UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
CORPORATION FINANCE

June 22, 2011

Deborah G. Heilizer, Esquire
Sutherland Asbill & Brennan LLP
1275 Pennsylvania Avenue, NW
Washington, DC 20004-2415

Re: In the Matter of Morgan Asset Management, Inc. *et al.*
Release No. 34-64720 Waiver Request under Regulation A and Rule 505 of Regulation D

Dear Ms. Heilizer:

This responds to your letter dated today, written on behalf of Morgan Asset Management, Inc. ("Morgan Asset") and Morgan Keegan & Co., Inc. ("Morgan Keegan"), and constituting an application for relief under Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D under the Securities Act of 1933. You requested relief from disqualifications from exemptions available under Regulation A and Rule 505 that may have arisen by virtue of entry of an order today by the Securities and Exchange Commission in In the Matter of Morgan Asset Management, Inc. *et al.*, Release No. 34-64720 (the "Order") against Morgan Asset under Section 15(b)(6) of the Securities Exchange Act of 1934 and Section 203(e) of the Investment Advisers Act of 1940 and against Morgan Keegan under Section 15(b)(4) of the Securities Exchange Act of 1934. The Order, among other things, requires Morgan Asset and Morgan Keegan to jointly and severally pay a civil money penalty of $75 million. In addition, the Order requires each of Morgan Asset and Morgan Keegan to comply with certain of its own undertakings in the Order. Application of these remedies may be interpreted to result in disqualifications under Rule 262 and Rule 505.

For purposes of this letter, we have assumed as facts the representations set forth in your letter and the findings supporting entry of the Order. We also have assumed as to each of Morgan Asset and Morgan Keegan that it will comply with the Order.

On the basis of your letter, I have determined that you have made showings of good cause under Rule 262 and Rule 505 that it is not necessary under the circumstances to deny the exemptions available under Regulation A and Rule 505 by reason of entry of the Order against Morgan Asset and Morgan Keegan. Accordingly, pursuant to delegated authority, and without necessarily agreeing that any such disqualifications arose by virtue of entry of the Order against Morgan Asset and Morgan Keegan, each of them is granted relief from any disqualifications from exemptions otherwise available under Regulation A and Rule 505 that may have arisen as a result of entry of the Order against it.

Very truly yours,

Gerald J. Laporte

Gerald J. Laporte
Chief, Office of Small Business Policy

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June 22, 2011

VIA E-MAIL AND HAND DELIVERY

Gerald Laporte, Chief
Office of Small Business Policy
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: *In re Morgan Asset Management, Inc., et al.* (Admin. Proc. File No. 3-13847)

Dear Mr. Laporte:

Our clients, Morgan Keegan & Co., Inc., and Morgan Asset Management, Inc. (the "Firms"), are settling respondents in the above-captioned administrative action (the "Action"). The Action relates to alleged violations of the federal securities laws by the Firms in connection with the valuation of fair valued securities in certain registered investment companies (the "Funds") for which Morgan Asset Management, Inc. was adviser.

The Firms hereby request, pursuant to Rule 262 of Regulation A and Rule 505 of Regulation D under the Securities Act of 1933 (the "Securities Act"), that the Commission grant a waiver of any disqualification from the exemptions provided by Regulation A and Rule 505 that may otherwise apply to the Firms, any of their affiliates or any issuer, offering participant or other persons as a result of the entry of the order in the Action described below (the "Order"). The Firms request that this waiver be granted effective upon entry of the order in the Action. It is our understanding that the Division of Enforcement does not object to the grant of the requested waiver.

BACKGROUND

The conduct of the Firms alleged in the Order Instituting Proceedings ("OIP") relating to the Action involved the valuation of fair valued securities in the Funds. Specifically, during the period from January 1, 2007 through July 31, 2007, the Firms are

alleged to have sold or redeemed shares at other than current net asset value and failed to employ appropriate valuation procedures. The Funds were sold in 2008.

In connection with the above-captioned proceeding, the Firms have submitted to the Commission an offer of settlement in which, for the purpose of this proceeding, they will consent to the entry of a cease-and-desist order by the Commission (the "Order") without admitting or denying the matters set forth in the Order (except as to the jurisdiction of the Commission and the subject matter of the proceedings).

Under the Order, the Commission requires Morgan Asset Management, Inc. 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 Investment 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 thereunder.

Under the Order, the Commission requires Morgan Keegan & Co., Inc. 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 thereunder.

The Order also provides that the Firms shall pay the amount of $100,000,000 in accordance with its terms, and an additional $100,000,000 to resolve parallel proceedings brought by certain State securities regulators. The Commission also orders the Firms to comply with certain undertakings: (i) Morgan Keegan & Co., Inc. and Morgan Asset Management, Inc. would undertake, for a period of three years from the date of the Order, not to be involved in, or responsible for, recommending to, or determining on behalf of, a registered investment company's board of directors or trustees or such company's valuation committee, the value of any portfolio security for which market quotations are not readily available; (ii) if, after three years but within six years from the date of the Order, Morgan Keegan & Co., Inc. or Morgan Asset Management, Inc. becomes involved in, or responsible for, determining or recommending determinations to a registered investment company's board of directors or trustees or valuation committee of the value of any portfolio security for which market quotations are not readily available and which are held by or on behalf of such registered investment company, an Independent Consultant would review the Firm's valuations and its policies, procedures and practices with regard to such valuations, and the Firm would take steps, described further in the Order, to implement the recommendations of the Independent Consultant; and (iii) Morgan Keegan & Co., Inc. and Morgan Asset Management, Inc. undertakes to cooperate fully with the Commission in any and all investigations, litigations or other proceedings relating to or arising from the matters described in the Order.

DISCUSSION

Regulation A and Rule 505 of Regulation D provide exemptions from registration under the Securities Act for certain offerings of limited size. Rule 506 provides a similar exemption for private offerings to specified types of investors. Rule 262 of Regulation A and Rule 505 provide for disqualification from these exemptions if, among other things, "any director, officer or general partner of the issuer, beneficial owner of 10 percent or more of any class of its equity securities, any promoter of the issuer presently connected with it in any capacity, any underwriter of the securities to be offered, or any partner, director or officer of any such underwriter . . . is subject to an order of the Commission entered pursuant to section 15(b), 15B(a), or 15B(c) of the Exchange Act, or section 203(e) or (f) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-1 et seq.)." 17 C.F.R. §§ 230.262(b)(3), 230.505(b)(2)(iii). These Rules, however, also provide that these disqualifications shall not apply if the Commission determines, upon a showing of good cause, that it is not necessary under the circumstances that the exemptions be denied. *See* 17 C.F.R. §§ 230.262, 230.505(b)(2)(iii)(C).

The Firms understand that the Order could disqualify them and certain of their affiliates from participating in offerings as an issuer or underwriter in reliance upon the exemptions from registration under the Securities Act provided by Regulation A and Rule 505, insofar as the Firms would thereby be subject to an order of the kind described in the prior paragraph. Pursuant to these Rules, the disqualifications could also apply to any issuer, underwriter or other person participating in such an offering with the Firms. As noted above, however, the Commission has the authority to waive the Regulation A and Rule 505 exemption disqualifications.

The Firms request that the Commission waive any disqualifying effects that the Order may have under Regulation A and Rule 505 of Regulation D with respect to the Firms, their affiliates or any other persons, whether acting as issuer, underwriter or otherwise, for the following reasons:

1. The disqualification of the Firms from the exemptions under Regulation A and Rule 505 of Regulation D would be unduly and disproportionately severe given the nature of the conduct alleged in the OIP relating to the Action. The conduct of the Firms alleged in the OIP does not pertain to whether or not securities offerings were conducted in compliance with the exemptions from registration provided by Regulation A or Rule 505 of Regulation D. Rather, as noted above, the alleged conduct involved certain fair valued securities in the Funds.

2. In the future, issuers may wish to retain the Firms or their affiliates to participate in an offering of securities conducted in reliance on the exemption provided by Regulation A or Rule 505 of Regulation D. Consequently, the disqualification of the Firms could adversely affect the Firms' business operations with regard to securities distribution and could adversely affect third parties that may wish, but because of the

disqualification would be unable, to retain the Firms or participate with them in connection with an offering conducted pursuant to these exemptions.

3. Finally, the disqualification of the Firms would be unduly and disproportionately severe because the Firms will be required under the Order and in related proceedings to pay the aggregate amount of $200,000,000. The Firms have also undertaken certain actions identified in the Order and described above that are intended to enhance the Firms' compliance practices relating to the matters that are the subject of the OIP. Thus, the disqualification would result in an additional penalty beyond what the Order requires.

In light of the grounds for relief described above, we believe that disqualification is not necessary, either in the public interest or for the protection of investors, and that the Firms have shown good cause that relief should be granted. Accordingly, we respectfully request that the Commission waive the disqualification provisions in Regulation A and Rule 505 of Regulation D to the extent that they may otherwise apply to the Firms, any of their affiliates or any issuer, offering participant or other persons as a result of the entry of the proposed Order against the Firms.[1]

If you have any questions regarding this request, please contact the undersigned at (202) 383-0858.

Sincerely yours,

Deborah G. Heilizer

cc: William Hicks
(Division of Enforcement)

Fournier J. ("Boots") Gale, III
(Regions Financial Corporation)

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[1] We note that the Commission has granted relief under Regulation A and Rule 505 of Regulation D for similar reasons in other instances. *See, e.g.*, Investools Inc. et al., SEC No-Action Letter (pub. avail. Dec. 16, 2009); General Electric Company, SEC No-Action Letter (pub. avail. Aug. 11, 2009); Prudential Equity Group, LLC, SEC No-Action Letter (pub. avail. Aug. 28, 2006); Goldman, Sachs & Co., SEC No-Action Letter (pub. avail. Oct. 31, 2003); Merrill Lynch & Co., Inc., SEC No-Action Letter (pub. avail. March 17, 2003); Credit Suisse First Boston Corporation, S.E.C. No-Action Letter (pub. avail. Jan. 29, 2002); Dain Rauscher, Incorporated, S.E.C. No-Action Letter (pub. avail. Sept. 27, 2001); and Legg Mason Wood Walker, Incorporated, S.E.C. No-Action Letter (pub. avail. June 11, 2001).