



**RUNNYMEDE CAPITAL MANAGEMENT, INC.**

**VIA ELECTRONIC MAIL**

August 10, 2009

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

Re: Release No. IA-2876; File No. S7-09-09

Dear Ms. Murphy:

Runnymede Capital Management, Inc. ("Runnymede") appreciates the opportunity to provide comments to the Securities and Exchange Commission (the "Commission") regarding the above referenced proposed amendments (the "Proposal") under the Investment Advisers Act of 1940 (the "Act"). While we strongly support the Commission's efforts to further protect the investing public, Runnymede opposes the surprise audit proposal in the context of RIAs using independent qualified custodians for their clients' assets or securities who are only deemed to have custody because they have fee withdrawal authority.

As required by current Custody Rule, the independent qualified custodians maintaining our clients' accounts deliver account statements, on at least a quarterly basis, directly to our clients, identifying the amount of funds and securities at the end of the period as well as all activity in our clients' accounts. As a result, our clients receive comprehensive account information directly from the qualified custodian and are able to monitor the activity in their accounts. These safekeeping measures provide our clients with the ability to sufficiently identify and detect erroneous or fraudulent transactions.

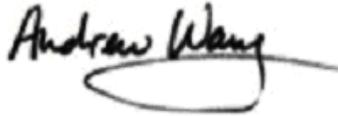
Although we are deemed to have custody because of our fee withdrawal authority, our clients' assets are held at independent custodians which are already subject to annual audit requirements performed by an independent public accountant. As a result, mandating surprise audits of firms like ours by an independent public accountant would provide little benefit to our clients, but the costs to RIAs like us would be substantial.

I believe the surprise audit requirement for RIAs deemed to have custody of client assets solely because they have fee withdrawal authority would entail relatively high costs to the advisor community and relatively little benefit to investors, as such, I respectfully request that the surprise audit requirement for these RIAs be withdrawn and that the Commission leave current Rule 206(4)-2 intact and unchanged. We respectfully urge the

Commission to consider providing an exemption to advisory firms whose sole basis for being deemed a custodian is their ability to deduct fees.

Please do not hesitate to contact me regarding the above comments or if we can be of any other assistance regarding the Proposal.

Sincerely,

A handwritten signature in black ink that reads "Andrew Wang". The signature is written in a cursive style with a long horizontal flourish underneath the name.

Andrew Wang  
Senior Vice President