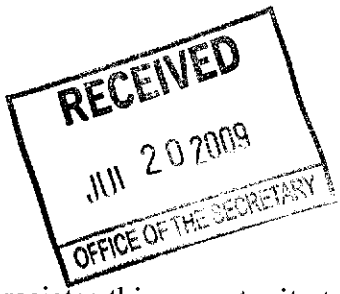
SPARTAN CAPITAL MANAGEMENT, LLC

July 13, 2009

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

RE: Proposed Amendments to Rule 206(4)-2
Release No. IA-2876
File No. S7-09-09



Dear Ms. Murphy:

Spartan Capital Management, LLC ("Spartan") appreciates this opportunity to express its views in response to the Securities and Exchange Commission's (the "Commission") request for comments on the proposed amendments to Rule 206(4)-2.

Spartan is a small (4 person) investment advisory firm that has been registered with the SEC since April 8, 2005. Our firm does not hold, maintain, or otherwise control the disposition of any assets in our client accounts. All client assets are held at and maintained by an independent, qualified custodian of each client's choosing (the "Custodian").

Under an amended Rule 206(4)-2, Spartan will deemed to have custody of our clients' assets solely because we have the contractual authority to have advisory fees deducted from client accounts by the Custodian that holds the assets. We strongly believe that this portion of the proposed amended Rule, which would subject small investment advisers, like Spartan, to the requirement of an annual surprise audit as though they served the function of traditional custodians will not further the intended purposes of the Rule, is unduly onerous, and will cause significant, unnecessary expense.

As required by current Rule 206(4)-2, the Custodian maintaining our clients' accounts delivers account statements, on at least a monthly basis, directly to clients, identifying the amount of funds and securities at the end of the period as well as all account activity during the period. As a result, our clients receive comprehensive account information directly from the Custodian and are thus able to monitor the activity in their accounts. Our clients have agreed in writing that our advisory fees may be deducted directly from their advisory accounts by the Custodian.

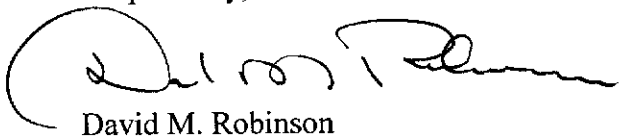
Accordingly, the safekeeping measures currently required by Rule 206(4)-2 provide our clients with the ability to sufficiently identify and detect erroneous or fraudulent transactions. It is our understanding that abuses in the industry have not generally resulted because of billing arrangements whereby advisers have the authority to have advisory fees deducted by qualified, independent custodians from accounts maintained by said custodians. We believe the absence of such activity supports our position that the safeguards mandated by current Rule 206(4)-2 are sufficient to deter advisers from engaging in fraudulent conduct.

Furthermore, the cost associated with an annual surprise audit would impose an unnecessary financial burden, especially on small firms like Spartan, the costs of which might have to be passed on to our clients in the form of higher advisory fees. In the event Spartan was unable to absorb and/or pass on the costs associated with an annual surprise audit, we would be forced to eliminate the direct debit of fees and instead require clients to pay our advisory fees directly. This would require an overhaul of existing billing operations, increase billing costs both to clients and advisers, and potentially generate unnecessary confusion to clients.

Given that existing safeguards in place are adequate, and considering the adverse effects that the requirement of a mandatory surprise audit would have on advisers as well as clients, we respectfully request that the Commission leave current Rule 206(4)-2 intact and unchanged with respect to advisers who are deemed to have custody solely because they have the authority to have their advisory fees deducted from client accounts.

We thank the Commission for the opportunity to comment on this matter.

Respectfully,



David M. Robinson
Chairman