July 13, 2009

Subject: File No. S7-09-09

None of the enforcement actions referred to in Release No. IA-2876 File No. S7-09-09 involve the situation of a third party custodian. The enforcement actions are serious violations of the rules and regulations of the commission and have resulted in enormous losses to investors. The commission is rightly concerned with protecting investors, but should not impose a burdensome requirement that does not solve the problem or provide additional security to investors.

Small investor advisor firms are unable to maintain actual custody as a practical matter. Client assets are adequately protected in these situations and nothing would be gained by subjecting firms such as ours to annual audits (surprise or otherwise). Advisors such as our firm who do not maintain actual custody of assets and uses a reputable third party custodian are not "high risk" since the custodian has the ultimate responsibility to the clients for the protections of their assets. As it currently stands, clients have adequate protection in these circumstances.

Adoption of the proposed rule would, in our opinion, not provide any additional security or confidence to our clients and would only impose a substantial and unreasonable cost to our firm.

Given that existing safeguards in place are adequate and considering the adverse effects of a mandatory surprise audit on advisors, as well as clients, **we respectfully request the Commission leave current Rule 206(4)-2 intact and unchanged with every respect to advisors who custody solely because they have the authority to deduct advisory fees from client accounts.** We thank the Commission for the opportunity to provide a comment in this matter.

Sincerely,

James D. Bratcher, Jr., CFP®