

MEMORANDUM

September 30, 2009

To: File No. S7-09-09

From: Scott H. Kimpel
Office of Commissioner Troy A. Paredes

Re: Custody of Funds or Securities of Clients by Investment Advisers

On September 30, 2009, Commissioner Troy A. Paredes and Scott H. Kimpel, Counsel to the Commissioner, met with David Tittsworth, Karen Barr and Valerie Baruch, Investment Adviser Association; and Greg Merz, Vice President and Deputy General Counsel – Asset Management, Legg Mason. The participants discussed the Commission's proposed rules on custody of client funds by investment advisers.