

In July 2003, the Company refinanced its mortgage loan in Canada to finance the expansion of the Canadian physical facilities. As of February 29, 2008, the mortgage balance was \$1.9 million and is amortized based on a 15-year period. The mortgage bears an interest rate of Libor (4.05% as of February 29, 2008) plus 2.00% and will mature in September 2008. The mortgage loan requires payments of less than \$0.1 million per month. In May 2008, the Company entered into an agreement with its existing lenders to renew the Canadian mortgage for an additional three years. Although, the maturity date is within one year as of February 29, 2008, the Company continues to classify the mortgage as long term debt in accordance with Statement of Financial Accounting Standards No. 6, Classification of Short-Term Obligations Expected to Be Refinanced due to the May 2008 amendment to its loan agreement.

## **Table of Contents**

In February 2008, the Company entered into a mortgage agreement to finance its purchase of the manufacturing and distribution facility located in Adelanto, California. As of February 29, 2008, the mortgage balance is approximately \$1.7 million and is amortized based on a 15-year period. The mortgage bears an interest rate of LIBOR (3.26% at February 29, 2008) plus 1.50% and will mature in February 2013. The mortgage loan requires principal payments of less than \$0.1 million per month.

### **Acquisition Notes Payable**

In connection with an acquisition during fiscal years 2000, the Company issued an unsecured note, which was amended on two occasions to extend the final \$0.3 million due as of February 29, 2004 to October 10, 2009 with interest payable quarterly at 7%.

In connection with the August 2004 purchase of the assets of Tuplex Corporation, a flooring underlayment manufacturer in the United States, the Company issued a note to the seller in the amount of \$0.8 million. The note requires an annual payment of \$0.2 million over four years. Interest on the note accrues at 4% per year. At February 29, 2008, \$0.2 million remains unpaid.

In connection with the acquisition of PRCI S.A. in November 2004, the Company issued a note to the related seller for approximately \$1.1 million. The note is repayable in four equal annual installments beginning November 2005. Interest on the note accrues at the EURIBOR three month rate (4.38% at February 29, 2008) per year. Approximately \$0.3 million was outstanding at February 29, 2008.

In May 2005, in connection with the acquisition of adhesives manufacturing assets, the Company issued a four-year, non-interest-bearing \$4.0 million note due in annual installments of \$1.0 million. The principal balance of the note is discounted at an imputed interest rate of 5.2%. In the fourth quarter of fiscal 2008, the Company paid approximately \$1.7 million to settle the two remaining outstanding installments of \$1.0 million each, which would become due in May 2008 and 2009. The company recorded a gain on the early extinguishment of this debt in other income of approximately \$0.2 million, net of any unamortized discount on the note. At February 29, 2008 this note was paid in full.

In November 2005, in connection with the acquisition of the Australian distributor of tools and flooring installation products, the Company issued a three-year, AUD 0.5 million note (approximately US \$0.5 million) bearing interest at the Australian 180-day commercial bill rate (8.14% at February 29, 2008) due in semi-annual installments totaling approximately AUD 0.2 million per year. At February 29, 2008, \$0.2 million remains unpaid.

### **Put Warrant Liability**

In connection with a subordinated loan agreement between the Company and HillStreet Fund, L.P. ( HillStreet ), entered into on April 5, 2001, the Company issued 325,000 10-year warrants (the put warrants ) at an exercise price of \$3.63 per share. When the put warrants are put to the Company, the Company is required to pay the holder of the put warrants in cash in accordance with the put warrant agreement. The payment is based on the determination of the Company's entity value, which is defined in the warrant agreement as the greatest of: (1) the fair market value of the Company established as of a capital transaction or public offering; (2) a formula value based on a multiple of the trailing twelve month EBITDA; or (3) an appraised value as if the Company was sold as a going concern.

On July 23, 2007, the Company received written notice from HillStreet of the exercise of their right to put to the Company the put warrants pursuant to the warrant agreement. On July 31, 2007, the Company and HillStreet agreed upon a cash settlement value of \$2.3 million for the put obligation. On August 6, 2007, the Company paid the settlement out of funds available under its existing revolving credit facility.

**Table of Contents**

For accounting purposes, the Company has historically recorded the put warrant liability by calculating the difference between the closing stock price at the end of a reporting period and the exercise price of \$3.63 per share multiplied by the 325,000 warrants outstanding. Based on this methodology, a liability of \$0.9 million was reported for the put warrants as of February 28, 2007. As a result of the settlement, the Company reported a put warrant expense of \$1.4 million during fiscal 2008. No further income, expense or payments will be recorded related to this Warrant Agreement.

The aggregate maturities of all debt maturing during each of the next five years as of February 29, 2008, is as follows (in thousands):

2009	\$ 26,514
2010	1,116
2011	810
2012	1,530
2013	1,254
Thereafter	12
<b>Total</b>	<b>31,236</b>
Less current portion	26,514
<b>Total</b>	<b>\$ 4,722</b>

Interest paid for all debt was \$2.7 million and \$3.0 million in fiscal 2008 and 2007, respectively.

There were approximately \$0.4 million and \$0.2 million, respectively, outstanding under capital lease arrangements at the end of fiscal 2008 and fiscal 2007 respectively. The assets purchased under capital leases are composed primarily of manufacturing equipment and the latest maturity date on the final lease is October 2012.

**NOTE K COMMITMENTS AND CONTINGENCIES**

The Company provides accruals for all direct costs associated with the estimated resolution of contingencies at the earliest date at which it is deemed probable that a liability has been incurred and the amount of such liability can be reasonably estimated.

The Company is involved in litigation from time to time in the ordinary course of its business. Based on information currently available to management, the Company does not believe that the outcome of any legal proceeding in which the Company is involved will have a material adverse impact on the Company.

*1. Future Minimum Obligations*

The Company conducts its operations from various leased facilities. Future minimum payments under non-cancelable operating leases consist of the following in fiscal years ending after February 29, 2008 (in thousands):

2009	\$ 2,045
2010	1,683
2011	1,311
2012	754
2013	770
<b>Total</b>	<b>\$ 6,563</b>

Total rent expense under non-cancelable operating leases approximated \$ 2.5 million and \$ 2.6 million in fiscal 2008 and 2007, respectively.

2. *Contingencies.*

The Company is subject to federal, state and local laws, regulations and ordinances governing activities or operations that may have adverse environmental effects, such as discharges to air and water, handling and disposal practices for solid, special and

**Table of Contents**

hazardous wastes, and imposing liability for the cost of clean up, and for certain damages resulting from sites of past spills, disposal or other releases of hazardous substances (together, "Environmental Laws"). Sanctions which may be imposed for violation of Environmental Laws include the payment or reimbursement of investigative and clean up costs, administrative penalties and, in certain cases, prosecution under environmental criminal statutes. The Company's manufacturing facilities are subject to environmental regulation by, among other agencies, the Environmental Protection Agency, the Occupational Safety and Health Administration, and various state authorities in the states where such facilities are located. The activities of the Company, including its manufacturing operations at its leased facilities, are subject to the requirements of Environmental Laws. The Company believes that the cost of compliance with Environmental Laws to date has not been material to the Company. Based on information currently available to management, the Company is not aware of any situation requiring remedial action by the Company or which would expose the Company to liability under Environmental Laws which are reasonably expected to have a material adverse effect on the Company as a whole. As the operations of the Company involve the storage, handling, discharge and disposal of substances which are subject to regulation under Environmental Laws, there can be no assurance that the Company will not incur any material liability under Environmental Laws in the future or will not be required to expend funds in order to effect compliance with applicable Environmental Laws.

The Company completed testing at its facility in Bramalea, Ontario, Canada for leakage of hazardous materials and, as a result, in fiscal 1999 the Company prepared a plan to remediate the contamination over a period of years and this plan was subsequently approved by the Canadian Ministry of Environment. From fiscal 1999 through fiscal 2008, the Company has spent approximately \$0.9 million and anticipates spending less than \$0.1 million on ongoing monitoring of wells and other environmental activity per year for approximately the next three years. The accrued liability at February 29, 2008 was approximately \$0.1 million.

During fiscal 2002, the Company received notice from the United States Environmental Protection Agency (the EPA) that an entity identified as Roberts Consolidated Industries, Inc. may be involved in the contamination of landfill sites in Clark County, Ohio and Santa Barbara County, California. In addition, in April 2003 and October 2006, the record owner and a prior owner of certain real property in Vancouver, Washington informed the Company that an entity known as Roberts Consolidated Industry, Inc. owned or operated a facility during which time hazardous substances were disposed of or released at the site, and that, pursuant to Washington State law, the Company is or may be liable for clean up costs at the site. At this time, the Company is not aware whether these entities are predecessors to any of its affiliates or whether they are unrelated entities.

During fiscal 2005, the Company settled a lawsuit that was filed on December 27, 2002 whereby Roberts Holdings International, Inc. (Roberts Holding), an inactive subsidiary of the Company, was named as a third party defendant in a case before the United States District Court for the Western District of Michigan titled Strebor Inc. v. International Paper Co., Case No. 1:02 CV0948. The third party plaintiff alleged that Roberts Holding is a successor to a company known as Roberts Consolidated Industries, Inc. and is required to indemnify previous owners for costs associated with the clean-up of a property in Kalamazoo, Michigan. The Company agreed to pay \$40,000 per year beginning in October 2004 for five consecutive years in settlement of this action.

On October 15, 2007, the court entered an order of dismissal approving the Stipulation of Dismissal Without Prejudice jointly filed by the plaintiff and the Company on October 4, 2007 as to the Company as a Defendant, providing for the voluntary dismissal of plaintiff's claims against the Company in Greene v. Ashland Chemical, Inc., et al., Case No. 03-CV-231458, Div. 7, which matter was pending in the Circuit Court of Jackson County, Missouri at Kansas City. In this wrongful death matter, the plaintiff alleged that the Company, and Roberts Consolidated Industries, Inc., a wholly owned subsidiary of the Company, along with more than 30 other defendants, manufactured products containing benzene with which the plaintiff came into contact while

**Table of Contents**

working between approximately 1954 and 1999, and which allegedly caused his death. This action was originally instituted against the Company on August 11, 2006, when the plaintiff served the Company with a petition for unspecified damages. An answer to the complaint was filed in December 2006 denying the allegations and asserting several defenses.

On December 13, 2007, the court entered an Order and Judgment approving the confidential settlement reached in mediation that occurred on November 16, 2007, in the case of Imogene Calcaterra-Lepique and C.C., by and through her Next Friend, Brenda O. Neal v. Q.E.P. Co., Inc. and Roberts Consolidated Industries, Inc., Home Depot, Inc., General Electric Co., and Rheem Mfg. Co., Case No. 4:06-CV-1050 CAS, which matter was pending in the US District Court for the Eastern District of Missouri. The Company's insurers funded the Company's settlement payment in its entirety. In this wrongful death case, originally instituted against the Company on July 12, 2006, plaintiffs alleged that the decedent suffered burns, allegedly causing his death, when installing carpet using Roberts 4000 carpet adhesive, a product manufactured by Roberts Consolidated Industries, Inc., a wholly owned subsidiary of the Company. Plaintiffs alleged that fumes from the Roberts 4000 caused the fire that injured the decedent. The plaintiff originally sought \$20,000,000 in damages.

On October 29, 2007, Roberts Consolidated Industries, Inc. and Roberts Holding International, Inc., wholly owned subsidiaries of the Company, received a notice of claim for indemnity from International Paper Corporation, one of many defendants named in a Verified Complaint in the lawsuit captioned John Rosebery et al v. 3M Marine, et al., Index No. 21464/07, pending in the New York Supreme Court, County of Suffolk. The plaintiff alleges that he contracted leukemia as a result of exposure to benzene in various products allegedly manufactured and distributed by several defendants, including International Paper Corporation or its predecessors. Although Roberts Consolidated Industries, Inc. and Roberts Holding International, Inc. are not named as defendants in the action, International Paper Corporation has stated in the demand for indemnity that "the products identified by Mr. Rosebery appear to be products which, as of December 31, 1975, were products of Roberts." The Company has responded on behalf of its subsidiaries to International Paper's demand by requesting that International Paper provide additional documentation and information regarding the contentions. Insufficient information exists at this time for the Company to opine on the merits, if any, of the claim for indemnity or the underlying claims.

**NOTE L 401(k) BENEFIT PLAN**

The Company and its subsidiaries offer a 401(k) benefit plan which provides for voluntary contributions by employees subject to a maximum annual contribution. The Company may, at the discretion of the board of directors, make contributions to the plan. The Company contributed approximately \$0.1 million in each of the years ended February 29, 2008 and February 28, 2007.

On December 27, 2004, the Company adopted the QEP Executive Deferred Compensation Plan (the "Deferred Plan") effective December 15, 2004. The purpose of the Deferred Plan is to provide participants with an opportunity to defer receipt of a portion of their salary, bonus, and other specified cash compensation. Participation in the Deferred Plan is limited to employees who are part of a select group of management or highly compensated employees of the Company. The Company also entered into a Trust under the QEP Executive Deferred Compensation Plan (the "Trust") with Reliance Trust Company as the trustee. The Trust will be a rabbi trust and will be used to set aside the amounts of deferred compensation allocated to the participants in the Plan and the earnings from the investment of such amounts. As of February 29, 2008 and February 28, 2007, the Company's liability under the Deferred Plan was approximately \$0.2 million.

**NOTE M INCOME TAXES**

Income (loss) before provision for income taxes consisted of the following (in thousands):

	<b>Year Ended February 29 or 28,</b>	
	<b>2008</b>	<b>2007</b>
United States	\$ 4,534	\$ (3,711)
Foreign	1,174	(1,471) *
<b>Total</b>	<b>\$ 5,708</b>	<b>\$ (5,182) *</b>

\* Amounts revised. See Note D.





**Table of Contents**

The components of the provision for income taxes are as follows (in thousands):

	<b>Year Ended February 29 or 28,</b>	
	<b>2008</b>	<b>2007</b>
<b>Current:</b>		
Federal	\$ 150	\$ 2,857
State	579	392
Foreign	1,261	1,032 *
	1,990	4,281 *
<b>Deferred:</b>		
Federal	1,553	(3,440)
State	(323)	(243)
Foreign	292	26
	1,522	(3,657)
<b>Total income tax provision</b>	<b>\$ 3,512</b>	<b>\$ 624 *</b>

\* Amounts revised. See Note D.

The tax effects of temporary differences which give rise to deferred tax assets / (liabilities) are as follows (in thousands):

	<b>February 29 or 28,</b>	
	<b>2008</b>	<b>2007</b>
<b>Deferred Tax Assets:</b>		
Provision for doubtful accounts	\$ 104	\$ 55
Accrued expenses	968	542
Fixed assets	373	134
Intangible assets	794	1,028
Inventory	883	378
Federal and State net operating loss	437	2,282
Foreign net operating loss carryforward	2,824	2,186
Foreign tax credit carryforward	627	601
Other	102	
	7,112	7,206
Less: valuation allowance on certain foreign net operating loss carryforwards and foreign tax credit carryforwards	(3,360)	(2,658)
<b>Total deferred tax assets</b>	<b>3,752</b>	<b>4,548</b>
<b>Deferred Tax Liabilities:</b>		
Prepaid expenses	(500)	
Foreign exchange gain on long-term debt	(619)	(320)
Other	(92)	(165)
<b>Total deferred tax liabilities</b>	<b>(1,211)</b>	<b>(485)</b>

Net deferred tax asset	\$ 2,541	\$ 4,063
------------------------	----------	----------

F-22

**Table of Contents**

The Company has a net operating loss carryforward of approximately \$0.2 million which expire in the years 2009 through 2011, all of which relate to the Company's acquisitions in fiscal 2000. The net operating loss carry forward is subject to separate IRC Section 382 Limitation. The Section 382 limitation limits the Company's utilization of its net operating losses to an annual amount after an ownership change.

The Company has various US state net operating loss carryforwards of approximately \$6.0 million.

The Company has net operating losses in various foreign countries of approximately \$9.6 million. Approximately \$6.7 million of these losses expire in the years 2009 through 2015 and the remainder have no limitation on their expiration. The Company has recorded a deferred tax asset based on its estimate of the recoverability of the balance of the foreign net operating losses. Further, the Company has determined that certain foreign net operating losses may not be realized; therefore, a valuation allowance of approximately \$2.7 million has been established.

The Company has a foreign tax credit carry forward of approximately \$0.6 million which begin to expire in 2017. The Company has determined that utilization of these tax credits may not be realized; therefore, a full valuation allowance has been established. The net change in the valuation allowance is \$0.7 million.

During the fourth quarter of fiscal 2005, the Company determined, based on an independent appraisal, that the Company's Holland subsidiary was insolvent and therefore met the requirements for a worthless stock and bad debt deduction under the Internal Revenue Code. Accordingly, the Company recognized the United States tax benefit of \$1.6 million during fiscal 2005. This matter was under exam by the IRS and was settled during fiscal 2008.

During fiscal 2008, the IRS approved the position taken by the Company with regards to the worthless stock and bad debt deduction. As a result of this settlement, the Company reclassified the \$5.8 million of its net operating loss carryforward as disclosed in the prior year Form 10-K, and instead elected to carryback the loss to fiscal 2003 and 2004. The Company has used this refundable tax as a credit towards the fiscal 2008 tax liability. In addition, as a result of this settlement, \$0.5 million of the FIN 48 provision has been released.

The following is a reconciliation of the statutory federal income tax rate to the effective rate reported in the financial statements (in thousands except percentage data):

	Year Ended February 29 or 28,			
	2008		2007	
	Amount	%	Amount	%
Provision for federal income taxes at the statutory rate	\$ 1,941	34.0%	\$ (1,762)*	-34.0%
State and local income taxes-net of federal income tax benefit	168	2.9%	252	4.9%
Put warrant liability	488	8.5%	(488)	-9.4%
Goodwill impairment/charge	52	0.9%	812	15.7%
Change in valuation allowance	702	12.3%	1,512	29.2%
US tax on foreign deemed dividend			511	9.9%
Foreign tax rate differential	445	7.8%	(90)	-1.7%
Net change in FIN 48 reserve	(519)	-9.1%		
Other	235	4.1%	(123)	-2.4%
Actual provision	\$ 3,512	61.5%	\$ 624*	12.2%

\* Amounts revised. See Note D.

**Table of Contents**

In June 2006, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 48, Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement No. 109 ( FIN 48 ). On March 1, 2007, the Company adopted the provisions of FIN 48. FIN 48 provides recognition criteria and a related measurement model for tax positions taken by companies. In accordance with FIN 48, a tax position is a position in a previously filed tax return or a position expected to be taken in a future tax filing that is reflected in measuring current or deferred income tax assets and liabilities. Tax positions shall be recognized only when it is more likely than not (likelihood of greater than 50%), based on technical merits, that the position will be sustained upon examination. Tax positions that meet the more likely than not threshold should be measured using a probability weighted approach as the largest amount of tax benefit that is greater than 50% likely of being realized upon settlement. At the adoption date, the Company applied FIN 48 to all tax positions for which the statute of limitations remained open.

Prior to adopting FIN 48, the Company had recorded approximately \$0.5 million for Federal unrecognized tax benefit liability. As a result of the implementation of FIN 48, the Company recognized an increase of approximately \$0.4 million in the liability for unrecognized net tax benefits (in excess of \$0.4 million gross) associated with uncertain state income tax positions, \$0.1 million for accrued penalties and less that \$0.1 million for accrued interest, which was accounted for as a reduction to the March 1, 2007, balance of retained earnings. This resulted in total unrecognized tax benefits of \$0.9 million as of March 1, 2007.

During fiscal 2008, the Company reduced the liability for unrecognized tax benefits by \$0.5 million based on the Internal Revenue Services finalizing the audit of the fiscal 2005 tax return. The amount of unrecognized tax benefits as of February 29, 2008, was approximately \$0.4 million. Any benefit ultimately recognized will reduce the Company's annual effective tax rate.

A reconciliation of the beginning and ending balances of unrecognized tax benefits is as follows (in thousands):

Balance at March 1, 2007	\$ 907
Additions based on tax position related to the current year	
Addition for tax positions of prior years	262
Reductions for tax positions of prior years	(194)
Reduction due to statute of limitations	(4)
Settlements	(526)
Balance at February 29, 2008	\$ 445

This amount represents the amount of unrecognized tax benefits that, if recognized, would affect the effective income tax rate in future periods. The Company classifies interest and penalties related to unrecognized tax benefits in tax expense. The Company had approximately \$0.1 million of interest and penalties accrued at February 29, 2008.

The Company is subject to income taxes in the US federal jurisdiction, and various states and foreign jurisdictions. Tax regulations within each jurisdiction are subject to interpretation of the related tax laws and regulations and require significant judgment to apply. With few exceptions, the Company is no longer subject to US federal, state and local, or non-US income tax examinations by tax authorities for the years before 2003.

As previously discussed, the Internal Revenue Service commenced an examination of the Company's US income tax return for fiscal 2005 that was completed during fiscal 2008. Based on the settlement of the 2005 audit, the Company recognized \$0.5 million of previously unrecognized tax benefits. In addition, the Canadian Revenue Agency has commenced an examination of the Company's Canadian tax returns for 2004 and 2005 that is anticipated to close within twelve months.

Undistributed earnings of the Company's foreign subsidiaries included in retained earnings amounted to approximately \$7.7 million at February 29, 2008. These earnings are considered to be permanently reinvested and, accordingly, no provision for U.S. federal and state income taxes has been provided thereon. Upon distribution of those earnings in the form of dividends or otherwise, the Company

## **Table of Contents**

would be subject to both U.S. income taxes (net of foreign tax credits) and withholding taxes payable to the various foreign countries. Management has determined that it is not practical to determine the amount of tax that would be payable upon remittance of these earnings.

Cash paid for income taxes was approximately \$2.7 million and \$1.2 million in fiscal 2008 and 2007, respectively.

## **NOTE N SIGNIFICANT CUSTOMER AND VENDOR INFORMATION**

### *1. Significant Customer Information*

The Company sells products to a large number of customers which are primarily in the United States. The Company performs ongoing credit evaluations of its customers' financial condition and requires no collateral from its customers. The Company's customer base includes a high concentration of home improvement retailers with two such customers accounting for a total of approximately 61% and 57% of sales in fiscal 2008 and 2007, respectively. One customer represented 51% and 47% and the other customer represented 10% and 10% of sales in fiscal 2008 and 2007, respectively. These same two customers represented 49% and 8% of accounts receivable at February 29, 2008, and 39% and 14% of accounts receivable at February 28, 2007. Although the Company is directly affected by the well-being of the home improvement industry, management does not believe significant credit risk exists at February 29, 2008.

### *2. Significant Vendor Information*

Although the Company believes that multiple sources of supply exist for nearly all of the finished products and raw materials purchased from outside suppliers, the Company purchased through two vendors approximately 14% and 10% in fiscal 2008 and 17% and 7% in fiscal 2007 of domestic product purchases.

## **NOTE O SHAREHOLDERS' EQUITY**

The Company is authorized to issue a maximum of 2,500,000 shares of \$1 par value preferred stock.

### *Series A*

500,000 of the Company's 2,500,000 authorized shares of preferred stock, \$1 par value per share, are designated as Series A Preferred Stock. The holders of each share of Series A Preferred Stock shall be entitled to receive, before any dividends shall be declared, or paid on, or set aside for the Company's common stock, out of funds legally available for that purpose, cumulative dividends in cash at the rate of \$.035 per share per annum through September 30, 2000, payable in semiannual installments, accruing from the date of issuance of the shares. Commencing October 1, 2000, the rate of dividends is equal to the prime interest rate on the first day of the month in which the dividends are payable, less 1-1/4%.

The Company may redeem any or all of the shares of Series A Preferred Stock outstanding at a price per share of \$1.07 plus an amount equal to any accrued but unpaid dividends thereon during the first year following the issuance of such shares and such price shall be reduced by one percent (1%) each year thereafter until \$1.00 per share is reached. The Series A Preferred Stock has no voting rights, but do have a liquidation preference equal to par value plus accrued but unpaid dividends. During fiscal 1995, the Company issued 425,547 shares of Series A preferred stock in connection with a business acquisition. In fiscal 1997, 106,387 of these shares were converted to 3,129 shares of common stock. At February 29, 2008 and February 28, 2007, there were 319,160 shares of Series A Preferred Stock issued and outstanding. Dividends declared and paid related to the Series A Preferred Stock were immaterial in all periods presented.

**Table of Contents**

*Series B*

1,000,000 of the Company's 2,500,000 authorized shares of preferred stock, \$1 par value per share, are designated as Series B Preferred Stock. The holder of each share of Series B Preferred Stock shall be entitled to receive, out of the surplus of the Company, a non-cumulative dividend at the rate of \$.05 per share per annum, payable annually before any dividend shall be set apart for, or paid on, the common shares for such years. The Series B Preferred Stock has no voting rights. The Company may redeem any or all of the shares of Series B Preferred Stock then outstanding at a price per share of \$1.00. At February 29, 2008, there were no outstanding shares of Series B preferred stock.

*Series C*

1,000,000 of the Company's 2,500,000 authorized shares of preferred stock, \$1 par value per share, are designated as Series C Preferred Stock. The holder of each share of Series C Preferred Stock shall be entitled to receive, before any dividends shall be declared, or paid on, or set aside for the Company's common stock, out of funds legally available for that purpose, cumulative dividends at the rate of \$.035 per share per annum, payable in annual installments accruing from the date of issuance of the shares. The Series C Preferred Stock has no voting rights, but do have a liquidation preference equal to par value plus accrued but unpaid dividends. The Company may redeem any or all of the shares of Series C Preferred Stock then outstanding at a price per share of \$1.00. During fiscal year 1995, 17,500 shares of Series C Preferred Stock were issued in connection with a business acquisition. The dividend amounts paid and accrued were immaterial in all periods presented.

*Treasury Stock*

Since fiscal 1996, the Company has purchased common shares to be held in treasury. Through February 29, 2008 the amount of shares held in treasury were 94,978 at an aggregate cost of \$0.8 million. In fiscal 2008, the Company purchased 12,038 shares of common stock at an aggregated cost of \$0.1 million.

**NOTE P STOCK PLANS**

The Company has adopted a stock option plan (the Plan) for employees, consultants and directors of the Company. Stock options granted pursuant to the Plan shall be authorized by the board of directors. The aggregate number of shares which may be issued under the Plan, as amended, shall not exceed 1,000,000 shares of common stock. Stock options are granted at prices not less than 85% of the fair market value on the date of the grant. Option terms, vesting and exercise periods vary, except that the term of an option may not exceed ten years. As of the current date, however, no options have been issued at a discount to market price on the date of the grant. In each of fiscal 2008 and 2007, the Company recorded compensation cost of \$0.2 million within general and administrative expenses related to stock option and stock appreciation rights granted in previous periods. As at February 29, 2008, total compensation cost related to non-vested awards not yet recognized was \$0.1 million and is expected to be recognized over two years.

No stock options were granted during fiscal 2008. The weighted average fair value at date of grant for options granted during fiscal 2007 was \$2.78. The fair value of each option at date of grant was estimated using the Black-Scholes option pricing model with the following weighted average assumptions for grants.

**Table of Contents**

	<b>2007</b>
Expected stock price volatility	39.3%
Expected lives of options:	
Directors and officers	4.2 years
Employees	4.2 years
Risk-free interest rate	4.8%
Expected dividend yield	0.0%

The following information relates to options outstanding as of the dates included:

	<b>Shares</b>	<b>Weighted Average Exercise Price</b>
Options outstanding at February 28, 2006	326,375	\$ 7.65
Exercised	(55,000)	\$ 4.71
Granted	110,000	\$ 7.25
Cancelled or forfeited	(95,750)	\$ 10.79
Options outstanding at February 28, 2007	285,625	\$ 7.01
Exercised	(5,000)	\$ 6.75
Granted		\$
Cancelled or forfeited	(25,000)	\$ 6.75
Options outstanding at February 29, 2008	255,625	\$ 7.04
Options currently exercisable	197,292	\$ 6.84

The following table summarizes information about nonvested stock options outstanding as of February 29, 2008:

	<b>Shares</b>	<b>Weighted Average Grant Date Fair Value</b>
Nonvested options at February 28, 2007	123,333	\$ 4.60
Granted		\$
Vested	(40,000)	\$ 5.00
Cancelled or forfeited	(25,000)	\$ 3.99
Nonvested options at February 29, 2008	58,333	\$ 4.58

**Table of Contents**

The following table summarizes information about stock options outstanding as of February 29, 2008:

Range of exercise prices	Number outstanding	Weighted average remaining contractual life	Weighted average exercise price	Number exercisable	Weighted average exercise price
\$ 3.65 \$ 5.55	67,250	3.55	\$ 4.13	67,250	\$ 4.13
\$ 5.56 \$ 7.25	101,375	3.27	\$ 6.77	81,375	\$ 6.77
\$ 7.26 \$15.56	87,000	7.58	\$ 9.62	48,667	\$ 10.69
Total	255,625			197,292	

During fiscal 2002, the Company issued 50,000 non-qualified stock options to an officer of the Company. These options have an exercise price of \$4.00 and expire in ten years. These options are not included in the above table. The officer exercised 10,000 of these options in fiscal 2007. In addition, in May 2003 the Company granted 50,000 shares of its common stock to the same officer. The value of the shares, as determined by an unrelated third party, was \$0.3 million at the time of the issuance. The value was recorded in expense through fiscal 2006.

In fiscal 2007, the Board of Directors approved the granting of approximately 81,000 of stock appreciation right grants to various members of management. These grants vest 100% after three years. The average stock price on the date of the grants was \$7.05 per stock appreciation right. No stock appreciation rights were granted in fiscal 2008. The Company records an expense over the vesting period based on the fair value of the option granted. During fiscal 2008, the Company recorded \$0.1 million of expenses related to outstanding stock appreciation rights. The expense in fiscal 2007 was immaterial. These awards will be settled in cash and are presented as a liability on the balance sheet. At February 29, 2008, there were 122,500 stock appreciation rights outstanding.

In fiscal 2008, the Board of Directors approved the granting of 3,000 shares of restricted stock to its non-employee directors and 1,000 shares of restricted stock to an employee director. These shares vest on the one year anniversary of the grant date. In fiscal 2008, the Company recorded compensation cost of less than \$0.1 million within general and administrative expenses related to restricted stock units. As at February 29, 2008, total compensation cost related to restricted stock units not yet recognized was less than \$0.1 million and is expected to be recognized within one year.

As of February 29, 2008 and February 28, 2007, there were 0.4 million shares available for award under the Company's current equity compensation plan. The intrinsic value of options exercised in fiscal 2008 and fiscal 2007 was less than \$0.1 million and \$0.1 million, respectively. At February 29, 2008 the intrinsic value of options outstanding and options exercisable was \$0.9 million and \$0.8 million, respectively. At February 28, 2007 the intrinsic value of options outstanding and options exercisable was \$0.2 million and \$0.2 million, respectively.

**NOTE Q NEW ACCOUNTING PRONOUNCEMENTS**

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, Fair Value Measurements ("SFAS No. 157"). SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. SFAS No. 157 applies under other accounting pronouncements that require or permit fair value measurements, the FASB having previously concluded in those accounting pronouncements that fair value is the relevant measurement attribute. Accordingly, SFAS No. 157 does not require any new fair value measurements. In February 2008, the FASB issued FSP 157-2 Partial Deferral of the Effective Date of Statements 157, which delays the effective date of SFAS 157, for all non-financial assets and non-financial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually) to fiscal years beginning after November 15, 2008. The Company is currently evaluating the impact, if any, that the adoption of SFAS No. 157 will have on the Company's operating income or net earnings.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, The Fair Value Option for Financial Assets and Financial Liabilities ("SFAS No. 159"). SFAS No. 159 permits companies to choose to measure certain financial instruments and certain other items at fair value, and requires that unrealized gains and losses on items for which the fair value option has been elected be reported in earnings. SFAS No. 159 is effective for the Company beginning in the first fiscal quarter of 2008 although earlier adoption is permitted. The Company expects that SFAS No. 159 will not have an impact on its consolidated financial statements.





---

**Table of Contents**

In June 2007, the Emerging Issues Task Force (EITF) reached a consensus on Issue No. 06-11, *Accounting for Income Tax Benefits of Dividends on Share-Based Payment Awards* ( EITF 06-11 ). EITF 06-11 states that an entity should recognize a realized tax benefit associated with dividends on nonvested equity shares, nonvested equity share units and outstanding equity share options charged to retained earnings as an increase in additional paid in capital. The amount recognized in additional paid in capital should be included in the pool of excess tax benefits available to absorb potential future tax deficiencies on share-based payment awards. EITF 06-11 should be applied prospectively to income tax benefits of dividends on equity-classified share-based payment awards that are declared in fiscal years beginning after December 15, 2007. The Company expects that EITF 06-11 will not have an impact on its consolidated financial statements.

In November 2007, the FASB issued FSP FAS 142-f, *Goodwill and Other Intangible Assets* . This proposed FSP amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of an intangible asset under FASB Statement No. 142, *Goodwill and Other Intangibles* (FAS 142). The FSP aims to improve the consistency between the useful life of an intangible asset as determined under FAS 142 and the period of expected cash flows used to measure the fair value of the asset under FASB Statement No. 141, *Business Combinations* , and other applicable accounting literature. As a result of this FSP, entities generally will be able to align the assumptions used for valuing an intangible asset with those used to determine its useful life. This FSP will be effective for financial statements issued for fiscal years beginning after June 15, 2008 and interim periods within those fiscal years. The Company is currently evaluating the effect, if any, of this statement on its consolidated financial statements.

In December 2007, the FASB issued FAS No. 141(R) *Business Combinations* , which is effective for fiscal years beginning after December 15, 2008. This statement retains the fundamental requirements in FAS 141 that the acquisition method be used for all business combinations and for an acquirer to be identified for each business combination. FAS 141(R) broadens the scope of FAS 141 by requiring application of the purchase method of accounting to transactions in which one entity establishes control over another entity without necessarily transferring consideration, even if the acquirer has not acquired 100% of its target. Among other changes, FAS 141(R) applies the concept of fair value and more likely than not criteria to accounting for contingent consideration, and preacquisition contingencies. As a result of implementing the new standard, since transaction costs would not be an element of fair value of the target, they will not be considered part of the fair value of the acquirer's interest and will be expensed as incurred. This pronouncement may impact the Company in the event that acquisitions are done in the future.

In December 2007, the FASB also issued FAS No. 160, *Accounting for Noncontrolling Interests* , which is effective for fiscal years beginning after December 15, 2008. This statement clarifies the classification of noncontrolling interests in the consolidated statements of financial position and the accounting for and reporting of transactions between the reporting entity and the holders of non-controlling interests. The Company does not expect that the adoption of this standard will have a significant impact on its consolidated financial statements.

**NOTE R: RELATED PARTY TRANSACTIONS**

The Company currently employs three individuals that are related to the current Chief Executive Officer and Senior Vice-President of National Accounts. These individuals were paid a total of \$0.3 million and \$0.2 million fiscal 2008 and 2007, respectively.

Beginning in fiscal 1999 and continuing during fiscal 2008, the Company repurchased shares of its outstanding Common Stock from an individual related to the Chief Executive Officer having a value of approximately \$1.0 million pursuant to a Board resolution to purchase, from time to time, up to 1,000 shares of Common Stock per month at a price per share equal to \$.50 less than the closing price of the Common Stock on the date of repurchase. This individual is not obligated to sell any shares of Common Stock to the

**Table of Contents**

Company. As of February 29, 2008, this individual has sold a total of 126,038 shares to the Company. The Company has recorded an amount payable to this individual at the end of fiscal 2008 and 2007 of less than \$0.1 million.

**NOTE S: SUBSEQUENT EVENTS**

On May 21, 2008, the Company amended its existing asset based loan agreement with two domestic institutions. The amendment extended the maturity date for the \$ 29 million revolving credit facility and the mortgage on the Canadian facility to May 20, 2011. The amendment revises the loan agreement so that the loan agreement will no longer provide for the BV loan or term loan and will consist solely of the revolving credit loan and mortgage on the Canadian facility. The amendment also made the following modifications to the loan agreement: (i) all foreign subsidiaries other than Roberts Company Canada Limited were released as borrowers under the loan agreement, (ii) all foreign subsidiaries excluding all subsidiaries in Canada, the U.K., France, Australia and New Zealand executed negative pledge agreements, and (iii) the covenants relating to the maintenance of a minimum current ratio and a minimum tangible net worth were eliminated. The total amount available for borrowing under the revolving credit loan, the interest rates applicable to the borrowings outstanding and all other covenants under the loan agreement remain unchanged from the loan agreement, as amended by prior amendments.

**Table of Contents****Q.E.P. CO., INC. AND SUBSIDIARIES****SCHEDULE II VALUATION AND QUALIFYING ACCOUNTS**

Column A	Column B	Column C		Column D	Column E
Description	Balance at beginning of period	Additions		Deductions (a)	Balance at End of period
		Charged to costs and expenses	Charged to other accounts		
Year ended February 28, 2007					
Deducted from asset accounts					
Allowance for doubtful accounts	\$ 361	\$ 313		\$ 320	\$ 354
Foreign net operating loss valuation allowance	\$ 1,146	\$ 1,512			\$ 2,658
Year ended February 29, 2008					
Deducted from asset accounts					
Allowance for doubtful accounts	\$ 354	\$ 284		\$ 207	\$ 431
Foreign net operating loss valuation allowance	\$ 2,658	\$ 702			\$ 3,360

(a) Accounts written off as uncollectible, net of recoveries.

S-1

**Table of Contents**

EXHIBIT INDEX

<b>Exhibit Number</b>	<b>Exhibit Description</b>
10.24	Eleventh Amendment Agreement dated May 21, 2008 by and among the Company, certain affiliates of the Company, Bank of America N.A., successor-in-interest to Fleet Capital Corporation, and HSBC Bank USA, National Association as successor-by-merger to HSBC Bank USA, and Bank of America as agent.
21	Subsidiaries of the Company.
23	Consent of Independent Registered Public Accountants.
31.1	Certification of Principal Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

padding-top:2px;padding-bottom:2px;padding-right:2px;">

Form of 6.000% Prospect Capital InterNote® due 2033 (included as part of Exhibit (d)(336))(103)

(d)(338)

One Hundred Sixtieth Supplemental Indenture dated as of September 19, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(103)

(d)(339)

Form of 6.500% Prospect Capital InterNote® due 2043 (included as part of Exhibit (d)(338))(103)

(d)(340)

One Hundred Sixty-First Supplemental Indenture dated as of September 26, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(104)

(d)(341)

Form of 5.000% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(340))(104)

(d)(342)

One Hundred Sixty-Second Supplemental Indenture dated as of September 26, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(104)

(d)(343)

Form of 5.500% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(342))(104)

(d)(344)

One Hundred Sixty-Third Supplemental Indenture dated as of September 26, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(104)

C-26

---

Exhibit No.	Description
(d)(345)	Form of 6.000% Prospect Capital InterNote® due 2033 (included as part of Exhibit (d)(344))(104)
(d)(346)	One Hundred Sixty-Fourth Supplemental Indenture dated as of September 26, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(104)
(d)(347)	Form of 6.500% Prospect Capital InterNote® due 2043 (included as part of Exhibit (d)(346))(104)
(d)(348)	One Hundred Sixty-Fifth Supplemental Indenture dated as of October 3, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(105)
(d)(349)	Form of 5.000% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(348))(105)
(d)(350)	One Hundred Sixty-Sixth Supplemental Indenture dated as of October 3, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(105)
(d)(351)	Form of 5.500% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(350))(105)
(d)(352)	One Hundred Sixty-Seventh Supplemental Indenture dated as of October 3, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(105)
(d)(353)	Form of 6.000% Prospect Capital InterNote® due 2033 (included as part of Exhibit (d)(352))(105)
(d)(354)	One Hundred Sixty-Eighth Supplemental Indenture dated as of October 3, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(105)
(d)(355)	Form of 6.500% Prospect Capital InterNote® due 2043 (included as part of Exhibit (d)(354))(105)
(d)(356)	One Hundred Sixty-Ninth Supplemental Indenture dated as of October 10, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(106)

(d)(357) Form of 5.000% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(356))(106)

C-27

---



Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Exhibit No.	Description
(d)(358)	One Hundred Seventieth Supplemental Indenture dated as of October 10, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(106)
(d)(359)	Form of 5.500% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(358))(106)
(d)(360)	One Hundred Seventy-First Supplemental Indenture dated as of October 10, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(106)
(d)(361)	Form of 6.000% Prospect Capital InterNote® due 2033 (included as part of Exhibit (d)(360))(106)
(d)(362)	One Hundred Seventy-Second Supplemental Indenture dated as of October 10, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(106)
(d)(363)	Form of 6.500% Prospect Capital InterNote® due 2043 (included as part of Exhibit (d)(362))(106)
(d)(364)	One Hundred Seventy-Third Supplemental Indenture dated as of October 18, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(109)
(d)(365)	Form of 5.000% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(364))(109)
(d)(366)	One Hundred Seventy-Fourth Supplemental Indenture dated as of October 18, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(109)
(d)(367)	Form of 5.500% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(366))(109)
(d)(368)	One Hundred Seventy-Fifth Supplemental Indenture dated as of October 18, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(109)

(d)(369) Form of 6.000% Prospect Capital InterNote® due 2033 (included as part of Exhibit (d)(368))(109)

(d)(370) One Hundred Seventy-Sixth Supplemental Indenture dated as of October 18, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(109)

(d)(371) Form of 6.500% Prospect Capital InterNote® due 2043 (included as part of Exhibit (d)(370))(109)

C-28

---

Exhibit No.	Description
(d)(372)	One Hundred Seventy-Seventh Supplemental Indenture dated as of October 24, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(110)
(d)(373)	Form of 4.000% Prospect Capital InterNote® due 2016 (included as part of Exhibit (d)(372))(110)
(d)(374)	One Hundred Seventy-Eighth Supplemental Indenture dated as of October 24, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(110)
(d)(375)	Form of 5.000% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(374))(110)
(d)(376)	One Hundred Seventy-Ninth Supplemental Indenture dated as of October 24, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(110)
(d)(377)	Form of 5.500% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(376))(110)
(d)(378)	One Hundred Eightieth Supplemental Indenture dated as of October 24, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(110)
(d)(379)	Form of 6.000% Prospect Capital InterNote® due 2033 (included as part of Exhibit (d)(378))(110)
(d)(380)	One Hundred Eighty-First Supplemental Indenture dated as of October 24, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(110)
(d)(381)	Form of 6.500% Prospect Capital InterNote® due 2043 (included as part of Exhibit (d)(380))(110)
(d)(382)	One Hundred Eighty-Second Supplemental Indenture dated as of October 31, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(111)

(d)(383) Form of 4.000% Prospect Capital InterNote® due 2017 (included as part of Exhibit (d)(382))(111)

(d)(384) One Hundred Eighty-Third Supplemental Indenture dated as of October 31, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(111)

(d)(385) Form of 5.000% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(384))(111)

C-29

---

Exhibit No.	Description
(d)(386)	One Hundred Eighty-Fourth Supplemental Indenture dated as of October 31, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(111)
(d)(387)	Form of 5.500% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(386))(111)
(d)(388)	One Hundred Eighty-Fifth Supplemental Indenture dated as of October 31, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(111)
(d)(389)	Form of 6.000% Prospect Capital InterNote® due 2028 (included as part of Exhibit (d)(388))(111)
(d)(390)	One Hundred Eighty-Sixth Supplemental Indenture dated as of October 31, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(111)
(d)(391)	Form of 6.500% Prospect Capital InterNote® due 2038 (included as part of Exhibit (d)(390))(111)
(d)(392)	One Hundred Eighty-Seventh Supplemental Indenture dated as of November 7, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(113)
(d)(393)	Form of 4.000% Prospect Capital InterNote® due 2017 (included as part of Exhibit (d)(392))(113)
(d)(394)	One Hundred Eighty-Eighth Supplemental Indenture dated as of November 7, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(113)
(d)(395)	Form of 5.000% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(394))(113)
(d)(396)	One Hundred Eighty-Ninth Supplemental Indenture dated as of November 7, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment

and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(113)

(d)(397) Form of 5.500% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(396))(113)

(d)(398) One Hundred Ninetieth Supplemental Indenture dated as of November 7, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(113)

C-30

---

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Exhibit No.	Description
(d)(399)	Form of 6.000% Prospect Capital InterNote® due 2028 (included as part of Exhibit (d)(398))(113)
(d)(400)	One Hundred Ninety-First Supplemental Indenture dated as of November 7, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(113)
(d)(401)	Form of 6.500% Prospect Capital InterNote® due 2038 (included as part of Exhibit (d)(400))(113)
(d)(402)	One Hundred Ninety-Second Supplemental Indenture dated as of November 15, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(114)
(d)(403)	Form of 4.000% Prospect Capital InterNote® due 2017 (included as part of Exhibit (d)(402))(114)
(d)(404)	One Hundred Ninety-Third Supplemental Indenture dated as of November 15, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(114)
(d)(405)	Form of 5.000% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(404))(114)
(d)(406)	One Hundred Ninety-Fourth Supplemental Indenture dated as of November 15, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(114)
(d)(407)	Form of 5.500% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(406))(114)
(d)(408)	One Hundred Ninety-Fifth Supplemental Indenture dated as of November 15, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(114)
(d)(409)	Form of 6.000% Prospect Capital InterNote® due 2028 (included as part of Exhibit (d)(408))(114)
(d)(410)	

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

One Hundred Ninety-Sixth Supplemental Indenture dated as of November 15, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(114)

(d)(411) Form of 6.500% Prospect Capital InterNote® due 2038 (included as part of Exhibit (d)(410))(114)

(d)(412) One Hundred Ninety-Seventh Supplemental Indenture dated as of November 21, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(115)

C-31

---



Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Exhibit No.	Description
(d)(413)	Form of 4.000% Prospect Capital InterNote® due 2017 (included as part of Exhibit (d)(412))(115)
(d)(414)	One Hundred Ninety-Eighth Supplemental Indenture dated as of November 21, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(115)
(d)(415)	Form of 5.000% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(414))(115)
(d)(416)	One Hundred Ninety-Ninth Supplemental Indenture dated as of November 21, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(115)
(d)(417)	Form of 5.500% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(416))(115)
(d)(418)	Two Hundredth Supplemental Indenture dated as of November 21, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(115)
(d)(419)	Form of 6.000% Prospect Capital InterNote® due 2028 (included as part of Exhibit (d)(418))(115)
(d)(420)	Two Hundred First Supplemental Indenture dated as of November 21, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(115)
(d)(421)	Form of 6.500% Prospect Capital InterNote® due 2038 (included as part of Exhibit (d)(420))(115)
(d)(422)	Two Hundred Second Supplemental Indenture dated as of November 29, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(116)
(d)(423)	Form of 4.000% Prospect Capital InterNote® due 2017 (included as part of Exhibit (d)(422))(116)
(d)(424)	Two Hundred Third Supplemental Indenture dated as of November 29, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer &

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee,  
by and between the Registrant and U.S. Bank National Association, as Trustee(116)

(d)(425) Form of 5.000% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(424))(116)

C-32

---

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Exhibit No.	Description
(d)(426)	Two Hundred Fourth Supplemental Indenture dated as of November 29, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(116)
(d)(427)	Form of 5.500% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(426))(116)
(d)(428)	Two Hundred Fifth Supplemental Indenture dated as of November 29, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(116)
(d)(429)	Form of 6.000% Prospect Capital InterNote® due 2025 (included as part of Exhibit (d)(428))(116)
(d)(430)	Two Hundred Sixth Supplemental Indenture dated as of November 29, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(116)
(d)(431)	Form of 6.500% Prospect Capital InterNote® due 2038 (included as part of Exhibit (d)(430))(116)
(d)(432)	Two Hundred Seventh Supplemental Indenture dated as of December 5, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(117)
(d)(433)	Form of 4.000% Prospect Capital InterNote® due 2017 (included as part of Exhibit (d)(432))(117)
(d)(434)	Two Hundred Eighth Supplemental Indenture dated as of December 5, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(117)
(d)(435)	Form of 5.000% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(434))(117)
(d)(436)	Intentionally deleted.
(d)(437)	Intentionally deleted.
(d)(438)	Two Hundred Tenth Supplemental Indenture dated as of December 5, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee,

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

by and between the Registrant and U.S. Bank National Association, as Trustee(117)

(d)(439) Form of 6.000% Prospect Capital InterNote® due 2025 (included as part of Exhibit (d)(438))(117)

C-33

---

Exhibit No.	Description
(d)(440)	Two Hundred Eleventh Supplemental Indenture dated as of December 5, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(117)
(d)(441)	Form of 6.500% Prospect Capital InterNote® due 2038 (included as part of Exhibit (d)(440))(117)
(d)(442)	Two Hundred Twelfth Supplemental Indenture dated as of December 12, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(118)
(d)(443)	Form of 4.000% Prospect Capital InterNote® due 2017 (included as part of Exhibit (d)(442))(118)
(d)(444)	Two Hundred Thirteenth Supplemental Indenture dated as of December 12, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(118)
(d)(445)	Form of 5.000% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(444))(118)
(d)(446)	Intentionally deleted.
(d)(447)	Intentionally deleted.
(d)(448)	Two Hundred Fifteenth Supplemental Indenture dated as of December 12, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(118)
(d)(449)	Form of 6.000% Prospect Capital InterNote® due 2025 (included as part of Exhibit (d)(448))(118)
(d)(450)	Two Hundred Sixteenth Supplemental Indenture dated as of December 12, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(118)
(d)(451)	Form of 6.500% Prospect Capital InterNote® due 2038 (included as part of Exhibit (d)(450))(118)
(d)(452)	

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Two Hundred Seventeenth Supplemental Indenture dated as of December 19, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(119)

(d)(453) Form of 4.000% Prospect Capital InterNote® due 2017 (included as part of Exhibit (d)(452))(119)

C-34

---

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Exhibit No.	Description
(d)(454)	Two Hundred Eighteenth Supplemental Indenture dated as of December 19, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(119)
(d)(455)	Form of 5.000% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(454))(119)
(d)(456)	Intentionally deleted.
(d)(457)	Intentionally deleted.
(d)(458)	Two Hundred Twentieth Supplemental Indenture dated as of December 19, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(119)
(d)(459)	Form of 6.000% Prospect Capital InterNote® due 2025 (included as part of Exhibit (d)(458))(119)
(d)(460)	Two Hundred Twenty-First Supplemental Indenture dated as of December 19, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(119)
(d)(461)	Form of 6.500% Prospect Capital InterNote® due 2038 (included as part of Exhibit (d)(460))(119)
(d)(462)	Two Hundred Twenty-Second Supplemental Indenture dated as of December 27, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(120)
(d)(463)	Form of 4.000% Prospect Capital InterNote® due 2017 (included as part of Exhibit (d)(462))(120)
(d)(464)	Two Hundred Twenty-Third Supplemental Indenture dated as of December 27, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(120)
(d)(465)	Form of 5.000% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(464))(120)
(d)(466)	Intentionally deleted.
(d)(467)	Intentionally deleted.

(d)(468) Two Hundred Twenty-Fifth Supplemental Indenture dated as of December 27, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(120)

C-35

---



Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Exhibit No.	Description
(d)(469)	Form of 6.000% Prospect Capital InterNote® due 2025 (included as part of Exhibit (d)(468))(120)
(d)(470)	Two Hundred Twenty-Sixth Supplemental Indenture dated as of December 27, 2013, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(120)
(d)(471)	Form of 6.500% Prospect Capital InterNote® due 2038 (included as part of Exhibit (d)(470))(120)
(d)(472)	Two Hundred Twenty-Seventh Supplemental Indenture dated as of January 3, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(121)
(d)(473)	Form of 4.000% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(472))(121)
(d)(474)	Two Hundred Twenty-Eighth Supplemental Indenture dated as of January 3, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(121)
(d)(475)	Form of 5.000% Prospect Capital InterNote® due 2019 (included as part of Exhibit (d)(474))(121)
(d)(476)	Two Hundred Twenty-Ninth Supplemental Indenture dated as of January 3, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(121)
(d)(477)	Form of 5.500% Prospect Capital InterNote® due 2021 (included as part of Exhibit (d)(476))(121)
(d)(478)	Two Hundred Thirtieth Supplemental Indenture dated as of January 3, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(121)
(d)(479)	Form of 6.000% Prospect Capital InterNote® due 2026 (included as part of Exhibit (d)(478))(121)
(d)(480)	Two Hundred Thirty-First Supplemental Indenture dated as of January 3, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(121)

(d)(481) Form of 6.500% Prospect Capital InterNote® due 2039 (included as part of Exhibit (d)(480))(121)

(d)(482) Two Hundred Thirty-Second Supplemental Indenture dated as of January 9, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(122)

C-36

---

Exhibit No.	Description
(d)(483)	Form of 4.000% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(482))(122)
(d)(484)	Two Hundred Thirty-Third Supplemental Indenture dated as of January 9, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(122)
(d)(485)	Form of 5.000% Prospect Capital InterNote® due 2019 (included as part of Exhibit (d)(484))(122)
(d)(486)	Two Hundred Thirty-Fourth Supplemental Indenture dated as of January 9, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(122)
(d)(487)	Form of 5.500% Prospect Capital InterNote® due 2021 (included as part of Exhibit (d)(486))(122)
(d)(488)	Two Hundred Thirty-Fifth Supplemental Indenture dated as of January 9, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(122)
(d)(489)	Form of 6.000% Prospect Capital InterNote® due 2026 (included as part of Exhibit (d)(488))(122)
(d)(490)	Two Hundred Thirty-Sixth Supplemental Indenture dated as of January 9, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(122)
(d)(491)	Form of 6.500% Prospect Capital InterNote® due 2039 (included as part of Exhibit (d)(490))(122)
(d)(492)	Two Hundred Thirty-Seventh Supplemental Indenture dated as of January 16, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(123)
(d)(493)	Form of 4.000% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(492))(123)
(d)(494)	Two Hundred Thirty-Eighth Supplemental Indenture dated as of January 16, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(123)

(d)(495) Form of 5.000% Prospect Capital InterNote® due 2019 (included as part of Exhibit (d)(494))(123)

C-37

---

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Exhibit No.	Description
(d)(496)	Two Hundred Thirty-Ninth Supplemental Indenture dated as of January 16, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(123)
(d)(497)	Form of 5.500% Prospect Capital InterNote® due 2021 (included as part of Exhibit (d)(496))(123)
(d)(498)	Two Hundred Fortieth Supplemental Indenture dated as of January 16, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(123)
(d)(499)	Form of 6.000% Prospect Capital InterNote® due 2026 (included as part of Exhibit (d)(498))(123)
(d)(500)	Two Hundred Forty-First Supplemental Indenture dated as of January 16, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(123)
(d)(501)	Form of 6.500% Prospect Capital InterNote® due 2039 (included as part of Exhibit (d)(500))(123)
(d)(502)	Two Hundred Forty-Second Supplemental Indenture dated as of January 24, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(124)
(d)(503)	Form of 4.000% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(502))(124)
(d)(504)	Two Hundred Forty-Third Supplemental Indenture dated as of January 24, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(124)
(d)(505)	Form of 5.000% Prospect Capital InterNote® due 2019 (included as part of Exhibit (d)(504))(124)
(d)(506)	Two Hundred Forty-Fourth Supplemental Indenture dated as of January 24, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(124)
(d)(507)	Form of 5.500% Prospect Capital InterNote® due 2021 (included as part of Exhibit (d)(506))(124)

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

- (d)(508) Two Hundred Forty-Fifth Supplemental Indenture dated as of January 24, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(124)
- (d)(509) Form of 6.000% Prospect Capital InterNote® due 2026 (included as part of Exhibit (d)(508))(124)

C-38

---

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Exhibit No.	Description
(d)(510)	Two Hundred Forty-Sixth Supplemental Indenture dated as of January 24, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(124)
(d)(511)	Form of 6.500% Prospect Capital InterNote® due 2039 (included as part of Exhibit (d)(510))(124)
(d)(512)	Two Hundred Forty-Seventh Supplemental Indenture dated as of January 30, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(125)
(d)(513)	Form of 4.000% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(512))(125)
(d)(514)	Two Hundred Forty-Eighth Supplemental Indenture dated as of January 30, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(125)
(d)(515)	Form of 5.000% Prospect Capital InterNote® due 2019 (included as part of Exhibit (d)(514))(125)
(d)(516)	Two Hundred Forty-Ninth Supplemental Indenture dated as of January 30, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(125)
(d)(517)	Form of 5.500% Prospect Capital InterNote® due 2021 (included as part of Exhibit (d)(516))(125)
(d)(518)	Two Hundred Fiftieth Supplemental Indenture dated as of January 30, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(125)
(d)(519)	Form of 6.000% Prospect Capital InterNote® due 2026 (included as part of Exhibit (d)(518))(125)
(d)(520)	Two Hundred Fifty-First Supplemental Indenture dated as of January 30, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(125)
(d)(521)	Form of 6.500% Prospect Capital InterNote® due 2039 (included as part of Exhibit (d)(520))(125)

(d)(522) Two Hundred Fifty-Second Supplemental Indenture dated as of February 6, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(126)

C-39

---



Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Exhibit No.	Description
(d)(523)	Form of 4.000% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(522))(126)
(d)(524)	Two Hundred Fifty-Third Supplemental Indenture dated as of February 6, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(126)
(d)(525)	Form of 5.000% Prospect Capital InterNote® due 2019 (included as part of Exhibit (d)(524))(126)
(d)(526)	Two Hundred Fifty-Fourth Supplemental Indenture dated as of February 6, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(126)
(d)(527)	Form of 5.500% Prospect Capital InterNote® due 2021 (included as part of Exhibit (d)(526))(126)
(d)(528)	Two Hundred Fifty-Fifth Supplemental Indenture dated as of February 6, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(126)
(d)(529)	Form of 6.000% Prospect Capital InterNote® due 2026 (included as part of Exhibit (d)(528))(126)
(d)(530)	Two Hundred Fifty-Sixth Supplemental Indenture dated as of February 6, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(126)
(d)(531)	Form of 6.500% Prospect Capital InterNote® due 2039 (included as part of Exhibit (d)(530))(126)
(d)(532)	Two Hundred Fifty-Seventh Supplemental Indenture dated as of February 13, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(127)
(d)(533)	Form of 4.000% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(532))(127)
(d)(534)	Two Hundred Fifty-Eighth Supplemental Indenture dated as of February 13, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(127)

(d)(535) Form of 5.000% Prospect Capital InterNote® due 2019 (included as part of Exhibit (d)(534))(127)

(d)(536) Two Hundred Fifty-Ninth Supplemental Indenture dated as of February 13, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(127)

C-40

---

Exhibit No.	Description
(d)(537)	Form of 5.500% Prospect Capital InterNote® due 2021 (included as part of Exhibit (d)(536))(127)
(d)(538)	Two Hundred Sixtieth Supplemental Indenture dated as of February 13, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(127)
(d)(539)	Form of 6.000% Prospect Capital InterNote® due 2026 (included as part of Exhibit (d)(538))(127)
(d)(540)	Two Hundred Sixty-First Supplemental Indenture dated as of February 13, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(127)
(d)(541)	Form of 6.500% Prospect Capital InterNote® due 2039 (included as part of Exhibit (d)(540))(127)
(d)(542)	Two Hundred Sixty-Seventh Supplemental Indenture dated as of February 19, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(128)
(d)(543)	Form of 4.75% Prospect Capital InterNote® due 2019 (included as part of Exhibit (d)(542))(128)
(d)(544)	Two Hundred Sixty-Second Supplemental Indenture dated as of February 21, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(129)
(d)(545)	Form of 4.000% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(544))(129)
(d)(546)	Two Hundred Sixty-Third Supplemental Indenture dated as of February 21, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(129)
(d)(547)	Form of 5.000% Prospect Capital InterNote® due 2019 (included as part of Exhibit (d)(546))(129)
(d)(548)	Two Hundred Sixty-Fourth Supplemental Indenture dated as of February 21, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(129)

(d)(549) Form of 5.500% Prospect Capital InterNote® due 2021 (included as part of Exhibit (d)(548))(129)

C-41

---

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Exhibit No.	Description
(d)(550)	Two Hundred Sixty-Fifth Supplemental Indenture dated as of February 21, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(129)
(d)(551)	Form of 6.000% Prospect Capital InterNote® due 2026 (included as part of Exhibit (d)(550))(129)
(d)(552)	Two Hundred Sixty-Sixth Supplemental Indenture dated as of February 21, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(129)
(d)(553)	Form of 6.500% Prospect Capital InterNote® due 2039 (included as part of Exhibit (d)(552))(129)
(d)(554)	Two Hundred Sixty-Eighth Supplemental Indenture dated as of February 27, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(130)
(d)(555)	Form of 3.750% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(554))(130)
(d)(556)	Two Hundred Sixty-Ninth Supplemental Indenture dated as of February 27, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(130)
(d)(557)	Form of 4.750% Prospect Capital InterNote® due 2019 (included as part of Exhibit (d)(556))(130)
(d)(558)	Two Hundred Seventieth Supplemental Indenture dated as of February 27, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(130)
(d)(559)	Form of 5.250% Prospect Capital InterNote® due 2021 (included as part of Exhibit (d)(558))(130)
(d)(560)	Two Hundred Seventy-First Supplemental Indenture dated as of February 27, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(130)
(d)(561)	Form of 5.750% Prospect Capital InterNote® due 2026 (included as part of Exhibit (d)(560))(130)

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

- (d)(562) Two Hundred Seventy-Second Supplemental Indenture dated as of February 27, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(130)
- (d)(563) Form of 6.250% Prospect Capital InterNote® due 2039 (included as part of Exhibit (d)(562))(130)

C-42

---

Exhibit No.	Description
(d)(564)	Two Hundred Seventy-Third Supplemental Indenture dated as of March 6, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(131)
(d)(565)	Form of 3.750% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(564))(131)
(d)(566)	Two Hundred Seventy-Fourth Supplemental Indenture dated as of March 6, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(131)
(d)(567)	Form of 4.750% Prospect Capital InterNote® due 2019 (included as part of Exhibit (d)(566))(131)
(d)(568)	Two Hundred Seventy-Fifth Supplemental Indenture dated as of March 6, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(131)
(d)(569)	Form of 5.250% Prospect Capital InterNote® due 2021 (included as part of Exhibit (d)(568))(131)
(d)(570)	Two Hundred Seventy-Sixth Supplemental Indenture dated as of March 6, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(131)
(d)(571)	Form of 5.750% Prospect Capital InterNote® due 2026 (included as part of Exhibit (d)(570))(131)
(d)(572)	Two Hundred Seventy-Seventh Supplemental Indenture dated as of March 6, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(131)
(d)(573)	Form of 6.250% Prospect Capital InterNote® due 2039 (included as part of Exhibit (d)(572))(131)
(d)(574)	Supplement No. 1 to the Two Hundred Sixty-Seventh Supplemental Indenture dated as of March 11, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(132)

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

(d)(575) Form of 4.75% Prospect Capital InterNote® due 2019 (included as part of Exhibit (d)(574))(132)

(d)(576) Two Hundred Seventy-Eighth Supplemental Indenture dated as March 13, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(133)

C-43

---



Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Exhibit No.	Description
(d)(577)	Form of 3.750% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(576))(133)
(d)(578)	Two Hundred Seventy-Ninth Supplemental Indenture dated as of March 13, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(133)
(d)(579)	Form of 4.750% Prospect Capital InterNote® due 2019 (included as part of Exhibit (d)(578))(133)
(d)(580)	Two Hundred Eightieth Supplemental Indenture dated as of March 13, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(133)
(d)(581)	Form of 5.250% Prospect Capital InterNote® due 2021 (included as part of Exhibit (d)(580))(133)
(d)(582)	Two Hundred Eighty-First Supplemental Indenture dated as of March 13, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(133)
(d)(583)	Form of 5.750% Prospect Capital InterNote® due 2026 (included as part of Exhibit (d)(582))(133)
(d)(584)	Two Hundred Eighty-Second Supplemental Indenture dated as of March 13, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(133)
(d)(585)	Form of 6.250% Prospect Capital InterNote® due 2039 (included as part of Exhibit (d)(584))(133)
(d)(586)	Two Hundred Eighty-Fourth Supplemental Indenture dated as March 20, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(134)
(d)(587)	Form of 3.750% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(586))(134)
(d)(588)	Two Hundred Eighty-Fifth Supplemental Indenture dated as of March 20, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(134)

(d)(589) Form of 4.750% Prospect Capital InterNote® due 2019 (included as part of Exhibit (d)(588))(134)

(d)(590) Two Hundred Eighty-Sixth Supplemental Indenture dated as of March 20, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(134)

C-44

---

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Exhibit No.	Description
(d)(591)	Form of 5.250% Prospect Capital InterNote® due 2021 (included as part of Exhibit (d)(590))(134)
(d)(592)	Two Hundred Eighty-Seventh Supplemental Indenture dated as of March 20, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(134)
(d)(593)	Form of 5.750% Prospect Capital InterNote® due 2026 (included as part of Exhibit (d)(592))(134)
(d)(594)	Two Hundred Eighty-Eighth Supplemental Indenture dated as of March 20, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(134)
(d)(595)	Form of 6.250% Prospect Capital InterNote® due 2039 (included as part of Exhibit (d)(594))(134)
(d)(596)	Two Hundred Eighty-Ninth Supplemental Indenture dated as March 27, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(135)
(d)(597)	Form of 3.750% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(596))(135)
(d)(598)	Two Hundred Ninetieth Supplemental Indenture dated as of March 20, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(135)
(d)(599)	Form of 4.750% Prospect Capital InterNote® due 2019 (included as part of Exhibit (d)(598))(135)
(d)(600)	Two Hundred Ninety-First Supplemental Indenture dated as of March 27, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(135)
(d)(601)	Form of 5.250% Prospect Capital InterNote® due 2021 (included as part of Exhibit (d)(600))(135)
(d)(602)	Two Hundred Ninety-Second Supplemental Indenture dated as of March 27, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(135)

(d)(603) Form of 5.750% Prospect Capital InterNote® due 2026 (included as part of Exhibit (d)(602))(135)

C-45

---

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Exhibit No.	Description
(d)(604)	Two Hundred Ninety-Third Supplemental Indenture dated as of March 27, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(135)
(d)(605)	Form of 6.250% Prospect Capital InterNote® due 2039 (included as part of Exhibit (d)(604))(135)
(d)(606)	Two Hundred Ninety-Fourth Supplemental Indenture dated as of April 3, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(136)
(d)(607)	Form of 3.750% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(606))(136)
(d)(608)	Two Hundred Ninety-Fifth Supplemental Indenture dated as of April 3, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(136)
(d)(609)	Form of 4.500% Prospect Capital InterNote® due 2019 (included as part of Exhibit (d)(608))(136)
(d)(610)	Two Hundred Ninety-Sixth Supplemental Indenture dated as of April 3, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(136)
(d)(611)	Form of 5.250% Prospect Capital InterNote® due 2021 (included as part of Exhibit (d)(610))(136)
(d)(612)	Two Hundred Ninety-Seventh Supplemental Indenture dated as of April 3, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(136)
(d)(613)	Form of 5.750% Prospect Capital InterNote® due 2024 (included as part of Exhibit (d)(612))(136)
(d)(614)	Two Hundred Ninety-Eighth Supplemental Indenture dated as of April 3, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(136)
(d)(615)	Form of 6.250% Prospect Capital InterNote® due 2039 (included as part of Exhibit (d)(614))(136)

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

- (d)(616) Supplemental Indenture dated as of April 7, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(137)
- (d)(617) Form of 5.000% Senior Notes due 2019 (included as part of Exhibit (d)(616))(137)

C-46

---

Exhibit No.	Description
(d)(618)	Two Hundred Ninety-Ninth Supplemental Indenture dated as of April 10, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(138)
(d)(619)	Form of 3.750% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(618))(138)
(d)(620)	Three Hundredth Supplemental Indenture dated as of April 10, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(138)
(d)(621)	Form of 4.250% Prospect Capital InterNote® due 2019 (included as part of Exhibit (d)(620))(138)
(d)(622)	Three Hundred First Supplemental Indenture dated as of April 10, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(138)
(d)(623)	Form of 5.250% Prospect Capital InterNote® due 2021 (included as part of Exhibit (d)(622))(138)
(d)(624)	Three Hundred Second Supplemental Indenture dated as of April 10, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(138)
(d)(625)	Form of 5.750% Prospect Capital InterNote® due 2024 (included as part of Exhibit (d)(624))(138)
(d)(626)	Three Hundred Third Supplemental Indenture dated as of April 10, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(138)
(d)(627)	Form of 6.250% Prospect Capital InterNote® due 2039 (included as part of Exhibit (d)(626))(138)
(d)(628)	Indenture dated as of April 11, 2014, by and between Prospect Capital Corporation and American Stock Transfer & Trust Company, as Trustee(139)
(d)(629)	Form of Global Note of 4.75% Senior Convertible Notes Due 2020 (included as part of Exhibit (d)(628))(139)
(d)(630)	

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Three Hundred Fourth Supplemental Indenture dated as of April 17, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(140)

(d)(631) Form of 3.750% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(630))(140)

C-47

---



Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Exhibit No.	Description
(d)(632)	Three Hundred Fifth Supplemental Indenture dated as of April 17, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(140)
(d)(633)	Form of 4.250% Prospect Capital InterNote® due 2019 (included as part of Exhibit (d)(632))(140)
(d)(634)	Three Hundred Sixth Supplemental Indenture dated as of April 17, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(140)
(d)(635)	Form of 5.250% Prospect Capital InterNote® due 2021 (included as part of Exhibit (d)(634))(140)
(d)(636)	Three Hundred Seventh Supplemental Indenture dated as of April 17, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(140)
(d)(637)	Form of 5.750% Prospect Capital InterNote® due 2024 (included as part of Exhibit (d)(636))(140)
(d)(638)	Three Hundred Eighth Supplemental Indenture dated as of April 17, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(140)
(d)(639)	Form of 6.250% Prospect Capital InterNote® due 2039 (included as part of Exhibit (d)(638))(140)
(d)(640)	Three Hundred Ninth Supplemental Indenture dated as of April 24, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(141)
(d)(641)	Form of 3.750% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(640))(141)
(d)(642)	Three Hundred Tenth Supplemental Indenture dated as of April 24, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(141)
(d)(643)	Form of 4.500% Prospect Capital InterNote® due 2019 (included as part of Exhibit (d)(642))(141)

(d)(644) Three Hundred Eleventh Supplemental Indenture dated as of April 24, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(141)

C-48

---

Exhibit No.	Description
(d)(645)	Form of 5.250% Prospect Capital InterNote® due 2021 (included as part of Exhibit (d)(644))(141)
(d)(646)	Three Hundred Twelfth Supplemental Indenture dated as of April 24, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(141)
(d)(647)	Form of 5.750% Prospect Capital InterNote® due 2024 (included as part of Exhibit (d)(646))(141)
(d)(648)	Three Hundred Thirteenth Supplemental Indenture dated as of April 24, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(141)
(d)(649)	Form of 6.250% Prospect Capital InterNote® due 2039 (included as part of Exhibit (d)(648))(141)
(d)(650)	Three Hundred Fourteenth Supplemental Indenture dated as of May 1, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(142)
(d)(651)	Form of 3.750% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(650))(142)
(d)(652)	Three Hundred Fifteenth Supplemental Indenture dated as of May 1, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(142)
(d)(653)	Form of 4.500% Prospect Capital InterNote® due 2019 (included as part of Exhibit (d)(652))(142)
(d)(654)	Three Hundred Sixteenth Supplemental Indenture dated as of May 1, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(142)
(d)(655)	Form of 5.250% Prospect Capital InterNote® due 2021 (included as part of Exhibit (d)(654))(142)
(d)(656)	Three Hundred Seventeenth Supplemental Indenture dated as of May 1, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(142)

(d)(657) Form of 5.750% Prospect Capital InterNote® due 2024 (included as part of Exhibit (d)(656))(142)

(d)(658) Three Hundred Eighteenth Supplemental Indenture dated as of May 1, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(142)

C-49

---

Exhibit No.	Description
(d)(659)	Form of 6.250% Prospect Capital InterNote® due 2039 (included as part of Exhibit (d)(658))(142)
(d)(660)	Three Hundred Nineteenth Supplemental Indenture dated as of May 8, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(143)
(d)(661)	Form of 3.750% Prospect Capital InterNote® due 2018 (included as part of Exhibit (d)(660))(143)
(d)(662)	Three Hundred Twentieth Supplemental Indenture dated as of May 8, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(143)
(d)(663)	Form of 4.500% Prospect Capital InterNote® due 2019 (included as part of Exhibit (d)(662))(143)
(d)(664)	Three Hundred Twenty-First Supplemental Indenture dated as of May 8, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(143)
(d)(665)	Form of 5.250% Prospect Capital InterNote® due 2021 (included as part of Exhibit (d)(664))(143)
(d)(666)	Three Hundred Twenty-Second Supplemental Indenture dated as of May 8, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(143)
(d)(667)	Form of 5.750% Prospect Capital InterNote® due 2024 (included as part of Exhibit (d)(666))(143)
(d)(668)	Three Hundred Twenty-Third Supplemental Indenture dated as of May 8, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(143)
(d)(669)	Form of 6.250% Prospect Capital InterNote® due 2039 (included as part of Exhibit (d)(668))(143)
(d)(670)	Three Hundred Twenty-Fourth Supplemental Indenture dated as of November 17, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as

Trustee(151)

(d)(671) Form of 4.250% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(670))(151)

C-50

---

Exhibit No.	Description
(d)(672)	Three Hundred Twenty-Fifth Supplemental Indenture dated as of November 28, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(152)
(d)(673)	Form of 4.250% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(672))(152)
(d)(674)	Three Hundred Twenty-Sixth Supplemental Indenture dated as of December 4, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(153)
(d)(675)	Form of 4.250% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(674))(153)
(d)(676)	Three Hundred Twenty-Seventh Supplemental Indenture dated as of December 11, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(154)
(d)(677)	Form of 4.250% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(676))(154)
(d)(678)	Three Hundred Twenty-Eighth Supplemental Indenture dated as of December 18, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(155)
(d)(679)	Form of 4.250% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(678))(155)
(d)(680)	Three Hundred Twenty-Ninth Supplemental Indenture dated as of December 29, 2014, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(156)
(d)(681)	Form of 4.250% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(680))(156)
(d)(682)	Three Hundred Thirtieth Supplemental Indenture dated as of January 2, 2015, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee,

by and between the Registrant and U.S. Bank National Association, as Trustee(157)

(d)(683) Form of 4.250% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(682))(157)

(d)(684) Three Hundred Thirty-First Supplemental Indenture dated as of January 8, 2015, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(158)

(d)(685) Form of 4.250% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(684))(158)

C-51

---



Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Exhibit No.	Description
(d)(686)	Three Hundred Thirty-Second Supplemental Indenture dated as of January 15, 2015, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(159)
(d)(687)	Form of 4.500% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(686))(159)
(d)(688)	Three Hundred Thirty-Third Supplemental Indenture dated as of January 23, 2015, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(160)
(d)(689)	Form of 4.750% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(688))(160)
(d)(690)	Three Hundred Thirty-Fourth Supplemental Indenture dated as of January 29, 2015, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(161)
(d)(691)	Form of 4.750% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(690))(161)
(d)(692)	Three Hundred Thirty-Fifth Supplemental Indenture dated as of February 5, 2015, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(162)
(d)(693)	Form of 4.750% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(692))(162)
(d)(694)	Three Hundred Thirty-Sixth Supplemental Indenture dated as of February 20, 2015, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(163)
(d)(695)	Form of 4.750% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(694))(163)
(d)(696)	Three Hundred Thirty-Seventh Supplemental Indenture dated as of February 26, 2015, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(164)

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

(d)(697) Form of 4.750% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(696))(164)

(d)(698) Three Hundred Thirty-Eighth Supplemental Indenture dated as of March 5, 2015, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(165)

C-52

---

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Exhibit No.	Description
(d)(699)	Form of 4.750% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(698))(165)
(d)(700)	Three Hundred Thirty-Ninth Supplemental Indenture dated as of March 12, 2015, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(166)
(d)(701)	Form of 4.750% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(700))(166)
(d)(702)	Three Hundred Fortieth Supplemental Indenture dated as of March 19, 2015, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(167)
(d)(703)	Form of 4.750% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(702))(167)
(d)(704)	Three Hundred Forty-First Supplemental Indenture dated as of March 26, 2015, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(168)
(d)(705)	Form of 4.750% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(704))(168)
(d)(706)	Three Hundred Forty-Second Supplemental Indenture dated as of April 2, 2015, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(169)
(d)(707)	Form of 4.750% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(706))(169)
(d)(708)	Three Hundred Forty-Third Supplemental Indenture dated as of April 9, 2015, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(170)
(d)(709)	Form of 4.750% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(708))(170)
(d)(710)	Three Hundred Forty-Fourth Supplemental Indenture dated as of April 16, 2015, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(†)

(d)(711) Form of 4.750% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(710))(†)

(d)(712) Three Hundred Forty-Fifth Supplemental Indenture dated as of April 16, 2015, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee(†)

C-53

---

Exhibit No.	Description
(d)(713)	Form of 3.375% to 6.375% Prospect Capital InterNote® due 2021 (included as part of Exhibit (d)(712))(†)
(e)	Form of Dividend Reinvestment Plan(2)
(f)	Not Applicable
(g)	Form of Investment Advisory Agreement between Registrant and Prospect Capital Management LLC(2)
(h)(1)	Fourth Amended and Restated Selling Agent Agreement, dated November 7, 2014, by and among, the Registrant, Prospect Capital Management LLC, Prospect Administration LLC, Incapital LLC and the Agents named therein and added from time to time(150)
(h)(2)	Form of Equity Distribution Agreement(150)
(i)	Not Applicable
(j)(1)	Amended and Restated Custody Agreement, dated as of September 23, 2014, by and between the Registrant and U.S. Bank National Association(147)
(j)(2)	Custody Agreement, dated as of April 24, 2013, by and between the Registrant and Israeli Discount Bank of New York Ltd.(7)
(j)(3)	Custody Agreement, dated as of October 28, 2013, by and between the Registrant and Fifth Third Bank(122)
(j)(4)	Custody Agreement, dated as of May 9, 2014, by and between the Registrant and Customers Bank(144)
(j)(5)	Custody Agreement, dated as of May 9, 2014, by and between the Registrant and Peapack-Gladstone Bank(145)
(j)(6)	Custody Agreement, dated as of October 10, 2014, by and between Prospect Yield Corporation, LLC and U.S. Bank National Association(147)
(k)(1)	Form of Administration Agreement between Registrant and Prospect Administration LLC(2)
(k)(2)	Form of Transfer Agency and Registrar Services Agreement(4)
(k)(3)	Form of Trademark License Agreement between the Registrant and Prospect Capital Investment Management, LLC(2)
(k)(4)	Agreement and Plan of Merger dated August 3, 2009 between Prospect Capital Corporation and Patriot Capital Funding, Inc.(6)
(k)(5)	

Master Purchase and Sale and Contribution Agreement, dated as of March 19, 2012, by and among Prospect Capital Corporation, First Tower Corp., certain other entities related to Prospect Capital Corporation and certain shareholders of First Tower Corp.(18)

C-54

---

Exhibit No.	Description
(k)(6)	Fifth Amended and Restated Loan and Servicing Agreement, dated August 29, 2014, among Prospect Capital Funding LLC, Prospect Capital Corporation, the lenders from time to time party thereto, the managing agents from time to time party thereto, U.S. Bank National Association as Calculation Agent, Paying Agent and Documentation Agent, KeyBank National Association as Facility Agent, Key Equipment Finance Inc. and Royal Bank of Canada as Syndication Agents, and KeyBank National Association as Structuring Agent, Sole Lead Arranger and Sole Bookrunner(19)
(l)(1)	Opinion and Consent of Venable LLP, as special Maryland counsel for the Registrant(146)
(l)(2)	Opinion and Consent of Skadden, Arps, Slate, Meagher & Flom LLP, as special New York counsel for the Registrant(146)
(l)(3)	Opinion and Consent of Venable LLP, as special Maryland counsel for the Registrant(150)
(m)	Not Applicable
(n)(1)	Consent of independent registered public accounting firm (BDO USA, LLP)(149)
(n)(2)	Report of independent registered public accounting firm on “Senior Securities” table(146)
(n)(3)	Power of Attorney(146)
(n)(4)	Consent of independent certified public accountants (McGladrey LLP)(149)
(o)	Audited Consolidated Financial Statements of First Tower Holdings of Delaware LLC and its subsidiaries as of December 31, 2013 and 2012, and for the year ended December 31, 2013 and the period from March 14, 2012 (inception date) through December 31, 2012(148)
(p)	Not Applicable
(q)	Not Applicable
(r)	Code of Ethics(146)
99.1	Form of Preliminary Prospectus Supplement For Common Stock Offerings(146)
99.2	Form of Preliminary Prospectus Supplement For Preferred Stock Offerings(146)
99.3	Form of Preliminary Prospectus Supplement For Debt Offerings(146)
99.4	Form of Preliminary Prospectus Supplement For Rights Offerings(146)
99.5	Form of Preliminary Prospectus Supplement For Warrant Offerings(146)
99.6	Form of Preliminary Prospectus Supplement For Unit Offerings(146)

(1) Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K filed on May 9, 2014.

C-55

---



- Incorporated by reference to the corresponding exhibit number to the Registrant's Pre-effective Amendment No. 2 (2) to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-114552), filed on July 6, 2004.
- (3) Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K filed on August 26, 2011.
- Incorporated by reference to the corresponding exhibit number to the Registrant's Pre-effective Amendment No. 3 (4) to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-114552), filed on July 23, 2004.
- (5) Incorporated by reference to Exhibit 4.22 of the Registrant's Form 10-Q filed on May 6, 2013.
- (6) Incorporated by reference to Exhibit 2.1 of the Registrant's Form 8-K filed on August 5, 2009.
- (7) Incorporated by reference to Exhibit 10.258 of the Registrant's Form 10-K filed on August 21, 2013.
- (8) Incorporated by reference to Exhibit 4.2 of the Registrant's Form 8-K filed on February 18, 2011.
- (9) Intentionally deleted.
- (10) Incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed on December 21, 2010.
- (11) Incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed on February 18, 2011.
- (12) Incorporated by reference to the corresponding exhibit number to the Registrant's Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-176637), filed on September 1, 2011.
- (13) Intentionally deleted.
- (14) Incorporated by reference to Exhibit 14 of the Registrant's Form 10-K filed on August 21, 2013.
- Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (15) No. 1 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-176637), filed on March 1, 2012.
- Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (16) No. 2 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-176637), filed on March 8, 2012.
- Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (17) No. 3 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-176637), filed on March 14, 2012.
- (18) Incorporated by reference to Exhibit 2.1 of the Registrant's Form 8-K filed on March 21, 2012.
- (19) Incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K filed on September 2, 2014.
- Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (20) No. 5 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-176637), filed on April 5, 2012.
- Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (21) No. 6 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-176637), filed on April 12, 2012.
- (22) Incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed on April 16, 2012.
- (23) Incorporated by reference to Exhibit 4.2 of the Registrant's Form 8-K filed on April 16, 2012.
- Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (24) No. 8 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-176637), filed on April 26, 2012.
- (25) Incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed on May 7, 2012.
- (26) Incorporated by reference to Exhibit 4.2 of the Registrant's Form 8-K filed on May 7, 2012.
- (27) Intentionally deleted.
- (28) Intentionally deleted.
- (29) Intentionally deleted.
- (30) Intentionally deleted.
- (31) Intentionally deleted.
- (32) Intentionally deleted.
- (33) Intentionally deleted.

(34) Intentionally deleted.

(35) Intentionally deleted.

(36) Intentionally deleted.

(37) Incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed on August 14, 2012.

(38) Incorporated by reference to Exhibit 4.2 of the Registrant's Form 8-K filed on August 14, 2012.

(39) Intentionally deleted.

(40) Intentionally deleted.

(41) Intentionally deleted.

(42) Intentionally deleted.

C-56

---

(43) Intentionally deleted.

(44) Intentionally deleted.

(45) Intentionally deleted.

(46) Intentionally deleted.

(47) Intentionally deleted.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment  
(48) No. 26 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-176637),  
filed on September 27, 2012.

(49) Intentionally deleted.

(50) Intentionally deleted.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment  
(51) No. 27 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-176637),  
filed on October 4, 2012.

(52) Intentionally deleted.

(53) Intentionally deleted.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment  
(54) No. 2 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530),  
filed on November 23, 2012.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment  
(55) No. 3 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530),  
filed on November 29, 2012.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment  
(56) No. 4 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530),  
filed on December 6, 2012.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment  
(57) No. 5 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530),  
filed on December 13, 2012.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment  
(58) No. 6 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530),  
filed on December 20, 2012.

(59) Incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed on December 21, 2012.

(60) Intentionally deleted.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment  
(61) No. 8 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530),  
filed on December 28, 2012.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment  
(62) No. 9 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530),  
filed on January 4, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment  
(63) No. 10 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530),  
filed on January 10, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment  
(64) No. 11 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530),  
filed on January 17, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment  
(65) No. 12 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530),  
filed on January 25, 2013.

(66) Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment  
No. 13 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530),

filed on January 31, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (67)No. 14 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on February 7, 2013.

(68) Intentionally deleted.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (69)No. 16 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on February 22, 2013.

C-57

---

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (70)No. 17 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on February 28, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (71)No. 18 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on March 7, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (72)No. 19 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on March 14, 2013.

(73)Incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed on March 15, 2013.

(74)Incorporated by reference to Exhibit 4.2 of the Registrant's Form 8-K filed on March 15, 2013.

(75)Intentionally deleted.

(76)Intentionally deleted.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (77)No. 21 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on March 21, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (78)No. 22 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on March 28, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (79)No. 23 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on April 4, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (80)No. 24 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on April 11, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (81)No. 25 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on April 18, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (82)No. 26 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on April 25, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (83)No. 27 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on May 2, 2013.

(84)Intentionally deleted.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (85)No. 29 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on May 9, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (86)No. 30 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on May 23, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (87)No. 31 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on May 31, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (88)No. 32 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on June 6, 2013.

(89)Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment No. 33 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530),

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

filed on June 13, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (90)No. 34 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on June 20, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (91)No. 35 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on June 27, 2013.

C-58

---

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (92)No. 36 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on July 5, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (93)No. 37 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on July 11, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (94)No. 38 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on July 18, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (95)No. 39 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on July 25, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (96)No. 40 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on August 1, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (97)No. 41 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on August 8, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (98)No. 42 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on August 15, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (99)No. 43 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on August 22, 2013.

(100) Incorporated by reference to the corresponding exhibit number to the Registrant's pre-effective Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on August 27, 2013.

(101) Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment No. 45 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333- 183530), filed on September 6, 2013.

(102) Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment No. 46 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333- 183530), filed on September 12, 2013.

(103) Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment No. 47 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333- 183530), filed on September 19, 2013.

(104) Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment No. 48 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333- 183530), filed on September 26, 2013.

(105) Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment No. 49 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on October 3, 2013.

(106) Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment No. 50 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on October 10, 2013.

(107) Incorporated by reference to the corresponding exhibit number to the Registrant's Pre-Effective Amendment No. 1 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on October 11, 2013.

(108) Intentionally deleted.

(109)

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment No. 51 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-183530), filed on October 18, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (110)No. 3 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on October 24, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (111)No. 4 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on October 31, 2013.

C-59

---



Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (112)No. 5 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on November 5, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (113)No. 6 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on November 7, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (114)No. 7 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on November 15, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (115)No. 8 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on November 21, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment No. (116)9 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on November 29, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (117)No. 10 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on December 5, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (118)No. 11 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on December 12, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (119)No. 12 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on December 19, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (120)No. 13 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on December 27, 2013.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (121)No. 14 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on January 3, 2014.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (122)No. 15 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on January 9, 2014.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (123)No. 16 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on January 16, 2014.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (124)No. 17 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on January 24, 2014.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (125)No. 18 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on January 30, 2014.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (126)No. 19 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on February 6, 2014.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (127)No. 20 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on February 13, 2014.

(128)

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment No. 21 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on February 19, 2014.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (129)No. 22 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on February 21, 2014.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (130)No. 23 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on February 27, 2014.

C-60

---

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (131)No. 24 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on March 6, 2014.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (132)No. 25 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on March 11, 2014.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (133)No. 26 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on March 13, 2014.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (134)No. 27 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on March 20, 2014.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (135)No. 28 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on March 27, 2014.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (136)No. 29 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on April 3, 2014.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (137)No. 30 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on April 7, 2014.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (138)No. 31 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on April 10, 2014.

(139)Incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed on April 16, 2014.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (140)No. 32 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on April 17, 2014.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (141)No. 33 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on April 24, 2014.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (142)No. 34 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on May 1, 2014.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (143)No. 35 to the Registration Statement under the Securities Act, as amended, on Form N-2 (File No. 333-190850), filed on May 8, 2014.

(144)Incorporated by reference to Exhibit 10.12 of the Registrant's Form 10-K filed on August 25, 2014.

(145)Incorporated by reference to Exhibit 10.13 of the Registrant's Form 10-K filed on August 25, 2014.

(146)Incorporated by reference to the corresponding exhibit number to the Registrant's Pre-Effective Registration Statement under the Securities Act, as amended, on Form N-2 (333-198505), filed on September 2, 2014.

Incorporated by reference to the corresponding exhibit number to the Registrant's Pre-Effective Amendment No. (147)1 to the Registration Statement under the Securities Act, as amended, on Form N-2 (333-198505), filed on October 14, 2014.

(148)Incorporated by reference to Exhibit 99.1 of the Registrant's Form 10-K/A filed on November 3, 2014.

Incorporated by reference to the corresponding exhibit number to the Registrant's Pre-Effective Amendment No. (149)2 to the Registration Statement under the Securities Act, as amended, on Form N-2 (333-198505), filed on November 3, 2014.

(150)

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment No. 1 to the Registration Statement under the Securities Act, as amended, on Form N-2 (333-198505), filed on November 3, 2014.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (151)No. 2 to the Registration Statement under the Securities Act, as amended, on Form N-2 (333-198505), filed on November 20, 2014.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (152)No. 3 to the Registration Statement under the Securities Act, as amended, on Form N-2 (333-198505), filed on November 28, 2014.

C-61

---

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (153)No. 4 to the Registration Statement under the Securities Act, as amended, on Form N-2 (333-198505), filed on December 4, 2014.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (154)No. 5 to the Registration Statement under the Securities Act, as amended, on Form N-2 (333-198505), filed on December 11, 2014.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (155)No. 6 to the Registration Statement under the Securities Act, as amended, on Form N-2 (333-198505), filed on December 18, 2014.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (156)No. 7 to the Registration Statement under the Securities Act, as amended, on Form N-2 (333-198505), filed on December 29, 2014.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (157)No. 8 to the Registration Statement under the Securities Act, as amended, on Form N-2 (333-198505), filed on January 5, 2015.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (158)No. 9 to the Registration Statement under the Securities Act, as amended, on Form N-2 (333-198505), filed on January 8, 2015.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (159)No. 10 to the Registration Statement under the Securities Act, as amended, on Form N-2 (333-198505), filed on January 15, 2015.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (160)No. 11 to the Registration Statement under the Securities Act, as amended, on Form N-2 (333-198505), filed on January 23, 2015.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (161)No. 12 to the Registration Statement under the Securities Act, as amended, on Form N-2 (333-198505), filed on January 29, 2015.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (162)No. 13 to the Registration Statement under the Securities Act, as amended, on Form N-2 (333-198505), filed on February 5, 2015.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (163)No. 14 to the Registration Statement under the Securities Act, as amended, on Form N-2 (333-198505), filed on February 20, 2015.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (164)No. 15 to the Registration Statement under the Securities Act, as amended, on Form N-2 (333-198505), filed on February 26, 2015.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (165)No. 16 to the Registration Statement under the Securities Act, as amended, on Form N-2 (333-198505), filed on March 5, 2015.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (166)No. 17 to the Registration Statement under the Securities Act, as amended, on Form N-2 (333-198505), filed on March 12, 2015.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (167)No. 18 to the Registration Statement under the Securities Act, as amended, on Form N-2 (333-198505), filed on March 19, 2015.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (168)No. 19 to the Registration Statement under the Securities Act, as amended, on Form N-2 (333-198505), filed on March 26, 2015.

(169)

## Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment No. 20 to the Registration Statement under the Securities Act, as amended, on Form N-2 (333-198505), filed on April 2, 2015.

Incorporated by reference to the corresponding exhibit number to the Registrant's Post-Effective Amendment (170)No. 21 to the Registration Statement under the Securities Act, as amended, on Form N-2 (333-198505), filed on April 9, 2015.

† Filed herewith.

\*To be filed by amendment.

### ITEM 26. MARKETING ARRANGEMENTS

The information contained under the heading “Plan of Distribution” on this Registration Statement is incorporated herein by reference and any information concerning any underwriters will be contained in the accompanying prospectus supplement, if any.

### ITEM 27. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION\*\*

Commission registration fee	\$ 655,220
NASDAQ Global Select Additional Listing Fees	155,000
Accounting fees and expenses	500,000
Legal fees and expenses	1,000,000
Printing and engraving	500,000
Miscellaneous fees and expenses	100,000
<b>Total</b>	<b>\$2,910,000</b>

\*\* These amounts are estimates.

All of the expenses set forth above shall be borne by the Company.

### ITEM 28. PERSONS CONTROLLED BY OR UNDER COMMON CONTROL

As of October 31, 2014, the following list sets forth entities in which the Registrant owns a controlling interest, the state under whose laws the entity is organized, and the percentage of voting securities or membership interests owned by the Registrant in such entity. Except for Prospect Capital Funding LLC, Prospect Small Business Lending LLC and Prospect Yield Corporation, LLC, none of these entities are consolidated for purposes of financial reporting.

Name of Entity and Place of Jurisdiction	% of Voting Securities Owned	
SB Forging Company, Inc. (Delaware)	100.0	%
Arctic Oilfield Equipment USA, Inc. (Delaware)	100.0	%
Arctic Energy Services, LLC (Delaware)	70.0	%
CP Holdings of Delaware LLC (Delaware)	100.0	%
CP Energy Services Inc. (Delaware)	82.9	%
CP Well Testing Services Company LLC (Delaware)	82.9	%
CP Well Testing, LLC (Delaware)	82.9	%
Fluid Management Services, Inc. (Delaware)	82.9	%
Fluid Management Services, LLC (Delaware)	82.9	%
Artexoma Logistics, LLC (Delaware)	82.9	%
ProHaul Transports, LLC (Oklahoma)	82.9	%
Wright Foster Disposals, LLC (Delaware)	82.9	%
Wright Transport, Inc. (Delaware)	82.9	%

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Wright Trucking, Inc. (Delaware)	82.9	%
Foster Testing Co., Inc. (Delaware)	82.9	%
Watershark, LLC (Oklahoma)	82.9	%
Echelon Aviation LLC (Delaware)	100.0	%
Echelon Aviation II, LLC (Delaware)	100.0	%
Echelon Prime Coöperatief U.A. (Netherlands)	100.0	%
AerLift Leasing Limited (Isle of Man)	60.7	%
AerLift Leasing Jet Limited (Ireland)	50.0	%
Name of Entity and Place of Jurisdiction	% of Voting Securities Owned	
AerLift Aircraft Leasing Limited (Isle of Man)	60.7	%
AerLift Leasing Isle of Man MSN 28415 Limited (Isle of Man)	60.7	%
Alpha Fifteenth Waha Lease Limited (Isle of Man)	60.7	%
Bravo Fifteenth Waha Lease Limited (Isle of Man)	60.7	%
Fourteenth Waha Lease Limited (Isle of Man)	60.7	%
Wahafлот Leasing 963 (Bermuda) Limited (Bermuda)	60.7	%
Wahafлот Leasing 1 Limited (Cyprus)	60.7	%
16TH Waha Lease (Labuan) Limited (Labuan)	60.7	%
Waha Lease (Labuan) Limited (Labuan)	60.7	%
AerLift Leasing Netherlands B.V. (Netherlands)	60.7	%
AerLift Leasing Isle of Man 1 Limited (Isle of Man)	60.7	%
AerLift Leasing France MSN 24698 S.a.r.l. (France)	60.7	%
Energy Solutions Holdings Inc. (Delaware)	100.0	%
Change Clean Energy & Power, LLC (Delaware)	100.0	%
Change Clean Energy LLC (Delaware)	100.0	%
DownEast Power Company, LLC (Delaware)	100.0	%
Biochips, LLC (Maine)	51.0	%
Yatesville Coal Company, LLC (Delaware)	100.0	%
North Fork Collieries LLC (Delaware)	100.0	%
Freedom Marine Services Solutions, LLC (Delaware)	100.0	%
Vessel Company, LLC (Louisiana)	100.0	%
Vessel Company II, LLC (Delaware)	100.0	%
MV Gulf Endeavor L.L.C. (Louisiana)	100.0	%
MV Clint L.L.C. (Louisiana)	100.0	%
MV JF Jett L.L.C. (Louisiana)	100.0	%
Vessel Company III, LLC (Delaware)	100.0	%
MV FMS Courage LLC (Louisiana)	100.0	%
MV FMS Endurance LLC (Louisiana)	100.0	%
First Tower Holdings of Delaware LLC (Delaware)	100.0	%
First Tower Finance Company LLC (Mississippi)	80.1	%
First Tower, LLC (Mississippi)	80.1	%
First Tower Loan, LLC (Louisiana)	80.1	%
Gulfco of Louisiana, LLC (Louisiana)	80.1	%
Gulfco of Mississippi, LLC (Mississippi)	80.1	%
Gulfco of Alabama, LLC (Alabama)	80.1	%
Tower Loan of Illinois, LLC (Mississippi)	80.1	%
Tower Loan of Mississippi, LLC (Mississippi)	80.1	%
Tower Loan of Missouri, LLC (Mississippi)	80.1	%
Tower Auto Loan, LLC (Mississippi)	80.1	%
American Federated Holding Company (Mississippi)	80.1	%
American Federated Insurance Company, Inc. (Mississippi)	80.1	%
American Federated Life Insurance Company, Inc. (Mississippi)	80.1	%

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Harbortouch Holdings of Delaware Inc. (Delaware)	100.0	%
Harbortouch Payments, LLC (Delaware)	53.5	%
Credit Card Processing USA, LLC (New Jersey)	53.5	%

C-62

---



Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Name of Entity and Place of Jurisdiction	% of Voting Securities Owned	
Integrated Contract Services, Inc. (Delaware)	100.0	%
Manx Energy, Inc. (Delaware)*	42.0	%
NMMB Holdings, Inc. (Delaware)	100.0	%
NMMB, Inc. (Delaware)	83.5	%
refuel agency, Inc. (Delaware)	83.5	%
Armed Forces Communications, Inc. (New York)	83.5	%
Prospect Capital Funding LLC (Delaware)	100.0	%
Prospect Small Business Lending LLC (Delaware)	100.0	%
Prospect Yield Corporation, LLC (Delaware)	100.0	%
Wolf Energy Holdings Inc. (Delaware)	100.0	%
Wolf Energy, LLC (Delaware)	100.0	%
Coalbed, LLC (Delaware)	100.0	%
Appalachian Energy LLC (Delaware)	100.0	%
C & S Operating, LLC (Delaware)	100.0	%
The Healing Staff, Inc. (Texas)	100.0	%
R-V Industries, Inc. (Pennsylvania)	88.3	%
STI Holding, Inc. (Delaware)	100.0	%
Borga, Inc. (California)	100.0	%
Vets Securing America, Inc. (Delaware)	100.0	%
APH Property Holdings, LLC (Delaware)	100.0	%
American Property REIT Corp. (Maryland)	100.0	%
APH Guarantor, LLC (Delaware)	100.0	%
1557 Terrell Mill Road, LLC (Delaware)	92.6	%
5100 Live Oaks Blvd, LLC (Delaware)	97.7	%
APH Carroll Resort, LLC (Delaware)	95.0	%
ARIUM Resort, LLC (Delaware)	95.0	%
Arlington Park Marietta, LLC (Delaware)	93.3	%
Lofton Place, LLC (Delaware)	93.2	%
Vista Palma Sola, LLC (Delaware)	93.2	%
APH Gulf Coast Holdings, LLC (Delaware)	99.3	%
NPH Property Holdings, LLC (Delaware)	100.0	%
NPH Property Holdings II, LLC (Delaware)	100.0	%
American Consumer Lending Limited (Cayman Islands)	100.0	%
American Consumer Lending, LLC (Delaware)	100.0	%
National Property REIT Corp. (Maryland)	100.0	%
American Consumer Lending III, LLC (Delaware)	100.0	%
NPH Guarantor, LLC (Delaware)	100.0	%
ACL Loan Holdings, Inc. (Delaware)	100.0	%
ACL Loan Company, Inc. (Delaware)	100.0	%
ACL Loan Company III, Inc. (Delaware)	100.0	%
ACL Consumer Loan Trust (Delaware)	100.0	%
ACL Consumer Loan Trust III (Delaware)	100.0	%
APH Carroll 41, LLC (Delaware)	94.0	%
APH Carroll Bartram Park, LLC (Delaware)	93.0	%
NPH Carroll Atlantic Beach, LLC (Delaware)	93.0	%

C-63

Name of Entity and Place of Jurisdiction	% of Voting Securities Owned	
NPH McDowell, LLC (Delaware)	90.0	%
Matthews Reserve II, LLC (Delaware)	90.0	%
City West Apartments II, LLC (Delaware)	90.0	%
Mission Gate II, LLC (Delaware)	90.0	%
Vinings Corner II, LLC (Delaware)	90.0	%
Uptown Park Apartments II, LLC (Delaware)	90.0	%
St. Marin Apartments II, LLC (Delaware)	90.0	%
UPH Property Holdings, LLC (Delaware)	100.0	%
United Property REIT Corp. (Maryland)	100.0	%
Canterbury Green Apartments, LLC (Delaware)	92.5	%
Canterbury Green Apartments TRS, LLC (Delaware)	92.5	%
Columbus OH Apartments HoldCo, LLC (Delaware)	65.4	%
Abbie Lakes OH Partners, LLC (Delaware)	65.4	%
Kengary Way OH Partners, LLC (Delaware)	65.4	%
Jefferson Chase OH Partners, LLC (Delaware)	65.4	%
Lakepoint OH Partners, LLC (Delaware)	65.4	%
Heatherbridge OH Partners, LLC (Delaware)	65.4	%
Sunbury OH Partners, LLC (Delaware)	65.4	%
Lakeview Trail OH Partners, LLC (Delaware)	65.4	%
Goldenstrand OH Partners, LLC (Delaware)	65.4	%
Michigan Storage, LLC (Delaware)	85.0	%
Michigan Storage TRS LLC (Delaware)	85.0	%
Ford Road Self Storage, LLC (Delaware)	85.0	%
Ball Avenue Self Storage, LLC (Delaware)	85.0	%
23 Mile Road Self Storage, LLC (Delaware)	85.0	%
36th Street Self Storage, LLC (Delaware)	85.0	%
Ann Arbor Kalamazoo Self Storage, LLC (Delaware)	85.0	%
Waldon Road Self Storage, LLC (Delaware)	85.0	%
Jolly Road Self Storage, LLC (Delaware)	85.0	%
Haggerty Road Self Storage, LLC (Delaware)	85.0	%
Eaton Rapids Road Self Storage, LLC (Delaware)	85.0	%
Tyler Road Self Storage, LLC (Delaware)	85.0	%
South Atlanta Portfolio Holding Company, LLC (Delaware)	92.6	%
South Atlanta Eastwood Village LLC (Georgia)	92.6	%
South Atlanta Monterey Village LLC (Georgia)	92.6	%
South Atlanta Hidden Creek LLC (Georgia)	92.6	%
South Atlanta Meadow Springs LLC (Georgia)	92.6	%
South Atlanta Meadow View LLC (Georgia)	92.6	%
South Atlanta Peachtree Landing LLC (Georgia)	92.6	%
AWC, LLC (Delaware)	100.0	%
CCPI Holdings, Inc. (Delaware)	100.0	%
CCPI Inc. (Delaware)	94.9	%
CCPI Europe Limited (England)	94.9	%
Mefec B.V. (Netherlands)	94.9	%
Credit Central Holdings of Delaware, LLC (Delaware)	100.0	%

C-64

Edgar Filing: IMPAC MORTGAGE HOLDINGS INC - Form 4

Name of Entity and Place of Jurisdiction	% of Voting Securities Owned	
Credit Central Loan Company, LLC (South Carolina)	74.8	%
Credit Central, LLC (South Carolina)	74.8	%
Credit Central South, LLC (South Carolina)	74.8	%
Credit Central of Tennessee, LLC (South Carolina)	74.8	%
Credit Central of Texas, LLC (South Carolina)	74.8	%
MITY Holdings of Delaware Inc. (Delaware)	100.0	%
MITY, Inc. (Utah)	94.9	%
MITY-LITE, Inc. (Utah)	94.9	%
Broda Enterprises ULC (British Columbia, Canada)	94.9	%
Broda USA, Inc. (Utah)	94.9	%
Nationwide Acceptance Holdings LLC (Delaware)	100.0	%
Nationwide Acceptance LLC (Delaware)	93.8	%
Hercules Insurance Agency LLC (Illinois)	93.8	%
Nationwide CAC LLC (Illinois)	93.8	%
Nationwide Cassel LLC (Illinois)	93.8	%
Nationwide Installment Services LLC (Illinois)	93.8	%
Nationwide Loans LLC (Illinois)	93.8	%
Nationwide Nevada LLC (Illinois)	93.8	%
Nationwide Northwest LLC (Illinois)	93.8	%
Nationwide Southeast LLC (Illinois)	93.8	%
Nationwide West LLC (Illinois)	93.8	%
NIKO Credit Services LLC (Illinois)	93.8	%
Valley Electric Holdings I, Inc. (Delaware)	100.0	%
Valley Electric Holdings II, Inc. (Delaware)	100.0	%
Valley Electric Company, Inc. (Delaware)	94.9	%
VE Company, Inc (Delaware)	94.9	%
Valley Electric Co. of Mt. Vernon, Inc. (Washington)	94.9	%
Watershed Acquisition LP (Delaware)	100.0	%
Watershed GP LLC (Delaware)	100.0	%
Nicholas Financial LLC (Delaware)	100.0	%
0988007 BC Unlimited Liability Company (British Columbia, Canada)	100.0	%

\* The Registrant has the right to vote a controlling interest of the voting securities of Manx Energy, Inc. pursuant to proxies.

Prospect Capital Management LLC, a Delaware limited liability company, does not own any shares of the Registrant. Without conceding that Prospect Capital Management controls the Registrant, an affiliate of Prospect Capital Management is the general partner of, and may be deemed to control, the following entities:

C-65

---

Name	Jurisdiction of Organization
Prospect Street Ventures I, LLC	Delaware
Prospect Management Group LLC	Delaware
Prospect Street Broadband LLC	Delaware
Prospect Street Energy LLC	Delaware
Prospect Administration LLC	Delaware
Prospect Capital Fund Management LLC	Delaware
Priority Senior Secured Income Management, LLC	Delaware
Pathway Energy Infrastructure Management, LLC	Delaware
Prospect Street Co-Investment Fund, LLC	Delaware
Prospect Capital Investment Management, LLC	Delaware
Prospect Street Connecticut Capital, Inc.	Massachusetts

#### ITEM 29. NUMBER OF HOLDERS OF SECURITIES

The following table sets forth the approximate number of record holders of our common stock at October 31, 2014.

Title of Class	Number of Record Holders
Common Stock, par value \$.001 per share	123

#### ITEM 30. INDEMNIFICATION

Maryland law permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from (a) actual receipt of an improper benefit or profit in money, property or services or (b) active and deliberate dishonesty established by a final judgment as being material to the cause of action. Our charter contains such a provision which eliminates directors' and officers' liability to the maximum extent permitted by Maryland law, subject to the requirements of the 1940 Act.

Our charter authorizes us, to the maximum extent permitted by Maryland law and subject to the requirements of the 1940 Act, to obligate ourselves to indemnify any present or former director or officer or any individual who, while a director or officer and at our request, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner or trustee, from and against any claim or liability to which that person may become subject or which that person may incur by reason of his or her service in any such capacity and to pay or reimburse their reasonable expenses in advance of final disposition of a proceeding. Our bylaws obligate us, to the maximum extent permitted by Maryland law and subject to the requirements of the 1940 Act, to indemnify any present or former director or officer or any individual who, while a director or officer and at our request, serves or has served another corporation, real estate investment trust, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner, member, manager or trustee and who is made, or threatened to be made, a party to the proceeding by reason of his or her service in any such capacity from and against any claim or liability to which that person may become subject or which that person may incur by reason of his or her service in any such capacity and to pay or reimburse their reasonable expenses in advance of final disposition of a proceeding. The charter and bylaws also permit us to indemnify and advance expenses to any person who served a predecessor of us in any of the capacities described above and any of our employees or agents or any employees or agents of our predecessor. In accordance with the 1940 Act, we will not indemnify any person for any liability to which such person would be subject by reason of such person's willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office.

Maryland law requires a corporation (unless its charter provides otherwise, which our charter does not) to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he or she is made, or threatened to be made, a party by reason of his or her service in that capacity. Maryland law permits a corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made, or threatened to be made, a party by reason of their service in those or other capacities unless it is established that (a) the act or omission of the director or officer was material to the matter giving rise to the proceeding and (1) was committed in bad faith or (2) was the result of active and deliberate dishonesty, (b) the director or officer actually received an improper personal benefit in money,

C-66

---

property or services or (c) in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful. However, under Maryland law, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that a personal benefit was improperly received, unless in either case a court orders indemnification, and then only for expenses. In addition, Maryland law permits a corporation to advance reasonable expenses to a director or officer upon the corporation's receipt of (a) a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation and (b) a written undertaking by him or her or on his or her behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the standard of conduct was not met.

The Investment Advisory Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, Prospect Capital Management LLC (the "Adviser") and its officers, managers, agents, employees, controlling persons, members and any other person or entity affiliated with it are entitled to indemnification from the Company for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of the Adviser's services under the Investment Advisory Agreement or otherwise as an Investment Adviser of the Company.

The Administration Agreement provides that, absent willful misfeasance, bad faith or negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, Prospect Administration LLC and its officers, manager, agents, employees, controlling persons, members and any other person or entity affiliated with it are entitled to indemnification from the Company for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of Prospect Administration LLC's services under the Administration Agreement or otherwise as administrator for the Company.

The Administrator is authorized to enter into one or more sub-administration agreements with other service providers (each a "Sub-Administrator") pursuant to which the Administrator may obtain the services of the service providers in fulfilling its responsibilities hereunder. Any such sub-administration agreements shall be in accordance with the requirements of the 1940 Act and other applicable U.S. Federal and state law and shall contain a provision requiring the Sub-Administrator to comply with the same restrictions applicable to the Administrator.

#### ITEM 31. BUSINESS AND OTHER CONNECTIONS OF INVESTMENT ADVISER

A description of any other business, profession, vocation or employment of a substantial nature in which the Adviser, and each managing member, director or executive officer of the Adviser, is or has been during the past two fiscal years, engaged in for his or her own account or in the capacity of director, officer, employee, partner or trustee, is set forth in Part A of this Registration Statement in the section entitled "Management." Additional information regarding the Adviser and its officers and directors is set forth in its Form ADV, as filed with the Securities and Exchange Commission (SEC File No. 801-62969), and is incorporated herein by reference.

#### ITEM 32. LOCATION OF ACCOUNTS AND RECORDS

All accounts, books and other documents required to be maintained by Section 31(a) of the Investment Company Act of 1940, and the rules thereunder are maintained at the offices of:

- (1) the Registrant, Prospect Capital Corporation, 10 East 40th Street, 42nd Floor, New York, NY 10016;
- (2) the Transfer Agent, American Stock Transfer & Trust Company;

(3) the Custodians, U.S. Bank National Association, Israeli Discount Bank of New York Ltd. and Fifth Third Bank;  
and

(4) the Adviser, Prospect Capital Management LLC, 10 East 40th Street, 42nd Floor, New York, NY 10016.

ITEM 33. MANAGEMENT SERVICES

Not Applicable.

ITEM 34. UNDERTAKINGS

C-67

---

1. The Registrant undertakes to suspend the offering of shares until the prospectus is amended if (1) subsequent to the effective date of its registration statement, the net asset value declines more than ten percent from its net asset value as of the effective date of the registration statement; or (2) the net asset value increases to an amount greater than the net proceeds as stated in the prospectus.

The Registrant undertakes if the securities being registered are to be offered to existing stockholders pursuant to warrants or rights, and any securities not taken by stockholders are to be reoffered to the public, to supplement the prospectus, after the expiration of the subscription period, to set forth the results of the subscription offer, the transactions by underwriters during the subscription period, the amount of unsubscribed securities to be purchased by underwriters, and the terms of any subsequent reoffering thereof. If any public offering by the underwriters of the securities being registered is to be made on terms differing from those set forth on the cover page of the prospectus, we will file a post-effective amendment to set forth the terms of such offering.

3. The Registrant undertakes:

a. to file, during any period in which offers or sales are being made, a post-effective amendment to the registration statement:

(1) to include any prospectus required by Section 10(a)(3) of the 1933 Act;

(2) to reflect in the prospectus any facts or events after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; and

(3) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

b. that, for the purpose of determining any liability under the 1933 Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of those securities at that time shall be deemed to be the initial bona fide offering thereof;

c. to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering;

d. that, for the purpose of determining liability under the 1933 Act to any purchaser, each prospectus filed pursuant to Rule 497(b), (c), (d) or (e) under the 1933 Act as part of a registration statement relating to an offering, other than prospectuses filed in reliance on Rule 430A under the 1933 Act, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use; and

e. that, for the purpose of determining liability of the Registrant under the 1933 Act to any purchaser in the initial distribution of securities: The undersigned Registrant undertakes that in a primary offering of securities of the undersigned Registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned Registrant will be a seller to the purchaser and will be considered to offer or sell



such securities to the purchaser: (1) any preliminary prospectus or prospectus of the undersigned Registrant relating to the offering required to be filed pursuant to Rule 497 under the 1933 Act; (2) the portion of any advertisement pursuant to Rule 482 under the 1933 Act relating to the offering containing material information about the undersigned Registrant or its securities provided by or on behalf of the undersigned Registrant; and (3) any other communication that is an offer in the offering made by the undersigned Registrant to the purchaser.

C-68

---

4. The Registrant undertakes that it will not sell any units consisting of combinations of securities that have not previously been described in a registration statement of the Registrant or an amendment thereto that was subject to review by the Commission and that subsequently became effective.

C-69

---

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement on Form N-2 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, in the State of New York, on the 16th day of April 2015.

PROSPECT CAPITAL CORPORATION

By: /s/ JOHN F. BARRY III  
John F. Barry III  
Chief Executive Officer and Chairman of the Board  
of Directors

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on April 16, 2015. This document may be executed by the signatories hereto on any number of counterparts, all of which constitute one and the same instrument.

Signature	Title
/s/ JOHN F. BARRY III John F. Barry III	Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)
/s/ M. GRIER ELIASEK M. Grier Eliasek	Chief Operating Officer and Director
/s/ BRIAN H. OSWALD Brian H. Oswald	Chief Financial Officer, Treasurer and Secretary (Principal Financial and Accounting Officer)
/s/ WILLIAM J. GREMP* William J. Grempe	Director
/s/ ANDREW C. COOPER* Andrew C. Cooper	Director
/s/ EUGENE S. STARK* Eugene S. Stark	Director

\*By: /s/ M. GRIER ELIASEK  
M. Grier Eliasek,  
as Attorney-in-Fact



INDEX TO EXHIBITS

Exhibit No.	Description
(d)(710)	Three Hundred Forty-Fourth Supplemental Indenture dated as of April 16, 2015, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee
(d)(711)	Form of 4.750% Prospect Capital InterNote® due 2020 (included as part of Exhibit (d)(710))
(d)(712)	Three Hundred Forty-Fifth Supplemental Indenture dated as of April 16, 2015, to the Indenture dated as of February 16, 2012, as amended by that certain Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee, by and between the Registrant and U.S. Bank National Association, as Trustee
(d)(713)	Form of 3.375% to 6.375% Prospect Capital InterNote® due 2021 (included as part of Exhibit (d)(712))