

# US-Based Financial Services Group

A financial services company was able to mitigate legal and regulatory risks by leveraging ZL UA to develop comprehensive, enterprise-wide information governance strategy.

## CUSTOMER PROFILE

### INDUSTRY

Banking and Finance

### SIZE

4,000 employees

### HEADQUARTERS

United States

### BUSINESS REQUIREMENTS

Compliance, post-review monitoring, records management, eDiscovery, ECA

## SOLUTION SUMMARY

### SOLUTION

ZL UA  
Compliance Manager  
Records Manager  
Discovery Manager

### ENVIRONMENT

EMC SourceOne (15TB)  
EMC Centera  
MS Exchange  
MS SQL Server 2012  
100 million+ migrated messages

## BACKGROUND

This client is a large financial group that provides a variety of financial services such as life insurance, mutual funds, and investment management. Based in central United States, this client is the parent of member companies that offer specified financial products to people across the country and has extensive experience in adapting to the dynamic regulatory landscape. Following a key internal audit that exposed several areas within their digital landscape that could pose both legal and regulatory risks, the client sought a governance approach that they could consistently apply across multiple data types (email, files, social media, etc.) while serving multiple functions across eDiscovery, regulatory compliance, and records and information management.

## The Dilemma with Emails and Compliance

Email is one of the most produced forms of unstructured data in any enterprise. Before discovering ZL, this client was using EMC SourceOne for Microsoft Exchange and EMC Supervisor for monitoring inbound and outbound emails and compliance for corporate policies. SourceOne monitored 15TB of compliance data involving 800 broker-dealer users in the organization, and

message files from Microsoft Exchange were typically stored in EMC Centera in EMX format. Aside from email messages, other data types that the legacy environment harbored included Bloomberg messages, chats, and Facebook and Twitter data.

With SourceOne, the compliance department had a lot of technical trouble adding terms to their lexical rules that policed the messages passing through their system. These technical issues forced the compliance team to exclusively work with the default terms originally provided by EMC without any flexibility. In terms of compliance review, only the messages that were flagged for review were reviewed. There was no set target review percentage or long-term compliance goals in place. The elementary nature of the compliance process greatly limited the compliance department from proactively classifying and monitoring data, causing concerns with respect to retention and records management.

Furthermore, though only 800 users were subject to archiving into SourceOne, they weren't able to defensibly delete content. This led to continuous growth of the archive even beyond the applicable retention period, posing a serious legal risk within the organization.

## Challenges with Legal and eDiscovery

On top of the client's compliance concerns, there were also issues when aligning the legacy system with the client's eDiscovery process. With no comprehensive information governance system in place, legal hold and data collection across the entire enterprise was completely manual. One of the biggest risks they faced was their loosely enforced deletion policy, in which deletion was only communicated verbally or through brief emails from IT. This manual process had clear gaps and flaws that put the defensibility of the customer's eDiscovery program into serious question.

Furthermore, when emails were deemed relevant to a case, they were then manually converted into PST files and subsequently exported to outside legal counsel for review, which resulted in numerous issues:

### 1. Excessive data duplication:

By sending out massive volumes of data, the client further compounded their defensible disposition challenge as there was no way to track retention on the individual documents that were shipped to outside counsel.

### 2. Lack of early case assessment:

Without the ability to actually cull through any data prior to shipping it to outside counsel or third parties, the client could neither minimize cost nor process only the most relevant documents, thus continuously accumulating legal and review costs.

### 3. Lack of coordination with information governance policies:

With a manual eDiscovery process, a siloed compliance archive, and an ever-growing production environment, the client was unable to determine when data was eligible for disposition, and execute accordingly.

## ADOPTING THE UNIFIED APPROACH

With several compounding problems from different stakeholders, the client took a holistic approach in finding a solution that could enable true information governance where a single source of truth could drive governance requirements for eDiscovery, compliance, and records and information management without the need for siloed solutions or multiple repositories of data. By bringing all stakeholders into the process, the client was able to grow the demand for a new solution into a top business priority across the company ZL UA won over other competitors because it offers a unified approach rather than an integrated or siloed approach toward data governance.

By storing all data regardless of data type or data source in one repository, all stakeholders can apply the necessary policies to each piece of data without excessively duplicating and transferring data, or depending on the previous manual information management structure. For example, records managers could leverage ZL UA's automation settings to know immediately when certain pieces of data were put on legal hold and therefore ensure that preserved data never gets inadvertently deleted.

## ZL's Impact

Currently, this client has licenses for ZL Discovery Manager, Records Manager, Compliance Manager, all of which provide a universal information governance solution for all of their stakeholders.

For the client's legal team, ZL Discovery Manager helped save both time and hefty review costs by streamlining early case assessment (ECA) internally, thus giving their outside counsel less to review. This is all due to the ZL UA's ability to quickly search through a single repository of billions of files and organize them for review. As a result, ZL was not only able to help this client save on legal costs, but also perform a seamless

process of identification, collection, preservation, processing, and ECA of data before outsourcing it for review, thereby strengthening their pretrial legal capabilities and analysis.

The client's compliance team leveraged ZL Compliance Manager's post-review functionality to monitor outgoing email messages. Rather than sticking to preset rules, the team was able to clearly define their own lexical rules to classify messages according to their specific regulatory needs. By proactively tagging and flagging email messages as they are produced, ZL Compliance Manager simplified and standardized the team's workflow, and reduced concerns regarding FINRA and other financial regulations. Additionally, ZL UA provided comprehensive audit trails which tracked and documented all end-user actions to ensure that the organization remains fully defensible and accountable in accordance with regulations.

Lastly, the records team saw significant benefits in ZL's unique ability to deduplicate data across media types while retaining all pertinent metadata. From the records side, the team can see whether or not a data file is placed on legal hold and also find any record through enterprise search. Unlike the SourceOne static policies, ZL UA's flexible retention policies allowed the team to customize each file's lifecycle to remain within regulatory standards and optimize storage usage.

Compared to other vendors, ZL provided a solution that solved long-running problems for all key players on the client side. Rather than siloed into their distinct ways of managing data, the client can now treat data governance as a long-term strategy that all stakeholders from various departments become responsible for. Together, the ZL UA modules introduced the client to a unified approach of proactive information governance strategy flexible enough to adapt to any regulatory changes or trends the industry may see.