




Crews and Associates


See how this investment banking firm has been using ZL UA to meet FINRA and SEC 17a-4 regulations since 2004.

CUSTOMER PROFILE

 **INDUSTRY**
Banking and Finance

 **SIZE**
500 employees

 **HEADQUARTERS**
Little Rock, Arkansas

 **BUSINESS REQUIREMENTS**
eDiscovery, Storage Optimization,
SEC 17a-4 and FINRA Compliance

SOLUTION SUMMARY

SOLUTION
ZL UA
ZL Compliance Manager
ZL Discovery Manager

ENVIRONMENT
MS Exchange Server 2007
MS SQL Server 2005
200 mailboxes

BACKGROUND

Concerned about the unmonitored use of email in business communication, the National Association of Security Dealers, Inc. (NASD, now FINRA) issued a ruling in 2002 requiring the financial industry to store, search, and review a sample of electronic employee communications for non-compliant violations. Companies in the financial sector immediately scrambled to implement new software for the surging electronic data, yet many have struggled to find an enterprise-class solution capable of meeting all compliance needs. The full-service investment banking firm, Crews & Associates, was no exception. Owned by First Security Bancorp and based in Little Rock, Arkansas, Crews & Associates knew it faced a sizable technology hurdle.

Business Challenge

As Vice President of Compliance, Carter Malone is responsible for ensuring the company complies with stringent brokerage industry regulations prohibiting insider trading and other corporate illegalities. With the new NASD rules in place and threats of hefty fines on the horizon, Malone suddenly had to work with the company's IT group to ensure that:

- All messages were stored in their original form and were tamperproof
- Archived messages were indexed and searchable
- Procedures and policies were in place to supervise, review, and sample employees' electronic communication for compliance violations
- Supervisory procedures and documented records could be demonstrated in audit reviews

As the volume of emails sent and received by employees continued to soar, the company's previous attempts at compliance review using a sales and marketing database were rudimentary at best. The process was painful, tedious and extremely time-consuming. Malone knew he had to find an alternative solution fast. At that point, he began working to evaluate archiving and compliance solutions.

What they found was that despite fervent marketing claims, most archiving solutions were really just storage management solutions and could not support complex data manipulation. They soon realized their technology requirements needed to address the jump in volume of data to be stored, massive future scalability demands, and an enormous leap in functional complexity.

SOLUTION AND BENEFITS

Since late 2004, Crews & Associates has relied on ZL UA to help them solve their information management challenges and comply with industry compliance regulations. The company primarily utilizes ZL UA Compliance Manager for e-mail archiving and supervision. ZL UA provides automatic data classification based on customizable lexicons, highly granular search capabilities across the entire enterprise, along with both pre and post-review functionalities to reinforce compliance.

“ZL Technologies was the only vendor who clearly stood out in the crowd with a top-notch product capable of delivering all the functionality and scalability we were looking for,” recalled Malone.

The software automatically searches for compliance and rule violations across all of the company’s inbound and outbound electronic communications between brokers and clients using specific keywords and metadata triggers. Any flagged emails are sent directly to Malone for personal review and follow-up.

Exceptional Compliance

When FINRA and other regulatory agencies routinely visit to ensure the company can perform routine tasks and demonstrate an ability to comply with the regulations, Malone feels assured that ZL UA has successfully protected the enterprise from non-compliant actions.

“Everything they (FINRA) ask us to do, we can do in seconds,” says Malone. “When they ask what software we use, we say ZL UA and they always nod in understanding. The best part is, they never come back. Similar to the old saying that an apple a day keeps the doctor away, for us ZL Technologies keeps the regulators away.”

Similarly, on any given day Malone can enter new keywords to search for newly-issued documents labeled for “internal use

only” that employees have explicitly been instructed not to forward to clients.

“Our employees are generally very good about it and most of them know I will catch them if they violate, but accidents can happen, particularly for new employees,” said Malone. “I’m actually happy to do it because ZL UA not only protects our company and our employees, it also protects somebody very important—myself,” he said.

Rapid eDiscovery

Crews & Associates sees the benefit of using ZL UA for eDiscovery related activities. For many large enterprises around the world, eDiscovery bogs down productivity and bursts legal budgets. Whenever a litigation request is received at Crews & Associates, Malone needs to locate each and every email to and from the applicable broker, that broker’s assistant, and the customer.

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For some brokerage firms, this can be a lengthy and very expensive undertaking, but not for Crews & Associates. ZL UA helps Malone rapidly fulfill eDiscovery production requests and reap enormous productivity and cost savings in the process. After recently receiving one of its more onerous legal requests, for example, Malone was singlehandedly able to complete all of the necessary 438 keyword searches within hours.

“For eDiscovery, a good software product is a must-have or it will literally take days and days to respond,” explains Malone.

Unmatched Customer Support

Crews & Associates believes ZL has the most knowledgeable, responsive product support team around, thanks in large part to the fact that ZL built the entire ZL UA solution with 100% code control, incorporating the unified concept from the very start. This stands in stark contrast to the many cobbled-together software offerings on the market today backed by limited product expertise. In addition, Crews & Associates appreciates that ZL is constantly improving ZL UA based on direct customer feedback, which also helps ZL stay ahead of the competition.

“We’ve had a great relationship with ZL for years now,” said Malone. “They immediately answer our questions, and they really know how we have our system set up and what we are trying to achieve. ZL is also always very open-minded to our design or usability suggestions.”

FUTURE-PROOFED PLATFORM

Before recently renewing its ZL contract, Crews & Associates did its due diligence and explored other archiving solutions to see how far some of ZL’s competitors had come. They were surprised to find that the other products could still not satisfy their precise standards, and that ZL was still well ahead of the pack.

“We were incredulous with what we found out there in the market,” said Malone. “They are light-years behind ZL and so out of touch with our technology needs. It was like they still were using an abacus. Finally, some other vendors are starting to see the light at the end of the tunnel, but the reality is they are just beginning to think about things that ZL has long since mastered.”