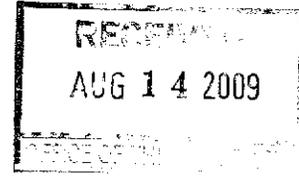




LOVELESS
WEALTH MANAGEMENT LLC.

August 7, 2009

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



**Re: Custody of Funds or Securities of Clients by Investment Advisers;
File No. S7-09-09**

Dear Ms. Murphy:

We are a Registered Investment Advisor with no custody of client assets other than the right to withdraw fees from client accounts. We use independent qualified custodians (i.e., custodians that are not affiliates of the adviser) to hold all client assets with the exception that the adviser can instruct the custodian to send it fees owed by the client. We are not subject to the annual surprise examination requirement in the current custody rule because we have the independent qualified custodians send account statements directly to their clients.

Our understanding is advisers that are deemed to have custody solely because they have the right to deduct fees from client accounts held at independent custodians have not posed a risk in misappropriating assets. This is not surprising given the safeguards that are in place to protect client assets managed by them:

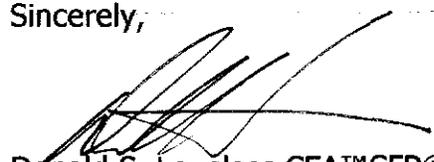
1. client assets are held by independent qualified custodians rather than by the adviser or a related person.
2. the adviser is only authorized to withdraw his or her fees from client accounts.
3. account statements are sent to clients by the independent qualified custodians rather than by the adviser. This practice prevents the adviser from successfully manufacturing false account statements.

Our understanding is supported by the enforcement actions cited by the SEC in the Proposing Release alleging misappropriation of client assets. A number of these enforcement actions involve advisers or related persons of advisers with custody of client assets. None of these enforcement actions appear to involve advisers that used independent qualified custodians to hold all client assets and were deemed to have custody solely because they have the authority to withdraw fees from client accounts.

We recommend that the SEC exempt from the Surprise Examination Proposal all advisers that use independent qualified custodians to hold all client assets and are deemed to have custody solely because they have the authority to withdraw fees from client accounts and rely on the custodians to send account statements to clients.

Thank you for this opportunity to comment on this proposed rule.

Sincerely,

A handwritten signature in black ink, appearing to read 'Donald S. Loveless', written over a horizontal line.

Donald S. Loveless CFA™CFP®

CCO

C:efile