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Kaufman Rossin settles Petters lawsuit

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[Eric Ostroff](#) / July 26, 2010

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Miami-based accounting firm Kaufman Rossin & Co. has reached a settlement in a malpractice lawsuit that claimed it failed to detect fraud connected to the \$3.65 billion Minneapolis-based Ponzi scheme of Tom Petters.

Kaufman was sued last year by two West Palm Beach hedge funds that lost money in the Petters fraud, Palm Beach Finance Partners I and Palm Beach Finance Partners II.

The settlement, which is based on Kaufman's insurance coverage, amounts to about \$9.6 million, said a spokesman for Michael Budwick, bankruptcy attorney for the Palm Beach funds. The settlement also includes a bar order that would prevent the debtors or creditors in the bankruptcy from making similar claims.

Kaufman had faced similar allegations in an aborted class action attempt last year.

Janet Altman, marketing principal at Kaufman, said via email Monday that the firm had no comment on the settlement.

A signed agreement describing the settlement was filed with the U.S. Bankruptcy Court in Palm Beach County on Monday, as part of a lawsuit in the bankruptcy of the Palm Beach funds, which was dismissed. Neither party has admitted fault.