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Sonn & Erez, PLC Announces That Regions Financial Corp.'s Morgan Keegan Ordered to Pay Investors \$1 Million Relating to RMK Bond Funds -- RF

FORT LAUDERDALE, Fla., June 10, 2010 (GLOBE NEWSWIRE) -- Regions Financial Corp.'s (NYSE:RF) Morgan Keegan unit was ordered by a FINRA arbitration panel to pay over \$1 million dollars in yet another verdict relating to the sale of Regions Morgan Keegan ("RMK") bond mutual funds. (FINRA Case No. 08-3677). A Financial Regulatory Authority (FINRA) arbitration panel in Fort Lauderdale, Florida awarded clients of Sonn & Erez PLC the sum of \$1,080,101.38. Sonn & Erez, PLC attorney Jeff Erez, Esq. said the award represents 100% of the net losses in the RMK bond funds.

Morgan Keegan is the subject of numerous arbitration cases relating to over \$2 billion of losses in RMK proprietary bond mutual funds managed by James Kelsoe, which funds were decimated due to allegedly risky investments in lower tranches of asset backed securities, commonly known as "toxic waste." The funds at issue in hundreds of pending cases are:

- RMK High Income Fund B RMH (Now HIH)
- RMK Strategic Income Fund B RSF (Now HSA)
- RMK Multi-Sector High Income Fund B RHY (Now HMH)
- RMK Advantage Income Fund B RMA (Now HAV)
- RMK Select High Income
- RMK Select Intermediate Bond Fund

The arbitration panel in Fort Lauderdale specifically found that the award against Morgan Keegan was on the basis of negligent supervision, misrepresentation and unsuitability. Erez said he argued during the case that "the Morgan Keegan funds were marketed as typical high-yield funds, but in fact were really structured finance funds that invested in very risky tranches." Erez also said a Morgan Keegan email demonstrated that Morgan Keegan hid the risks of its funds. Gary Stringer, a Morgan Keegan employee, wrote in a May, 2007 email that "I'd bet that most of the people who hold that fund have no idea what's [sic] it's actually invested in. I'm just as sure that most of our FAs have no idea what's in that fund either." Jeff Sonn, Esq., Erez's partner, said that "this award provides clear support for our allegations that Morgan Keegan deceptively marketed and sold Regions Morgan Keegan (RMK) branded bond mutual funds as safe, low risk investments although the funds in fact invested in very risky lower tiers of structured finance which most bankers call toxic waste." The Securities and Exchange Commission, the Financial Regulatory Authority, and four states, Alabama, Mississippi, Kentucky and South Carolina have charged Morgan Keegan in regulatory suits that Morgan Keegan misled customers, violated sales practice rules, and misvalued the funds, among a host of other allegations.

Sonn & Erez PLC represents numerous investors who have lost their savings in the RMK bond funds, and has obtained several favorable arbitration awards for its clients. Sonn & Erez PLC also filed a class action suit against Morgan Keegan in April, 2010 in Tennessee regarding misrepresentation in the sale of the RMK Closed End Bond Funds. Sonn & Erez PLC is a nationally leading law firm that represents investors who are the victims of investment fraud or negligence.

For more information on the award, please contact Jeffrey Erez or Jeffrey Sonn.

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