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ARIZONA CORPORATION COMMISSION

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SECURITIES DIVISION
1300 West Washington
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TELEPHONE: (602) 542-4242
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May 25, 1995

Margaret W. Chambers Esq.
Ropes & Gray
One International Place
Boston MA 02110-2624

RE: Putnam Growth & Income Fund II No-action Request
A.R.S. § 44-1844(A) (6)

Dear Ms. Chambers:

On the basis of the facts set forth in your letter of May 11, 1995, and in reliance upon your opinion as counsel, the Securities Division will not recommend enforcement action for violation of the Securities Act of Arizona should the transaction take place as set forth in your letter.

As this position is premised upon the facts set forth in your letter, it should not be relied on for any other set of facts or by any other person. Please also note that this position applies only to the registration requirements of the Act; the anti-fraud provisions of the Act continue to be applicable.

We have attached a photocopy of your letter. By doing this we are able to avoid having to recite or summarize the facts set forth therein.

Very truly yours,

A handwritten signature in black ink, appearing to read "Dee Ridell Harris".

DEE RIDDELL HARRIS
Director of Securities

DRH:njc
Attachment

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May 11, 1995

OVERNIGHT COURIER

Leslie Block, Associate
General Counsel
Securities Division
1200 West Washington Street
Suite 201
Phoenix, Arizona 85007

Re: Putnam Growth and Income Fund II

Dear Ms. Block:

On behalf of Putnam Growth and Income Fund II, (the "Growth and Income Fund") we hereby request confirmation of the availability of an exemption under Section 44-1844(a)(6) of the Arizona Revised Statutes, as amended ("Act") with respect to the transaction described below. The Growth and Income Fund is a Massachusetts business trust operating as an investment company registered under the Investment Company Act of 1940.

As you will note in the enclosed materials, the shareholders of the Putnam Dividend Growth Fund (the "Dividend Growth Fund"), also a Massachusetts business trust registered as an investment company under the Investment Company Act of 1940, are being asked to vote on a proposal whereby the Growth and Income Fund will acquire all of the assets and assume all of the liabilities of the Dividend Growth Fund in exchange for a number of Class A and Class B shares of beneficial interest in the Growth and Income Fund equal in value to the value of the net assets of the Dividend Growth Fund transferred to the Growth and Income Fund. If the proposed transaction is approved by the shareholders of the Dividend Growth Fund, each shareholder of the Dividend Growth Fund will receive that number of full and fractional Class A and Class B shares of beneficial interest in the Growth and Income Fund which are equal in aggregate value at the date of the exchange to the value of the respective Class A and Class B shares of the Dividend Growth Fund attributable to the shareholder.

As with the recent transactions, we believe that the above-described exchange offers satisfy the exemption set forth in Section 44-1844(a)(6) of the Act which states that the registration provisions of the Act shall not apply to "any transaction or series of transactions

incident to a statutory or judicially approved reorganization, merger, triangular merger, consolidation, or sale of assets, incident to a vote by securities holders pursuant to the articles or incorporation, the applicable corporate statute, partnership agreement or the controlling agreement among securities holders."

The proposed reorganization is being made pursuant to the Declaration of Trust of the Dividend Growth Fund. Therefore, since the Declaration of Trust amounts to the "controlling agreement among the securities holders" of the Dividend Growth Fund, the proposed reorganization should be exempt pursuant to Section 44-1844(a)(6) of the Act and require no further registration.

Further, please be advised that the Class A and Class B shares of beneficial interest in the Growth and Income Fund are currently registered in your state in connection with the continuous offering of those shares.

Accordingly, we hereby respectfully request confirmation of the availability of the exemption under Section 44-1844(a)(6) of the Act. In support of this request, we have enclosed a check in the amount of \$200. Also enclosed, please find copies of the proxy materials as submitted to the Securities and Exchange Commission.

If you have any questions or comments, please do not hesitate to contact me.

Kindly acknowledge receipt of this filing by date-stamping the enclosed copy of this letter and returning the same to me in the stamped, self-addressed envelope provided for that purpose.

Very truly yours,

Margaret W. Chambers

Margaret W. Chambers

MWC/alr:3038094.01

Enclosures