

## FREQUENTLY ASKED QUESTIONS

### **Case Names:**

**States' Case** - In the Matter of Morgan Asset Management, Inc., Morgan Keegan & Company, Inc., James C. Kelsoe, Jr., Brian B. Sullivan, Gary S. Stringer and Michele F. Wood (Involving the pricing, marketing and sale of seven (7) proprietary Regions Morgan Keegan Bond Funds, both Trust and Non-trust accounts).

**SEC Case** - In the Matter of Morgan Asset Management, Inc.; Morgan Keegan & Company, Inc.; James C. Kelsoe, Jr.; and Joseph Thompson Weller, CPA

**Jurisdiction:** Multi-jurisdictional case – multi-state and federal

### **What is the Current Status of the Case?**

A settlement in the amount of \$200 million was reached, \$100 million going to the States' Fund and \$100 million to a United States Securities and Exchange Commission (SEC) Fair Fund. Initial consent orders related to the settlements were entered on June 22, 2011 by the five lead states. The SEC entered a separate order related to its settlement on June 22, 2011 as well.

Each state has to decide for itself whether or not to execute its own Consent Order. Even if your state does not enter into a Consent Order with Morgan Keegan, you may still be eligible to file a claim. Nothing in the settlement terms requires investors to give up any rights to arbitration or other legal proceedings—investors are not required to sign a release in order to participate in the restitution funds and filing a claim does not affect any other actions or rights that you have.

The next step will be mailing of notices to investors of record and nominees that purchased or held the seven proprietary bond funds in question on behalf of beneficial owners.

### **When Will the Notice and Claim Form Be Mailed?**

No date specific has been established for the mailing of notices and claim forms, but the States' task force and the SEC is working diligently with A.B. Data, the Fund Administrator, to move forward with preparation of the Plan of Distribution, Notice, and Claim Form related to its settlement in order to create the most efficient, and effective notice program possible that will maximize participation by eligible investors in filing claims for the recovery funds available.

### **How Do I File a Claim?**

Given there are two settlements, you will receive at least one, if not two, notices regarding the settlements, but you will only be required to file only one claim form. The claim form is not yet available at this time. It will be mailed to you directly or, once available, you will be able to request a copy by mail or download the claim form from the website.

## **Where Can I Find Out More Information?**

At this time no additional information is available, but periodic updates will be posted to the website, [www.abdataclassaction.com/cases.php](http://www.abdataclassaction.com/cases.php) under the Morgan Keegan settlement as well as recorded informational updates that will be available on this phone line.

Once Notices are mailed, all documents will be made available on-line for download and review.

Live operators will remain available for the duration of the claims process through distribution of the settlement fund.

## **Can I Call the Court?**

Since this case was regulatory in nature, there is not a court involved. This settlement was the result of cooperative cases being brought collectively by State Securities Regulators and the Securities and Exchange Commission. A.B. Data has been appointed as the Fund Administrator by both the states and the SEC and so all inquiries will be handled by A.B. Data and forwarded on to the responsible parties depending on the inquiry.

## **How Much Are the Attorneys Being Paid Out of the Settlement Fund?**

Because this litigation was conducted by state and federal securities authorities, there will be no attorneys' fees paid out of the settlement fund, all costs were paid directly by Morgan Keegan & Company, Inc. and Morgan Asset Management, Inc.

## **How Much Will the Fund Administrator Be Paid Out of the Settlement Fund?**

According to the terms of the settlement, the cost of administration will be paid directly by Morgan Keegan & Company, Inc. and Morgan Asset Management, Inc. not out of the settlement fund.

## **Will I get all of my losses covered?**

No, the amount of losses covered by the settlement will depend on the number of investors filing a claim and other factors. The total restitution fund is limited to \$200 million and total global losses exceeded that amount.

## **What Are the Seven Regions Morgan Keegan Funds Included in the Settlement?**

- Regions Morgan Keegan Select Intermediate Bond Fund
- Regions Morgan Keegan Select High Income Fund
- Regions Morgan Keegan Advantage Income Fund
- Regions Morgan Keegan High Income Fund
- Regions Morgan Keegan Multi-Sector High Income Fund
- Regions Morgan Keegan Strategic Income Fund
- Regions Morgan Keegan Select Short Term Bond Fund