



May 15, 2008

Nancy M. Morris, Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-0609

Subject: Release No. IA-2711, File No. S7-10-00 - Proposed Amendments to Form ADV

Dear Ms. Morris:

Moody Aldrich Partners appreciates the opportunity to comment on the proposed amendments to Form ADV. Although we agree that clients should read our Form ADV Part II, we don't believe that an annual "bulk mailing" of Form ADV Part II will increase the number of clients who actually do. Please consider that many clients hire multiple managers and/or advisors, each with their own brochure and all sending them to their clients during the same 4 month period. We urge the commission to consider the sensitivities of our socially responsible clients (and employees) and refrain from wasting resources unnecessarily.

Cordially,

Margaret L. Leonard
Chief Compliance Officer

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Of course the consultants or advisors already have current copies of our Form ADV Part II in order to provide them to prospects prior to signing our investment advisory agreement.

Perhaps a better approach is the following:

- 1) One time “Refresh”: send every current client a copy of the Form ADV Part II so that everyone has received the most recent version. We probably have clients who haven’t received an updated ADV for 10 years or more.
- 2) Annual Summary: 1 year after the one time mailing (perhaps with the privacy notice) send a summary of all material changes since the last update and, as now, an offer to send a complete Form ADV Part II by request. A shorter summary (not the entire Form ADV Part II) will have more of a chance of being read by the recipient.
- 3) Interim: a summary of any significant disciplinary action or material changes to the Form ADV Part II.

It is possible that offering to electronically deliver the brochure would increase the number of client requests for our Form ADV Part II (from none) but we believe that should be simply an alternate delivery method to sending a copy through the mail.

Increasingly we see clients opt in to electronic delivery of statements, confirms and proxies in order to reduce the volume of mail they receive. Additionally, we don’t see the value in delivering interim updates besides those involving the disclosure of disciplinary information.

We request comment about the percentage of clients to whom advisers are likely to make electronic delivery.



We request comment generally on our proposed delivery requirement and, in particular, on the proposed requirements regarding delivery of updates. Should we require delivery of interim updates of the brochure in additional circumstances besides those involving disclosure of disciplinary information in response to Item 9? Should we require brochure delivery more frequently than annually? We also request comment with respect to the timing of annual delivery. Is the proposed provision to require annual delivery no later than 120 days after the end of the adviser's fiscal year reasonable? Does it adequately enable advisers to minimize costs by making delivery in conjunction with existing mailings?

We expect that advisers will send their brochures annually in a "bulk mailing" to clients. We estimate that, with a bulk mailing, an adviser will require no more than 0.25 hours to send the adviser's firm brochure to each client, or an annual burden of 253.25 hours per adviser. Thus, we estimate the total burden hours for 10,817 advisers to distribute their firm brochure to existing clients initially and annually thereafter to be 2,739,405 hours per year.

(0.25 hours per client x 1,013 clients per adviser) = 253.25 hours per adviser. This is the same estimate we made in the 2000 proposal and for which we received no comment. We note that the burden for preparing brochures is already incorporated into the burden estimate for Form ADV discussed above. We anticipate that most advisers will make their annual delivery of their brochure as part of the annual bulk mailings they already make to clients.

Advisers would incur annual expenses in addition to the initial costs of preparing firm brochures and brochure supplements, but we believe these costs would be modest and similar to current costs. The rule amendments, similar to the current requirements, would require advisers to revise their disclosure documents promptly when any information in them becomes materially inaccurate, and would require advisers to update their brochures and brochure supplements each year at the time of their required annual updating amendment. For Paperwork Reduction Act purposes, we have estimated that advisers would need to prepare brochure amendments, on average, one and one half times per year, and spend three quarters of an hour on each amendment. We estimate that advisers would incur annual costs of \$744,471 in meeting these requirements.

Similarly, we expect that amendments to Part 2 will also most likely be performed by compliance professionals at an estimated cost for a Compliance Clerk of \$56 per hour. 17,725.5 amendments x 0.75 hours per amendment x \$56 = \$744,471.

We request comment about the percentage of clients to whom advisers are likely to make electronic delivery. We also request comment about the extent to which advisers may minimize delivery costs by mailing their brochures and supplements along with quarterly statements or other routine mailings.

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