UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA	:	**PROPOSED ORDER PURSUANT TO 26 U.S.C. § 7216(b)(1)(B)**
- against -	:	
KPMG LLP,	:	05 Cr.
Defendant.	:	

WHEREAS, the parties to this action have entered into a deferred prosecution agreement dated August 26, 2005 (the "Agreement");

WHEREAS, the Agreement provides for the appointment of an independent Monitor to review and monitor KPMG's compliance with the Agreement;

WHEREAS, the Agreement provides for restrictions on and elevated standards for KPMG's tax practice;

WHEREAS, 26 U.S.C. § 7216(a) prohibits the knowing or reckless disclosure by a tax return preparer of "any information furnished to [the preparer] for, or in connection with, the preparation of any such return" (the "Information");

WHEREAS, the Agreement provides that the Monitor's performance of his or her duties constitutes a "quality review" pursuant to 26 C.F.R. § 301.7216-2(o), and therefore disclosure of the Information by KPMG to the Monitor is permitted pursuant to

26 U.S.C. § 7216(b)(3);

WHEREAS, the parties wish to further facilitate the effective performance of the Monitor's duties by ensuring disclosure of the Information by KPMG to the Monitor and by the Monitor to the United States Attorney's Office for the Southern District of New York (the "Office") notwithstanding any restrictions of 26 U.S.C. § 7216(a), and have jointly requested entry of this Order; and

WHEREAS, the Court hereby finds that it is in the interests of justice to facilitate effective performance of the Monitor's duties by ensuring disclosure of the Information by KPMG to the Monitor and by the Monitor to the Office notwithstanding any restrictions of 26 U.S.C. § 7216(a),

NOW THEREFORE IT IS ORDERED, pursuant to 26 U.S.C. § 7216(b)(1)(B), that KPMG is permitted to disclose to the Monitor such Information as the Monitor determines to be related to the Monitor's performance of the Monitor's duties pursuant to the Agreement;

IT IS FURTHER ORDERED, pursuant to 26 U.S.C. § 7216(b)(1)(B), that the Monitor is permitted to disclose to the Office such Information received from KPMG as

the Monitor determines to be related to the Monitor's performance of the Monitor's duties pursuant to the Agreement; and

IT IS FURTHER ORDERED, that to the extent the regulations set forth at 26 C.F.R. § 301.7216-2(c) would require documents disclosed pursuant to Court order to be individually marked as such, such a requirement would be unduly burdensome and would frustrate the purposes of this Order, and therefore such marking is not required.

SO ORDERED.
New York, New York
August 29, 2005

UNITED STATES DISTRICT JUDGE
SOUTHERN DISTRICT OF NEW YORK