Franklin, Turner & Welch LLC is a small financial planning firm serving a niche market in Houston, TX. We are strongly opposed to the SEC's Proposed Changes to the Custody Rule Release No. IA-2876 that would require a surprise audit of investment advisers by an independent accounting firm.

Detailed account statements are mailed to our clients by a national, unrelated custodian at least quarterly. The statement identifies the amount of funds and securities at the end of the period as well as all activity. Clients also have online access to their account directly with the custodian and have the ability to review activity on a daily basis.

Our only act of custodianship is collecting our fees directly from clients' accounts. The fee billing is mailed to each client before being debited from their account and is in accordance with a signed investment advisory agreement.

To subject advisors who only bill fees through an unrelated custodian to an annual independent audit would not, in our opinion, be in the best interest of our clients. It would not only penalize us financially, but would take away time that could better be used serving the needs of our clients. We also understand that abuses that have occurred have not been related to direct fee billings where accounts are maintained at an unrelated custodian.

Rather than using such a broad approach, we think that the SEC could devote their resources to those advisors that do not use a national, unrelated custodian.

If you ultimately require independent audits, we respectfully request that the Commission make an exemption for advisers who are deemed to maintain custody by virtue of merely withdrawing fees directly from client accounts.

Respectfully submitted,

Jerl Franklin, CFP®
Co Managing Director
Chief Compliance Officer