

Billed as an acquisition by Pillsbury in a statement on its website, the Thelen lawyers are in fact simply moving over to the new firm with their old employer not receiving compensation, according to Jeffrey Grill, a partner in Pillsbury's corporate and securities group.

While Thelen "was kept in the loop" throughout the negotiations, Grill said, it was not exactly looking to give up the China team. Pillsbury's platform and client base was more attractive to the Thelen team, Grill added. Thelen has advised on at least 18 reverse mergers since 2004, according to data compiled by *The Reverse Merger Report*. Pillsbury has worked on a small handful of SPAC and reverse merger deals.

Many of Thelen's clients are starting to approach the next level, be it a Nasdaq listing, larger capital raises or roll-up strategies. Pillsbury is better positioned to provide these growth opportunities, he said.

Shoemith will be the new managing partner of the Shanghai office. The move is expected to be complete Oct. 20.

Pillsbury opened its own Shanghai office about a year ago.

Thelen is not the only PIPE-focused law firm to experience shake-ups. Partners at San Francisco-based **Heller Ehrman**, last month voted to dissolve the firm after its litigation business saw significant declines and several key partners already had left.

IR Professional Sells Shell to Ancora, Pope Investments

Matthew Hayden, founder of investor relations firm **Hayden Communications**, acquired a 91% stake in shell company **Sino Charter** for \$82,000 and immediately sold most of it to **Pope Investments II** and **Ancora Greater China Fund**.

Hayden sold 2.4 million of his 10 million shares to Cleveland-based Ancora and 5.6 million shares to Memphis,

Tenn.-based Pope Investments. He continues to hold 2 million shares, or about 18% of Sino Charter's stock.

The deal was spearheaded by Hayden, who arranged the purchase and then approached Ancora and Pope to invest, according to the Ancora's vice president John Micklitsch. Hayden said the shell purchase is a preliminary move and there is no imminent merger activity planned. It is the first investment partnership between Ancora and Pope, Micklitsch said.

The company was formed in February 2007 and intended to raise between \$45,000 and \$120,000 after expenses with a self-underwritten offering. The Spokane, Wash., law office of Conrad Lysiak represented the original officer and director, China-based Bradley Miller, in its registration. Hayden bought his stake directly from Miller.

The company's original plan was to operate a discount charter jet service for western executives doing business in China. An October 2007 financial filing stated that the company was still developing its business plan, but in an amended filing in December Sino acknowledged it was a shell company.

Sino Charter's \$82,000 price tag is well below market value, for trading Bulletin Board shells, which usually sell for \$400,000 to \$600,000 or more. Hayden declined to comment on the shell's price.

Sino Charter's stock last closed at 13 cents on Oct. 3

Formal Request Filed with SEC for Changes to Rule 144

A formal letter requesting changes to the new Rule 144 of the Securities Act was sent to the Securities and Exchange Commission on Oct. 2. The request concerns the so-called "evergreen requirement" limiting sales of restricted stock in former shell companies. The request was submitted by attorney David Feldman of the law firm

of **Feldman Weinstein & Smith**, with signatures from lawyers at eight other firms.

The evergreen requirement essentially maintains that once a shell, always a shell, and thereby limits small companies' ability to secure financing, according to the attorneys on board.

If ever a shell, a company must have been current in its financial filings for the past 12 months in order for shareholders to sell restricted stock under Rule 144. Additionally, the restrictive legend on unregistered shares can never be removed in advance of a sale, because it will never be known if the company is going to remain current with its filings in the future.

Instead of the additional requirements being applicable for the life of the company, the attorneys are requesting that they apply only for the first year after a company ceases to be a shell.

In June, Feldman sent a letter to SEC officials requesting a telephone interpretation that would exempt companies that had previously been shells before the new rules took effect in February. SEC staff responded in August, rejecting the request.

Feldman and the eight other lawyers are now making their formal request for rulemaking directly to the five commissioners, who Feldman said may be more sympathetic to the group's cause.

The other attorneys who signed the letter are David Miller with **Graubard Miller**, Mitchell Littman with **Littman Krooks**, Samuel Krieger with **Krieger & Prager**, Nimish Patel with **Richardson & Patel**, Nanette Heide with **Seyfarth Shaw**, Spencer Feldman with **Greenberg Traurig**, Michael Williams at the **Williams Law Group**, and Richard Anslow with **Anslow & Jaclin**.

An SEC spokesman declined to comment.