

July 23, 2009

Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F. Street, N.E.
Washington, D.C. 20549-1090

Dear Mrs. Murphy,

I am a state Registered Investment Advisor. I am strongly opposed to the Proposed Custody Rule (IA-2876).

As I understand, most investment advisors debit client accounts for management fees. I am not aware of any problems resulting from these transactions. The custodian debits the fees and the client is notified of the fee and how it was computed. Therefore, there does not seem to be a disclosure issue. If there were a problem the client (at least my clients) would immediately call to discuss the issue.

I am a small firm and audits would be costly. I would have no choice but to pass this fee along to the client, thus increasing their fee. This certainly would be detrimental to the client.

If this rule were to pass I would probably be forced into moving my advisory accounts to a Broker/Dealer. In doing so, once again, client fees would increase dramatically. I custody my client accounts at Scottrade. The cost per transaction at Scottrade is \$7.00 and I pass this cost along to the client. At the broker/dealer level that cost is 17.00 + .005 per share. This would almost triple the transaction cost to the client

I believe this rule to be unnecessary and highly inappropriate, please consider other alternatives.

Sincerely,

Jeffrey S Thompson, Principal
Thompson Wealth Advisors