



VIA MAIL AND FACSIMILE

November 19, 2009

James A. Dunlap, Jr., Esq.
James A. Dunlap, Jr. & Associates, LLC
801 West Conway Drive NW
Atlanta, GA 30327

Subject: FINRA Dispute Resolution Arbitration Number 08-04613
Clifford N. Wade and Margarita D. Wade vs. Morgan Keegan & Company, Inc.

Dear Mr. Dunlap:

In accordance with the Code of Arbitration Procedure I enclose the decision reached by the arbitrator(s) in the above-referenced matter.

Responsibility to Pay Monetary Award

Pursuant to the Code of Arbitration Procedure¹ the responsible party must pay any monetary awards within 30 days of receipt unless a motion to vacate has been filed with a court of competent jurisdiction. If an award is not paid within 30 days, the responsible party must pay post-judgment interest at the legal rate or as provided in the award by the arbitrator(s).

Tracking Payment of Award

FINRA Dispute Resolution has implemented a system of monitoring and tracking compliance with arbitration awards by members and associated persons. We request prevailing claimants to notify us in writing when their awards have not been paid within 30 days of receipt of the award, and require member firms to certify in writing that they have complied with awards against them or their associated persons.

Written notification concerning award compliance or lack thereof must be directed to:

Avichai Badash
FINRA Dispute Resolution
One Liberty Plaza
165 Broadway, 52nd Floor
New York, NY 10006

¹Customer Code Rule 12904
Industry Code Rule 13904
Old Code Rule 10330(h)

212-858-4325 (tel) 301-527-4739 (fax)

Expedited Suspension Proceedings for Non-Payment of Awards

Members and associated persons who do not comply with an award in a timely manner are subject to expedited suspension proceedings as set forth in Rule 9554.

Right to File Motion to Vacate Award

All awards are **final** and are not subject to review or appeal by the arbitration panel or by FINRA Dispute Resolution. Any party wishing to challenge the award must make a motion to vacate the award **in a federal or state court** of appropriate jurisdiction pursuant to the Federal Arbitration Act, 9 U.S.C. § 10, or applicable state statute. There are limited grounds for vacating an arbitration award, and a party must bring a motion to vacate within the time period specified by the applicable statute. Parties and counsel should consult federal and state statutes and case law to determine the appropriate court, standards, and time limitations in their individual circumstances. FINRA Dispute Resolution is not authorized to provide legal advice concerning a motion to vacate.

A motion to vacate, confirm, or modify an arbitration award is a matter only between the parties to the arbitration. FINRA Dispute Resolution is not a proper party to post-award motions and should not be named as a party to any post-award motion. However, for cases filed on or after April 12, 2004, if the award contains expungement relief, or if a party seeks expungement relief in court, there may be a duty to name FINRA as a party as provided in Rule 2080.

Questions Concerning Award

Please direct any questions regarding this award to me. **The parties must not contact the arbitrators directly.**

Forum Fees

You will receive under separate cover an invoice that reflects the fees assessed and any outstanding balance or refund due. **Fees are due and payable to FINRA Dispute Resolution upon receipt of the invoice and remitted to the address specified on the invoice.**

Any applicable refunds will also be sent under separate cover approximately 45 days after the case closes. Pursuant to the Code of Arbitration Procedure, "Any refunds of fees or costs incurred under the Code will be paid directly to the named parties, even if a non-party made payment on behalf of the named parties."²

All questions regarding payment of fees and refunds should be directed to FINRA Finance at (240) 386-5910.

Arbitration Evaluation

As a service organization, the primary goals of FINRA Dispute Resolution are the integrity of its process and the satisfaction of its clients. To ensure that we are meeting your needs and satisfying our commitment to you, **we need to hear from you.** If you have not already done so,

² Customer Code Rule 12902(e)
Industry Code Rule 13902(e)

please take the time to complete an evaluation of our services, the process, and the arbitrator(s) assigned to your case. For your convenience, we have now made it possible for you to evaluate our services using the Internet. Please direct your Web browser to <http://www.finra.org/arbevaluation>.

If you do not have Internet access, or have difficulty completing the evaluation form online, we will send a hard copy evaluation form to you. The completed evaluation form should be mailed in to the address indicated below. If you need a hard copy of the evaluation form, please contact the undersigned. Whenever possible, however, we encourage you to use the new online version, as it will help us to review your feedback in a more expeditious manner. Your feedback is a valuable and necessary component in our efforts to serve you better.

Very truly yours,

/S/

Nene E. Ndem
Case Administrator
Phone: 561-416-0277
Fax: 301-527-4868
FL-Main@finra.org

NEN:zq:LC09A
idr: 08/25/2009
Enclosure

RECIPIENTS:

James A. Dunlap, Jr., Esq., Clifford N. Wade and Margarita D. Wade
James A. Dunlap, Jr. & Associates, LLC, 801 West Conway Drive NW, Atlanta, GA
30327

John W. Mitchell, Esq., Morgan Keegan & Company Inc
Parker, Hudson, Rainer & Dobbs, LLP, 1500 Marquis Two Tower, 285 Peachtree Center
Ave., N.E., Atlanta, GA 30303

Award
FINRA Dispute Resolution

In the Matter of the Arbitration Between:

Names of the Claimants

Clifford N. Wade and
Margarita D. Wade

Case Number: 08-04613

Name of the Respondent

Morgan Keegan & Company, Inc.

Hearing Site: Birmingham, Alabama

Nature of the Dispute: Customer v. Member.

REPRESENTATION OF PARTIES

For Clifford N. Wade and Margarita D. Wade, hereinafter collectively referred to as "Claimants": James A. Dunlap, Jr., Esq., James A. Dunlap Jr. & Associates LLC, Atlanta, Georgia.

For Morgan Keegan & Company, Inc., hereinafter referred to as "Respondent": G. Wayne Hillis, Jr., Esq. and Robert M. Brennan, Esq., Parker, Hudson, Rainer & Dobbs, LLP, Atlanta, Georgia.

CASE INFORMATION

Statement of Claim filed on or about: November 24, 2008.

Claimant Clifford N. Wade signed Submission Agreements: November 5 and 18, 2008.

Claimant Margarita D. Wade signed Submission Agreements: November 5 and 19, 2008.

Respondent signed the Submission Agreement: January 21, 2009.

Statement of Answer and Motion to Strike filed by Respondent on or about: January 29, 2009.

Response in Opposition to Motion to Strike filed by Claimants on or about: February 4, 2009.

Reply in Support of Motion to Strike filed by Respondent on or about: February 13, 2009.

Motion to Exclude Testimony and Bar the Presentation of Irrelevant Evidence Relating to Fund Management Issues filed by Respondent on or about: October 20, 2009.

Response in Opposition to Motion to Exclude filed by Claimants on or about October 28, 2009.

CASE SUMMARY

Claimants asserted the following causes of action: 1) violation of the "Know Your Customer" Rule; 2) violation of the duty to monitor and disclose material information; 3) violation of NASD and NYSE Conduct Rules; 4) over-concentration; 5) misrepresentation and failure to disclose material facts; 6) breach of fiduciary duty; 7) constructive fraud; 8) breach of contract; 9) common law fraud; 10) negligence and

breach of duty; 11) *respondeat superior*; 12) negligent supervision; 13) violation of federal securities laws; 14) violation of the Alabama Securities Act; and 15) violation of the Tennessee Consumer Protection Act of 1977. The causes of action relate to investments in the RMK Select High Income Fund, RMK Select Intermediate Bond Fund, RMK High Income Fund, RMK Strategic Income Fund and RMK Multi-Sector High Income Fund (the "Funds").

Unless specifically admitted in its Answer, Respondent denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimants requested: 1) compensatory damages in excess of \$1,078,330.57, including well-managed damages had the account been properly invested; 2) pre and post-judgment interest at the legal rate of 7% per year; 3) costs of arbitration, including FINRA filing fees, expert witness fees, reasonable attorneys' fees, arbitrator fees and expenses; 4) punitive damages; and 5) such other and further relief provided by law and equity.

At the close of the hearing, Claimants requested: 1) compensatory damages in the form of trading losses of \$827,850.00; 2) expenses of litigation, including reasonable attorneys' fees; 3) expert witness fees; and 4) interest.

Respondent requested: 1) dismissal of the Statement of Claim; 2) that the Panel direct all costs and assessments by FINRA be taxed to Claimants; 3) expenses and expert witness fees; 4) attorneys' fees; and 5) such other and further general relief to which Respondent may be entitled.

OTHER ISSUES CONSIDERED AND DECIDED

The Panel acknowledges that they have each read the pleadings and other materials filed by the parties.

On or about January 29, 2009, Respondent filed its Answer to Statement of Claim. In the Answer, Respondent moved to strike Claimants' allegations regarding mismanagement of the Funds. On or about February 4, 2009, Claimants filed their Response in Opposition to Respondent's Motion to Strike. On or about February 13, 2009, Respondent filed its Reply in connection with Respondent's Motion to Strike. Thereafter, the Panel denied the Motion to Strike.

On or about October 20, 2009, Respondent filed its Motion to Exclude Testimony and Bar the Presentation of Irrelevant Evidence Relating to Fund Management Issues. In the Motion to Exclude, Respondent requested that the Panel exclude all evidence relating to the alleged mismanagement of the Funds and direct that Claimant is not entitled to raise such issues at the hearing. On or about October 28, 2009, Claimants filed their Response in Opposition to Respondent's Motion to Exclude. In the response, Claimants requested that the Panel deny Respondent's Motion to Exclude and assess forum costs and attorneys' fees against Respondent. At the evidentiary hearing, the Panel denied Respondent's Motion to Exclude and Claimants' request for costs and attorneys' fees.

At the close of Claimants' case-in-chief at the evidentiary hearing, Respondent moved to dismiss the Statement of Claim. Claimants opposed the motion. The Panel granted the motion in part and dismissed, with prejudice, Claimants' claims for violation of the Alabama Securities Act and the Tennessee Consumer Protection Act. The Panel denied the motion as to all other claims.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

Respondent is liable and shall pay to Claimants compensatory damages in the amount of \$370,000.00, pre-judgment interest specifically excluded.

Claimants' claims for violation of the Alabama Securities Act and the Tennessee Consumer Protection Act are dismissed, with prejudice.

Claimants' request for punitive damages is denied.

The parties' respective requests for attorneys' fees are denied.

Any and all claims for relief not specifically addressed herein are denied.

FEES

Pursuant to the Code of Arbitration Procedure (the "Code"), the following fees are assessed:

Filing Fees

FINRA Dispute Resolution assessed a filing fee* for each claim:

Initial claim filing fee = \$1,800.00

**The filing fee is made up of a non-refundable and a refundable portion.*

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, Respondent is assessed the following:

Member surcharge = \$2,800.00

Pre-hearing process fee = \$ 750.00

Hearing process fee = \$5,000.00

Hearing Session Fees and Assessments

The Panel has assessed hearing session fees for each session conducted. A session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators that last four (4) hours or less. Fees associated with these proceedings are:

Two (2) Pre-hearing sessions with a single arbitrator @ \$450.00/session = \$ 900.00
Pre-hearing conferences: June 22, 2009 1 session
September 16, 2009 1 session

Three (3) Pre-hearing sessions with the Panel @ \$1,200.00/session = \$ 3,600.00
Pre-hearing conferences: June 11, 2009 1 session
October 30, 2009 1 session
November 2, 2009 1 session

Eleven (11) Hearing sessions @ \$1,200.00/session = \$13,200.00
Hearing Dates: November 9, 2009 2 sessions
November 10, 2009 3 sessions
November 11, 2009 3 sessions
November 12, 2009 3 sessions

Total Hearing Session Fees = \$17,700.00

The Panel waived the hearing session fee for the pre-hearing conference of October 30, 2009.

The Panel has assessed \$8,250.00 of the hearing session fees jointly and severally to Claimants.

The Panel has assessed \$8,250.00 of the hearing session fees to Respondent.

All balances are payable to FINRA Dispute Resolution and are due upon receipt.

ARBITRATION PANEL

R. Phillip Reed - Public Arbitrator, Presiding Chairperson
Stuart W. Smith - Public Arbitrator
James R. Augustine - Non-Public Arbitrator

Concurring Arbitrators' Signatures

 /s/
R. Phillip Reed
Public Arbitrator, Presiding Chairperson

11/19/09
Signature Date

/s/
Stuart W. Smith
Public Arbitrator

11/19/09
Signature Date

/s/
James R. Augustine
Non-Public Arbitrator

11/18/09
Signature Date

11/19/09
Date of Service (For FINRA Dispute Resolution office use only)

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 Stuart W. Smith - Public Arbitrator
 James R. Augustine - Non-Public Arbitrator

Concurring Arbitrators' Signatures



R. Phillip Reed
 Public Arbitrator, Presiding Chairperson

Nov. 19, 2009
 Signature Date

FINRA Dispute Resolution
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Stuart W. Smith
Public Arbitrator

11/19/09

Signature Date

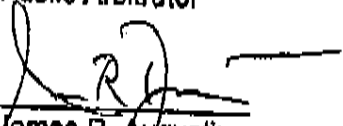
James R. Augustine
Non-Public Arbitrator

Signature Date

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FINRA Dispute Resolution
Arbitration No. 08-04613
Award Page 5 of 5

Stuart W. Smith
Public Arbitrator



James R. Augustine
Non-Public Arbitrator

Signature Date

11/18/2009
Signature Date

Date of Service (For FINRA Dispute Resolution office use only)