Art Chandler
Registered Investment Advisor
Wedbush Securities
4949 SW Meadows Rd, Ste 300
Lake Oswego, OR 97035
[redacted]

July 2, 2013

United States Securities and Exchange Commission
Attention: Ms. Elizabeth M. Murphy, Secretary
Station Place
100 F Street, NE
Washington, DC, 20549-1090

Subj: File No. 81-939: W2007 Grace Acquisitions I, Inc.

Ladies and Gentlemen:

Please accept this as a supplement to my comment letter of May 23, 2013 relating to the above referenced File Number.

I would like to mention the fact that the public letters of response, including my input, is for the purpose of denying the W2007 Grace Acquisition I, Inc. application for the exemption they are requesting under 12(h) of the Act. However, their application has opened the door to further scrutiny and a much deeper review by the Commission on how the actions of Goldman Sachs and related affiliates have and are undermining the confidence of public investors. I have been in the securities business over 40 years and can not believe how low the business ethics at this firm have become until being directly involved in this matter at hand.

This letter is intended to clarify a number of points that were made in the June 7, 2013 letter by Sullivan and Cromwell, LLP, and suggest a course of action. This represented a direct rebuttal to a number of comment letters from Shareholders and/or their representative sent to your office.

How disingenuous can they possibly be? They tell the Commission in this letter: *"We will not endeavor to respond to all the matters raised in the letters, many of which contained inaccurate representations…"* They have had in place since the beginning the very oppressive policy of not disclosing anything but a very limited amount of information only to shareholders and only after

signing their confidentially agreement and paying a fee. With no announcement, as of June 28, 2013, they change the oppressive policy to a slightly less oppressive and by-the-way if you have email we will now not charge you a fee for this information. How insulting is it to the Commission to alter their position with this new stance, much after the fact, in the middle of an administrative review. Please note the new terminology now reads:

T*he Company has elected to make certain Company materials and information available to Holders and prospective holders of Grace Preferred Stock. Interested holders and prospective holders of Grace Preferred Stock must complete, sign and mail to the Company a request form which is available on the Company's website (www.equityinns.com). Such holders and prospective holders will be required to certify their status as a holder of Grace Preferred Stock (or that they are contemplating acquiring shares of Grace Preferred Stock, as applicable), acknowledge their understanding that the materials provided must be kept confidential, and pay the reasonable cost of copying and shipping the materials (however, no fee will be charged if the shareholder or prospective shareholder requests that the materials be delivered via email).* Was this oppressive policy part of a broader scheme that in all reality falls under a broader term "market manipulation?"

Sullivan and Cromwell Application, dated April 4, 2013, stated that when the Company filed Form 15 (November 8, 2007) there were 102 holders of record. They now claim they knew almost two months prior, August 20, 2007, that there were more than 1,377 beneficial owners of the preferred securities (Sullivan & Cromwell letter June 7, 2013). This ownership figure, however, is just the starting point for counting shareholders, as I will point out later. It is obvious that they have taken the liberty of combining names of the Holders of Record to fit their purpose. For example on the April 1, 2013 list of "holders" there are (excluding Sullivan Trust's) approximately 411 holders. Their application states as of January 1, 2013, the holders of record are approximately 280. Only by doing some creative combining of Holders do they arrive at these figures.

Today, even after the Company acquired through a prohibited transaction in August 2012, 35% of the combined outstanding Preferred shares, the number of shareholders is significant. The NOBO shareholders as of April 1, 2013 number 835, a figure that is being confirmed in their June 7th letter. The actual figures tell different story. As one can see from the NOBO figures below the share count is representing only 52.8% of the combined outstanding shares. Included in this listing is the slightly over 2,000,000 shares acquired via the prohibited transaction(s) in a "dummy" account set up by the Company in July 2012 to circumvent well established rules that were designed to prevent just this type of transaction from occurring. This share accounting indicates to me that the remaining unaccounted for 47.2% of outstanding shares would, in all likelihood, represent another significant increase in the actual numbers of owners of these securities. The following is a recap of these current figures:

TOTAL Outstanding preferred shares		5,850,125
NOBO LIST 'B'	557 shareholders	1,764,509
NOBO LIST "C"	278 shareholders	1,325,912
Total NOBO	835 shareholders	3,090,421
Series "D"	112 shareholders	125

The April 2013 list of shareholders, shares that are being held in nominee name contains approximately 411 names. For this exercise these holders have not been included in the above shareholder count. There can and will be some duplication by the nature of how these lists have been created. Also, I have excluded from the count the 300 Trusts of Mr. Sullivan and leave the analysis to your Staff to determine if each distinct trust qualifies as a unique shareholder. Even without counting these trusts, the number of pubic shareholders overwhelms the minimum for reporting requirements. One can only conclude that the filing of the form 15 in October 2007 should be deemed invalid by misrepresenting the facts.

The Sullivan & Cromwell June 7 letter contends "not withstanding the trend over the past several **decades,** the number of beneficial holders of shares of Series B and the Series C has decreased since 2007…." The facts are that these shares have not been outstanding for "decades" and the statement seems like a forgone conclusion. The Company delists and deregisters these securities, makes it all but impossible for shareholders to obtain timely information and refuses to answer any questions at rare preferred shareholders meetings. This, I conclude, is a Premeditated outcome. Their actions are louder than the few words they have expressed. Their highly skillful and successful process for wiping out the previous shareholders value is working. Under the cloak of secrecy and in what has all the appearance of actions to circumvent security laws, the Company sets up a dummy company, PFD Holdings, LLC., "an affiliate of the affiliate," to buy up 35% of the outstanding shares, in what can only be described as a "prohibited transaction." This was being done at a fraction of the redemption value, let alone the accrued and undeclared dividends which are still in arrears.

The Company is relying on the commission to disregard the input of the public investors, the facts of which speak volumes. However, I put my trust in the Commission to take all the necessary actions to protect the "public investors." The company, in hindsight, was wrong to file the Form 15. The facts show they knew there was significantly more than the 1,377 shareholders at the time of the merger. The facts will show that when these securities were originally registered, it was clearly stated they were not convertible, by the company or shareholders, into any other security, period. They did it anyway. In 2008 they added another 112 shareholders, clearly bringing the number of shareholders past the threshold for reporting purposes by any measurement. They choose to ignore the rules.

The Sullivan & Cromwell letter of June 7, 2013, states “As stated in the Application, the number of “PUBLIC INVESTORS” is a consideration of the Commission…. “ Given the significant number of “public investors” that existed in 2007 and that still exist today, while being creatively concealed by the company, the Commission should find the basis for the filing of Form 15 in 2007 to be invalid and therefore compel the Company to file, retroactively, all the required SEC documentation.

This is still a “publicly held security” even after all the actions of the Company, Goldman Sachs. It is time for the Company to be held accountable for their actions and do the right thing for the “public investors.” The Company has lost all creditability in urging the Commission to ignore policy. Lastly, since the Company refuses take responsibility for their actions, the shareholders are looking for you, the Commission, to find and act on their behalf.

I support a public hearing on this matter and would be willing to participate if the Commission schedules a hearing.

Respectfully Submitted,

Art Chandler, Shareholder
Registered Financial Advisor
Wedbush Securities