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Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090
Attention: Nancy M. Morris, Secretary

Re: File No. S7-11-07, Securities and Exchange Commission Release No. 33-8813, RIN 3235-AH13, Revisions to Rule 144 and Rule 145 to Shorten Holding Period for Affiliates and Non-Affiliates

Ladies and Gentlemen:

Williams Securities Law has the following comments on the Staff's proposed Revisions to Rules 144 and 145.

Our law firm represents primarily issuers in going public transactions and reporting companies after issuers have gone public. We have extensive involvement in shell company and reverse merger transactions in our practice. Our firm represents many start up and early stage companies with no significant assets or earnings that are in fact not blank check companies.

We particularly applaud the SEC and the Staff for putting forth a set of proposals that substantially revise the rules regarding holding periods for restricted securities. We believe these proposals further the goal of facilitating capital formation for smaller businesses.

In response to your request for comments, we respectfully request that you consider a major revision that will avoid imposing significant burdens upon small business capital formation as well as other minor revisions to your proposal to harmonize it with other aspects of the existing and proposed regulatory structure.

Expansion of the Coverage of this Rule from Blank Check Companies to include Shell Companies.

We **strongly oppose** the expansion of the coverage of this rule from blank check companies to include shell companies. This expansion, although it may seem logical, in fact will impose material adverse consequences upon smaller business capital formation, completely contrary to the spirit of this and companion releases. This Rule, if adopted as proposed, represents a huge step backwards for small business capital formation.

Our firm represents many start up and early stage companies with no significant assets or earnings that are in fact not blank check companies. They are real small businesses attempting to implement real business plans. They technically meet the definition of a shell company, even though they aren't really what one generally thinks of as a public shell. However, they are not blank check companies.

Imagine the difficulty that these companies will face if they have to tell investors in private placements that Rule 144 is not available and that the investors will have to hold their securities until the later of registration, which may be impractical or unaffordable, or until six months after the company generates more than nominal revenues or acquires more than nominal assets, which could be years away.

I'm absolutely certain that my start up or early stage, no revenue/no asset company clients will be **outraged** when I tell them that the inability of investors to rely upon Rule 144 for resale until the later of registration or six months after they generate more than nominal revenues or acquire more than nominal assets must now be prominently disclosed in all Private Placement Memoranda, perhaps even as a **Bold-Face Warning** on the cover page of the PPM. Maybe in theory it shouldn't affect investment decisions, but I believe that in practice it will turn out to be a disincentive for investors to invest and just one more roadblock for smaller businesses trying to raise money.

Why make it more difficult than it already is for these companies to raise capital? Why penalize non-affiliated shareholders providing the capital these business desperately need by prohibiting them from selling their securities under the current provisions of Rule 144? The current provisions of Rule 144 allowing them to sell their shares should not be taken away from them.

We agree with other commenters who note a similar problem for non-blank check shell companies that do not have the resources or otherwise choose not to become reporting issuers.

Holding Period for Non-Affiliates and Affiliates in Shell Company Transactions

We believe the holding period for non-affiliates of both the shell company and the private company should be 90 days from the date of filing of the required Super 8-K containing full Form 10 information.

The Staff recognized the acceptability of a 90 day holding period in their proposal. The Staff stated in the fourth bullet point on page 46 of the Release and related footnote 133 that a shareholder could sell control securities which are not restricted securities of a former shell company as soon as 90 days following the filing of Form 10 information. Although we agree with other commenters that it is unlikely that this situation would ever occur, the significance is the recognition of a 90 day holding period.

Current Rule 144(c)1 recognizes a similar 90 day period as an adequate period of time for public information to be considered as currently available for the purposes of resale of restricted securities, as further recognized on page 47 of the Release.

A 90 day holding period coupled with the proposed revisions to Rule 145 would remove a penalty from non-affiliated shareholders of a private company who have held their securities for more than six months prior to the merger while being consistent with the provisions of current Rule 144(c)1 that 90 days is adequate for their being current publicly available information. There is no reason that non-affiliated shareholders of the private company, who in most cases are the persons who provided capital to the small business, should not be able to resell their securities 90 days after the filing of the required Super 8-K.

We believe affiliates are in a different position than non-affiliates, and therefore we would not propose any revision to the proposed rule for affiliates of both the shell company and the private company.

Application of the Rule to Restricted Securities Acquired Prior to the Effective Date of the Rule

The Release is silent on the issue of application of the Rule to restricted securities acquired prior to the effective date of the Rule.

We believe the Staff should specifically state in adopting the final Rule that restricted securities acquired prior to the effective date of the Rule may be resold under the provisions of the new Rule rather than the provisions of current Rule 144.

It is simply unfair to treat differently someone who buys restricted securities one day before the final Rule is adopted from someone who buys restricted securities one day after the final Rule is adopted. In the worst case scenario, different investors in same Regulation D offering on-going when final Rule is adopted could be treated differently depending upon the serendipity of the date they are considered to have acquired their securities.

Non-Reporting Issuers

In response to the Commission's question in the first bullet point on page 27 of the Release concerning non-reporting issuers, we believe the Staff is correct in distinguishing between security holders of reporting and non-reporting issuers.

Although one commentator noted in a letter addressing another proposal that in his opinion there is no substantial difference in the way the OTCBB and Pink Sheet venues are regulated, there is a substantial difference between the way companies that trade in the venues are regulated. OTCBB companies must submit to and remain fully compliant with the SEC reporting system. Non-reporting Pink Sheet and other non-reporting companies are not subject to these requirements. Thus, the distinction drawn by the Staff in this proposal is appropriate and should be retained.

Sincerely,

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