



Frank Capital Partners LLC

Frank Value Fund

www.FrankFunds.com

Ph: (973)-887-7698

Toll Free: (866)-706-9790

Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090



Re File Number S7-09-09:

July 14, 2009

Ms. Murphy:

This letter is in response to the proposed changes in the custody rule IA-2876. As a small, independent registered investment advisor, I believe this rule would significantly harm my business as well many others in the industry, while doing little to protect investors. Industry sources have estimated the cost of compliance with the proposed rule at \$8,000-\$25,000 per year. As an entrepreneur earning a middle class salary, this would be an enormous burden which threatens the survivability of my business. If I were to go out of business, my clients would lose valuable investment advice, which they have relied upon to help them navigate the extreme turbulence in the markets. Furthermore, I fail to understand how this initiative will improve investor protections. We use an outside custodian, TD Ameritrade, to hold all client assets. An outside audit is a very expensive way of confirming what no rational individual would dispute, that client securities represented on account statements do, in fact, exist. Since TD Ameritrade produces the statements and sends them directly to the clients, there is no opportunity for misrepresentation. I do believe the Commission should increase oversight over firms that have physical custody of client assets, as demonstrated by the Bernard Madoff fraud, in which Mr. Madoff's firm acted as its own custodian. However, the rule as proposed is extremely onerous on small firms and will provide little benefit to anyone, save for the firms doing the auditing.

Very truly yours,

Alfred C. Frank, President
Frank Capital Partners LLC