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ARKANSAS SECURITIES DEPARTMENT

FOR IMMEDIATE RELEASE

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ARKANSAS SECURITIES COMMISSIONER APPROVES CONSENT ORDERS FINING MORGAN KEEGAN & COMPANY, INC. AND BARRING KEITH H. FREEMAN

Arkansas Securities Commissioner A. Heath Abshure approved a Consent Order for Morgan Keegan and Company, Inc. concerning violations of the Arkansas Securities Act ("Act"). Also, on September 4, 2012, the Arkansas Securities Commissioner entered a Consent Order against Keith H. Freeman, who is a former Arkansas agent of Morgan Keegan and Company, Inc.

The Consent Order for Morgan Keegan and Company, Inc. found that it had failed to supervise its former employee, Keith H. Freeman, in order to prevent Mr. Freeman from violating multiple sections of the Act and the Rules of the Arkansas Securities Commissioner on numerous occasions. The Commissioner found that Mr. Freeman engaged in mutual fund switching and recommending and selling unsuitable securities to two Arkansas residents. The unsuitable securities were inverse or leveraged exchange traded funds (ETF). Inverse or leverage EFTs are complex investment products that are suitable for aggressive and experienced investors. In addition, inverse or leveraged ETFs are designed to be held for only one trading session. The Arkansas residents involved in this case were neither aggressive nor experienced investors. Also, Freeman repeatedly had these Arkansas investors hold the inverse or leveraged ETFs for weeks or months at a time.

As punishment for these violations, the Commissioner ordered Morgan Keegan and Company, Inc. to pay a fine in the amount of \$15,000, as well as pay restitution in the amount of \$44,659.60 to the Arkansas residents involved in this matter. In addition, the Commissioner permanently revoked the Arkansas agent registration of Keith H. Freeman.

Copies of the orders are available on the Arkansas Securities Department's website, www.securities.arkansas.gov, Order No. S-12-0066-12-OR01, In the Matter of Morgan Keegan and Company, Inc.; and, Order No. S-12-0066-12-OR02, In the Matter of Keith H. Freeman.