

SONFIELD & SONFIELD

A Professional Corporation

LEON SONFIELD (1865-1934)
GEORGE M. SONFIELD (1899-1967)
ROBERT L. SONFIELD (1893-1972)

ATTORNEYS AT LAW
2500 WILCREST DRIVE, 3RD FLOOR
HOUSTON, TEXAS 77042-2754
WWW.SONFIELD.COM

ROBERT L. SONFIELD, JR.
Managing Director

FRANKLIN D. ROOSEVELT, JR. (1914-1988)

Jennifer Abney
Legal Assistant

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Delivered by Electronic Mail to: rule-comments@sec.gov and smallbusiness@sec.gov

Ms. Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC

Ms. Martha Legg Miller
Director, Office of the Advocate
for Small Business Formation
Securities and Exchange Commission
100 F Street NE
Washington, DC

Re Comments on File No. S7-24-1090. Rule 144 Holding Period and Form 144 Filings

Dear Ms. Countryman and Ms. Miller

Our firm is securities counsel to many microcap firms that rely on market-adjustable convertible securities as their primary source of capital. Our client companies find it virtually impossible to attract equity capital by conventional means such as private or public offerings of equity securities.

The companies we represent, and thousands of others similarly situated, are not listed on any national securities exchange and the public trading price of their equity securities is often \$.01 or less. This is neither an attractive investment for individual nor institutional investors.

Most convertible lenders will leave the market and the few, in any, who remain will be required to increase the cost to the issuer to offset the increased risk of the equity securities holding period. This increase in cost will deny the availability of this form of capital to many issuers or, if accepted, have a serious negative impact on shareholder value.

We are of the firm, well-reasoned opinion that the proposed amendment will inhibit capital formation by small public companies. We ask the amendment not be finalized as proposed.

Yours very truly,


Robert L. Sonfield, Jr.
Managing Director