

**COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE SECRETARY OF THE COMMONWEALTH
SECURITIES DIVISION
ONE ASHBURTON PLACE, 17TH FLOOR
BOSTON, MASSACHUSETTS 02108**

IN THE MATTER OF:)	
PUTNAM INVESTMENT MANAGEMENT, LLC)	DOCKET NO. E-2003-061
RESPONDENT.)	

SUPPLEMENTAL CONSENT ORDER

For good cause shown, the Consent Order entered in this matter on April 8, 2004 (the "Consent Order") is hereby supplemented as follows:

1. All provisions of Putnam's Offer Of Settlement in this matter dated April 8, 2004, are hereby deemed incorporated as part of the Consent Order and further incorporated into this Supplemental Consent Order. All capitalized terms defined in the Consent Order shall have the same meanings in this Supplemental Consent Order.
2. Putnam shall provide to the Division a status report on its compliance with paragraphs "A" through "H" of the Consent Order within 90 days of the date of entry of this Supplemental Consent Order.
3. Putnam may make the payments called for by paragraphs "B," "D" and "G" of the Consent Order as follows:
 - a. Putnam shall cause to be delivered to the offices of the Division a check in the amount of \$40,000,000 payable to the Commonwealth of Massachusetts within 10 business days of the date of entry of the Consent Order.
 - b. Within 10 days of the submission of a final plan of distribution (the "Plan") by the Independent Distribution Consultant referenced in the Securities & Exchange Commission's order relating to Putnam dated April 8, 2004:
 - (i) If the Plan calls for Putnam to make restitution in connection with market timing and excessive short-term trading by DC/401K plan participants and Putnam employees in an amount greater than or equal to \$15,000,000, Putnam need not make any further payments

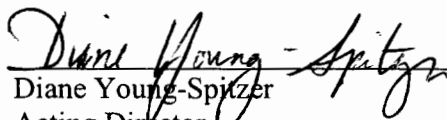
to the Division, provided that Putnam makes the restitution payments called for by the Plan.

- (ii) If the Plan calls for Putnam to make restitution in connection with market timing and excessive short-term trading by DC/401K plan participants and Putnam employees in an amount less than \$15,000,000, Putnam shall cause to be delivered to the offices of the Division a check payable to the Commonwealth of Massachusetts in an amount equal to \$15,000,000 less the amount of restitution to be made by Putnam in connection with market timing and excessive short-term trading by DC/401K plan participants and Putnam employees under the Plan, which payment shall constitute a final satisfaction of Putnam's payment obligations to the Division under the Consent Order, provided that Putnam makes the restitution payments called for by the Plan.

- c. Nothing herein shall be deemed to relieve Putnam of any part of its obligation to make restitution in connection with market timing and excessive short-term trading by DC/401K plan participants and Putnam employees in whatever amount may be required by the determinations of the Independent Assessment Consultant and the Independent Distribution Consultant.

WILLIAM FRANCIS GALVIN
SECRETARY OF THE COMMONWEALTH

By:


Diane Young-Spitzer
Acting Director
Massachusetts Securities Division
One Ashburton Place, 17th Floor
Boston, Massachusetts

Issued: April 15, 2004

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