

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

**SCHEDULE 13D**  
**(Rule 13d-101)**

**INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO RULE 13d-2(a)**  
**(Amendment No. \_\_)**

**IMPAC MORTGAGE HOLDINGS, INC.**  
(Name of Issuer)

**Common Stock, par value \$0.01**  
(Title of Class of Securities)

**45254P102**  
(CUSIP Number)

**Mr. Louis Alonso**  
**619-687-5000**  
**Kelly Capital, LLC**  
**225 Broadway, 18th Floor**  
**San Diego, CA 92101**  
(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

**December 31, 2007**  
(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box.

*Note:* Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 (the "Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the *Notes* ).

1 NAME OF REPORTING PERSON

Kelly Capital Investments, LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b) 

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) 

6 CITIZENSHIP OR PLACE OF ORGANIZATION

California

7 SOLE VOTING POWER

NUMBER OF  
SHARES

3,831,806 shares of Common Stock

BENEFICIALLY  
OWNED BY

8 SHARED VOTING POWER

EACH  
REPORTING

9 SOLE DISPOSITIVE POWER

PERSON  
WITH

3,831,806 shares of Common Stock

10 SHARED DISPOSITIVE POWER

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,831,806 shares of Common Stock

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES 

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

5.0%<sup>(1)</sup>

14 TYPE OF REPORTING PERSON

OO

(1) Based on 76,083,865 shares of Common Stock outstanding, as set forth in the Issuer's most recently available filing with the Securities and Exchange Commission.

## 1 NAME OF REPORTING PERSON

Kelly Capital, LLC

## 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b) 

## 3 SEC USE ONLY

## 4 SOURCE OF FUNDS

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) 

## 6 CITIZENSHIP OR PLACE OF ORGANIZATION

California

## 7 SOLE VOTING POWER

NUMBER OF  
SHARES3,831,806 shares of Common Stock<sup>(1)</sup>BENEFICIALLY  
OWNED BY

## 8 SHARED VOTING POWER

EACH  
REPORTING

## 9 SOLE DISPOSITIVE POWER

PERSON  
WITH3,831,806 shares of Common Stock<sup>(1)</sup>

## 10 SHARED DISPOSITIVE POWER

## 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,831,806 shares of Common Stock

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES 

## 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

5.0%<sup>(2)</sup>

## 14 TYPE OF REPORTING PERSON

OO

(1) The Common Stock beneficially owned by the Reporting Persons is held by Kelly Capital Investments, LLC, an entity that is controlled by Mr. Kelly.

(2) Based on 76,083,865 shares of Common Stock outstanding, as set forth in the Issuer's most recently available filing with the Securities and Exchange Commission.

## 1 NAME OF REPORTING PERSON

Michael Kelly

## 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b) 

## 3 SEC USE ONLY

## 4 SOURCE OF FUNDS

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) 

## 6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

## 7 SOLE VOTING POWER

NUMBER OF  
SHARES3,831,806 shares of Common Stock<sup>(1)</sup>BENEFICIALLY  
OWNED BY

## 8 SHARED VOTING POWER

EACH  
REPORTING

## 9 SOLE DISPOSITIVE POWER

PERSON  
WITH3,831,806 shares of Common Stock<sup>(1)</sup>

## 10 SHARED DISPOSITIVE POWER

## 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,831,806 shares of Common Stock

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES 

## 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

5.0%<sup>(2)</sup>

## 14 TYPE OF REPORTING PERSON

IN

(1) The Common Stock beneficially owned by the Reporting Persons is held by Kelly Capital Investments, LLC, an entity that is controlled by Mr. Kelly.

(2) Based on 76,083,865 shares of Common Stock outstanding, as set forth in the Issuer's most recently available filing with the Securities and Exchange Commission.

**Item 1. Security and Issuer**

This Statement on Schedule 13D (the "Schedule 13D") relates to the shares of common stock, par value \$0.01 (the "Common Stock"), of Impac Mortgage Holdings, Inc. (the "Issuer"). The principal executive office of the Issuer is located at 19500 Jamboree Road, Irvine, California 92612.

**Item 2. Identity and Background**

This Schedule 13D is being filed jointly on behalf of Kelly Capital Investments, LLC, a California limited liability company ("Kelly Capital Investments"), Kelly Capital, LLC, a California limited liability company ("Kelly Capital"), and Mr. Michael Kelly, an individual and citizen of the United States ("Mr. Kelly" and, together with Kelly Capital Investments and Kelly Capital, the "Reporting Persons"). Mr. Kelly has sole control over the affairs and investment decisions of Kelly Capital Investments and Kelly Capital, including the power to vote or dispose of the Common Stock. The business address of the Reporting Persons is c/o Kelly Capital, LLC, 225 Broadway, 18th Floor, San Diego, CA 92101.

Kelly Capital owns all of the outstanding membership interests of Kelly Capital Investments. The Michael R. Kelly Trust (the "Kelly Trust") owns all of the outstanding membership interests of Kelly Capital. Mr. Kelly is the sole trustor and trustee of the Kelly Trust, which is a revocable trust during the life of Mr. Kelly.

Schedule 1 attached hereto and incorporated herein by reference sets forth certain additional information with respect to each officer of Kelly Capital Investments and Kelly Capital.

The Reporting Persons and the persons identified on Schedule 1 have not, during the last five years, been convicted in a criminal proceeding (excluding traffic violations and similar misdemeanors) or been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding were or are subject to a judgment, decree, or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

**Item 3. Source and Amount of Funds or Other Consideration**

All of the funds used to purchase the Common Stock described in this Schedule 13D came from the working capital of Kelly Capital and its subsidiaries.

**Item 4. Purpose of Transaction**

The Reporting Persons purchased the Common Stock based on their belief that the Common Stock, when purchased, was undervalued and represented an attractive investment opportunity. The Reporting Persons have been, and hope to continue to be, engaged in discussions with management of the Issuer concerning the Issuer's operations and strategic direction. Subsequent to the Reporting Persons' acquisition of Common Stock, Kelly Capital and the Issuer have entered into a nondisclosure agreement in order for Kelly Capital to evaluate confidential information relating to the Issuer.

As of the date hereof, the Reporting Persons have no definitive plans or proposals with respect to the Issuer or the securities of the Issuer. The outcome of the Reporting Persons' discussions with management of the Issuer and the Reporting Persons' ongoing review of their investment in the Issuer may lead to, among other things, any of the following:

- (1) the acquisition of additional securities of the Issuer, or the disposition of securities of the Issuer which the Reporting Persons hold;
- (2) seeking to cause the Issuer to enter into an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Issuer or any of its subsidiaries;
- (3) seeking to cause the sale or transfer of a material amount of assets of the Issuer or any of its subsidiaries;
- (4) seeking changes in the present board of directors or management of the Issuer, including proposals to change the number or term of directors;
- (5) seeking material changes in the present capitalization or dividend policy of the Issuer;
- (6) seeking other material changes in the Issuer's business or corporate structure;
- (7) seeking changes in the Issuer's Articles of Incorporation and By-laws or taking other actions which may impede the acquisition of control of the Issuer by any person;
- (8) seeking to cause a class of securities of the Issuer to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association;

- (9) seeking to cause a class of equity securities of the Issuer becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934; or
- (10) taking any action similar to any of those enumerated above, or any other action the Reporting Persons may determine to be in their interest.

There can be no assurance that any of the items described in (1) through (10) above will occur. The Reporting Persons reserve their right, based on all relevant factors and subject to applicable law, at any time and from time to time, to review or reconsider their position, change their purposes, or take any other action with respect to the Common Stock.

**Item 5. Interest in Securities of the Issuer**

The beneficial ownership of the Common Stock by the Reporting Persons at the date hereof is reflected on the cover page, the contents of which are incorporated herein by reference.

The Reporting Persons effected the following transactions in the Common Stock in open market transactions on the dates indicated, and such transactions are the only transactions in the Common Stock effected by the Reporting Persons in the past sixty days:

<u>Trade Date</u>	<u>Purchase (P) or Sale (S)</u>	<u>Quantity</u>	<u>Price</u>
12/12/2007	P	258,702.00	\$0.60
12/13/2007	P	380,000.00	\$0.60
12/14/2007	P	333,839.00	\$0.59
12/17/2007	P	700,473.00	\$0.58
12/18/2007	P	590,000.00	\$0.58
12/19/2007	P	529,535.00	\$0.59
12/21/2007	P	50,000.00	\$0.59
12/26/2007	P	75,000.00	\$0.44
12/26/2007	P	5,090.00	\$0.51
12/27/2007	P	271,911.00	\$0.50
12/28/2007	P	221,005.00	\$0.51
12/31/2007	P	416,251.00	\$0.51

**Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer**

None.

**Item 7. Material to be Filed as Exhibits**

- (1) Joint Filing Agreement by and between Kelly Capital Investments, Kelly Capital and Mr. Kelly.

**SIGNATURES**

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

**KELLY CAPITAL INVESTMENTS, LLC**

By: /s/ Michael Kelly

Name: Michael Kelly

Title: President

Date: January 10, 2008

**KELLY CAPITAL, LLC**

By: /s/ Michael Kelly

Name: Michael Kelly

Title: Chairman and Chief Executive Officer

Date: January 10, 2008

**MICHAEL KELLY**

/s/ Michael Kelly

Michael Kelly

Date: January 10, 2008

**SCHEDULE 1**

Set forth below is the name and position of the officers of Kelly Capital Investments and Kelly Capital. Except as otherwise indicated, the principal occupation of each person listed below is as an officer of Kelly Capital Investments or Kelly Capital, as the case may be. The business address of each person listed below is c/o Kelly Capital, LLC, 225 Broadway, 18th Floor, San Diego, CA 92101. Unless otherwise indicated, each person listed below is a citizen of the United States.

**Kelly Capital Investments, LLC**

<b>Officers</b>	
<i>Name</i>	<i>Position</i>
Michael Kelly	President
Nick Spriggs	Executive Vice President
Joe Altman	Senior Vice President
Gregory C. Bowen	Chief Financial Officer
Joe Thomas	Senior Vice President & Controller
Louis Alonso	Senior Vice President, General Counsel & Assistant Secretary
Michael K. Marks	Senior Vice President & Secretary

**Kelly Capital, LLC**

<b>Officers</b>	
<i>Name</i>	<i>Position</i>
Michael Kelly	Chairman/CEO
Richard Kelly	President
Gregory C. Bowen	Chief Financial Officer
Nick Spriggs	Executive Vice President – Mergers & Acquisitions
Joe Thomas	Senior Vice President – Controller
Louise Kelly	Senior Vice President
Joe Altman	Senior Vice President
Josh Finkenberg	Senior Vice President
Dan Will	Senior Vice President
Louis Alonso	Senior Vice President, General Counsel & Assistant Secretary
Michael K. Marks	Senior Vice President & Secretary



**Exhibit 1**

**JOINT FILING AGREEMENT**

In accordance with Rule 13d-1(k) under the Securities Exchange Act of 1934, as amended, the undersigned hereby agree jointly to prepare and file on behalf of each of them a statement on Schedule 13D (including amendments thereto) with respect to the shares of common stock, par value \$0.01 per share, of Impac Mortgage Holdings, Inc. and that this Agreement be included as an Exhibit to such joint filing. This Agreement may be executed in any number of counterparts all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned hereby execute this Agreement this 10<sup>th</sup> day of January 2008.

**KELLY CAPITAL INVESTMENTS, LLC**

By:  /s/ Michael Kelly  
Name: Michael Kelly  
Title: President

**KELLY CAPITAL, LLC**

By:  /s/ Michael Kelly  
Name: Michael Kelly  
Title: Chairman and Chief Executive Officer

**MICHAEL KELLY**

/s/ Michael Kelly  
Michael Kelly