

Securities Litigation and Consulting Group, Inc. Releases Updated 'Regions Morgan Keegan: The Abuse of Structured Finance' Documenting Asset-Backed Related Losses in Six Bond Funds and Related Misrepresentations

WASHINGTON, Jan. 23 /PRNewswire/ -- Securities Litigation and Consulting Group, Inc. ("SLCG") has issued an updated report on six Regions Morgan Keegan (RMK) bond funds: Advantage Income Fund (RMA), High Income Fund (RMH), Strategic Income Fund (RSF), Multi-Sector High Income Fund (RHY), Select High Income Fund (MKHIX) and Select Intermediate Bond Fund (MKIBX).

The SLCG report explains how the RMK funds collectively lost \$2 billion in 2007 because they held concentrated holdings of low-priority tranches in structured finance deals backed by risky debt including subprime mortgages and credit default swaps. The study concludes that losses suffered by investors in these funds were not the result of a "flight to quality" or a "mortgage meltdown".

The study shows that RMK misrepresented hundreds of millions of dollars of illiquid asset-backed securities in its SEC filings as corporate bonds and preferred stocks thereby making the funds seem more diversified and less risky than they were. The study also illustrates how, contrary to Securities and Exchange Commission guidance, RMK repeatedly compared the performance of its funds to an index - the Lehman Brothers Ba Index - that contained only corporate bonds and no structured finance securities despite the fact that the funds invested 60% to 70% of their portfolios in structured finance. In addition, the study reports that Morgan Keegan -- the broker-dealer -- misled investors by comparing the performance of the Select High Income Fund to the CSFB High Yield Index which, like the Lehman Brothers index contained none of the securities that dominated the RMK fund's portfolio.

This study and other working papers are available at <http://www.slcg.com/research.php>.

Securities Litigation and Consulting Group, Inc. ("SLCG") is a financial economics consulting firm based in the Virginia suburbs outside of Washington, DC. SLCG provides consulting services and expert witnesses to law firms, publicly-traded corporations, banks, brokerage firms and individuals involved in complex litigation throughout the United States. SLCG's staff includes PhD, MA and BA level professionals with academic, industry and government experience. Its experts have testified in state and federal court and in various arbitration forums.

For further information about SLCG or its research, please contact Dr. Craig McCann at 703-246-9381, craigmccann@slcg.com or visit us at <http://www.slcg.com>.

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