

Press Releases

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OTS 99-91 - Morgan Keegan Granted Thrift Charter for Trust Activities

Office of Thrift Supervision

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For further information

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OTS 99-91

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Morgan Keegan Granted Thrift Charter for Trust Activities

WASHINGTON, D.C., Dec. 20, 1999 - Morgan Keegan, Inc., the Memphis broker/dealer firm and investment adviser, has received approval from the Office of Thrift Supervision (OTS) to convert its state-chartered subsidiary, Morgan Trust Company, Chattanooga, to a federal thrift. The new institution will continue to focus on trust products and services under the Morgan Trust name. Morgan Keegan becomes a unitary thrift holding company.


The publicly traded corporation operates in 13 states and engages primarily in originating, underwriting, distributing, trading and brokering fixed income and equity securities and providing investment advisory services. Its principal subsidiary is Morgan Keegan & Company, Inc., a broker/dealer. Morgan Keegan has been in the trust business since 1995 when it acquired Trust Company of Chattanooga and changed its name to Morgan Trust.

Currently, Morgan Trust operates from offices in Chattanooga, Nashville and Memphis. With the federal thrift charter, it plans to expand into markets where it maintains a substantial financial services presence, including Houston; Palm Beach and Sarasota, Fla.; and Richmond, Va.

The new savings bank will continue as primarily a personal trust company. Trust clients will be individuals who are referred to the bank by Morgan Keegan brokers, but the bank will have sole responsibility for managing the trust account.

Morgan Trust is required to obtain OTS approval of any major change in its approved business plan. At least 40 percent of its directors have to be individuals who are not officers or employees of the holding company or affiliates, and at least one member must be independent of the thrift, holding company and affiliates.

The bank must submit to OTS quarterly reports on the number and type of trust accounts serviced, and the bank, holding company and affiliates must comply with anti-tying restrictions, all state and federal requirements pertaining to registration as an investment adviser and interagency guidelines on the sale of insured and noninsured products. The bank and broker/dealer affiliate are to ensure that officers and directors abide by OTS regulations pertaining to conflicts of interest and corporate opportunity.

View [approval order](#). 

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The Office of Thrift Supervision (OTS), a bureau of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of thrift institutions and to support their role as home mortgage lenders and providers of other community credit and financial services. For copies of news releases or other documents visit the OTS web page at www.ots.treas.gov.