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July 28, 2009

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

RE: Proposed Amendments to Rule 206(4)-2
Release IA-2876
File No. S7-09-09

Dear Secretary Murphy:

Exchange Capital Management, Inc. appreciates the opportunity to express its views in response to the SEC's request for comment on the proposed amendments to Rule 206(4)-2.

As an investment adviser registered with the SEC under Rule 206(4)-2, we are deemed to have custody solely because we have obtained authority to deduct advisory fees from our clients' accounts, all of which are maintained by independent, qualified custodians. We strongly believe that the portion of the proposed Rule requiring advisers to undergo an annual surprise audit based exclusively on this criterion for custody is unnecessary, burdensome, and does not provide additional consumer protection against fraud or misappropriation of client funds. Consequently, we oppose this portion of the proposed amendment.

The costs to comply with an annual surprise audit are not measured simply by the fees paid to a qualified accounting firm. We anticipate full compliance will require a complete overhaul of our internal accounting systems and require staff and professional time to provide the additional documentation to meet regulatory requirements aimed at a non-existent problem. Since our management fee is calibrated to devote the majority of professional time providing investment solutions for clients, additional expense layers will ultimately be passed through. Regrettably, this translates into higher management fees without meaningful benefit to clients.

Respectfully Submitted,

Michael R. Reid, CFA

CC: Hon. John Dingell
Hon. Carl Levin
Hon. Debbie Stabenow