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ADMINISTRATIVE PROCEEDING
FILE NO. 3-11317

SECURITIES & EXCHANGE COMMISSION
MAILED FOR SERVICE

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
December 3, 2003

DEC 03 2003

FIRST CLASS

In the Matter of :
: ORDER
PUTNAM INVESTMENT :
MANAGEMENT, LLC :
:
:
:

The Securities and Exchange Commission (Commission) issued its Order Instituting Proceedings (OIP) on October 28, 2003. The Chief Administrative Law Judge then assigned the matter to my docket and scheduled a hearing for December 10, 2003. Paragraph VI of the OIP requires me to issue an initial decision within 300 days after service of the OIP, or not later than August 31, 2004.

The Commission issued an Order Making Findings and Imposing Partial Relief on November 13, 2003. Putnam Investment Management, LLC, Investment Advisers Act of 1940 Rel. No. 2192 (Nov. 13, 2003) (Partial Settlement Order). The Partial Settlement Order imposed a censure, granted cease-and-desist relief, and directed Respondent to comply with certain undertakings. It left the issues of a civil monetary penalty and disgorgement of ill-gotten gains to be decided after a hearing.

I discussed the case with counsel for the Division of Enforcement (Division) and Respondent at a telephonic conference call yesterday. The parties request that the hearing be held in Boston, Massachusetts.

The Division explained that Respondent's counsel has an ongoing opportunity to inspect and copy its investigative file. The parties claim that it would be premature to require the Division to prepare a privilege log, because their efforts are now focused on settling the unresolved issues. I will not order the Division to prepare a privilege log unless Respondent files an appropriate motion.

The Partial Settlement Order sets up a schedule for Respondent to make restitution to fund shareholders for losses attributable to the violations at issue. The restitution schedule could take up to 195 days (Partial Settlement Order ¶ IV.E). The

Commission's staff has the discretion to extend the deadlines (Partial Settlement Order ¶ IV.J).

The parties argue that it would be premature to hold a hearing on civil monetary penalty and disgorgement relief until after completion of the restitution process. If the parties use the full 195-day period allowed by the Partial Settlement Order, the issue of restitution will be resolved no earlier than May 26, 2004. That would leave approximately ninety days to schedule a final prehearing conference, set due dates for the submission of witness lists, exhibit lists, and prehearing briefs, hold the hearing, obtain a transcript, file posthearing pleadings, and prepare an initial decision before August 31, 2004, the deadline set by the OIP.

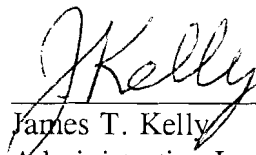
At this time, I will withhold a decision about when to schedule the hearing. I will instead require the Division to file periodic status reports demonstrating its progress (or lack of progress) in resolving the restitution issue. For example, Paragraph IV.E.1 of the Partial Settlement Order requires Respondent to retain the services of an Independent Assessment Consultant within thirty days after November 13, 2003. Within two business days after that deadline, or by December 17, 2003, the Division must file and serve a letter, explaining either that Respondent has met the deadline or, if the staff has granted additional time, identifying the new deadline. Paragraph IV.E.2 of the Partial Settlement Order requires the Independent Assessment Consultant to submit an Assessment Report within 120 days after November 13, 2003. Within two business days after that deadline, or by March 16, 2004, the Division must file and serve a similar status report. Future orders will set the due dates for other status reports.

IT IS ORDERED THAT:

The hearing previously scheduled for December 10, 2003, is postponed to a date to be determined;

The Division shall file and serve a status report no later than December 17, 2003, as described in this Order; and

A telephonic prehearing conference will be held on January 16, 2004, at 2:00 p.m. Eastern time. The Division should initiate the call and obtain a court reporter.



James T. Kelly
Administrative Law Judge