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

May 23, 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:

I am writing this letter as a current shareholder and investment advisor. Currently my holdings and that of over 40 clients which are "shareholders" are not being considered "holders" under the current interpetation SEC rule Section 15(d). My investments in the preferred shares referenced in filing 81-939 were mostly made on the NYSE prior to the 2007 merger. I have also been a nominee for the vacant board positions in the past three attempted shareholders meetings and have been responding to questions from other shareholders that have reached out and contacted me directly.

I hope and trust that someone at the SEC may finally listen to the hundreds of small shareholders that placed hard earned investment money in what was once a conservative well managed company, only to have these investments turned upside down by Goldman Sachs, their Whitehall Real Estate Funds division and Goldman Sachs Mortgage Company (GMSC) – (collectively the "Company"). It is my hopes that your department will see fit to deny the exemption the Company has requested. It may be very appropriate at this time to review, evaluate and take the necessary steps to pursue recourse for the unlawful related-party dealings that have harmed the public investors and in turn destroy confidence in our securities markets.

With regards to the April 4, 2013 application submitted by Sullivan and Cromwell, LLP on behalf of their client, W2007 Grace Acquisitions I, Inc. – much of the rhetoric is in the eyes of the beholder. Take the two series of preferred shares – converted into shares with "identical rights" – the terminology is the only thing that is close to identical. The extraordinary high leverage the Company used to make the acquisition of the former Equity Inns ended up substantially changing the risk factors and subsequently destroyed shareholder value. In the "Agreement and Plan of Merger, dated June 20, 2007, exhibit 2.1," shareholders were not told of the highly leveraged agreement between the Goldman Sachs entities and Goldman Sachs Mortgage Company (GMSC). It was only later discovered that the loan agreement allowed GSMC the taking of 100% of the available funds for themselves leaving no funds left to pay preferred stock holders. Merrill Lynch, advisor to Equity Inns with regards to the merger, stated in this document they were specifically excluding the Preferred holders in their financial opinion. Not Identical Securities.

The Sullivan and Cromwell letter highlights the **"Number of Public Investors.**" Their letter is disingenuous with regards to the facts. You would think on such an important element of their request, they might disclose up-to-date figures. For the record, the current "holders" lists contains approximately 400 plus "holders," after taking out the Sullivan Trusts. But, there is a more important point to be made here. As I stated above, "investors" and "holders" are two separate and distinct pieces of terminology. The current terminology for "holders" seems to stem from a 1965 ruling/definition. I started in this business 1969 and at that point the NYSE was barely one step above reporting transactions on a chalk board. The few 'millions' of shares per day that traded in our markets were registered in actual client names. The DTC, the central depository for street name security holdings today, was not even created until 1973. I contend the true definition of "Holders" based on the 1965 era business standards was meant to mean "beneficial holders." Applying that mind set to today's "holders" list in these preferred securities, the numbers grow exponentially. If you were to include my individual "investors" alone, the "holders" list expands by 10%. Add the beneficial owners held at the other major retail brokerage firms, i.e. –Morgan Stanley (over 70,000 shares); TD Ameritrade (over 40,000 shares); Charles Schwab (over 400,000 shares); Pershing (over 600,000 shares), Scott Trade (over 50,000 shares); National Financial Services (over 160,000 shares), and the number of "Public Investors" will far exceed the SEC's definition of "HOLDERS" in 15(g). The SEC investigation should involve requesting a copy of the "NOBO non-objecting beneficial owner" list of shareholders. My first request of the transfer agent was met with the following reply: "W2007 Grace Acquisition has asked not to provide any information on this and on any related questions" (#1). I think your investigation will discover these statistics will fall in around 1,251 shareholders, excluding Sullivan Trusts. I can only assume the Staff in making this important determination would do so with the most up-to-date information at hand.

(#1) attached – email Broadridge Capital

The Sullivan and Cromwell letter attempts to highlight – "**Trading Interest.**" Again, this is coming from the eyes of the beholder. If you are Goldman Sachs and an issue doesn't trade millions of shares every day, it will be coined an inactively traded company. There was no mention to the fact, at the time of the merger, a filing was made to have our shares delisted from the NYSE. Not to mention their action left shareholders with no market what-so-ever for numbers of months. Shame on Goldman Sachs for this slight of hand. However, let the facts speak for themselves. Trading volumes courtesy of the NASDAQ OTC BB as, are reported, are as follows:

	Preferred Series B (WGCBP)*	
2008	423,817 shares	(May 3, 2008 – December 31, 2008)
2009	2,471,780 shares	
2010	501,383 shares	
2011	752,270 shares	
2012	1,621,737 shares	
2013	80,996 shares	(1/1/2013 – May 18,2013)

Preferred Series "C" (WBCCP)*	
2009	4,086,038
2010	281,564
2011	369,902
2012	966,699
2013	31,278

*-trading volumes exclude private transactions, such as the reported purchase by PFD Holdings LLC, an affiliate of Whitehall (the Company), in August 2012 of 2,018,000 shares. This represents over 1,000,000 of each of the two preferred series.

So looking at the figures in a slightly different light than what was proposed in the Company letter, the combined trading between both issues for the last three full year periods of 2010, 2011 and 2012, and based on their figure of 250 trading days per year, the average daily trading volume is as follows: In 2010 - 3,131 shares on average traded per day, 2011 – 4,488 per day, and 2012 – 10,353 per day. Not too bad for an issue they are trying to make go away.

Their point **"Nature of Issuer"** has no bearing on the Preferred Shareholders. How Goldman structured the common ownership was their business. However there is another disingenuous remark: "The Company is not directly engaged in extensive active operations…" That seems to be a pretty big bold statement for a $1.6-$2.0 Billion dollar business. It seems to me someone may have forgotten how they advertised in 2007 they had acquired the third largest publically held hotel REIT. Then look at the cash flow and how Goldman Sachs, through their Whitehall Real Estate Funds own the "Company" - Goldman Sachs Mortgage Company finances the deal and the

real estate management company, formerly Archon, are all taking millions of dollars out of our company under the guise of management fees, late fees etc. Then there is a Board of Directors, all Goldman Sachs employees, that are suppose to be creating shareholder value. You can rest assured that the B.O.D. is not working on behalf of the preferred shareholders in this company as their actions speak louder than words. The conflicts of interest at Goldman Sachs have been extensively reported on. See the Wall Street Journal article dated May 13, 2009, "Conflicts at Goldman." This is another whole story to be dealt with at another time.

Here are a few "cases in point" that seem relevant to discuss about the Companies management:
1) The Amended and Restated Articles of Inc. state: REIT Status. The Corporation shall seek to elect and maintain status as a real estate investment trust ("REIT") under Sections 856-860 of the Internal Revenue Code of 1986, as amended from time to time (the "Code").
In less than five months, March 31, 2008, they filed to revoke the status as a REIT.
2) They were 9 days late in sending their own mortgage company financial statements, a default to the loan agreement between Company affiliates.
3) The 2008 audited financial report points out they missed paying the January 1, 2009, interest payment to themselves, a "technical event of default." This gave GMSC the opportunity to renegotiate the loan. They then created a provision that allows Goldman to buy 80% of the hotels (note 4).
4) The 2009 financial report show they give GSMC, in forgiveness of debt, an option to purchase a 97% equity interest in one of the Company's "wholly owned subsidiaries" for a couple hundred million dollars. This is about 103 of the 130 hotels. Tell me about how the B.O.D. is protecting the interest of the shareholders, again? Eighty percent of the hotels for .12 cents on the dollar?
5) Ever increasing loan rates with GMSC. Loan rates at GMSC are now over 7% (2012 audited financial statement). This is being done within a declining interest rate environment. Open market loan rates as reported by other hotel REIT's disclose they have recently refinanced hotel mortgages from over 6% to between 4.2% and 4.6%.

Violation of SEC Rule 10b5-1 (#2) So how does a subsidiary of Whitehall, PFD Holdings LLC (incorporated July 2012), wind up owning 35% of the total combined outstanding preferred shares? In an attempt to get the Company to talk about the financials, I personally wrote the Company and requested an agenda item to review the finances at the last preferred shareholder meeting held in March 2012. Their reply to this request: "Unfortunately … we are unable to meet the requests contained in your letter".(*3)

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2) SECURITIES AND EXCHANGE COMMISSION
17 CFR Parts 240, 243, and 249
Violation of SEC Rule 10b5-1 – Trading on the Basis of Material Nonpublic Information
Provisions of Rule 10b5-1 We are adopting, as proposed, the general rule set forth in Rule 10b5-1(a), and the definition of "on the basis of" material nonpublic information in Rule 10b5-1(b). A trade is on the basis of material nonpublic information if the trader was aware of the material, nonpublic information when the person made the purchase or sale.
(3) See attached

Less then six months later a press release, found only on the Company website, announces "a sister company of the Company" has acquired approximately 35% of the aggregated outstanding shares. Since there is no information available to the "public" to evaluate the investment merits of these securities, the limited visibility that was purposely created by the Company, shareholder value has been critically devalued. The INSIDERS have found some good reason to take these shares off he unsuspecting public. The Company did not feel fit to disclose the purchase price for this private transaction. In the public marketplace, NASDAQ OTC BB, shares in the month of August 2012 were trading between $3.05 and $4.00 per share. If the transaction was within the price range of the public market value, they acquired their holding at a fraction of the non-paid cumulative dividends, not to mention the $25 face/redemption value. This $6 to $8 Million dollar investment could happen for only one reason – Insider Information, information not available to shareholders or the public. One more reason full disclosure is needed.

There are so many moving parts to this situation, that it is impossible for any one investor to have all the facts as the "Company" continues to revealed very little information to investors. Other investors have voiced their opinions and facts to the SEC as a result of the Company's request for an exemption. As a supplement to my letter, for the records, I concur and join, in its entirety, the letter submitted on May 20, 2013, by White Bay Capital Management, LLC.

So in conclusion, Goldman Sachs claims to be the victim here. However, Goldman Sachs needs to be held accountable for their deception and greed. On behalf of myself and the other hundreds of public shareholders ask the Staff to graciously reject their request for exemption from the reporting requirements of Section 15(d). In addition the Staff should find the Company in contempt of the rules and be held financially liable to the fullest extent possible, as their premeditated actions have created undue hardship upon the publically held preferred stockholders.

Respectfully Submitted,

Art Chandler, Shareholder
Registered Financial Advisor
Wedbush Securites

(attachments #1, #2, #3)

(*1)

Art Chandler

From: Chamilothoris, Alexandra x59924 [redacted]

Sent: Tuesday, May 14, 2013 1:24 PM

To: Art Chandler

Subject: RE: W2007 GRACE ACQUISITION -

Hi Art,

I apologize for not getting back to you sooner. However, W2007 Grace Acquisition has asked not to provide any information on this and on any related questions.

Kind Regards,

Alexandra Chamilothoris | Broadridge | CCS

Client Relations Administrator

51 Mercedes Way | Edgewood, NY 11717

[redacted]

(*2)

Art Chandler

From: Art Chandler
Sent: Thursday, May 16, 2013 7:19 AM
To: 'Landis, Kathie [RMD]'
Subject: FW: SEC Rule FD; Rule 10b5-1: Rule 10b5-2
Attachments: special meeting request 11 29 11.doc; [Untitled].pdf; Grace news Sept 2012.pdf

Kathie, can you please forward this email to Mr. Dan Smith.

http://www.sec.gov/rules/final/33-7881.htm
Selective Disclosure and Insider Trading
Rule 10b5-1 Trading "On The Basis Of" Material Nonpublic Information

Dear Mr. Smith
Full and Fair Disclosure?
Please note that I have been requesting you have a financial discussions with shareholders. I wrote an official request asking for a discussion at the last "Special shareholders" meeting in March 2012 and to have the meeting open to general questions from shareholders. You might also remember your response stating you were unable to meet my requests.
And during the shareholders "virtual" meeting, you totally blew off any questions I submitted.

Then less than six months later your press release of September 17, 2012, informs us that insiders named only as a "sister company of the Company" acquires 35% of the publically held and outstanding "B" and "C" Preferred shares.
The "sister company and it's affiliates" are obviously all inter-related to Goldman Sachs.
Now where does one suspect they got all this information as the basis of making such a significant investment in this company that has since 2008 told shareholders absolutely nothing?
Turned down every shareholder request? Failed to return repeated phone calls? Hides behind a generalized statement "Tennessee law" ???

This note is intended to put you on notice of just another violation of U.S. security laws. Goldman Sachs and all the **subsidiaries to this deal have continually placed all the public shareholders that own the Preferred "B" and "C" shares at** severe financial risk, strictly for the financial benefit and interest to Goldman Sachs.

Art Chandler
Shareholder

Art Chandler
Senior Vice President, Investments
Financial Advisor
4949 SW Meadows Rd, Suite 300
Lake Oswego, OR 97035
[redacted]
[redacted]

Jennifer Mishler - Sales Assistant
[redacted]

(X3)-1

WEDBUSH

November 29, 2017

Mr. Todd P. Giannobile
President
W2007 Grace Acquisitions I, Inc.
8011 Connection Drive
Irving, TX 75039

Re: Special Proposed Meeting of Preferred Shareholders

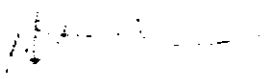
Dear Mr. Giannobile,

Regarding your letter to preferred shareholders dated November [illegible], 2017 you are once again asking shareholders to nominate two individuals to fill the two vacant positions on the board of directors as a result of being in arrears on paying dividends as stipulated. You indicate the Company will then convene another Special Meeting.

Several observations come to mind. One, unless you have the largest shareholder(s) in your back pocket, this Special Meeting will once again fail to muster the required 50% present in person or represented by proxy to complete the vote. Therefore I am hereby requesting that the board stipulate that the requirement that 50% of shareholders be present in person or by proxy be waived for this Special Meeting and that the two director nominees with the most votes be elected to the board to fill the vacant board positions.

Secondly as a shareholder, I am hereby requesting an added agenda item whereby the officers can discuss the state of affairs of the Company. A presentation by the Company that discusses the past several years, where the Company is today and what we can look forward to as "shareholders stakeholders" in "our" Company should be an agenda item. This discussion is long overdue. Along with this agenda item, a question and answer period made available where shareholders can ask questions of the Company and expect in the dialogue honest and fair answers to the questions, which by the way have not been forthcoming in the past.

Respectfully,



Art Chandler
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Wedbush Securities
4949 SW Meadows Rd, Suite 100
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(*3)-2

W2007 Grace Acquisition I, Inc.
6011 Connection Drive
Irving, Texas 75039

January 10, 2012

VIA EMAIL: [redacted]

Art Chandler
Senior Vice President, Investments
Financial Advisor
4949 SW Meadows Rd, Suite 100
Lake Oswego, OR 97035

Dear Mr. Chandler:

We are in receipt of your letter to Todd Giannoble dated November 29, 2012 regarding the upcoming special meeting of the Series B and Series C preferred shareholders of W2007 Grace Acquisition I, Inc. (the "Company"). A copy of the letter is attached.

In your letter, you requested that (i) the Company's board of directors waive the requirement that shareholders representing 50% of the preferred shares be present to constitute a quorum and (ii) the Company's officers discuss the state of affairs of the Company, including a question and answer period regarding such discussion.

Unfortunately, as we have indicated previously, we are unable to meet the requests contained in your letter.

Thank you for your interest in the Company.

Sincerely,

Daniel F. Smith
Vice President and Secretary

(#3)-3

W2007 GRACE ACQUISITION I, INC.
SERIES B AND SERIES C PREFERRED SHARES

IRVING, TX — September 17, 2012 — W2007 Grace Acquisition I, Inc. (the "Company") today announced that a sister company of the Company has recently acquired approximately 35% of the aggregate amount of issued and outstanding Series B and Series C preferred shares of the Company, which acquired shares remain outstanding. That sister company and its affiliates (including the Company) may also from time to time consider entering into one or more other transaction with respect to the Company, including the acquisition or disposition of securities of, or interests in, the Company (including additional transactions with respect to the Series B and Series C preferred shares of the Company).

The Amended and Restated Charter of W2007 Grace Acquisition I, Inc. is available on the Company's website, www.equityinns.com, and contains a description of the 8.75% Series B Cumulative Preferred Stock and 9.00% Series C Cumulative Preferred Stock.

CONTACT: W2007 Grace Acquisition I, Inc.
Dan Smith
[redacted]