

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: PUTNAM ENERGY, LLC., ITS)
OFFICERS, AND DIRECTORS, AGENTS, MANAGERS,)
EMPLOYEES, MEMBERS, SALES REPRESENTATIVES,)
AFFILIATES, SUCCESSORS, AND ASSIGNS.)

FILE NO. 1100199

TO THE RESPONDENT: Putnam Energy, LLC
1 Oak Hill Center, Suite 300
Westmont, Illinois 60559

c/o Mitchell D. Goldsmith
Shefsky & Froelich
Attorneys at Law
111 East Wacker Drive, Suite 2800
Chicago, Illinois 60601-3713

CONSENT ORDER OF PROHIBITION

WHEREAS, Putnam Energy, LLC, by and through its President, Terrence A. O'Malley ("Respondent"), on June 27, 2011, executed a certain Stipulation to Enter Consent Order of Prohibition (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has acknowledged the jurisdiction of the Secretary of State and service of the Notice of Hearing in this matter and Respondents have consented to the entry of this Consent Order of Prohibition.

WHEREAS, by means of the Stipulation, Respondent has acknowledged without admitting or denying the truth thereof, that the following allegations shall be adopted as the Secretary of State's Findings of Fact:

1. That Respondent Putnam Energy, LLC, a business entity, ("Respondent") maintained a business address at 1 Oak Hill Center, suite 300, Westmont, Illinois 60559.
2. That during March 2011, Respondent, by and through its Officers, Directors, Partners, Employees, Affiliates, Successors, Agents and Assigns, placed an Ad, (the "Ad") in Crain's Chicago Business Classifieds

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which appeared on the web page "<http://www.crain.com/classified/index.cfm?p=ccb&display=business&results=show>," and was viewed by at least one (1) Illinois resident (the "Offeree").

3. That the Ad stated:
 - A) "7% Floor Energy Notes, 2 Year term ..."
 - B) "...Backed by Natural Gas..."
 - C) "...Putnam Energy, LLC..."
 - D) "...moria@putnamenergy.com..."
4. That the activity described in paragraphs 2 and 3 above constitutes the offer of a promissory note and therefore a security as those terms are defined in Sections 2.1 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").
5. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 shall be registered either by coordination or by qualification prior to their offer or sale in the State of Illinois.
6. That Respondent failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and as a result the security was not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.
7. That Section 12.A of the Act provides, inter alia, that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
8. That Section 12.D of the Act provides, inter alia, that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
9. That by virtue of the foregoing, Respondent has violated Sections 12.A and 12.D of the Act.

WHEREAS, by means of the Stipulation, Respondent, its officers and directors, agents, managers, employees, members, sales representatives, and affiliates, successors and assigns, has acknowledged, without admitting or denying the averments, that the following Conclusion of Law, shall be adopted as the Secretary of

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State's Conclusion of Law:

That the Respondent violated Sections 12.A and 12.D of the Act.

WHEREAS, by means of the Stipulation, Respondent has acknowledged and agreed that they shall be PROHIBITED from offering and selling any securities in the State of Illinois, except in compliance with the Law.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he has submitted with the Stipulation a certified or cashier's check in the amount of Two Thousand Five Hundred dollars (\$2,500.00) to cover costs incurred during the investigation of this matter. Said check has been made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund.

WHEREAS, the Secretary of State, by and through his designated representative, has determined that the formal hearing scheduled in this matter should be dismissed without further proceeding.

NOW THEREFORE IT IS HEREBY ORDERED THAT:

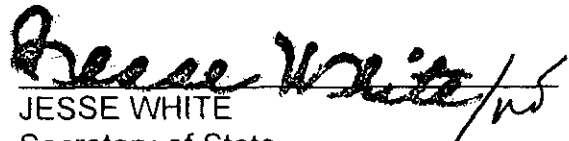
1. Respondent Putnam Energy, LLC, its officers and directors, agents, managers, employees, members, sales representatives, and affiliates, successors and assigns, shall be and are PROHIBITED from issuing, offering or selling any securities in or from the State of Illinois Except in compliance with the Act.
2. Respondent has submitted with the Stipulation a certified or cashier's check in the amount of Two Thousand Five Hundred dollars (\$2,500.00) to cover the costs incurred during the investigation of this matter. Said check has been made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund.
3. The Department shall retain jurisdiction over this proceeding for the sole purpose of enforcing the terms and provisions of the Stipulation referenced herein.

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4. The formal hearing scheduled in this matter shall be and hereby is dismissed without further proceedings.

ENTERED: This 14th day of July, 2011.


JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D. of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"). Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 3 felony pursuant to 815 ILCS 5/14.