



Source: Sonn & Erez PLC  
Date: May 04, 2012 18:00 ET

## Regions Financial Corp.'s Morgan Keegan Hit With Another Arbitration Verdict Relating to RMK High Yield Funds, Says Sonn & Erez PLC -- RF

FORT LAUDERDALE, Fla., May 4, 2012 (GLOBE NEWSWIRE) -- The Law Firm of Sonn & Erez announces that Regions Financial Corp.'s (NYSE:RF) Morgan Keegan unit was hit again with another verdict in a FINRA arbitration case, awarding over \$523,000 to a customer from Atlanta, Georgia, for losses relating to "high yield" bond funds sold under the RMK [Regions Morgan Keegan] brand (FINRA Case No.10-04056). The award is significant in that the FINRA panel awarded damages, interest for the lost use of the investment funds going back to 2004, attorneys fees and costs. Morgan Keegan was sold this year to Raymond James.

This arbitration verdict comes on top of many other verdicts against Morgan Keegan won by Sonn & Erez, PLC, including a \$1.1 Million award for a WWII veteran, a \$1,080,000 award for a Fort Lauderdale family, a \$285,000 arbitration award for a Vietnam veteran, a \$430,000 verdict for a retired banker, and a \$213,000 verdict, plus attorneys fees, for a pension plan. Morgan Keegan has been the subject of numerous arbitration cases and class actions relating to over \$2 billion of losses in RMK bond mutual funds formerly managed by James Kelsoe, which funds were decimated due to investments in what attorneys have described as lower tranches of asset backed securities, commonly known in the structured finance and banking industry as "toxic waste."

"We believe our string of victories shows that Morgan Keegan brokers did not fully appreciate the extreme risks of the RMK high yield bond funds which held risky lower tranches of asset backed securities, aka 'toxic waste,'" said Jeffrey Erez, of Sonn and Erez PLC, who represented the winning investor. Jeffrey Sonn, Esq., added, "I think Gary Stringer, the Director of Investments for Morgan Keegan's Wealth Management Services was a whistleblower when he wrote an email that said: 'What worries me about this bond fund is the tracking error and the potential risks associated with all that asset-backed exposure. Mr. & Mrs. Jones don't expect that kind of risk from their bond funds. The bond exposure is not supposed to be where you take risks. I'd bet that most of the people who hold that fund have no idea what's it's actually invested in. I'm just as sure that most of our FAs [Financial Advisors] have no idea what's in that fund either.'" "That email, I believe, shows that many Morgan Keegan brokers simply did not understand what they were selling; the proof in part, I think, is that some brokers sold these highly speculative funds to their own mothers or other family members," added Jeffrey Erez, Esq.

In 2011, Morgan Keegan reached a settlement with Federal, State and FINRA regulators in which it agreed to pay \$200 million dollars to settle charges that the RMK high yield funds were misrepresented to investors, among other charges.

Jeffrey Erez, Esq. added, "Our client was just one of an estimated 28,000 investors who bought these RMK bond funds and we will continue to fight for these victims."

The RMK bond funds that have been the subject of hundreds of investor arbitrations were later rebranded as Helios funds, managed by Hyperion Brookfield, who took over as fund advisor in 2008, including:

- Helios Advantage Income Fund
- Helios High Income Fund
- Helios Multi-Sector High Income Fund
- Helios Strategic Income Fund
- Helios Select High Income Fund
- Helios Select Intermediate Income Fund
- Helios Select Short Term Bond Fund

For more information, please contact Jeffrey Sonn or Jeffrey Erez at Sonn and Erez PLC.

The Sonn & Erez PLC logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=11383>

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