

May 3, 2013

BY ELECTRONIC MAIL AND FIRST CLASS U.S. MAIL

Hon. Elizabeth M. Murphy
Office of the Secretary
United States Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

RE: In the Matter of Morgan Asset Management, Inc., Morgan Keegan and Company, Inc., et al., Administrative Proceeding File No. 3-13847

Dear Ms. Murphy:

I write on behalf of Regions Investment Management, Inc., formerly known as Morgan Asset Management, Inc. ("RIM") and Morgan Keegan & Company, Inc. ("Morgan Keegan"), to comment on the U.S. Securities and Exchange Commission's Proposed Plan of Distribution ("Plan") in the proceeding referenced above. RIM and Morgan Keegan do not object to the methodology of the Plan or selection of administrator, but they respectfully seek reconsideration of the SEC's determination that its chosen fund administrator should provide a bond to ensure performance of its obligations under the Plan.

Pursuant to 17 C.F.R. § 201.1105(c) ("Rule 1105(c)"), the SEC should waive the bond requirement for good cause, as it has done in the past when utilizing A.B. Data, Ltd. ("A.B. Data"), the fund administrator that it selected in this matter, for such distributions. The SEC has utilized A.B. Data's services in the past and presumably been satisfied with its performance with no bond required. Further, A.B. Data already has administered a fair fund essentially the same size as the SEC's Fair Fund in this very matter when distributing approximately \$100 million in proceeds of the fund established by certain States working in coordination with the SEC without the need for a bond. The purchase of a bond as insurance for the performance of A.B. Data and its escrow bank in this instance, which would cost over Two Hundred Thousand Dollars (\$200,000.00), is an unnecessary and burdensome expense levied against RIM and Morgan Keegan that the SEC has not required when lesser protections have been present than those protections found in this case, as set out below.

There exist several layers of protection for the Fair Fund that are more than adequate to satisfy the good cause showing for waiver of the bond requirement pursuant to Rule 1105(c). First, the fund administrator, A.B. Data, will have no custody, and only limited control, of the

Fair Fund. Second, the Fair Fund will be held by the U.S. Treasury Department's Bureau of the Public Debt until immediately before transmittal of checks or electronic transfers to eligible investors. Third, upon transfer from the U.S. Treasury, funds will be held in an escrow account at The Huntington National Bank ("Huntington Bank" or the "Bank") separate from the assets of the Bank, until presentation of a check or electronic transfer, at which time funds will be transferred to a controlled distribution account. Fourth, presented checks or electronic transfers will be subject to "positive pay" controls before being honored by the Bank, as utilized in prior fair fund distributions by A.B. Data through the Bank. Fifth, both Huntington Bank and A.B. Data will maintain, throughout this process, insurance and/or a financial institution bond that covers errors and omissions, misfeasance and fraud. Based upon each of these layers of protection, waiver of the bond requirement is appropriate.

More specifically as to insurance, Huntington Bank maintains and will continue to maintain a Bankers Blanket Bond, which includes errors and omissions ("E&O") coverage. This coverage consists of a single aggregate limit in the amount of \$115 million with an \$80 million limit per occurrence. Huntington Bank maintains this Bond with National Union Fire Insurance Company and Travelers Casualty and Surety Company, which were rated "A" and "A+" respectively by A.M. Best as of their most recent renewals.

A.B. Data also maintains and will continue to maintain insurance until the termination of the Fair Fund. A.B. Data's current primary insurer, Endurance American Specialty Insurance Company, was rated "A" by A.M. Best as of its most recent renewal. Further, A.B. Data's insurance with this company includes E&O insurance in the amount of \$10 million, which protects against errors and omissions committed by the employees of A.B. Data in the course of the performance of their professional services. A.B. Data also maintains additional policies of \$40 million, as well as general commercial liability coverage of \$2 million in the aggregate and \$1 million per occurrence. Lastly, A.B. Data maintains a crime policy in the amount of \$250,000 per occurrence, which provides protection against employee dishonesty, forgery or fraudulent alteration of securities, and electronic and computer crime exposures. This includes losses due to transfer, payment or delivery of funds as a result of fraudulent input, preparation or modification of computer instructions, data or fraudulent electronic transmissions or communications. It also protects against errors and omissions committed by employees of A.B. Data in the course of the performance of their professional services. If the Plan is modified as suggested here, at no time will there be funds under the custody and control of A.B. Data that exceed the amount covered by insurance.¹

As the Order appointing A.B. Data points out, A.B. Data has provided similar administrative services in a number of other Commission actions. As an experienced Fair Fund administrator, it is expected that A.B. Data can be relied upon to manage the administration of this Fair Fund without the additional protection of a bond. Moreover, purchasing a bond in the amount required by the Plan as it is currently framed, which would amount to Two Hundred Thousand Six Hundred and Twenty-five Dollars (\$200,625.00), is an unnecessary expense that

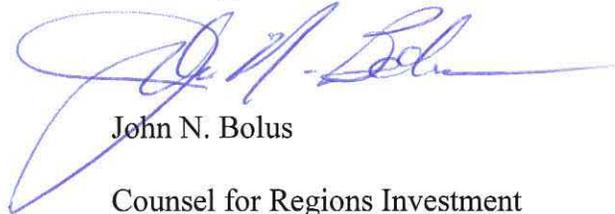
¹ Documentation to support these representations can be provided to the assigned Commission staff.

Hon. Elizabeth M. Murphy
May 3, 2013
Page 3

should not be required of RIM and Morgan Keegan given all of the existing safeguards that are present. Accordingly, RIM and Morgan Keegan request that the Plan be modified to waive the bond as expressly allowed under the good cause showing under Rule 1105(c).

I thank you for the opportunity to comment on this matter. Should you have any additional questions or need additional information regarding this comment, please do not hesitate to contact me at (205) 254-1025.

Sincerely,



John N. Bolus

Counsel for Regions Investment
Management, Inc., f/k/a Morgan
Asset Management, Inc. and for
Morgan Keegan and Company, Inc.