

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 72599 / July 11, 2014

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 DIRECTING
DISBURSEMENT OF FAIR FUND

On April 3, 2013, the Securities and Exchange Commission (“Commission”) published a Notice of Proposed Plan of Distribution and Opportunity for Comment (“Notice”) in connection with this proceeding pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 CFR 201.1103.¹ The Notice advised parties that they could obtain a copy of the proposed Plan of Distribution (“Plan”) at www.sec.gov. The Notice also advised that all persons desiring to comment on the Plan could submit their comments, in writing, within 30 days of the date of the Notice. Six comments were received in response to the Notice. On

¹ Exchange Act Release No. 69288 (Apr. 3, 2013).

August 16, 2013, the Commission issued an Order Approving Modified Plan and Setting Fund Administrator Bond Amount.²

The Modified Plan provides for the distribution of \$100,300,000 in disgorgement, prejudgment interest, and civil money penalties paid by the Respondents, plus any accumulated interest, less any Bureau of Public Debt fees and taxes on the interest earned, to investors according to the methodology set forth in the Modified Plan. In accordance with paragraph 53 of the Modified Plan, the Fund Administrator has submitted to the Commission staff a list of payees and payment amounts, together with a reasonable assurances letter representing that the list of payees: a) was compiled in accordance with the approved Modified Plan; b) is accurate as to Eligible Claimants' names, addresses, and amounts; and c) provides all information necessary to make payments to each Eligible Claimant whose Disbursement amount equals or exceeds the Minimum Distribution Amount. Commission staff has reviewed the payee list and requests that, pursuant to Rule 1101(b)(6) of the Commission's Rules on Fair Fund and Disgorgement Plans, the Commission authorize the transfer of \$100,398,383.91 from the Morgan Asset Fair Fund to Huntington Bank for distribution in accordance with the Modified Plan.

Accordingly, it is ORDERED that the Commission staff shall transfer \$100,398,383.91 from the Morgan Asset Fair Fund to Huntington Bank, and that the Fund Administrator shall distribute such monies to investors as provided for in the Modified Plan.

By the Commission.

Lynn M. Powalski
Deputy Secretary

² Exchange Act Release No. 70222 (Aug. 16, 2013).