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June 7, 2013

Office of the Chief Counsel  
Division of Corporation Finance  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

Re: Release No. 34-69477; File No. 81-939  
W2007 Grace Acquisition I, Inc. Application under Section 12(h) of  
the Exchange Act

Ladies and Gentlemen:

By letter dated April 4, 2013, on behalf of our client, W2007 Grace Acquisition I, Inc. (the "Company"), we submitted an application (the "Application") under Section 12(h) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requesting the Securities and Exchange Commission (the "Commission") to exempt the Company from the provisions of Section 15(d) of the Exchange Act. Capitalized terms not defined in this letter will have the meaning ascribed to such terms in the Application.

Several comment letters were submitted in response to the Application. We will not endeavor to respond to all of the matters raised in the letters, many of which contained inaccurate representations and characterizations some of which the Company maintains do not relate at all to the Application, but instead we will address the matters that the Company believes are most relevant to the Application.<sup>1</sup> Of course, if the Commission believes the Company should address any additional points as part of the Application, the Company would respond appropriately.

As stated in the Application, as of January 1, 2013, if the JMS Trusts are treated as a single holder of record, the actual number of holders of record is approximately 280. It is

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<sup>1</sup> For example, the ownership of more than 9.9% of a series of the Company's preferred stock does not violate the Company's charter. The Company submits that even if this was the case, it does not relate to the Application. Similarly, neither investor sentiment with respect to "going dark" nor their concerns with the original transactions is germane to the Application.

this statement and the Company's belief with respect to the JMS Trusts that are at the core of the Application. Since March 2008, the number of holders of record of shares of the Series B and the Series C has increased by only 20 holders other than the transfers to the JMS Trusts. The Company maintains that this increase in the number of holders appearing on the Company's books "does not reflect a growth in public holders that requires the protections of Exchange Act reporting; nor is this increase 'sufficiently significant from the point of view of the public interest to warrant the regulatory burden to be assumed by the Government and the compliance burden to be imposed on the [issuer] involved.'"<sup>2</sup> Further, "imposing Exchange Act reporting obligations on [the Company] solely because of the creation of, and deposit of company shares into, the [JMS Trusts] would not result in an increase in 'the number of investors protected' by such reporting."<sup>3</sup>

Some of the comment letters suggested incorrectly that the number of holders of record of the Series B and the Series C as of January 1, 2013 is higher than the approximately 280 holders of record identified by the Company without any support for such position. The Company submits that based on the records maintained by its transfer agent, the number of holders of record of the Series B and the Series C, after deeming the JMS Trusts to be one holder, is approximately 280, and the Company would be happy to furnish the Staff with any documentation to support this statement as the Staff may request.

In addition, some commenters have speculated on the number of beneficial holders of the Series B and the Series C and the importance of this number to the Commission's consideration of the Application. The Commission has acknowledged that the trend over the past several decades has been for the number of investors who held securities in registered form to decrease and the number of investors who own their securities as a beneficial owner or in street name to greatly increase.<sup>4</sup> Notwithstanding this trend, as described in the Application, the Commission heard testimony on the standards set forth for counting holders of record under Sections 12(g) and 15(d) as well as the thresholds, and in April 2012, when the JOBS Act was enacted, the number of holders of record to trigger the threshold for Sections 12(g) was modified without changing the regulations to look at the number of beneficial holders.

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<sup>2</sup> Order Granting an Application of BF Enterprises, Inc. under the Securities Exchange Act of 1934, Release No. 34-66541 (Mar. 14, 2012) (the "BF Enterprises Order") (quoting the Report of Special Study of Securities Markets of the Securities and Exchange Commission, H.R. Doc. No. 88-95 (1963)).

<sup>3</sup> Id.

<sup>4</sup> Report on Authority to Enforce Exchange Act Rule 12g5-1 and Subsection (b)(3) (Oct. 15, 2012) (as required by Section 504 of the Jumpstart Our Business Startups Act).

As stated in the Application, the number of “public investors” is a consideration of the Commission in evaluating whether to grant exemptive relief pursuant to Section 12(h) of the Exchange Act. However, in the case of the Company, notwithstanding 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. Without adjusting for any duplication between holders of Series B and Series C, a review of the Company’s non-objecting beneficial ownership lists (as provided by Broadridge) of a select group of dates spanning from August 2007 until April 2013 reveals the following number of holders:

Date	Number of Beneficial Holders of Series B	Number of Beneficial Holders of Series C
August 20, 2007	1044	333
November 19, 2009	763	275
February 3, 2012	629	270
April 1, 2013	557	278

Contrary to the suggestions of some of the commenters, the Company submits that the substantial decline in the number of beneficial holders in this instance supports strongly the Company’s belief that the number of public investors has decreased since the Company suspended properly its reporting obligations in 2007. The Company respectfully requests that when considering the number of public investors in the Company the Commission give due regard to the following fact: the Company suspended properly its reporting obligation in 2007 and since that time the number of public investors in the Company requiring the protections of Exchange Act reporting has decreased.

More importantly, the Company’s reporting obligation ceased because its equity securities were no longer held of record by the requisite number of record holders at a time when the Series B and Series C were also not held by the requisite number of record holders. The Company’s reporting obligation will be reinstated if the JMS Trusts are each a single holder for the purpose of counting the number of holders of record of the Series B and Series C, without regard to the number of beneficial owners even though the Company’s records strongly suggest there are fewer public investors in the Company now than in 2007. We note that although many of the commenters may have valid points regarding the manner in which securities regulations should operate, the legislative and rule-making process and not the Application is the proper venue for addressing those points.

As noted in the Application, the Company contacted Mr. Sullivan to understand the nature of the JMS Trusts in order to make a determination whether each JMS Trust should be treated as a separate “holder of record.” Mr. Sullivan declined to provide any such information other than to provide a naked assertion that the JMS Trusts are irrevocable trusts and that each trust has a unique beneficiary. Notably, in Mr. Sullivan’s letter, dated May 31, 2013, to the Commission addressing the Application, he does not contend that each JMS Trust has a distinct beneficiary or that the JMS Trusts are irrevocable. Rather, Mr. Sullivan

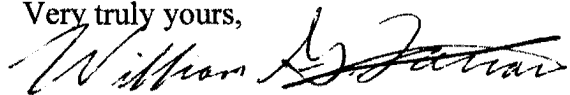
carefully states that he made a “written assurance” to the Company and the Company should therefore not be able to rely on its “belief” that the JMS Trusts constitute a single trust for the benefit of a single beneficiary.

The Company believes that its position is reasonable based on the information presented to it. Mr. Sullivan transferred 42 shares of the Series B and 8 shares of the Series C to each of the JMS Trusts, each of which based on the information provided to the Company has Mr. Sullivan designated as the trustee and appears to be identical to each other JMS Trust other than number in the title of the name of each JMS Trust. Rule 12g5-1 contemplates that the issuer will need to make reasoned determinations based on the information with which it is provided. For instance, Rule 12g5-1 provides that “[s]ecurities registered in substantially similar names where the issuer has *reason to believe* because of the address or other indications that such names represent the same person, may be included as held of record by one person.”<sup>5</sup> Given the nature of the JMS Trusts and the manner in which the shares of Series B and Series C were transferred to the JMS Trusts following the Company’s delivery to Mr. Sullivan of information regarding the number of record holders of the Company’s Series B and Series C and that no purpose has been asserted for the transfers by Mr. Sullivan to the JMS Trusts, it is not unreasonable for the Company to request that the Commission permit the Company to treat the JMS Trusts as a single holder of record.

Similar to the circumstances in the BF Enterprises application for exemptive relief, it is undisputed that the only reason why the Company would be deemed to have 300 or more record holders is the action of a single beneficial owner to transfer ownership of shares of the Company’s common stock to 300 trusts for the sole purpose of attempting to cause the Company’s reporting obligations under Section 15(d) to be reinstated.

For the reasons stated in the Application and this letter, the Company respectfully requests that the Commission issue an order pursuant to Section 12(h) of the Exchange Act conditionally relieving the Company from having to become a reporting issuer under Section 15(d) of the Exchange Act as a result of the unilateral actions of Mr. Sullivan, a single holder of the Company’s Preferred Stock. The relief requested is limited to ownership of the shares of Series B and Series C held by the 300 JMS Trusts that Mr. Sullivan established and does not include the Company generally or any other shares of the Company’s equity securities.

Very truly yours,



William G. Farrar

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<sup>5</sup> Rule 12g5-1(a)(6) of the Exchange Act (emphasis added).

cc: Daniel E. Smith, W2007 Grace Acquisition I, Inc.