

22 September 2009

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OFFICE OF THE SECRETARY

Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20548-1090

Re: File Number S7-09-09

Dear Ms. Murphy,

I know that I am responding after the deadline but I only recently became aware of the proposed rule to require an annual surprise examination by an independent public accountant to verify client funds and securities. I hope that my comments will be considered despite their tardiness.

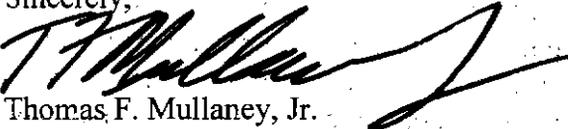
*Independent
Investment
Professionals*

The rationale for the proposed rule change is the statement that "the Commission has brought several enforcement actions against investment advisors and broker-dealers alleging fraudulent conduct, including the misappropriation or other misuse of investor assets." I do not see the relevance of an action against a broker-dealer as justification for adding to the regulatory burden of RIAs. None of the other cases cited in footnote 11 appear to involve RIAs whose clients custody their assets at an independent qualified custodian.

I am hard pressed to understand what our independent public accounting firm would do to conduct such an examination as proposed. How does a CPA audit a nullity? We have no assets in our safekeeping; they are all at independent qualified custodians, all but a few at banks are custodied at either Schwab or Pershing. One thing is sure. The accountant's fee will not be trivial.

The Commission should exempt those RIAs that are deemed to have custody of client assets solely as a result of their (very limited) authority to withdraw advisory fees from client accounts. Certainly the SEC has better things to do than shuffle through thousands of reports from accountants for RIAs who have their clients custody their assets at qualified custodians.

Sincerely,



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President

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cc: Senator Christopher J. Dodd