

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES ACT OF 1933**  
**Release No. 9227 / June 22, 2011**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 64721 / June 22, 2011**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 3219 / June 22, 2011**

**INVESTMENT COMPANY ACT OF 1940**  
**Release No. 29705 / June 22, 2011**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-13847**

**In the Matter of**

**MORGAN ASSET  
MANAGEMENT, INC.; MORGAN  
KEEGAN & COMPANY, INC.;**  
**JAMES C. KELSOE, JR.; and**  
**JOSEPH THOMPSON WELLER,**  
**CPA,**

**Respondents.**

ORDER UNDER SECTION 27(A)(b) OF THE SECURITIES ACT OF 1933 AND SECTION 21E (b) OF THE SECURITIES EXCHANGE ACT OF 1934, GRANTING WAIVERS OF THE DISQUALIFICATION PROVISIONS OF SECTION 27A(b)(1)(A)(ii) OF THE SECURITIES ACT OF 1933 AND SECTION 21E(b)(1)(A)(ii) OF THE SECURITIES EXCHANGE ACT OF 1934 AS TO MORGAN ASSET MANAGEMENT INC., AND MORGAN KEEGAN & COMPANY, INC. AND THEIR AFFILIATES.

Morgan Asset Management, Inc. ("Morgan Asset") and Morgan Keegan & Co., Inc. ("Morgan Keegan"), and have submitted a letter on behalf of themselves, their affiliates, and other offering participants, dated June 15, 2011, for a waiver of the disqualification provisions of Section 27A(b)(1)(A)(ii) of the Securities Act of 1933 ("Securities Act") and Section 21E(b)(1)(A)(ii) of the Securities Exchange Act of 1934 ("Exchange Act") arising from their settlement of an administrative proceeding commenced by the Commission.

On June 22, 2011, pursuant to the Offer of Settlement by Morgan Asset, Morgan Keegan and others, the Commission issued an Order Making Findings and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940, and Sections 9(b) and 9(f) of the Investment Company Act of 1940, and Imposing Suspension Pursuant to Section 4C of the Securities Exchange Act of 1934 and Rule 102(e)(1)(iii) of the Commission's Rules of Practice. Under the Order, the Commission found that (i) Morgan Asset violated Sections 206(1), 206(2) and 206(4) of the Investment Advisers Act of 1940 ("Advisers Act") and Rule 206(4)-7 thereunder, and Section 34(b) of the Investment Company Act of 1940 ("Investment Company Act") and aided and abetted violations of Rules 22c-1 and 38a-1 promulgated under the Investment Company Act; and (ii) Morgan Keegan violated Rule 22c-1 promulgated under the Investment Company Act and aided and abetted violations of Section 34(b) of the Investment Company Act and Rule 38a-1 promulgated under the Investment Company Act.

The Order, with regard to Morgan Asset and Morgan Keegan, censures Morgan Asset and Morgan Keegan and (1) requires Morgan Asset to cease and desist from committing or causing any violations and any future violations of Sections 206(1), 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 thereunder, and Section 34(b) of the Investment Company Act and Rules 22c-1 and 38a-1 promulgated under the Investment Company Act; (2) requires Morgan Keegan to cease and desist from committing or causing any violations and any future violations of Section 34(b) of the Investment Company Act and Rules 22c-1 and 38a-1 promulgated under the Investment Company Act; (3) censures Morgan Asset and Morgan Keegan; (4) requires Morgan Asset and Morgan Keegan, jointly and severally, within 10 days of the entry of the Order, to pay disgorgement of \$20,500,000, prejudgment interest of \$4,500,000 and a civil money penalty in the amount of \$75,000,000 to the Commission; (5) requires Morgan Asset and Morgan Keegan to comply with certain undertakings related to the valuation of portfolio securities for which market quotations are not available; and (6) requires Morgan Asset and Morgan Keegan to certify in writing to the staff of the Commission that they have complied with the undertakings.

The safe harbor provisions of Section 27A(c) of the Securities Act and Section 21E(c) of the Exchange Act are not available for any forward looking statement that is "made with respect to the business or operations of an issuer, if the issuer . . . during the 3-year period preceding the date on which the statement was first made . . . has been made the subject of an . . . administrative decree or order arising out of a governmental action that (I) prohibits future violations of the antifraud provisions of the federal securities laws; (II) requires that the issuer cease and desist from violating the antifraud provisions of the securities laws; or (III) determines that the issuer violated the antifraud provisions of the securities laws[.]" Section 27A(b)(1)(A)(ii) of the Securities Act and Section 21E(b)(1)(A)(ii) of the Exchange Act. The disqualifications may be waived "to the extent otherwise specifically provided by rule, regulation, or order of the Commission." Section 27A(b) of the Securities Act and Section 21E(b) of the Exchange Act.

Based on the representations set forth in the letter submitted by Morgan Asset and Morgan Keegan, the Commission has determined that, under the circumstances, the request for a waiver of the disqualifications resulting from the entry of the Order is appropriate and should be granted.

Accordingly, **IT IS ORDERED**, pursuant to Section 27A(b) of the Securities Act and Section 27E(b) of the Exchange Act, that a waiver from the disqualification provisions of Section 27A(b)(1)(A)(ii) of the Securities Act and Section 21E(b)(1)(A)(ii) of the Exchange Act as to Morgan Asset and Morgan Keegan, their affiliates, and other offering participants resulting from the entry of the Order is hereby granted.

By the Commission.

Elizabeth M. Murphy  
Secretary