

July 13, 2009

Dear Sir/Madam:

As President of Urban Financial Advisory Corporation which is a federally registered investment advisor (SEC File No: 801-47160), I would like to comment on the above referenced proposed rule. Our firm provides investment advisory services to client and charges a fee generally as a percentage of assets under management as we take no commissions or sales fees. We do not maintain custody of any client assets as they are maintained with third party custodians.

It has come to our attention that the SEC has proposed a rule that would subject investment advisers to surprise audits if they debit fees on an automatic basis from client account as the advisor would be deemed to have custody. We believe this proposed rule would provide clients no additional protections from potential fraud and would increase their costs of management unnecessarily.

In some cases, we automatically debit fees from client accounts but this is done on their request as a convenience to them. Although we prefer this method of payment, it is not mandated and many clients pay their fees directly. In all cases, the client is provided a detailed statement of all fees prior to the debit. They are able to cease the the payment of fees in this manner at any time and the amount of fee is, of course, established by contract.

If audits of any type were required by rule we would respond in one of two ways: we would mandate payment via methods less convenient to the client or we would likely need to increase our fee structure to include the additional regulatory costs. The incremental benefits to the client of having their fees audited would not be justified by these increased burdens and costs.

Further, this requirement would not afford the client any real protections from more significant fraudulent acts such as what was seen in the Madoff or Stanford situations. Those cases involved levels of funds well beyond management fees and indeed, these case were subject to public audit in any event.

We would urge you to strike this proposed rule change.

Thank you for your attention.

Sincerely,

Steven D. Urban
Urban Financial Advisory Corporation