

Your e-mail vendor should store your retention preferences

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If your firm pays a vendor to store its records of e-mails and other electronic correspondence, be sure the vendor understands your responsibilities under the SEC's rules, suggested **Jennifer Sawin**, senior special counsel in the Division of Investment Management at **IA Week/IA Watch's IA Compliance Fall Conference** in Philadelphia last month.

The vendor must understand your firm's legal obligations "because ultimately you're the one on the hook," she said.

While she noted that "e-mails have played a big role in a large number of [enforcement] cases," the Commission's record-retention rules are technology neutral - affecting paper, too. The SEC actually has legal authority to look at all records maintained at a firm, she added.

Before your firm attempts to go paperless, though, by perhaps hiring a vendor to scan its documents, make sure you and the vendor first agree on a naming convention for the documents, suggested **Ann Oglanian**, president and CEO of **ReGroup** in San Francisco. She related a story of how a firm didn't follow this advice and got back a product that was virtually useless.

The panel also provided these tips:

Destroy records in a safe manner. But also be sure your vendor knows your requirements for keeping or destroying records. You don't want to discover an old tape you needed from the vendor had been erased.

Alert your staff that their company e-mails are not private.

Add to your **Bloomberg** contract a requirement that it each day download to your storage vendor your firm's daily Bloomberg IMS.

If you work at an international firm, change your policy to keep records for the longest period that a government in your jurisdiction requires.

Don't be shy about replying to a string of controversial e-mails that staff should take the discussion off line.

Editor's Note: Hear more about your responsibilities regarding e-records by registering for **IA Week's** webinar, **E-Correspondence: A Guide to Your Responsibilities Governing E-mails, Social Networking and Instant Messaging**, Tuesday, Nov. 18, 2008 from 2-3:30 p.m. ET Sign up at <http://www.iawatch.com/conferences/A1675/home.html> or call 800-260-1545.

Fix what you find in your reviews If you find something in your quarterly or annual reviews, "fix it and don't let it happen again," advised **Michelle Kennedy**, VP of **Wealthtrust** and director of Compliance Platform Services. She made her comments at **IA Week/IA Watch's IA Compliance Fall Conference** in Philadelphia last month. She also shared some best practices. For instance, drill down to your top 10 trades for a given period and confirm they're hunky-dory. "That's something everybody should be looking at these days," she said. And monitor trades bought and sold within a short time. Enforce trading blackout periods, even for those individuals who have access only to research information, suggested **Giselle Casella**, VP, Head of Global Core Advisory Compliance, **Deutsche Asset Management** in New York. She also urged that you expand your code of ethics to define related accounts to include employee spouses, minor children and anyone who lives with them. All of these people "should also be reporting under the code of ethics."

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