

FOR IMMEDIATE RELEASE

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ARKANSAS SECURITIES COMMISSIONER ENTERS CONSENT ORDER INVOLVING MORGAN ASSET MANAGEMENT, INC. AND MORGAN KEEGAN AND COMPANY, INC.

Today, Arkansas Securities Commissioner A. Heath Abshire entered a Consent Order involving Morgan Asset Management, Inc. and Morgan Keegan & Company, Inc. ("Morgan Keegan"). The order completes an investigation of Morgan Keegan that was begun by the Staff of the Arkansas Securities Department in 2008. The investigation grew from a single consumer complaint and led to the Arkansas Securities Department ("Department") joining a thirteen-state task force investigation of seven Morgan Keegan proprietary funds, which were managed and marketed by employees of Morgan Keegan. The order found that Morgan Keegan and its employees repeatedly violated provisions of the Arkansas Securities Act ("Act") and the Rules of the Securities Commissioner by engaging in dishonest and unethical practices in the securities business and failing to properly execute supervisory duties. The order contains facts that show Morgan Keegan and its employees engaged in a repeated pattern of providing inaccurate and misleading information about the seven funds to Arkansas resident investors. The failures by Morgan Keegan and its employees included:

- Making material omissions and misrepresentations in marketing materials;
- Making material omissions and misrepresentations in regulatory filings;
- Withholding information from and misrepresenting information concerning the funds to the Morgan Keegan sales force;
- Providing preferential treatment to certain customers;
- Failing to make suitable recommendations concerning purchases and concentration of the funds in customer accounts;
- Failing to adequately supervise their agents and employees; and,
- Obstructing the due diligence process.

In settlement of the Department's case, as well as investigations being conducted by the United States Securities Exchange Commission ("SEC") and FINRA, Morgan Keegan agreed to pay a total of \$200,000,000 to be used for a settlement fund for investors and to pay a civil penalty in the total amount of \$10,000,000. Arkansas will receive \$434,215 of the total civil penalty. In addition, Morgan Keegan is prohibited from creating, offering or selling any proprietary funds for a period of two years.

Details of the claims process for the settlement fund are currently being established by the SEC and the thirteen states. Once the claims process is finalized, the Department will provide Arkansas residents with the details of how and where to file claims for losses they may have incurred by investing in the seven Morgan Keegan funds.

Of this Consent Order, Commissioner Abshire said, “With this order, the Department intends to hold Morgan Keegan accountable for not adequately disclosing risks associated with the proprietary funds it marketed in Arkansas. This settlement should bring partial relief for Arkansas investor losses. We also hope that this settlement sends a strong message to other members of this industry that violations of the Act will not be tolerated and will be punished.”

A copy of the order is available on the Department’s website, www.securities.arkansas.gov, order no. S-08-065-11-OR02, In the Matter of Morgan Asset Management, Inc. and Morgan Keegan & Company, Inc.