

**ADMINISTRATIVE CONSENT ORDER
AS TO RESPONDENTS
MORGAN ASSET MANAGEMENT, INC.,
MORGAN KEEGAN & COMPANY, INC.,
AND JAMES C. KELSOE, JR.**

)
& COMPANY, INC..)
a wholly owned subsidiary of Regions)
Financial Corporation,)
)
JAMES C. KELSOE, JR., BRIAN B.)
SULLIVAN, GARY S. STRINGER AND)
MICHELE F. WOOD)

File Number 08011

Respondents.

WHEREAS, Morgan Keegan & Company, Inc. ("MKC") is a broker-dealer in the State of South Carolina; and

WHEREAS, Morgan Asset Management, Inc. ("MAM") is an affiliate of MKC and notice-filed as an investment adviser in the State of South Carolina; and

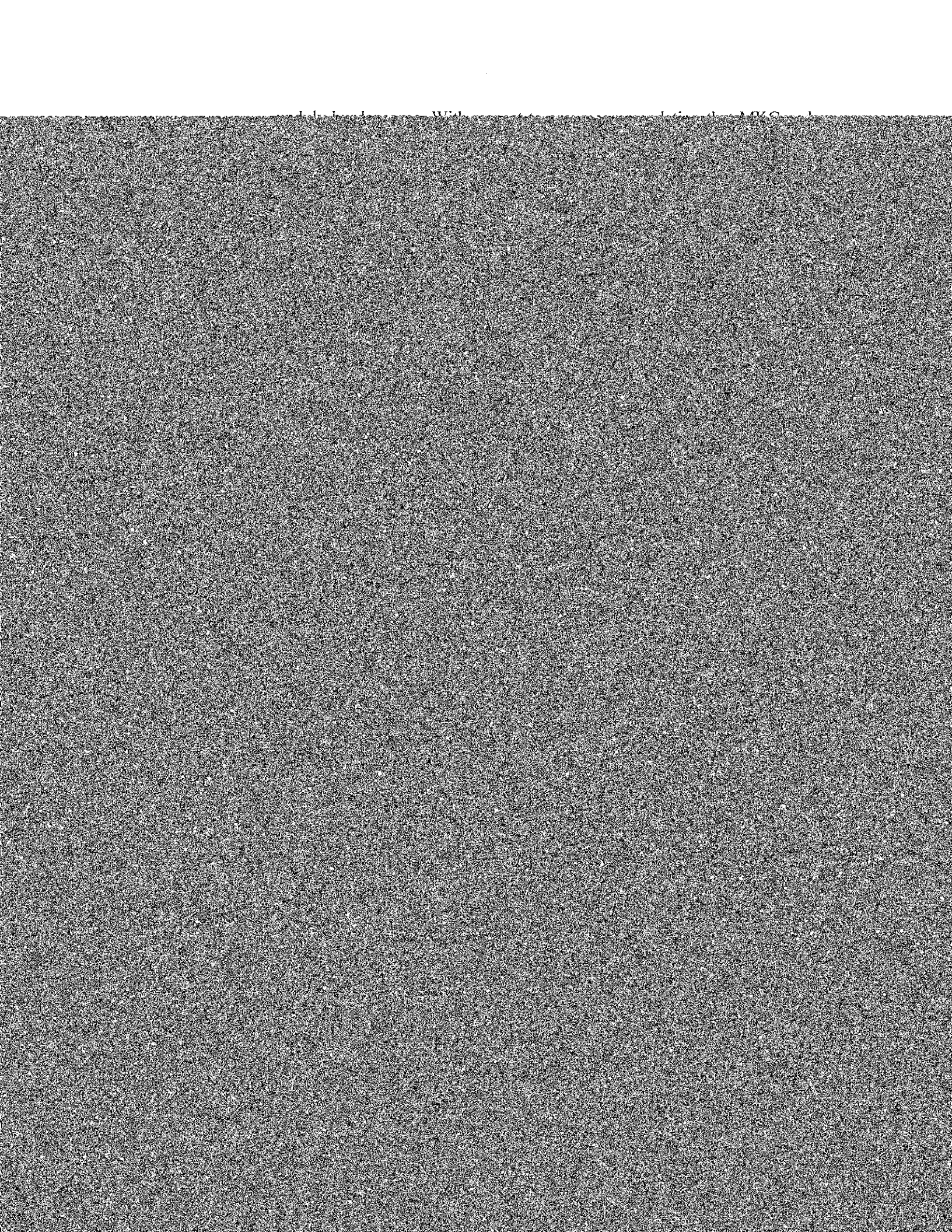
WHEREAS, James C. Kelsoe, Jr. (hereinafter, sometimes referred to as "Kelsoe" or the "Individual Respondent") was, at relevant times, employed by MAM and registered through MKC,;and

WHEREAS, coordinated investigations into the activities ofMKC, MAM and Kelsoe, in connection with certain violations of the South Carolina Uniform Securities Act of 2005, S.C. Code Ann.§§ 35-1-101 to 35-1-702 et. seq., ("Act") and other state securities acts and certain business practices, have been conducted by a multistate task force ("Task Force") and an

13. Certain of the Funds' annual, semi-annual, and quarterly reports filed with the SEC did not adequately disclose the risks of subordinated tranches and the quantity of subordinated tranches held within the Funds

5. In violation of S. C. Code Ann. § 35-1-412 (d)(9) (Supp. 2010), S.C. Reg. 13-

501(A)(2) (Supp. 2010) and NASD Rule 2010, MKC failed to enforce their investment



of engagement and for a period of two (2) years after the engagement

Dated this 22 day of June, 2011.

BY ORDER OF THE SECURITIES COMMISSIONER
OF THE STATE OF SOUTH CAROLINA



Alan Wilson

