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July 8, 2009

Elizabeth M. Murphy
Secretary, Securities and Exchange Commission
100 F Street, NE, Washington, DC 20549-1090

Re: File Number S7-09-09

Dear Ms. Murphy:

Please do not enact the proposed custody rule IA-2876. It is simply wrong to group all ethical and law abiding RIAs that DO NOT custody the client's assets while debiting fees with the criminal likes of Madoff and Sanford, which acted as both the RIA and custodian.

Our firm does not act in both capacities. We use two nationally recognized independent custodians for the client accounts and our clients receive monthly statements and have on-line access to their accounts as well. In other words, there is complete transparency and checks and balances with the separation of these functions.

The very sad truth here is that the astute SEC auditor on the 2004 Madoff review saw need for further investigation and questions but was told by her superiors to leave it alone. Had she been aloud to pursue her investigation, the illegal activity may have come to light years ago and countless investors could have been saved billions of dollars of their hard earned money. It has since come to light that one of those supervisors married a niece of Mr. Madoff. A coincidence? Maybe its time for some of those supervisors who allowed this to happen on their watch to be fired.

It would be unfair to the clients of law-abiding RIAs to have their fees increased because of this proposed annual audit and its estimated expenses. The RIA would not and cannot be expected to absorb this un-necessary cost on its own. A better proposal would be to audit only those firms that choose to act as both the custodian and RIA. This specifically targets the area that has a potential for conflict, abuse and illegal activity by unscrupulous businesses.

Thank you for your consideration in this matter.