July 23, 2009

To Whom It May Concern:

I would ask the commission to reconsider the recent proposal *Custody of Funds or Securities of Clients by Investment Advisers [Release No. IA-2876; File No. S7-09-09]*, that deems firms such as ours to have custody when we deduct client fees from accounts via a qualified custodian.

While I completely understand the commissions need to protect the investor in light of recent scandals and ponzi schemes, the truth of the matter is these instances had nothing to do with deducting client fees.

As an advisory firm, which is considered to be “small” by SEC standards we pride ourselves on being a low cost provider. The expense associated with these audits would leave us no choice but to pass onto our clients this added expense in the form of higher fees. We started our RIA firm so that we could control and reduce our client’s costs, unfortunately these types of unnecessary expenses removes that flexibility.

I know we are not alone regarding this issue. Many good, responsible advisors would think twice before starting their own firm thus lessening the competition (i.e. lower fees) which I firmly believe flies directly in the face of what makes our industry so great.

Sincerely,

John M. Nowcki
President, CCO