THE NASDAQ STOCK MARKET LLC
NOTICE OF ACCEPTANCE OF AWC

Certified, Return Receipt Requested

TO: **Morgan Keegan & Company, LLC**
              Mr. John C. Carson
              Chief Executive Officer
              880 Carillon Parkway
              St. Petersburg, FL 33716

FROM: The NASDAQ Stock Market LLC ("Nasdaq")
              c/o Financial Industry Regulatory Authority ("FINRA")
              Department of Market Regulation
              9509 Key West Avenue
              Rockville, MD 20850

DATE: May 5, 2014

RE: Notice of Acceptance of Letter of Acceptance, Waiver and Consent No. 20110294921-01

Please be advised that your above-referenced Letter of Acceptance, Waiver and Consent ("AWC") has been accepted on **May 1, 2014** by the Nasdaq Review Council's Review Subcommittee, or by the Office of Disciplinary Affairs on behalf of the Nasdaq Review Council, pursuant to Nasdaq Rule 9216. A copy of the AWC is enclosed herewith.

You are again reminded of your obligation, if currently registered, immediately to update your Uniform Application for Broker-Dealer Registration ("Form BD") to reflect the conclusion of this disciplinary action. Additionally, you must also notify FINRA (or NASDAQ if you are not a member of FINRA) in writing of any change of address or other changes required to be made to your Form BD.

You will be notified by the Registration and Disclosure Department regarding sanctions if a suspension has been imposed and by NASDAQ's Finance Department regarding the payment of any fine if a fine has been imposed.

Morgan Keegan & Company, LLC
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If you have any questions concerning this matter, please call Steven Tanner, Senior Counsel, at 646-430-7059.

Eric Brown
Chief Counsel, Legal Section
Department of Market Regulation, FINRA

Signed on behalf of NASDAQ

Enclosure

FINRA District 5 – New Orleans
Jeffrey M. Pasquerella
Regional Director
(Via email)

THE NASDAQ STOCK MARKET LLC
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. _2011029 4921 - 01_

TO: The NASDAQ Stock Market LLC
        c/o Department of Market Regulation
        Financial Industry Regulatory Authority ("FINRA")

RE: Morgan Keegan & Company, LLC, Respondent
        Broker-Dealer
        CRD No. 4161

Pursuant to Rule 9216 of The NASDAQ Stock Market LLC ("Nasdaq") Code of Procedure, Morgan Keegan & Company, LLC (the "firm") submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, Nasdaq will not bring any future actions against the firm alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

A.   The firm hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of Nasdaq, or to which Nasdaq is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by Nasdaq:

BACKGROUND

The firm became a member of Nasdaq in July 2006, and its registration remains in effect.

RELEVANT PRIOR DISCIPLINARY HISTORY

On January 25, 2011, FINRA accepted the firm's AWC (20050032568), in which the Firm agreed to a censure and a fine of $55,000, which included a $5,000 fine for violations of SEC Rule 604 of Regulation NMS during the period between October 1, 2005 and December 31, 2005.

SUMMARY

In connection with 20110294921, the staff of the Department of Market Regulation (the "staff") conducted a sweep to determine the firm's compliance with limit order display rules during the period between January 1, 2011 and March 31, 2011.

In connection with 20120337008, the staff conducted a sweep to determine the firm's compliance with limit order display rules during the period between January 1, 2012 and March 31, 2012.

FACTS AND VIOLATIVE CONDUCT

20110294921

During the review period, the firm failed to display immediately ten customer limit orders in Nasdaq securities in its public quotation, when each such order was at a price that would have improved the firm's bid or offer in each such security; or when the order was priced equal to the firm's bid or offer and the national bid or offer ("NBBO") for each such security, and the size of the order represented more than a *de minimis* change in relation to the size associated with the firm's bid or offer. The conduct described in this paragraph constitutes separate and distinct violations of SEC Rule 604 of Regulation NMS.

20120337008

During the review period, the firm failed to display immediately 60 customer limit orders in Nasdaq securities in its public quotation, when each such order was at a price that would have improved the firm's bid or offer in each such security; or when the order was priced equal to the firm's bid or offer and the NBBO for each such security, and the size of the order represented more than a *de minimis* change in relation to the size associated with the firm's bid or offer. The conduct described in this paragraph constitutes separate and distinct violations of SEC Rule 604 of Regulation NMS.

B.   The firm also consents to the imposition of the following sanctions:

Censure and a fine of $17,500.

The firm agrees to pay the monetary sanction(s) in accordance with its executed Election of Payment Form.

The firm specifically and voluntarily waives any right to claim that it is unable to pay,

now or at any time hereafter, the monetary sanction(s) imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

The firm specifically and voluntarily waives the following rights granted under Nasdaq's Code of Procedure:

A. To have a Formal Complaint issued specifying the allegations against the firm;

B. To be notified of the Formal Complaint and have the opportunity to answer the allegations in writing;

C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and

D. To appeal any such decision to the Nasdaq Review Council and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, the firm specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Regulatory Officer, the Nasdaq Review Council, or any member of the Nasdaq Review Council, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

The firm further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of Rule 9143 or the separation of functions prohibitions of Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

The firm understands that:

A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by FINRA's Department of Market Regulation and the Nasdaq Review Council, the Review Subcommittee, or the Office of Disciplinary Affairs ("ODA"), pursuant to Nasdaq Rule 9216;

B.   If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against the firm; and

C.   If accepted:

1.   This AWC will become part of the firm's permanent disciplinary record and may be considered in any future actions brought by Nasdaq or any other regulator against the firm;

2.   This AWC will be made available through FINRA's public disclosure program in response to public inquiries about the firm's disciplinary record;

3.   Nasdaq may make a public announcement concerning this agreement and the subject matter thereof in accordance with Nasdaq Rule 8310 and IM-8310-3; and

4.   The firm may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. The firm may not take any position in any proceeding brought by or on behalf of Nasdaq, or to which Nasdaq is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects the firm's right to take legal or factual positions in litigation or other legal proceedings in which Nasdaq is not a party.

D.   The firm may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The firm understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by Nasdaq, nor does it reflect the views of Nasdaq or its staff.

The undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that it has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce the firm to submit it.

_5/18/14_
Date

Morgan Keegan & Company, LLC
Respondent

By: _____
Name:
Title: CEO

Reviewed by:

_____
Counsel for Respondent
Firm Name
Address
City/State/Zip
Phone Number

Accepted by Nasdaq:

_5/1/2014_
Date

_____
Eric Brown
Chief Counsel, Legal Section
Department of Market Regulation

Signed on behalf of Nasdaq, by delegated authority from the Director of ODA

ELECTION OF PAYMENT FORM

The firm intends to pay the fine proposed in the attached Letter of Acceptance, Waiver and Consent by the following method (check one):

☒ A firm check or bank check for the full amount;

☐ Wire transfer;

☐ The installment payment plan.[1]
  o Monthly
  o Quarterly

Respectfully submitted,

Respondent
Morgan Keegan & Company, LLC

3/18/14
Date

By: _____

Name: John C. Carson Jr

Title: CEO

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[1] The installment payment plan is only available for a fine of $50,000 or more. Certain requirements apply.

STAR No. 20110294921 and 20120337008 (ST)