

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 2608 / June 4, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12650

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| In The Matter of | : | ORDER INSTITUTING |
| | : | ADMINISTRATIVE PROCEEDINGS |
| JUSTIN SCOTT | : | PURSUANT TO SECTION 203(f) OF THE |
| | : | INVESTMENT ADVISERS ACT OF 1940, |
| Respondent. | : | MAKING FINDINGS, AND IMPOSING |
| | : | REMEDIAL SANCTIONS |

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Justin Scott (“Scott” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Justin M. Scott, age 49, a resident of Marblehead, Massachusetts, was a portfolio manager, managing director and chief investment officer of Putnam Investments (“Putnam”), a registered investment adviser. Putnam is the investment adviser for the Putnam Family of Funds and is the sub-adviser to certain unaffiliated institutional portfolios. As of

September 30, 2003, Putnam managed assets of approximately \$272 billion.

2. On June 4, 2007, a final judgment was entered by consent against Scott, permanently enjoining him from future violations of Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled *Securities and Exchange Commission v. Justin Scott and Omid Kamshad*, Civil Action Number 03-12082, in the United States District Court for the District of Massachusetts. The final judgment provides that Scott is liable for disgorgement in the amount of \$489,439, plus prejudgment interest thereon in the amount of \$159,475, and a civil penalty in the amount of \$400,000, for a total monetary obligation of \$1,048,914. The final judgment further provides that Scott shall satisfy his monetary obligation by paying \$524,457 to the Securities and Exchange Commission, together with proof of payment of \$524,457 to the Secretary of State of the Commonwealth of Massachusetts in connection with a related action, *In the Matter of Putnam Investment Management, Inc. et al.*, Docket No. E-2003-061.

3. The Commission's complaint alleged that Scott engaged in inappropriate trading of Putnam mutual funds shares in his Putnam-administered deferred compensation and retirement accounts, including trading of shares of funds over which he exercised investment authority, in violation of Sections 206(1) and (2) of the Advisers Act.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondent Scott's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 203(f) of the Advisers Act, that Respondent Scott be, and hereby is suspended for a period of twelve months from the date of this Order from association with any investment adviser.

By the Commission.

Nancy M. Morris
Secretary