DIVISION OF
CORPORATION FINANCE

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

June 22, 2011

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

Re: In the Matter of Morgan Asset Management, Inc. (A-3042)
Regions Financial Corporation – Waiver Request of Ineligible Issuer Status under Rule 405 of the Securities Act

Dear Ms. Heilizer:

This is in response to your letter dated June 15, 2011, written on behalf of Regions Financial Corporation (Company) and constituting an application for relief from the Company being considered an "ineligible issuer" under Rule 405(1)(vi) of the Securities Act of 1933 (Securities Act). The Company requests relief from being considered an "ineligible issuer" under Rule 405, due to the entry on June 22, 2011, of a Commission Order (Order) pursuant to Section 4C and 15(b) of the Securities Exchange Act of 1934, Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940 (Advisers Act), and Sections 9(b) and 9(f) of the Investment Company Act of 1940 (Investment Company Act) naming Morgan Keegan & Co. (MKC) and Morgan Asset Management (MAM), both subsidiaries of the Company, as respondents. The Order requires that, among other things, MAM cease and desist from committing or causing any violations and any future violations of Sections 206(1), 206(2) and 206(4) of the Advisers Act, and that MAM and MKC cease and desist from committing or causing any violations and any future violations of Section 34(b) of the Investment Company Act.

Based on the facts and representations in your letter, and assuming the Company, MKC and MAM comply with the Order, the Commission, pursuant to delegated authority has determined that the Company has made a showing of good cause under Rule 405(2) of the Securities Act and that the Company will not be considered an ineligible issuer by reason of the entry of the Order. Accordingly, the relief described above from the Company being an ineligible issuer under Rule 405 of the Securities Act is hereby granted. Any different facts from those represented or non-compliance with the Order might require us to reach a different conclusion.

Sincerely,

Mary Kosterlitz

Mary Kosterlitz
Chief, Office of Enforcement Liaison
Division of Corporation Finance

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June 15, 2011

VIA E-MAIL AND HAND DELIVERY

Mary Kosterlitz, Esq.
Chief of the Office of Enforcement Liaison
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 Ms. Kosterlitz:

We are writing on behalf of our client, Regions Financial Corporation. Its subsidiaries, Morgan Keegan & Co., Inc. and Morgan Asset Management, Inc. (Morgan Asset Management, Inc. and Morgan Keegan & Co., Inc., collectively referred to herein as the "Firms") are proposed 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.

Regions Financial Corporation hereby requests, pursuant to Rule 405 under the Securities Act of 1933 (the "Securities Act"), that the Division of Corporation Finance, on behalf of the Commission, determine that Regions Financial Corporation shall not be considered an "ineligible issuer" as defined in Rule 405 as a result of the cease-and-desist order to be entered in the Action, as described below (the "proposed Order"). Regions Financial Corporation requests that this determination be made effective upon entry of that order. It is our understanding that the Division of Enforcement does not object to our request for such a determination.

BACKGROUND

The conduct of the Firms alleged in the Order Instituting Proceedings ("OIP") relating to the Action involved the valuation of fair valued securities owned by 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 and the Division of Enforcement have reached an agreement in principle to settle the Action as described below, and the Firms expect to submit 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 proposed Order, the Commission would require 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 proposed Order, the Commission would require 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 proposed Order also provides that the Firms shall pay the amount of $100,000,000 in accordance with its terms, and it contemplates the Firms paying an additional $100,000,000 to resolve parallel proceedings brought by certain State securities regulators. The Commission would also order 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 proposed 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 proposed 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 proposed Order, to implement the recommendations of the Independent Consultant; and (iii) Morgan Keegan & Co., Inc. and Morgan Asset

Management, Inc. would undertake 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 proposed Order.

Under a number of Securities Act rules that became effective on December 1, 2005, a company that qualifies as a "well-known seasoned issuer" as defined in Rule 405 is eligible, among other things, to register securities for offer and sale under an "automatic shelf registration statement," as so defined, and to have the benefits of a streamlined registration process under the Securities Act. Companies that qualify as well-known seasoned issuers are entitled to conduct registered offerings more easily and with substantially fewer restrictions, which facilitates the raising of capital by those issuers. Pursuant to Rule 405, however, a company cannot qualify as a well-known seasoned issuer if it is an "ineligible issuer." Similarly, the Securities Act rules permit an issuer and other offering participants to communicate more freely during registered offerings by using free-writing prospectuses, but only if the issuer is not an "ineligible issuer."[1]

Rule 405 of the Securities Act makes an issuer an "ineligible issuer" if, during the past three years, the issuer or any entity that at the time was a subsidiary of the issuer "was made the subject of any judicial or administrative decree or order arising out of a governmental action" that, among other things, "(A) prohibits certain conduct or activities regarding, including future violations of, the anti-fraud provisions of the federal securities laws" or "(B) requires that the person cease and desist from violating the anti-fraud provisions of the federal securities laws."[2] Rule 405 also authorizes the Commission to determine, "upon a showing of good cause, that it is not necessary under the circumstances that the issuer be considered an ineligible issuer."[3] The Commission has delegated authority to the Division of Corporation Finance to grant waivers from any of the ineligibility provisions of this definition.[4]

The proposed Order may be deemed to be an administrative order of the kind that would result in Regions Financial Corporation, and any other company of which the Firms are subsidiaries, becoming ineligible issuers for a period of three years after the proposed Order is entered. This result would preclude Regions Financial Corporation (and such other entities) from qualifying as a well-known seasoned issuer and having the benefit of automatic shelf registration and other provisions of the 2005 rules for three years. This would be a

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1 Being an ineligible issuer will disqualify an issuer under the definition of "well-known seasoned issuer," thereby preventing the issuer from using an automatic shelf registration statement (see Rule 405) and limiting its ability to communicate with the market prior to filing a registration statement (see Rule 163). In addition, being an ineligible issuer will disqualify an issuer, whether or not it is a well-known seasoned issuer, under Rules 164 and 433, thereby preventing the issuer and other offering participants from using free-writing prospectuses during registered offerings of its securities.

2 *See* 17 C.F.R. § 230.405.

3 *Id.*

4 *See* 17 C.F.R. § 200.30-1. *See also* note 215 in Release No. 33-8591 (July 19, 2005).

significant detriment for Regions Financial Corporation. Regions Financial Corporation is a large publicly traded bank holding company and relies on the public markets and SEC-registered offerings for a significant portion of its financing needs and capital. In 2009, Regions Financial Corporation raised approximately $2.5 billion of capital through SEC-registered transactions including offerings of common stock, preferred stock and senior debt, all off of an effective shelf registration statement. The loss of the ability to utilize an automatically effective shelf registration statement and the other benefits available to a well-known seasoned issuer would be significant for Regions Financial Corporation and its ability to raise capital.

As described above, Rule 405 authorizes the Commission to determine that a company shall not be an ineligible issuer, notwithstanding that the company becomes subject to an otherwise disqualifying order. Regions Financial Corporation believes that there is good cause, in this case, for the Commission to make such a determination with respect to the Order on the following grounds:

1. The conduct of the Firms addressed in the proposed Order does not relate to activities undertaken by Regions Financial Corporation or its subsidiaries as an issuer of securities (or any disclosure related thereto) or any of their filings with the Commission.

2. The Commission has granted similar waivers to a number of other companies.[5] Regions Financial Corporation respectfully submits that waiver of the disqualification in the current circumstances is similarly appropriate.

* * * * *

In light of the foregoing, we believe that disqualification of Regions Financial Corporation as an ineligible issuer is not necessary under the circumstances, either in the public interest or for the protection of investors, and that Regions Financial Corporation has shown good cause for the requested relief to be granted. Accordingly, we respectfully request that the Division of Corporation Finance, on behalf of the Commission, pursuant to Rule 405, determine that it is not necessary under the circumstances that Regions Financial Corporation be an "ineligible issuer" within the meaning of Rule 405 as a result of the proposed Order.

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[5] *See, e.g.*, Merrill Lynch & Co., Inc., SEC No-Action Letter (pub. avail. Feb. 15, 2011); Bank of America Corporation, SEC No-Action Letter (pub. avail. Dec. 7, 2010); JPMorgan Chase & Co., SEC No-Action Letter (pub. avail. Nov. 4, 2009); Bank of America Corporation, SEC No-Action Letter (pub. avail. June 11, 2009); GAMCO Investors, Inc., SEC No-Action Letter (pub. avail. June 9, 2008); Morgan Stanley & Co., Inc., SEC No-Action Letter (pub. avail. May 11, 2007).

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

Sincerely,

Deborah G. Heilizer

cc: William P. Hicks
(Division of Enforcement)

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