

Dear SEC:

- I am an SEC-registered investment adviser and a former member of the Financial Planning Association. I strongly oppose the requirement in the proposed amendments to the custody rule that would subject investment advisers to a surprise audit by an accounting firm each year.
 - I run a highly ethical practice as a Christian, Certified Financial Planner, Registered Investment Adviser and licensed insurance producer. All of the recommendations and actions I take are always in the client's best interests, not mine.
 - I believe that the proposed surprise audit appears to be more of a political reaction to public criticism of the SEC and congressional pressure after the Madoff scandal than an effective regulatory response.
 - You already resolved one of the major problems with the custody rule, which was eliminating a loophole from registration for certain accounting firms with the PCAOB that Madoff's accountant used to avoid detection of its phony auditing practices.
 - The Madoff and other Ponzi schemes resulted from a lack of aggressive enforcement by the SEC and FINRA of current rules and ignoring repeated warnings from the media and whistle blowers.
 - The SEC should hold FINRA accountable for its shared oversight of Bernie Madoff in conducting the Ponzi scheme for decades as a broker-dealer before registering two years ago as an investment adviser.
 - The Ponzi schemes uncovered by the SEC had nothing to do with fees deducted by investment advisers. As far as I am aware, there have been no systemic problems in this area and are unnecessary, costly and burdensome, particularly for small, independent investment advisers. An audit of this nature will cause disruption to the timely execution of transactions during the period of the audit.
 - The new surprise audit requirement will add additional costs to my business that will ultimately be passed on to my clients or will drive me and others like me out of business. Clients expect prompt service, which I can only provide if I am available when they call.
 - In order to enhance consumer protection, I would support Congress appropriating additional resources to the SEC to hire and train additional examination staff to increase the regular audit cycle of investment advisers.

Please call or email me if you would like to discuss or clarify any of these points before you render your deliberate on the matter.

Sincerely,

Burt Williamson, MBA, CFP®
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Chief Compliance Officer
Certified Financial Planner™

PLANPREP LLC

Your source for business, estate and financial advice. SM

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