

# SEC 17A-4 & ASSUREON COMPLIANCE BY IMATION

The Security and Exchange Act of 1934 was enacted to protect investors from misleading claims from the securities industry. In 1997 the Securities Exchange Commission (SEC) amended the primary rule 17a-4 to allow for the electronic storage of records. Rules 17a-4 and 17a-3 state what kinds of records need to be preserved, for what period of time and under what storage conditions.

## Who is affected?

- Penalties
- WORM storage
- Automatic quality verification
- Serialization
- Integrated Retention Management System
- Scrubbing of Data
- Security: Access & Encryption

SEC regulations affect certain exchange members, brokers and dealers of security products.

Penalties for non-compliance can be very severe. The SEC fined five of the largest investment banks over \$8M for inadequate procedures for the storage and retrieval of email.

Below are excerpts from SEC 17a-4 that refer to requirements that a compliant storage solution should address. Following each excerpt is a brief description of how Nexsan Assureon addresses that particular requirement.

“(f) (2) (ii) The electronic storage media must:

Preserve the records exclusively in a non-rewriteable, non-erasable format;”

Assureon can easily be integrated with WORM (Write Once Read Many) storage hardware and works equally well with WORM Optical, WORM Tape and WORM DVD media.

“B. Verify automatically the quality and accuracy of the storage media recording process.”

Assureon verifies the recording of the information and then automatically verifies the media on an on-going basis based on administrative criteria.

“C. Serialize the original and, if applicable, duplicate units of storage media, and time-date for the required period of retention the information placed on such electronic storage media;”

In addition to producing a unique identifier for the document based on its content, Assureon serializes every document under its management for audit control.

Assureon will also apply and enforce a retention policy per document. The policy can be generated by a third-party application like a content or email management system, or it can be generated from Assureon’s integrated retention management system.

“D. Have the capacity to readily download indexes and records preserved on the electronic storage media to any medium acceptable under this paragraph (f) as required by the Commission or the self-regulatory organizations of which the member, broker, or dealer is a member.”

## Protect Your Business Records & Meet SEC Compliance Obligations

Assureon can produce an electronic index of all files under management. Both the record and the metadata file describing the record can be stored on any appropriate media.

“(f) (3) (iii) Store separately from the original, a duplicate copy of the record stored on any medium acceptable under Rule 17a-4 for the time required.”

Assureon requires that a record be written to two separate storage locations and offers an option to write to a third. Assureon can be integrated into an existing IT infrastructure where disk, tape, optical or DVD storage is used.

“(f) (3) (v) The member, broker, or dealer, must have in place an audit system providing for accountability regarding inputting of records required to be maintained and preserved pursuant to Rules 17a-3 and 17a-4 to electronic stage media and inputting of any changes made to every original and duplicate record maintained and preserved thereby.”

Assureon provides audit trails detailing user access and any file changes and takes care of creating original and duplicate copies of files when they are modified. Assureon digital fingerprint technology provides absolute proof that an organization's electronic records have not been back-dated, tampered with or destroyed.

### ABOUT IMATION

Imation is a global data storage and information security company. Imation's Nexsan portfolio features solid-state optimized unified hybrid storage systems, secure automated archive solutions and high-density enterprise storage arrays. Nexsan solutions are ideal for mission-critical IT applications such as virtualization, cloud, databases, and collaboration; and energy efficient, high-density storage for backup and archiving. There are more than 11,000 customers of Nexsan solutions worldwide with more than 33,000 systems deployed since 1999. Nexsan systems are delivered through a worldwide network of cloud service providers, value-added resellers and solutions integrators. For more information, visit [www.imation.com/nexsan](http://www.imation.com/nexsan).