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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

REAL ESTATE DISPOSITION
CORPORATION, a California
corporation,

Plaintiff,

v.

NATIONAL HOME AUCTION
CORPORATION, a California
corporation, J.C.R. ENTERPRISES,
INC., a California corporation, doing
business as JCR Advertising &
Productions, DAVID RIEMANN, an
individual, ROBERT CAMPBELL, an
individual, JAMES WATSON, an
individual, and DOES 1 through 10,
inclusive,

Defendants.

CASE NO. CV08-1331 SJO (Ex)

**DECLARATION OF JOSEPH R.
TOMKINSON IN SUPPORT OF
PLAINTIFF'S APPLICATION FOR A
TEMPORARY RESTRAINING ORDER
AND PRELIMINARY INJUNCTION**

I, JOSEPH R. TOMKINSON declare as follows:

1. I am the Chairman and Chief Executive Officer of Impac Mortgage Holdings, Inc. Impac Mortgage has its principal place of business in Irvine, California and is one of the nation's largest companies which has been active in the acquisition and origination of residential mortgage loans. The facts stated in this declaration are based upon my own personal knowledge and if called upon to testify, I could and would competently testify as to the facts stated in this declaration.

1 2. As a result of the down turn in the residential real estate market and sub-
2 prime mortgage crisis, Impac Mortgage and other similar institutions experienced a
3 significant increase in the number of foreclosures in residential properties. As a result
4 of that increase, Impac formed a business relationship with an auction company, Real
5 Estate Disposition Corporation (“REDC”) to develop a cost-effective way to sell the
6 foreclosed properties. Together with Impac Mortgage, REDC implemented new and
7 innovative business methods and practices to create an extremely successful business
8 model for its nationwide auctions. At least twice per month, officers and management
9 from REDC met with Impac Mortgage management, including myself, at Impac’s Irvine
10 headquarters to discuss the execution of this business plan. The specifics of the REDC
11 business plan, as well as the specifics of REDC’s business model, were at all times kept
12 confidential and were known only to those Impac and REDC officers and employees
13 that required the information to execute their business responsibilities.

14 3. In or about the fourth week of November 2007, Robert Campbell and
15 James Watson, who represented that they were principals of an entity known as CT
16 Realty, headquartered in Irvine, California contacted me to schedule a meeting. Robert
17 Campbell and James Watson represented to me that they were interested in investing in
18 Impac Mortgage and that prior to making the decision on a significant investment they
19 wanted to meet and interview me to discuss Impac Mortgage’s current business plans.
20 As the CEO of Impac Mortgage, it is not at all unusual for me to meet with large
21 investors in this manner. Watson and Campbell were aware of Impac Mortgage’s
22 business relationship with REDC prior to the meeting with me on November 29, 2007.

23 4. The meeting went forward at my office at Impac Mortgage in Irvine,
24 California, on November 29, 2007. Due to the fact that Impac Mortgage is in
25 possession of a large amount of confidential and proprietary information, the Impac
26 Mortgage building maintains a high-level of security. There is a security officer in the
27 lobby of the building who screens everyone who enters. Visitors are required to sign a
28 security log and wear an assigned visitor’s badge. There is also a computerized turnstile

1 which prohibits individuals from walking beyond the security desk without
2 authorization from the security officer. Individuals visiting Impac Mortgage are not
3 permitted to simply ride the elevator up to our offices. Instead, an Impac Mortgage
4 employee is sent down and personally escorts visitors to their particular destination
5 within our offices.

6 5. On November 29, 2007, Robert Campbell and James Watson were met by a
7 security officer in the lobby of our building and were required to sign a security log.
8 They were then personally escorted from the first floor to my office. At all times that
9 they were in the Impac building, Campbell and Watson were escorted either by security
10 personnel or by a member of my administrative staff. A true and correct copy of the
11 security log signed by Robert Campbell and James Watson on November 29, 2007, is
12 attached hereto as Exhibit "22".

13 6. During the November 29, 2007 meeting, Campbell and Watson again stated
14 that they were interested in acquiring shares in Impac Mortgage and that they were
15 conducting due diligence on Impac Mortgage, its operations, its management and
16 current business plans. I told Campbell and Watson that, as the CEO and chairman of
17 Impac Mortgage, I would share with them some of the information about the company,
18 to the extent that I could without violating any SEC regulations regarding insider
19 trading, for the purpose of allowing them to conduct their required due diligence and to
20 inform themselves prior to making an investment in the company. However, I made it
21 clear that all of the information discussed in the meeting must remain confidential and
22 proprietary.

23 7. After inquiring about Impac Mortgage, Campbell and Watson focused their
24 attention on Impac Mortgage's business relationship with REDC. Campbell and
25 Watson asked me very detailed and specific questions about REDC, its proprietary
26 customer list, its business processes, its method of acquiring foreclosed properties, its
27 method of acquiring potential purchasers at auctions, its financing, its advertising, the
28 manner in which REDC conducts its auctions, REDC's business model, and its potential

1 future profitability. Such inquiry concerning the specifics of REDC's business seemed
2 appropriate to me at the time because I believed in good faith that Campbell and Watson
3 were simply conducting due diligence prior to making a decision on a significant, multi-
4 million dollar investment in Impac Mortgage.

5 8. The confidential and proprietary information concerning the specifics of
6 REDC's business model would be information that would be extremely valuable to a
7 competitor of REDC. REDC's business model was developed over a period of 17 years.
8 REDC has spent significant time, energy and expense to develop and refine the process
9 of acquiring properties, motivating potential purchasers to attend auctions, and
10 motivating brokers, lenders and builders to work with REDC through its proprietary
11 commission structures. In addition, REDC's marketing and advertising plan has been
12 the result of over 17 years of time, effort and expense to determine the most effective
13 advertising.

14 9. The information about REDC which I shared with Campbell and Watson is
15 not generally known to the public and is in fact known only to officers and management
16 of REDC and only a handful of management and officers of Impac Mortgage, who were
17 made privy to that confidential and proprietary information during bi-weekly meetings
18 with REDC representatives and officers that took place at Impac Mortgage in order to
19 coordinate our joint business efforts.

20 10. After the meeting on November 29, 2007, I never again heard from
21 Campbell or Watson. At that time, I figured that after conducting their due diligence,
22 Campbell and Watson decided not to go forward with their investment at Impac
23 Mortgage.

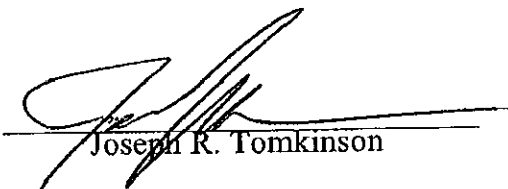
24 11. In approximately mid-January 2008, I received a telephone call from
25 another REDC investor, Monte Koch. Mr. Koch told me that he had been on a
26 commercial flight from Newark, New Jersey to Orange County, California and had been
27 seated next to James Watson. Mr. Koch told me that he was familiar with Mr. Watson
28 and had previously met Mr. Watson on several occasions. Mr. Koch stated that, during

1 that flight, Mr. Watson, who had no reason to know that Koch is a shareholder in Real
2 Estate Disposition Corporation, told Koch that Watson and several other Orange County
3 businessmen had formed a company called National Home Auction, which would sell
4 foreclosed or repossessed residential properties through public auctions.

5 11. In approximately mid-January 2008, I met with Forest E. Olsen, and his
6 son, Curt Olsen, two successful Orange County developers. During that meeting, I
7 learned that Forest Olsen is an investor in a newly created company called National
8 Home Auction. I learned that Steve Olsen, Forest's other son, is the Senior Vice
9 President of Lending Operations for National Home Auction. Forest and Curt Olsen
10 also informed me that James Watson and Robert Campbell, with whom I had recently
11 met, were principal investors in National Home Auction.

12 12. Shortly thereafter, I learned from REDC that National Home Auction had
13 started a company to directly compete with REDC. I then also saw NHA's website and
14 television commercials, which appeared to be directly copied from REDC. It was then
15 that I realized that Campbell and Watson never intended to invest in Impac Mortgage,
16 but instead met with me under false pretenses to obtain confidential and proprietary
17 information about REDC to use to benefit of their own company—National Home
18 Auction.

19 I declare under penalty of perjury under the laws of the United States of America
20 that the foregoing is true and correct. Executed this 2 day of March, 2008, at
21 IRVINE, California.

22
23 
24 Joseph R. Tomkinson

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