

How ProStor InfiniVault® Meets SEC 17 CFR Part 240 (Release 34-44227) Requirements

Recordkeeping Requirements for Transfer Agents

The Security and Exchange Act of 1934 was the basis for protecting investors from fraudulent practices in the securities industry. The most stringent of the rules enacted was done in 1997 with an amendment called 17a-4 which defined the rules for electronic storage of records. In addition to this regulation, another rule regarding Recordkeeping Requirements for Transfer Agents was made that is similar to the standard of storing of records. The new rule applies only to registered transfer agents that elect to store records on electronic, microfilm, and microfiche records maintenance systems.

The amendments made to 17Ad-7 cover specific requirements related to storage of electronic records on storage systems. 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 Data Preservation System meets the regulations.

Action	ProStor InfiniVault Solution
Record Integrity Standards – <ul style="list-style-type: none"> • storage in non-rewriteable, non-erasable format • ensure integrity of stored information 	ProStor InfiniVault stores the business records in WORM (Write Once Read Many) mode both in the file information area and on the 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 produce a unique Content Address that is used to verify that no data has been changed during any transmission or storage operation. Upon retrieval, a new hash is calculated and compared to ensure integrity of the information.
The electronic storage media must automatically verify the quality and accuracy of the storage media recording process.	ProStor InfiniVault verifies that for every copy of information 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 ProStor InfiniVault are accessible from the file information area, online removable disks, or offline removable disks.
The electronic storage media must have the ability to readily download indexes and records. A duplicate copy must be retained.	In addition to the availability of the records for access, a complete inventory of all files and their locations is maintained within ProStor InfiniVault. The index may be viewed or retrieved at any time by authorized users. ProStor InfiniVault provides for making up to three additional copies of all information within a Vault and the indexes as an automatic process.
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.

<p>Storage media system labels the storage unit in sequential order and records the date and time that information is electronically stored.</p>	<p>ProStor InfiniVault automatically makes protected copies that are uniquely serialized and may be removed for storage at remote locations. A table is maintained that shows the sequential order of recording onto removable cartridges and a record of the date and time that the information was written.</p>
<p>An audit system must be in place for accountability regarding records required to be maintained and preserved. Attempts to alter or remove records must be recorded. A means must be provided to recover altered, damaged, or lost records.</p>	<p>ProStor 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. Attempts to alter or delete information are also recorded in the audit trail. The audit trail provides a complete chain-of-custody for the information. Any damaged or lost records on a cartridge may be recovered from another of the duplicate (mirrored) cartridges that were created. A vault may be defined to automatically create up to three additional copies.</p>

Summary

To meet SEC 17 CFR Part 240 (17Ad-7), a storage system must comply with all the requirements. Not meeting the requirement on even one point is the same as having no compliance and can lead to substantial penalties. ProStor InfiniVault provides a means to meet all the legal requirements while providing significant economic benefits for archiving



ProStor InfiniVault® Product Family