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STATEMENT ON THE DISMISSAL OF CHARGES AGAINST KPMG

"The Government has, with the permission of United States District Judge Loretta Preska, dismissed the felony Information filed in August 2005 against KPMG. The Government sought the dismissal pursuant to the terms of its Deferred Prosecution Agreement ("DPA") with KPMG, and based on the Report and Recommendation of the monitor who has been in place at KPMG as a result of the DPA. The charges against KPMG may be reinstated if it is determined that KPMG has violated any provision of the DPA. The monitorship, which has been comprehensive and effective, will continue until September 2008, and may be extended if KPMG violates the DPA during the period of the monitorship," stated MICHAEL J. GARCIA, United States Attorney for the Southern District of New York.

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