

PwC Must Face \$1 bln MF Global Malpractice Lawsuit: U.S. Judge

A federal judge rejected PricewaterhouseCoopers' bid to dismiss a \$1 billion lawsuit accusing the accounting firm of professional malpractice for helping cause the October 2011 bankruptcy of brokerage MF Global Holdings Ltd., **reports Reuters**.

U.S. District Judge Victor Marrero in Manhattan said there remained open questions concerning whether PwC's alleged bad accounting advice was a substantial cause of MF Global's rapid demise.

"PwC has not satisfied its burden of demonstrating the absence of any genuine issue of material fact," Marrero wrote.

"PwC stands by its work for MF Global," James Cusick, a lawyer for the firm, said in a statement. "MF Global's collapse was caused by its own business decisions and adverse market events, not any accounting determination."

Jonathan Stempel reports that MF Global sought Chapter 11 protection after investors grew anxious about a \$6.3 billion investment in European sovereign debt, a large quarterly loss, credit rating downgrades, margin calls, and the use of customer funds to shore up liquidity.

Read the article.