THE SPARK Institute, Inc.

714 HOPMEADOW STREET, SUITE 3
SIMSBURY, CT 06070
(860) 658-5058

601 PENNSYLVANIA AVE.
10TH FLOOR-NORTH BUILDING
WASHINGTON, DC 20004

ROBERT G. WUELFING, PRESIDENT
LARRY H. GOLDBRUM, GENERAL COUNSEL

Filed Electronically

April 27, 2007

Nancy M. Morris
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Re: **Proposed Distribution Plan for Putnam Investment Management, LLC (Administrative Proceeding File Number 3-11317)**

Dear Ms. Morris:

The SPARK Institute, Inc. ("SPARK")[1] appreciates this opportunity to comment regarding the proposed distribution plan (the "Distribution Plan") for Putnam Investment Management, LLC ("Putnam") that was published by the U.S. Securities and Exchange Commission ("SEC") on March 30, 2007.

The SPARK Institute has filed comment letters regarding several other distribution plans that were released by the SEC.[2] In most of our prior comments we expressed serious concerns regarding the treatment of retirement plans under the proposed distribution plans. We also

[1] SPARK represents the interests of a broad based cross section of retirement plan service providers, including members that are banks, mutual fund companies, third party administrators and benefits consultants. SPARK members include most of the largest service providers in the retirement plan industry and the combined membership services more than 90% of all defined contribution plan participants.

[2] Such other comment letters are available at http://www.sec.gov/litigation/admin.shtml.

expressed our concern that such earlier proposed plans would set precedent for the distribution plans that were still pending. In contrast to such earlier comments we commend Putnam and the Independent Distribution Consultant ("IDC") for developing a plan that provides a well thought out and practical approach to handling retirement plan accounts distributions. We also commend Putnam for expressly accepting financial responsibility for the costs associated with administering the Distribution Plan including the costs incurred by retirement plan service providers in allocating distributions among retirement plans that own shares through omnibus accounts. Although we are pleased with most of the Distribution Plan as we understand it, The SPARK Institute requests that Putnam, the IDC and the SEC consider the following requests for clarification and modifications.

## I. The Distribution Plan Should Permit Retirement Plan Omnibus Account Service Providers to Calculate the Allocation of the Proceeds Among the Retirement Plans Within Such Omnibus Accounts According to Average Share or Dollar Balances of the Plans' Investment in the Affected Funds During the Relevant Period.

As we understand paragraph 42, and Section IV, B of the Distribution Plan, Retirement Plan omnibus account providers may provide certain historical transaction data to Putnam who will in turn calculate the allocation amount among the Retirement Plans that own shares through such omnibus account. Additionally, Putnam has agreed to reimburse the reasonable out of pocket costs incurred by the omnibus account provider in connection with preparing the necessary data for such calculations. Section 38 of the Distribution Plan establishes a process whereby omnibus account providers may request to alter some of the procedures for calculating the allocation of payments.

On behalf of some of our members who are affected by the Distribution Plan we request that the following alternative, which was approved by the SEC in the Pilgrim Baxter & Associates, LTD Plan of Distribution ("PBHG Plan"), be included as an alternative in the Putnam Distribution Plan. Section 8.6.5.3.1 of the PBHG Plan provides in relevant part that a retirement plan service provider may allocate the proceeds it receives pursuant to the PBHG Plan among retirement plans "according to average share or dollar balance of the [plans'] investment in the PBHG Funds during the relevant period." For certain retirement plan service providers, this approach provides a simpler and more cost effective means of calculating the allocation of payments among retirement plans that owned shares through omnibus accounts. As we have indicated to the SEC in connection with the PBHG Plan, this alternative approach will facilitate plan level allocations without the need to reconstruct and gather as much historical transaction data. Such approach also relieves the omnibus service provider of the challenge of preparing detailed historical data in Putnam's format and relieves Putnam of having to do the calculation.

We also note that including this alternative approach in the Distribution Plan will allow certain retirement plan service providers to follow a consistent approach in handling plan level allocations for this Distribution Plan, the PBHG Plan, and other pending plans if it is included in such plans. The SPARK Institute has noted in earlier comments that it is important for plan service providers to have the ability and flexibility to follow a consistent approach in handling the multiple fair funds settlements that impact their retirement plan customers. The ability to follow a consistent approach will help simplify communications with and the education of employers and employees affected by the settlements, as well as help reduce the overall administrative costs. Accordingly, we request that this approach be added to the Putnam Distribution Plan.

## II. The Distribution Plan Should be Clarified to Provide That Putnam Will Reimburse Retirement Plan Omnibus Account Service Providers For The Reasonable Costs Incurred by Such Service Providers in Calculating the Allocations Itself.

As noted above, Putnam has accepted financial responsibility for the calculation of allocations among retirement plans that own shares through an omnibus account. As currently written, the Distribution Plan only provides for reimbursement to the service provider if Putnam performs the calculation. See paragraph 35. However, under certain circumstances it may be less burdensome and more cost effective for the service provider and Putnam if the service provider does the calculation either according to the algorithm or the alternative approach described in Section I herein. Accordingly, we request that the Distribution Plan be modified to clarify that Putnam will reimburse Retirement Plan omnibus account service providers for the reasonable costs incurred by service providers who calculate the plan level allocations themselves rather than requesting Putnam to do them, provided that such expenses do not exceed the amounts that would have been incurred had Putnam performed the calculations.

We thank you for this opportunity to comment on this very important effort. Should you have additional questions or need additional information regarding this comment, please do not hesitate to contact us at (704) 987-0533.

Respectfully,

/s/

Larry H. Goldbrum
General Counsel