

How InfiniVault™ Meets SEC 17a-4 Requirements

The InfiniVault Archive Appliance from ProStor Systems provides significant economic advantage in archiving of information and meets multiple regulatory compliance requirements. SEC 17a-4 is one of the compliance regulations that InfiniVault can automate for customers.

The Security and Exchange Act of 1934 was the basis for protecting investors from fraudulent practices in the securities industry. In 1997 an amendment called 17a-4 was made to define the rules for electronic storage of records. Every SEC or NASD member, broker, and dealer must preserve records according to the regulation. Records are defined as all documents that may relate to the business which would include email, reports, transaction logs and other relevant business data.

Many of the records must be maintained for not less than three years and be in an easily accessible place for the first two years. Some records have longer required retention periods. The impact of meeting SEC 17a-4 requirements is significant on storage systems and specifically archiving systems where data typically is placed for long-term preservation. The specific issues to meet the regulations for electronic storage of records are noted in the following table along with an explanation of how the ProStor InfiniVault Archive Appliance meets the regulations.

Requirement	InfiniVault Solution
Electronic media to store records must preserve them in a non-rewritable, non-erasable format such as WORM technology.	InfiniVault stores the business records in WORM (Write Once Read Many) mode both in the active archive and on the RDX® removable cartridges. The hardware enforced WORM on the cartridges ensures that the data cannot be altered or deleted until the retention period has expired. Additionally, a hash algorithm is performed on the data to product a unique Content Address that is used to verify that no data has been changed during any transmission or storage operation.
The electronic storage media must automatically verify the quality and accuracy of the storage media recording process.	InfiniVault verifies that for every copy of information that every write operation was completed successfully without error to the media.
The electronic records must be available for SEC review at all times for immediate and easy production.	The records archived in InfiniVault are accessible from the Active Archive, online removable disks, or offline removable disks. The Active Archive even provides persistent visibility to archived files that have been removed for off line storage.
The electronic storage media must have the ability to readily download indexes and records.	In addition to the availability of the records for access, a complete inventory of all files and their locations is maintained within InfiniVault. The index may be viewed or retrieved at any time by authorized users.
Records must be preserved for a prescribed period of time.	Each folder within an archive has a retention period setting. Business records will be retained until that retention period expires.

Requirement	InfiniVault Solution
A second copy that is uniquely serialized must be stored separate from the original.	InfiniVault automatically makes protected copies that are uniquely serialized and may be removed for storage at remote locations. Two copies are the default but up to four copies may be made.
An audit system must be in place for accountability regarding records required to be maintained and preserved	InfiniVault keeps an audit trail log of every action taken on a file. The audit trail includes information about the ingestion, every access subsequent, the cartridges and locations where the file resides, and the retention period and actions performed. The audit trail provides a complete chain-of-custody for the information.

Summary

To meet SEC 17a-4 rules, a storage system must comply with all the requirements. Missing the meeting the requirement on even one point is the same as having no compliance and can lead to substantial penalties.

InfiniVault provides a very simple means to meet all the legal requirements while providing significant economic benefits for archiving of data. The excuses of cost and complexity to meet the legal requirements cannot be used when a solution such as the ProStor InfiniVault is available.



InfiniVault™ Product Family