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August 30, 2010

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

Ms. Murphy,

On behalf of United Services Automobile Association (USAA), I am writing to provide comments on the Securities and Exchange Commission's pending study regarding the legal and regulatory standards of care for brokers, dealers, investment advisers and persons associated with them.

USAA is a member-owned association that seeks to facilitate the financial security of its members and their families by providing a full range of highly competitive financial products and services, including insurance, banking and investment products. USAA members are part of the American military community, and include present and former commissioned and noncommissioned officers, enlisted personnel, retired military personnel, and their families. USAA Investment Management Company (IMCO), an indirect wholly owned subsidiary of USAA, is a FINRA member, a registered investment adviser, a registered broker-dealer and also serves as the investment adviser and distributor of the USAA family of no-load mutual funds.

USAA's and IMCO's appropriately licensed member service representatives (MSRs) offer a wide range of financial solutions to our members based upon the member's needs. USAA utilizes telephone call centers to provide a convenient and centralized location for our members, many being active duty military personnel based throughout the world and often limited in their communication capabilities and availability, to manage their financial affairs across multiple disciplines during one call.

We support and applaud the SEC's efforts to evaluate the effectiveness of the existing legal and regulatory standards of care for brokers, dealers and investment advisers. Nevertheless, we are concerned about the potential impact that a uniform standard of care for brokers and investment advisers may have on USAA's ability to service our membership. Our members have the ability to conduct financial transactions touching numerous areas with one multi-disciplinary and cross-licensed MSR. Determining when the fiduciary line has been crossed by the MSR, who provides a variety of services solely incidental to his conduct as a registered broker-dealer and who receives no special compensation to do so, would be extremely difficult. We are concerned that absent a carve out for telephone call centers, a broad fiduciary standard that could require delivery of a disclosure statement prior to the delivery of service to our members (see Rule 204-3(b) of the Investment

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Advisers Act of 1940) would prove confusing, burdensome and unnecessary, and ultimately detrimental to our ability to provide first class service to our members.

This is particularly true since many interactions with our members are “one and done”, and the MSR you speak with today may not be the same MSR you would speak with if you called into USAA tomorrow. This is true regardless of whether the transaction is technically “solicited” or “unsolicited”.

When undertaking the study and subsequent to any rulemaking, we urge the SEC to consider the types of activity occurring in a unique telephone call center environment designed to serve the American military community.

We would be glad to answer any questions regarding these comments.

Sincerely,



Christopher P. Laia
Vice President FASG Counsel