

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: PUTNAM ENERGY, INC., ITS
OFFICERS AND DIRECTORS, AGENTS, EMPLOYEES,
AFFILIATES, SUCCESSORS AND ASSIGNS.

FILE NO. 1100199

TEMPORARY ORDER OF PROHIBITION

TO RESPONDENTS. Putnam Energy, LLC
1 Oak Hill Center, Suite 300
Westmont, Illinois 60559.

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

- 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 which appeared on the web page ["http://www.crain.com/classified/index.cfm?p=ccb&display=business&results=show"](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..."

Temporary Order of Prohibition

-2-

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 and sale 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.
10. That the aforementioned findings are based upon credible evidence.
11. That Section 11.F(2) of the Act provides, inter alia, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.
12. That the entry of this Temporary Order prohibiting Respondent, its officers, directors, agents, employees, members, managers, partners, affiliates, and successors, from offering or selling the above-referenced securities in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent, Putnum Energy, Inc., its officers, directors, agents, employees, members, managers, partners, affiliates, and successors are PROHIBITED from offering or selling securities in or from this State until further Order of the Secretary of State.

NOTICE is hereby given that Respondent may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within

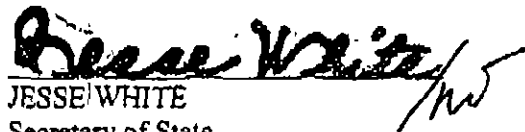
Temporary Order of Prohibition

-3-

thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for sixty days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

ENTERED: This 30th day, of March 2011.


JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

Samuel F. Freiman
Illinois Securities Department
69 West Washington Street, Suite 1220
Chicago, Illinois 60602
312-793-3384