



CASE STUDY

R.W. Smith Complies with Strict SEC Regulations for Email Archiving

Broker Takes Proactive Approach with Alchemy MailStore

Challenge	Meet SEC compliance regulations—or face large fines
Solution	Captaris Alchemy MailStore
Results	Emails from Exchange server are archived and indexed, according to SEC requirements, and ready for audit.

BACKGROUND

Managing email at R.W. Smith and Associates (RWS) is one of the firm's highest priorities. Headquartered in Seattle, WA, with 12 offices throughout the United States, the company is a leading facilitator of trades between securities dealers and dealer banks. As a broker's broker, RWS acts exclusively as an undisclosed agent in the purchase and sale of municipal securities. That puts the firm squarely in the sights of the Securities and Exchange Commission (SEC), which has, in recent years, taken a hard stand against noncompliance. Such Wall Street luminaries as Deutsche Bank Securities, Goldman Sachs, Morgan Stanley and Salomon Smith Barney have been on the receiving end of significant fines for their failure to retain emails for the SEC-mandated retention periods.

THE CHALLENGE

SEC Rule 17a guidelines require licensed brokers to archive emails for a period of at least three years and to produce email records on request to government auditors. In response, Richard G. Smith, director of IT for RWS, has taken a proactive stance with his firm's policy, preferring to keep everything by default. "It's our reasoning that we retain all emails and filter out those that are disposable later on," he said.

In choosing a solution to manage its email, Smith said the company identified key mandates that provided the guidelines. The application had to provide support for compliance. It had to have manageable indexing and searching capabilities. And, finally, it had to be affordable and easy-to-use.

The company receives thousands of emails a week, which the software had to index according to predetermined specifications. These documents, according to Smith, not only had to be secure, but also easily accessible by staff and auditors from regulatory authorities.

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THE SOLUTION

In seeking a solution, Smith said he looked at a number of products from a variety of vendors. "We were cautious in our approach knowing that the software we chose would not only have to provide security, but also have to be cost-efficient, easily integrate with our existing platforms and be intuitive enough to make it simple for authorized personnel to access.

Based on its guidelines, RWS ultimately chose Alchemy MailStore, an email archiving solution from Captaris, Inc. "We chose MailStore because it enabled us to quickly meet the strict guidelines outlined in the SEC regulations," said Smith. "There are currently multiple solutions in the marketplace that would have met our compliance objective, but they were too expensive and required high-priced extras to work effectively."

THE RESULTS

Alchemy MailStore grabs every piece of email from the firm's Microsoft Exchange Server and places it in a secure and compliant repository. Emails are automatically categorized and are searchable by sender, subject, group and keyword. They can be searched, retrieved, viewed and their lifecycle carefully managed.

RW Smith takes a tiered approach to archiving the data for compliance. "We have a standard tape library that backs up the data nightly, and once a week we use a totally separate WORM drive from SONY that backups all the MailStore databases. Both tapes are sent to off-site storage. We also have, for immediate drops for auditors or regulators that request specific time periods, a DVD burner on site that allows us to provide the information instantly," Smith said. For additional convenience and searching efficiencies, Smith creates new databases each quarter. "It's much easier to search 70,000 emails rather than have to work through a half-a-million or so that are captured annually."

Ease of use is critical for R.W. Smith. "When we set up search clients on specific work stations for our chief compliance officer and CEO, I created very simple how-to-do documentation with screen shots, and they're immediately up and running."

As an add-on to managing retention policies, Smith has also customized his email retention application to flag any message that violates the company's internal email policies, including messages that could violate sexual harassment policies. "A copy of the offending mail is flagged automatically and is moved to a folder that is viewed by our compliance officer," according to Smith. "Anything that's deemed inappropriate is dealt with accordingly."

FOR MORE INFORMATION

Captaris Business Information Delivery solutions help organizations of all sizes automate the information and document flow throughout the information lifecycle (capture, process, deliver, manage and archive). With a comprehensive suite of software and services, Captaris helps organizations to grow revenues and increase profits while meeting compliance goals. Through a global distribution network of leading enterprise technology partners, Captaris has installed more than 90,000 systems in 95 countries in companies of all sizes, including the entire Fortune 100. For more information, visit www.captaris.com or call 1.800.443.0806.

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