W.R. Grace & Co.
New York, NY

September 3, 1982

Securities and Exchange Commission
Judiciary Plaza
450 Fifth Street, N.W.
Washington, D.C. 20549

Attention: George A. Fitzsimmons, Secretary

Re: Form D

Gentlemen:

We are writing to object to the content of Form D, "Notice of Sales of Securities pursuant to Regulation D or Section 4(6)," and to the requirement that such Form be filed for transactions (including business combinations) effected in reliance upon Rule 506 of Regulation D.

In proposing Regulation D (Release No. 33-6339, August 7, 1981), the Commission recognized that the Form D notice requirement would increase the amount of information to be supplied in Rule 506 offerings (and, in fact, stated that the requirement would be eliminated for such offerings "after a reasonable period of evaluation"). However, such requirement was justified on the grounds that it would enable the Commission to collect empirical data. Although we

appreciate the need for information, we think the Commission has made the Form far too lengthy and broad. The Form elicits an excessive amount of information, much of which appears to us to be irrelevant to Rule 506 offerings -- particularly those made with some frequency by major issuers in connection with business combinations. We note the following, among other things:

1. Part A ("Basic Identification of Issuer") requires the issuer to furnish the names and addresses of its affiliates. In the case of major issuers, this requirement will necessitate lengthy listings which are unduly burdensome and which are irrelevant to Regulation D. We also object to Item 6 of Part B for these reasons.

2. Item 9 of Part A requires the identification of all exchanges or markets where the issuer's securities are traded. Although trading information may be useful with respect to Regulation D, we believe the Item should have been limited to the issuer's principal exchange or market and to its common stock or equivalent security.

3. Item 2 of Part C calls for information as to the number of accredited and non-accredited investors. It had been our view (which we confirmed in discussions with the Commission's staff) that it was not necessary to determine whether any investors were accredited in situations where the accredited investor "exemption" was not being relied upon.

4. In addition, the applicability of certain items to business combinations under Rule 506 is unclear. For example, we do not see how it is possible to provide the aggregate offering price, called for by Item 1 of Part C, in a transaction where our securities are being issued in exchange for stock -- particularly illiquid stock of a closely held company. Similarly, Items 5b and 6 of Part C appear to be inapplicable to business combinations. Finally, we question how Item 4 of Part C

is to be answered with respect to finders, who may receive remuneration in a business combination, but whose services do not constitute "solicitation of purchasers."

Since the stated purpose of Regulation D was to streamline the private offering process, we find it anomalous that the Commission chose to make the reporting of most private offerings so much more burdensome than was previously the case. We also note that Form D was not published in the Federal Register until last month and in any event was never issued in proposed form. It seems to us that this puts the validity of the Form's adoption in question, since the public was never given the opportunity to comment on it.

In short, we find the burdens imposed by Form D to outweigh any possible informational benefits, and we consequently urge that the filing thereof be eliminated as a requirement in respect of Rule 506 transactions. Alternatively, the Form might be modified so that certain items (including those referred to in paragraphs 1, 2 and 4 above) need not be answered in such transactions.

Thank you for your consideration.

Very truly yours,

W. R. Grace & Co.

By:
Gail Erickson
Assistant General Counsel

cc: Office of Chief Counsel, Division of Corporation Finance