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Mr. Rick A. Fleming
Investor Advocate
United States Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-0213

September 26, 2014

Subj: File 81-939, W2007 Grace Acquisition I. Inc (the “Company”)

Dear Mr. Fleming:

Thank you for your letter dated March 14, 2014. I wish to alert you to disturbing developments that are of imminent risk to public investors and which require immediate SEC attention.

Background

The SEC Staff has deemed the Company to be the successor reporting entity to Equity Inns, Inc. (NYSE: ENN), based on Rule 15d-5.¹ The Company filed an Application (File 81-939) for an exemption from SEC reporting based on, primarily (i) the Company’s calculation of total public shareholders at year-end 2012; and (ii) the inclusion of certain shareholders in the 2012 calculation who the Company alleged were a single beneficial individual.

In response to the Application, the SEC released a Notice for public comments. All of the public responses opposed the Application. Many of the responses contained specific allegations of wrongdoing by The Goldman Sachs Group, Inc., which is the controlling parent of the Company.² To date, the SEC has not ruled on the Application nor has it scheduled a hearing.

The Company’s Reporting Status

Public commentators in the subject File have alerted the SEC that the number of public shareholders of the Company expanded during 2013, which probably supersedes and moots the controversy at issue in the subject File. Indeed, my review of 2013 shareholder data reveals that the Company was above the regulatory threshold at year-end 2013. The Company has not requested exemptive relief based on shareholder calculations at year-end 2013, and no financial reports for 2013 have been filed with the SEC.

Actions of Goldman Sachs Are An Imminent Risk to Public Investors

The Company and its controlling affiliate, Goldman Sachs, have recently stated their intention to commence a solicitation of public shareholder approval for a related-party merger between the

¹ See File 81-939 Application dated April 4, 2013, page 8.

² See my letters dated: May 20, 2013; June 20, 2013; July 1, 2013; and letters from other commentators. It should be noted that all of the Company’s officers and directors are Goldman Sachs executives.

Company and a second Goldman Sachs affiliate, whereby the public shareholders will be squeezed-out at a discounted valuation.³

The Company has not applied for an exemption from SEC regulations that govern this type of solicitation, such as §240.13e-3 *Going Private Transactions by Certain Issuers or Their Affiliates*. As you know, the SEC promulgated Rule 13e-3 to prevent overreach and abuse by issuers and their affiliates, which can have a coercive effect on public investors.

It is very troubling that Goldman Sachs is preparing to (i) exploit the delay in the SEC's ruling on the Application (based on 2012 data); and (ii) ignore the fact that it has not made a second request for exemptive relief, based on 2013 data; and (iii) evade SEC rules governing public solicitation in going private transactions.

In a related matter, I am concerned about an appearance that public investors may have been disadvantaged in this subject matter. As I detailed in my prior letter⁴, during the pendency of this matter senior executives of Goldman Sachs have met privately with SEC Commissioners and Staff on topics that relate directly to this Company.

Conclusion

It is an untenable conflict of interest for an issuer such as this Company to unilaterally deem itself exempt from SEC periodic reporting and then undertake questionable and undisclosed related-party activities with other Goldman Sachs affiliates.⁵ However, it is a clear and present exploitation by this Company for it to deem itself exempt from proxy solicitation rules, and then proceed to squeeze-out public shareholders for the benefit of itself and other Goldman Sachs affiliates. Without customary SEC regulation, it is very likely that this pending solicitation will be fraught with abuse and coercion.

I urge the SEC to immediately investigate these matters and take appropriate enforcement action to protect public investors.

Thank you and sincerely,



Andrew R. Siegel

CC: Chair Mary Jo White
Commissioner Luis Aguilar
Commissioner Kara Stein
Commissioner Michael Piwowar
Inspector General Carl W. Hoecker
Director Andrew Ceresney, Division of Enforcement

³ See announcement, dated 8/22/14 at www.equityinns.com

⁴ Siegel letter, dated March 11, 2014

⁵ See my letters dated: May 20, 2013; June 20, 2013; and July 1, 2013 for specific examples of questionable actions by Goldman Sachs affiliates since their acquisition of Equity Inns Inc. in 2007.