

c/o White Bay Capital Management, LLC  
100 Park Avenue, 16<sup>th</sup> FL  
New York, NY 10017

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

March 11, 2014

Dear Mr. Fleming:

I am a public investor in W2007 Grace Acquisition I Inc. (“W2007 Grace” or the “Company”). I wish to express my concern that public investors may have been disadvantaged in a related public matter that is pending before the SEC, in which there is an appearance of an unfair organizational competition of interests at the SEC.

***Background***

In the matter of File 81-939, W2007 Grace is seeking an SEC order to conditionally exempt it from the requirement to file reports under Section 15(d) of the Exchange Act (see SEC Release No. 34-69477, dated April 30, 2013). Omitted from the SEC Release and the Company’s Application (and Supplemental Letter) is the fact that W2007 Grace is member company of the Goldman Sachs Group Inc.

In response to the SEC Release, 38 public comment letters were submitted to the SEC, all expressing opposition to the requested relief. Many of the public comment letters contain serious allegations of improper actions by Goldman Sachs at W2007 Grace that have harmed public investors. I submitted three letters (one initial letter, and two letters in response to subsequent events in the matter).<sup>1</sup>

In addition to the material omission of Goldman Sachs’s control, there has been no disclosure that W2007 Grace is likely subject to restrictions contained in the “Volcker Rule” of the Dodd-Frank Act. This likelihood is due to the fact that W2007 Grace is held by Goldman Sachs inside one of its sponsored private equity funds, in which Goldman Sachs reportedly possesses greater than 3% of the equity.

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<sup>1</sup> See letters dated May 20, 2013; June 20, 2013; and July 1, 2013; submitted under file 81-939.

Mr. Rick A. Fleming  
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***Appearance of an Organizational Competition of Interests at the SEC That May Have Disadvantaged Public Investors***

Many of the public commentators, including myself, have offered to provide the SEC with additional information and a willingness to participate in a public hearing in the matter, as offered in the SEC Notice. To date, I have not been contacted by the SEC nor has a public hearing been scheduled. From the public's perspective, there is a belief that this case is not being advanced.<sup>2</sup>

During the many of months of apparent dormancy in this public matter, senior executives of Goldman Sachs, including its CEO and President, have been meeting privately with SEC Commissioners and staff to discuss the Volcker Rule<sup>3</sup>, which bears directly on W2007 Grace and possibly on the allegations contained in the public comment letters.

While there is no public information that suggests that W2007 Grace was discussed during these private meetings, the fact that these private meetings occurred during the pendency of this public matter and that the agendas contained the regulatory framework that governs W2007 Grace, creates the appearance that public investors may have been disadvantaged in this pending matter.

In your new role as Investor Advocate, I hope that you will examine the issues raised in this letter and ensure that public investor interest is being protected. Thank you for your attention.

Sincerely,



Andrew R. Siegel

CC: Chair Mary Jo White  
Commissioner Luis Aguilar  
Commissioner Kara Stein  
Commissioner Michael Piwowar  
Inspector General Carl W. Hoecker

Enc: SEC meeting memos (6)

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<sup>2</sup> See letter from Mr. Art Chandler, dated February 13, 2014, in File 81-939.

<sup>3</sup> See enclosed SEC meeting memos dated June 11, 2013; November 7, 2013; November 7, 2013; November 14, 2013; November 14, 2013; and November 20, 2013.

**MEMORANDUM**

**TO:** File No. S7-14-10  
File No. S7-41-11  
File No. S7-03-13

**FROM:** Tamara Brightwell  
Senior Advisor to the Chair  
Office of the Chair

**DATE:** June 11, 2013

**SUBJECT:** Meeting with Lloyd Blankfein

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On June 7, 2013, Chair White and Lona Nallengara met with Lloyd Blankfein of Goldman Sachs to discuss various issues, including money market fund reform, the Volker Rule proposal, and proxy advisory firms.

## MEMORANDUM

**To:** File

**From:** Michael Spratt  
Counsel to Commissioner Kara Stein  
U.S. Securities and Exchange Commission

**Date:** November 7, 2013

**Re:** Meeting with representatives of Goldman Sachs

On November 7, 2013, Michael Spratt met with the following representatives of Goldman Sachs: Elisha Wiesel, David Rusoff, Michael Paese, and Ken Connolly. The parties discussed the proposal to implement the Volcker Rule.

**MEMORANDUM**

TO: File No. S7-41-11

FROM: Paul A. Gumagay  
Office of Commissioner Luis A. Aguilar

DATE: November 7, 2013

SUBJECT: Meeting with Representatives of Goldman Sachs

On November 7, 2013, Commissioner Aguilar and Paul A. Gumagay, Counsel to the Commissioner, met with Goldman Sachs representatives David T. Rusoff (Managing Director, Associate General Counsel, Goldman Sachs), Elisha Wiesel (Managing Director, Securities Risk Management Division, Goldman Sachs), Ben I. Adler (Managing Director and General Counsel, Merchant Banking Division, Goldman Sachs), Michael Paese (Co-Head of the Office of Government Affairs, Goldman Sachs), and Kenneth M. Connolly (Managing Director, Government Affairs, Goldman Sachs). The discussion included, among other things, the Commission's proposed rules regarding Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds (Notice of Proposed Rulemaking).

## MEMORANDUM

**TO:** File No. S7-41-11  
File No. S7-03-13

**FROM:** Adam B. Glazer  
Counsel to Commissioner Michael S. Piwowar

**RE:** Meeting with Representatives of Goldman Sachs

**DATE:** November 14, 2013

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On November 14, 2013, Commissioner Michael S. Piwowar and his legal advisors, Adam Glazer, Richard Grant, and Jamie Klima, met with Gary Cohn, President and COO, Michael Thompson, Managing Director, and John Rogers Executive VP and Chief of Staff/Secretary to Board of Directors, of Goldman Sachs. Among the topics discussed were the Commission's money market funds proposal and the proposal on Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships with, Hedge Funds and Private Equity Funds (the so-called Volcker Rule).

## MEMORANDUM

**To:** File

**From:** Michael Spratt  
Counsel to Commissioner Kara Stein  
U.S. Securities and Exchange Commission

**Date:** November 14, 2013

**Re:** Meeting with representatives of Goldman Sachs

On November 14, 2013, Commissioner Kara Stein and her counsels Ty Gellasch and Michael Spratt met with the following representatives of Goldman Sachs: Gary Cohn, John F.W. Rogers, and Ken Connolly. Among other topics, the parties discussed the proposal to implement the Volcker Rule.

## MEMORANDUM

TO: File No. S7-41-11

FROM: Liban Jama  
Office of Chair Mary Jo White

DATE: November 20, 2013

RE: Meeting with Representatives of Goldman Sachs

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On November 7, 2013, Liban Jama, Senior Advisor to Chair Mary Jo White and Nathaniel Stankard, Deputy Chief of Staff to Chair Mary Jo White, met with the following representatives of Goldman Sachs, Elisha Wiesel (Managing Director, Securities Risk Management Division), David Rusoff (Managing Director, Associate General Counsel), and Michael Paese (Co-Head of the Office of Government Affairs). The discussion included, among other things, the Commission's proposed rules regarding prohibitions and restrictions on proprietary trading and certain interests in, and relationships with, hedge funds and private equity funds.

On November 13, 2013, Chair Mary Jo White and Lona Nallengara, Chief of Staff to Chair Mary Jo White and Nathaniel Stankard, Deputy Chief of Staff to Chair Mary Jo White, met with Gary Cohn (President and COO, Goldman Sachs) and John F. W. Rogers, (Executive Vice President, Chief of Staff, and Secretary to the Board, Goldman Sachs). The discussion included, among other things, the Commission's proposed rules regarding prohibitions and restrictions on proprietary trading and certain interests in, and relationships with, hedge funds and private equity funds.