

IIROC

Compliance Solutions

for email and instant message record management

It's a matter of Reputation, Integrity & Control



IIROC
Investment Industry
Regulatory Organization
of Canada

IIROC Rules; IDA By-laws 29.7 & 17.19; CSA National Instrument 31-103;
UMIR Policy 7.1; Email & IM Archiving; Supervision & Policy Enforcement;
Disaster Recovery; Business Continuity; Privacy

Executive Summary

WELCOME AND THANK YOU for your interest in the electronic messaging compliance services of Global Relay for Canadian firms subject to IIROC, SEC, FINRA & eDiscovery requirements. Global Relay's business for 10 years has been to provide firms with compliance solutions that also help manage risk, provide business continuity and allow for online data management.

COMPLIANCE is more than just the preservation of records to ensure that your firm can survive regulatory, audit and evidentiary scrutiny. It's a matter of **Reputation, Integrity** and **Control**. The stakes are high and they are tied to the prosperity of your firm. Did you know that:

- all electronic correspondence with your firm's clients must be readily available for inspection by regulators under IDA By-law 29.7?
- your firms must maintain records to accurately record business activities and demonstrate compliance with securities legislation, as well as promptly provide records to regulators for two years and preserve for seven years under CSA NI 31-103?
- directors are responsible for the implementation of supervisory compliance procedures under UMIR Policy 7.1?
- most provincial securities commissions now require the CEO and CFO of reporting issuers to personally certify certain matters relating to the issuer's AIF, audited financial statements, and MD&A (similar to public US companies under the Sarbanes-Oxley Act)?

The compliance and legal eDiscovery burden should no longer be thought of as solely a back office or IT matter. It should involve proactive decision-making on the part of senior management to choose a high quality compliance solution to efficiently retain, protect, manage and ensure authenticity of records and to implement safeguards and internal supervisory controls against inadequate data management practices. Selecting a message archiving solution should be thought of as an investment in your firm's future, both in terms of risk reduction and overall firm image.

GLOBAL RELAY'S TECHNOLOGY SOLUTIONS reflect "best practices" standards that have become the benchmark for message management. As the developer, owner and operator of our technology, we have provided email archiving solutions since 1999 without a single incident of data loss. Our compliance technology, the Message Archiver, the Compliance Reviewer, Online Auditor, and the IM Interpreter, are specifically engineered to provide a total regulatory compliance and eDiscovery solution for firms subject to the regulatory compliance requirements of the IDA and similar provincial legislation. Our services provide reliable, cost-effective and scalable message management and compliance solutions that:

- are seamlessly implemented within hours
- eliminate risk with a 30 day trial which includes setup, activation, training and support
- do not require special equipment, programming, software, hardware or other capital outlays
- are continuously and seamlessly updated to meet current technological, legal and regulatory needs

However, our Investment Dealer Compliance Solutions are more than industry-defining technology. We are a dedicated team of professionals with the highest synergy of business, technical and legal expertise. With 24/7 IT support and our full-time, in-house compliance lawyers, we help our customers on a daily basis troubleshoot and resolve key IT and business issues, as well as play a mission critical role in your equation to achieving corporate excellence. We will provide your firm with a superior balance of technology, service, support, training and affordability to efficiently meet regulatory, audit, corporate governance, eDiscovery requests and other business needs.

YOUR COMPLIANCE SOLUTION will be customized, without extra cost, to fit the needs of your firm and to reflect your policies whether you have an independent business with outsourced email, a single server environment, or a multinational enterprise with disparate email and IM systems (i.e. multiple servers/multiple platforms).

Subscribe to our 30-day trial today at **1.866.484.6630** (toll free) or online at: www.globalrelay.com, and let us demonstrate how our best-of-class solutions will make the difference in winning you as a customer.

Yours truly,

A handwritten signature in black ink, appearing to read "Warren Roy".

Warren Roy
President & CEO, Global Relay

As a Canadian technology services company, we provide solutions to the majority of Canada's IIROC firms. Our SAS 70 Certified data centers are geographically dispersed across Canada, securely protected, privacy compliant, and outside the reach of the U.S. Patriot Act. Global Relay is the leading provider of archiving services in Canada & globally.

Canadian Firms Compliance Solutions Index

Electronic records compliance is all about **RECORDKEEPING** and **SUPERVISION**. That's why Global Relay specifically engineered the Message Archiver and the Compliance Reviewer. With this best-of-class technology, we proudly provide you with our complete investment dealer compliance solutions.

1. RECORDKEEPING



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Try our Website Demo or 30-Day Trial. The Message Archiver and the Compliance Reviewer demos, as well as the online sign-up for our 30-Day Trial are at: www.globalrelay.com or call **1.866.484.6630** (toll free). No strings attached. For the trial, simply enable your email server and you'll be archiving within hours!

Why is our Message Archiver your indispensable business tool?

EMAIL & INSTANT MESSAGES have both revolutionized and imprisoned the business world. Email is now the most prevalent form of business communication, accounting for 70% of all correspondence. Volumes and average message size grow by 42% and 22% per year, respectively. Email & IM are simple to create, handy to use, and easy to send. However, by relying solely on today's backup procedures (or worse, no procedures), data and financial loss are inevitable.

Conventional tape backups are not a substitute for message archiving:

1. it is expensive and time-consuming to recover data from a tape backup;
2. email that was accidentally or intentionally deleted will be unrecoverable within a week;
3. in the event of a hard drive crash, you will lose all messages created or received after your last backup; and
4. future upgrades of your tape hardware may make restoring data from old tapes unfeasible.

Simply put, even by performing daily tape backups on a weekly tape rotation, your data is at risk!

With reliance on email and IM as your primary business communication tools, can you afford to lose your electronic records? Even the most sophisticated companies have system crashes resulting in massive data loss. At the same time, the costs, effort and technology demanded to store and manage this wealth of information are often staggering.



SOLUTION?...SIMPLY PLUG-IN GLOBAL RELAY'S MESSAGE ARCHIVER AND STOP THE PAIN. It is an affordable, high performance solution that will provide your firm with a superior balance of technology, service and support to efficiently meet all your email and IM message management needs.

- **It's your IT department's best friend.** Your firm will never lose messages again. It's a fool-proof backup and automated disaster recovery tool, alleviating the heavy burden on your IT personnel.
- **It's a smart investment.** As an outsourced solution, just plug-in the Message Archiver. You will eliminate expenses related to growing internal message storage. No software, hardware or programming is required.
- **It puts control back in your hands.** Don't depend on disparate backup and storage systems, or the discretionary storage practices of employees to retain messages in their personal folders or create PST files. The Message Archiver provides centralized storage for your firm's email, attachments, IM, BlackBerry, Bloomberg and Reuters.
- **It lets your office managers shine.** The Message Archiver keeps your firm organized, boosts efficiency and collaboration by automating recordkeeping. Using "best practices" procedures and safeguards, it helps enforce internal supervisory controls against inadequate data management practices.
- **It recovers messages instantly.** The Message Archiver's advanced search and retrieval system provides rapid recovery of all email, attachments, IM, indexes and audit trails, even if the original has been deleted.
- **It provides ultimate employee mobility.** All Users may rapidly view, retrieve, organize, reply to, forward, print or download any of their current or historical messages anytime/anywhere through any secure web browser.
- **It records "who said what when."** By preserving a permanent copy of every incoming, internal and outgoing email, attachment and IM, the Message Archiver provides an indisputable chronological time-date stamped record to help safeguard you in the event of customer, supplier or employee issues, errors or allegations.
- **It's a document versioning dream.** By nature, the Message Archiver provides you with a record of what versions, of which documents, were distributed to whom, and when.
- **It secures your information.** Customer message information has secure end-to-end multi-level encryption to ensure that privacy, confidentiality and non-disclosure obligations are upheld.
- **It provides you with an eDiscovery tool.** Email and IM can be legally admissible as evidence in a lawsuit. The Message Archiver produces evidentiary-quality electronic records with full audit trails on message history.
- **It improves message content and workforce productivity.** With real time firm-wide monitoring capabilities, it enables detection of inappropriate message content that violates your firm's policies or legislation. A side benefit is the measurable improvement in employee productivity and decrease of email and IM for personal use!
- **It builds confidence and mitigates risks.** Mismanaging critical customer or supplier electronic information puts your professional reputation in jeopardy and undermines stakeholder confidence. The Message Archiver is your proactive risk management solution.

Today's Electronic Messaging Challenges

Global Relay's Message Archiver provides the perfect solution to many of today's challenges in using email and IM as the primary business communication tools including:

1. Compliance
2. Litigation & Electronic Discovery
3. Business Continuity & Disaster Recovery
4. Message Management & Storage
5. Data Migration

CHALLENGE	GLOBAL RELAY SOLUTION
<h3>Compliance</h3>	
<ul style="list-style-type: none"> • Legislation (IIROC, FINRA, SEC, RIA, SOX & Privacy) • Internal (governance, policies, ethics & HR issues) 	<ul style="list-style-type: none"> • Compliance archiving with monitoring • Industry specific compliance solutions • Access to in-house legal expertise • Rule interpretation, policy & audit assistance
<h3>Litigation & Electronic Discovery</h3>	
<ul style="list-style-type: none"> • Managing business & legal risks • Insurance costs, claims & liability • Proving "who said what when" • Finding the "needle in the haystack" • Preservation of data in litigation 	<ul style="list-style-type: none"> • Proactive protection for your business • Affordable discovery & case management • Evidentiary quality messages for court • Rapid electronic search & retrieval, Legal Holds • Archiving is your insurance policy
<h3>Business Continuity & Disaster Recovery</h3>	
<ul style="list-style-type: none"> • Continuous availability of critical data • Retrieving filed, lost & deleted messages 	<ul style="list-style-type: none"> • Instant access to existing & deleted messages • Offsite storage in mirrored MCI/Verizon Data Centers • One click instant recovery to Outlook • Continuity mail, a secondary mail system
<h3>Message Management & Storage</h3>	
<ul style="list-style-type: none"> • Growing volumes vs. mailbox size • Deletion or loss of critical messages • Unmanageable PST files on desktops & laptops • High cost of maintaining live access to data 	<ul style="list-style-type: none"> • Unlimited mailbox storage • One click recovery of deleted mail to Outlook • Import PST files • Online access to user, group or company-wide mail • Long-term, tamperproof storage of all messages
<h3>Data Migration</h3>	
<ul style="list-style-type: none"> • Transitioning from legacy archiving systems; inadequate archiving vendors; in-house to hosted • PST, MBox, MDir, NSF (Notes) & GroupWise files 	<ul style="list-style-type: none"> • Import all messages directly to Message Archiver • Unify all electronic records in a central archive (Email, IM, Bloomberg, Reuters, BlackBerry) • Low cost long-term storage with real-time access

IDA BY-LAW 29.7, NI 31-103, UMIR POLICY 7.1, RULE 10.11

What do the Regulators require your Firm to do with its Electronic Records? How do they want you to supervise?

SYNOPSIS: RULES REGARDING RETENTION OF E-RECORDS & SUPERVISION

SIGNIFICANCE OF RULES: Regulators are no longer tolerating inadequate recordkeeping and supervision of a firm's electronic communications. In response to the explosive growth of email, and now IM, as the principle business communication tools, IIROC (formerly IDA) adopted amendments to **IDA By-law 29.7**, imposing requirements on firms regarding both archiving, and monitoring and post-review of electronic advertisements, sales literature and correspondence for clients. The Internet and email are incorporated in the By-law's definition of "electronic correspondence." NI 31-103 and the Universal Market Integrity Rules for Canadian Marketplaces **UMIR Policy 7.1** also requires a compliance supervision and preservation system to be put in place.

WHO MUST COMPLY: Generally, this legislation is applicable to all persons engaged in trading or acting as a dealer, including Investment Dealer firms and registered representatives that fall under the jurisdiction of IIROC and Canadian Securities Administrator (CSA). Canadian companies registered in the U.S. will also be subject to the SEC and FINRA.

COMPLIANCE DEADLINE: Various relevant regulatory mandates have been implemented overtime; however, as of August 1, 2004, all amendments to By-law 29.7 and the corresponding *Guidelines for the Review of Advertisements, Sales Literature and Correspondence* dated April 12, 2004 under Notice MR0281 (Guidelines), were in effect. NI 31-103 will be finalized in 2009.

REQUIREMENTS: In connection with electronic communications under the By-law and Guidelines, firms must:

- establish supervisory policies and procedures for all business-related electronic communications for clients (including methods of detecting and addressing prohibited electronic communications, methods and frequency for reviewing and sampling business-related email, capabilities for distinguishing types of records, supervisory hierarchy for conducting reviews and cross-supervision, and notice requirements), to be approved by IIROC;
- implement a compliance monitoring system designed to detect compliance violations (UMIR Policy 7.1);
- educate and train employees on procedures governing public electronic correspondence;
- monitor a firm's electronic advertisements, sales literature and correspondence for clients;
- maintain an audit trail and record of supervisory reviews (to be retained for 5 years under UMIR Policy 7.1);
- monitor and evaluate supervisory procedures to ensure compliance;
- retain all electronic advertisements, sales literature for 3 years, and correspondence with the public for 5 years;
- store electronic order information, and verify accuracy of the same (UMIR Policy 7.1, Rule 10.11);
- create and store indexes of the electronic records;
- have readily accessible for inspection by IIROC all stored business-related electronic communications prepared for clients, and all records of supervisory reviews of the same;
- provide records to regulators for two years and preserve for seven years (NI 31-103)

REPERCUSSIONS OF NON-COMPLIANCE: Increasingly, regulatory investigations focus on business records, and supervision of the same. Firms cannot afford to have a casual attitude toward email supervision and record management, as the repercussions of non-compliance include internal and/or regulatory disciplinary actions, costly penalties, civil liability, damaged corporate reputation, loss of goodwill and clients.



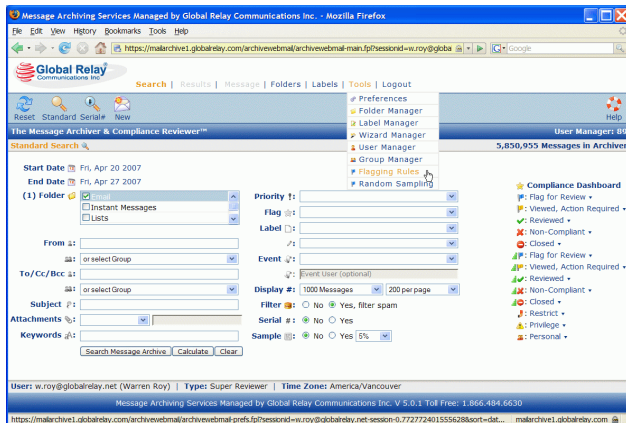
GLOBAL RELAY'S SOLUTION: In order to meet the regulatory compliance requirements of IIROC and other Canadian legislation, Global Relay developed the Message Archiver and the Compliance Reviewer technology. The Message Archiver is a hosted electronic record archival system that captures and archives an authentic and complete electronic record of all email and IM communication of a firm in a secure but accessible system. The Compliance Reviewer is an electronic record surveillance system that is able to review, monitor and retrieve electronic records stored within the Message Archiver and offer online Audit tools for lawyers and auditors during examinations and investigations.

The Message Archiver



Take control...Never lose data or email again. Global Relay's Message Archiver was developed to provide financial firms with a highly scalable message archiving service specifically engineered to meet the regulatory compliance requirements for electronic recordkeeping under the amended **IDA by-Law 29.7, NI 31-103**, as well as under **SEC Rule 17a-4**.

The Message Archiver captures a permanent copy of every email, attachment, IM, BlackBerry, Bloomberg and Reuters message from in real time. All messages are securely archived in Global Relay's mirrored East/West Data Centers providing unlimited online storage for the long-term preservation, management and retrieval of messages. Powered by robust search engine technology, messages can be found in seconds regardless of volumes or age. With personal message management tools, Users may view, restore to Outlook, reply to, forward and download all their current and historical messages, and even create new mail. Firms will benefit by facilitating efficient responses to regulatory audits and evidentiary requests, and diminishing the likelihood of securities violations, SEC and IROC enforcement actions and other liability associated with inadequate, lost or deleted records.



To find any message in 2 seconds click the "Search Message Archive" icon...

With unparalleled search engine technology, the simple user interface finds messages based on criteria contained within the message.

Search by any combination of:

- Date Range
- From (User or Group)
- To / Cc / Bcc/ Distribution List
- Subject
- Keywords
- Attachment File Name (over 500)
- Serial Number
- Event
- Flag State

Features of the Message Archiver:

- consolidates email, IM, BlackBerry, Bloomberg & Reuters messages in a centralized online archive
- rapid User access via any secure web browser at any time
- Users may view, organize, reply to, forward, print, download or restore any messages instantly
- private individual login provided for each user for secure access to their messages using SSL/TLS
- easy-to-use search interface for all users, with multi-lingual support (Eng, Fr, Sp, Ger, Jap, Port, Ch)
- captures incoming, internal and outgoing email, file attachments, IM, BlackBerry, Bloomberg & Reuters
- supports all mail platforms, Hosted Exchange or Global Relay's Hosted Email (POP/IMAP/WebMail access)
- imports historical email (PST, NSF, MDIR, Mbox, etc.)
- National Security Agency (NSA) level dual encryption for highest protection of records (AES/ RSA)
- categorization tools to tag, label and prioritize messages with export to DVD or FTP
- User-defined Folders and Shared Folders for organizational, eDiscovery or compliance purposes

Assists in Meeting regulatory compliance requirements:

- ensures integrity and authenticity of messages with auditable & evidentiary-quality copies
- messages are serialized, time-date stamped and authenticated through write-verification
- simultaneous real-time primary online SAN storage and secondary near online storage (NOS)
- tamperproof NOS storage on dedicated WORM (Write Once, Read Many) drives
- secure, redundant offsite storage in geographically dispersed SAS 70 Certified Data Centers
- full text indexing for searches and full audit trails and tracking reports on message history
- for IROC firms with US Broker-Dealers, provides independent access to SEC mandated third party downloader
- complete lifecycle management with defined retention and disposal periods with flexible Litigation Holds
- for purposes of an Audit or subpoena, messages are readily available online, or on regulator-qualified media (typically, delivery of a DVD containing an index and serialized messages in a readable format)

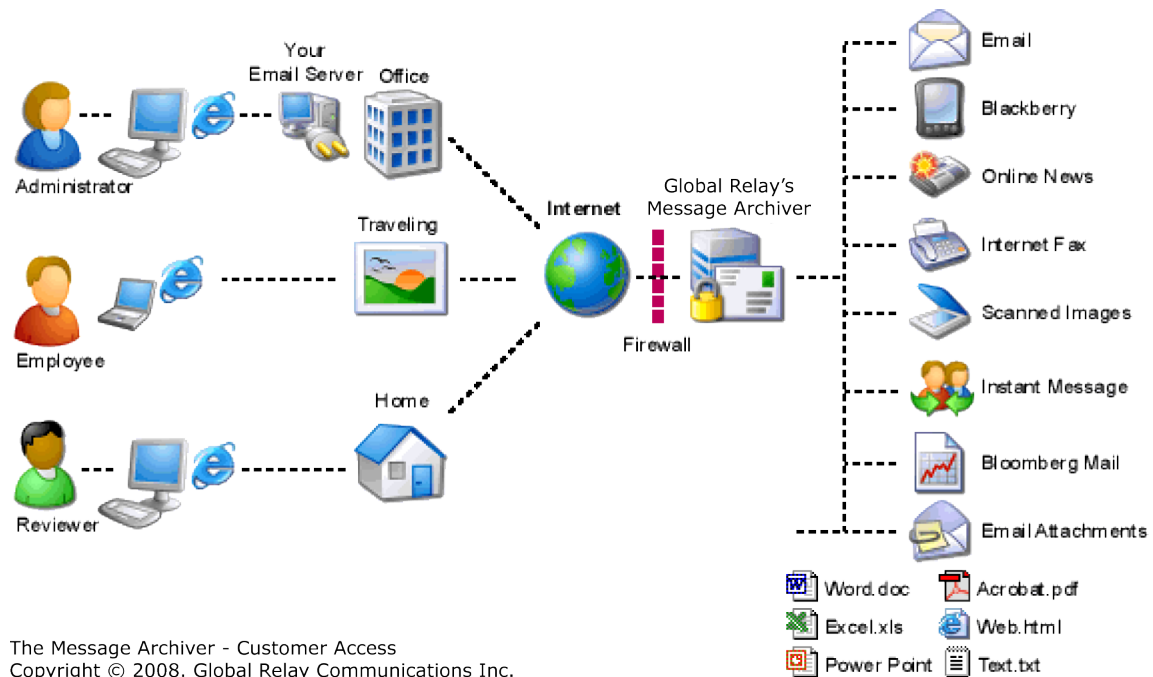
The Message Archiver: Electronic Message Capture & Access

Simple, secure and powerful, the Message Archiver works in the background archiving your email, IM, BlackBerry, Bloomberg & Reuters.



EVERY ELECTRONIC RECORD is automatically captured by the Message Archiver in real time. This includes incoming, internal and outgoing messages, whether from your firm's servers, hosted mail provider or Global Relay's servers. The process confidentially organizes and securely preserves your intellectual business assets, diminishing risks and problems that often result from poorly managed, dormant, lost or deleted records. By nature, the Message Archiver tracks "who said what, when," and provides you with a record of what versions, of which documents, were distributed to whom, and when.

Imagine the power behind having a permanent archived copy of all electronic business assets, such as:



The Message Archiver - Customer Access
Copyright © 2008. Global Relay Communications Inc.



ACCESS IS MADE EASY through the Message Archiver's intuitive user interface. Using any secure web browser, rapid access is provided to:

- employees, via an exclusive individual login, in order to obtain their email and IM
- managers in order to review their assigned group's messages
- business administrators, compliance officers or other Authorized Users, to monitor firm-wide messages

From any location — whether office, home or traveling — all Users have access a permanent record of their current and historical messages, even if the original has been deleted.

User Capabilities include a simple, search and retrieval process allowing all Users to Restore to Outlook, Find, View, Print, Reply, Reply All, Forward or Download messages, and even create New mail straight from the Archive.

Additional Privileges may be assigned to Authorized Users allowing them to access, search and view the email and IM of other Users, User Groups, or even firm-wide messages. Authorized Users may include the Administrator, the owner, managers, an auditor or a regulator.

The Message Archiver: Message Processing



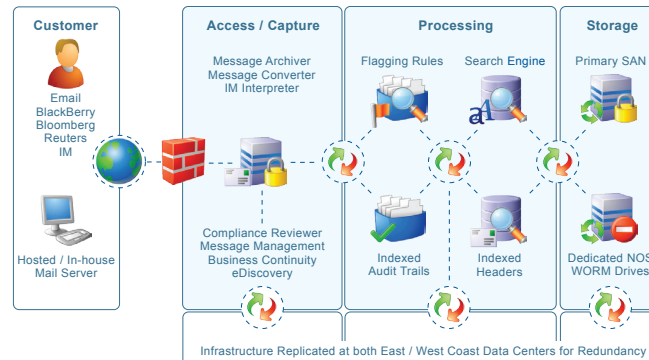
EMAIL is provided through in-house email servers operated by your firm, or as an outsourced email solution. In order to securely forward mail from the email server, envelope journaling is enabled (i.e. Exchange), or a simple plug-in is configured. For outsourced email, we partner with most Hosted Exchange providers or offer Global Relay's **HOSTED EMAIL**, with synchronized POP, IMAP and Webmail accounts. All incoming, internal and outgoing email, whether from your servers or hosted, is captured by the Message Archiver in real time, with secure end-to-end encryption.



INSTANT MESSAGING (IM) is captured by the Message Archiver via our **IM INTERPRETER**. Chat sessions are securely captured from the public networks such as AOL, MSN, ICQ, Yahoo and from GoogleTalk, LCS and OCS, or we can provide our secure, internal Jabber messaging system. Bloomberg® Messaging is downloaded from the Bloomberg® FTP site and Global Relay is the exclusive compliance vendor for Reuters Messaging. BlackBerry PIN, SMS and voice log data can be configured for capture.



MESSAGE ARCHIVER captures, serializes, time-dates and indexes all messages with authentic copies written to East/West Coast Data Centers, with a true copy of each message concurrently stored on its primary SAN, secondary NOS WORM.



RULES-BASED PARSING ANALYSIS



1. SCANNING is performed on header, text body and attachments stripping all relevant text and metadata (data on data) from the message.



2. COMPLIANCE REVIEWER, integrated with the Message Archiver, uses custom filter rules configured by authorized Users to flag keywords and phrases contained within email, attachments and IM. An audit trail and reviewer action log is appended.



3. SPAM is automatically eliminated from common database searches by the Message Archiver, through identifying common SPAM recognition tags placed in email headers by SPAM scanners.



4. INDEXING – scanned text is indexed to search engines and metadata is written to databases. These are synchronized (mirrored in real time) for redundancy and compliance purposes.



5. LIFECYCLE MANAGEMENT OF DATA, with customized retention/deletion policies including Legal Holds and selective deletion.

FILE STORAGE PROCESSING



1. WRITE VERIFICATION PROCESS ensures your messages are protected as they are first encrypted and then written to the Primary Online storage systems and the Secondary NOS WORM Storage. The processed messages are automatically compared with the original before the original is deleted (original is stored in a buffer for 7 days), to verify the quality and accuracy of the storage media recording process.



2. FILE ENCRYPTION meets National Security Agency (NSA) standards by using AES encryption algorithms and secondary RSA encryption algorithms before being stored. The encryption (and decryption) process is transparent to Users.



3. PRIMARY ONLINE SAN STORAGE systems preserve in real time, simultaneously with the Secondary NOS WORM Storage systems, a permanent copy of all data archived in the Message Archiver using RAID discs with write-verification.



4. SECONDARY STORAGE (WORM) systems preserve a second copy of data in the Storage Robot, our near-online storage (NOS) using dedicated WORM drives and write-verification.



5. EAST/WEST DATA CENTERS in SAS 70 Certified facilities with secure redundancy for business continuity, disaster recovery and long-term storage.

Bloomberg

Message Converter for Bloomberg

Global Relay's Message Converter for Bloomberg offers full conversion and import capabilities for retention and management of Bloomberg Email® and Instant Bloomberg® (collectively, Bloomberg Mail) via:

1. Global Relay's hosted Message Archiver & Compliance Reviewer,
2. FTP download to Customer's in-house archiving system, or
3. SMTP delivery to Customer's in-house archiving system

Global Relay is one of Bloomberg's leading third-party vendors for downloading and delivering Bloomberg Mail globally.

About Bloomberg Mail

Bloomberg Mail enables Bloomberg customers to communicate electronically. Currently, Bloomberg Mail includes:

- Instant Bloomberg® (instant messaging (IM) between Bloomberg users);
- B-mail® (email sent between Bloomberg users); and
- Internet Mail (Bloomberg email sent to outside email addresses and vice versa).

About Bloomberg Mail & Compliance

Compliance regulations such as SEC Rule 17a-4, NASD Rules 3010 & 3110 and IDA Bylaw 29.7 require electronic business communications, including Bloomberg Mail, to be archived and monitored for compliance purposes. Company email policies also often require all business communications to be retained for litigation, monitoring and internal purposes. Bloomberg Mail is converted into messages that are imported and consolidated in the Message Archiver, with all other email and IM of an organization, for easy online search, retrieval and monitoring.

About Bloomberg Mail File Transfer

File Transfer Protocol (FTP) is a widely used way of transferring computer files from one computer to another. Bloomberg will, upon request, upload all available Bloomberg Mail to the Bloomberg FTP site on a nightly basis for archiving purposes. The Bloomberg files are in a proprietary format and may consist of plain text or XML files. The lifecycle of Bloomberg files on the FTP site may vary (contact Bloomberg for details).

Global Relay's Message Converter & Message Archiver

1. The Bloomberg Message is a "**pull technology**" meaning, on a nightly basis, Global Relay's Message Converter automatically logs into the Bloomberg FTP site and downloads a copy of all new and available Bloomberg files and forwards them to the Message Archiver (note: Global Relay's Message Converter does not delete files from the Bloomberg FTP site, it only downloads a copy).
2. The Message Archiver parses, converts and reconstructs the Bloomberg files into a readable format before routing them to the import queues for archive indexing and processing whereby the Bloomberg messages are time/date stamped, serialized and written to a dedicated customer WORM drive.
3. Any Bloomberg files which the Message Archiver is unable to properly import are skipped, with Global Relay IT Support being electronically notified and the appropriate action undertaken to resolve the issue.

Importing Legacy (old) Bloomberg Mail

Global Relay is also able to transfer and import legacy Bloomberg Mail stored internally or with Bloomberg.

Disclaimer: Global Relay's Message Converter for Bloomberg only converts files that are made available by Bloomberg LP, and technically able to be downloaded. The Bloomberg FTP processes are subject to change at any time without notice to Global Relay. Download of Bloomberg Mail is under the express direction of the customer. The Bloomberg® name is the sole property of Bloomberg LP.



Reuters Message Compliance Manager (RMCM)

Thomson Reuters, through an exclusive fully integrated technology partnership with Global Relay, provides Reuters Messaging (RM) customers with a one-stop solution for real-time collaboration and compliance for firms to meet regulatory demands and address eDiscovery needs.

Global Relay's Thomson Reuters Message Converter converts all Reuters Messaging content and all active compliance actions into email, to allow:

1. Ingestion by Global Relay's hosted Message Archiver & Compliance Reviewer
2. FTP download to customer's in-house archiving system, or
3. SMTP delivery to customer's in-house archiving system

About Reuters Messaging

Reuters Messaging is a secure, high-performance communication service designed to meet the needs of professionals in the financial industry.



Reuters Messaging enables market professionals to collaborate in real-time and build a powerful, global directory of contacts. Reuters Messaging offers connectivity to public instant messaging (IM) services, including Yahoo!®, AOL®, MSN®, and premium collaboration capabilities, such as persistent chat rooms, file sharing, rich media exchanges (i.e. screenshots), and structured financial forms.

About Reuters Messaging Compliance Manager

Reuters Messaging Compliance Manager (RMCM) incorporates "Active Compliance" (pre-review) tools that enable real-time compliance monitoring of all Reuters Messaging content and policy enforcement with restricted phrase/keyword blocking and/or flagging, configuration of Chinese Walls to prevent communication exchanges amongst and between parties, and definition of custom disclaimers. All active compliance actions are logged (collectively "RMCM metadata") together with all Reuters Messaging content logged by RMCM (collectively "Reuters Messaging compliance records").

How Thomson Reuters Message Converter Works

Global Relay's Thomson Reuters Converter securely transfers all Reuters Messaging compliance records and RMCM metadata on a scheduled basis via the RMCM Message Logger. Thomson Reuters Converter then parses and assembles the RMCM XML messages into email conversations for secure archive delivery via the following steps:

1. RMCM XML message logs are downloaded on a scheduled basis using secure HTTPS "pull technology"
2. Reuters Messaging content statistics, such as the # of Users, # of messages & duration are inserted into the header
3. User email address mappings are appended to Reuters Messaging user names, if required
4. XML messages are assembled into logical conversations (based on customer-defined parameters)
5. Screen Shots are appended inline for easy review
6. RMCM metadata, including active compliance (pre-review) "actions", are appended to the header
7. File Transfer URLs are appended inline for easy retrieval of files
8. XML conversations are converted to email for user-friendly display
9. Digital fingerprint or "HASH" is created for each conversation and logged
10. Every Reuters Messaging compliance record is appended to a log file
11. Automated log file summaries are then delivered to the RMCM customer via secure email for audit and reconciliation purposes



Global Relay is a BlackBerry ISV Alliance Partner.

Message Converter for BlackBerry

Global Relay's Message Converter for BlackBerry offers the downloading of BlackBerry messages (SMS/Text, PIN to PIN, and Phone logs) for compliance. Our Message Converter for BlackBerry provides full conversion and import capabilities for retention and management of BlackBerry messages to:

- Global Relay's hosted Message Archiver & Compliance Reviewer, or
- Customer's in-house archiving system.

About BlackBerry messages

BlackBerry devices enable users to communicate electronically via PIN, SMS (commonly known as text messaging) and by phone. BlackBerry Enterprise Servers (BES) enable logging of these messages for compliance purposes, placing a copy of each message into a folder on the BES as follows:

1. SMS/Text: short message service (SMS) commonly referred to as text messages are logged recording the sender, recipient and content of the message.
2. PIN to PIN: personal identification number (PIN) text messages are logged recording the sender, recipient and content of the message.
3. Phone calls: are logged recording the initiator and recipient of each phone call recording their phone numbers only, not the conversation.

Compliance Archiving

Compliance regulations such as SEC Rule 17a-4 and FINRA Rules 3010 & 3110 require electronic business communications, including those transmitted via BlackBerry, to be archived for defined long-term retention periods and monitored for post-review compliance purposes. Additionally, the amended US Federal Rules of Civil Procedure (FRCP), Sarbanes-Oxley (SOX), MiFID (UK), as well as internal corporate messaging policies often require all business communications to be retained yet accessible for litigation and internal audits.

Archiving BlackBerry Messages

1. Traditionally, BlackBerry email has been the only BlackBerry messaging form that firms have been able to capture via integration with a BlackBerry Enterprise Server. However, BlackBerry PIN & SMS messages together with Phone logs are considered "business records" and legally should also be preserved. Compliance Officers responsible for monitoring of electronic communications can now capture all message types from BlackBerry using Global Relay's Message Converter for BlackBerry for compliance and legal purposes.
2. Global Relay's Message Converter for BlackBerry enables BlackBerry PIN, SMS & Phone logs to be converted into email messages that are imported and consolidated in the Message Archiver, with all other email and instant messages of an organization, for easy online search, retrieval and monitoring.
3. Global Relay's Message Archiver & Compliance Reviewer seamlessly integrate with the Message Converter to provide BlackBerry customers with longterm storage of all BlackBerry messages, to help customers meet compliance requirements and address "litigation readiness."

How the Message Converter for BlackBerry Works

All BlackBerry PIN, SMS and Phone logs for each User are processed and chronologically displayed in a single email detailing all PIN messages, SMS messages & phone numbers dialed or received by the specific Users. Each User will have a dedicated email log of their daily BlackBerry communications. Global Relays Message Converter then delivers each BlackBerry summary by email for:

- (a) Ingestion by Global Relays hosted Message Archiver & Compliance Reviewer
- (b) FTP download to Customers in-house archiving system, or
- (c) SMTP delivery to Customers in-house archiving system via VPN/TLS/SSL

Once imported, BlackBerry messages can be searched, viewed, monitored and retrieved from the Message Archiver in the same manner as email and instant messages.

Disclaimer: The RIM and BlackBerry families of related marks, images and symbols are the exclusive properties and trademarks of Research In Motion Limited - used by permission. Research In Motion, RIM, BlackBerry, BlackBerry Enterprise Server and "Always On, Always Connected" are registered with the U.S. Patent and Trademark Office and may be pending or registered in other countries.

The Compliance Reviewer

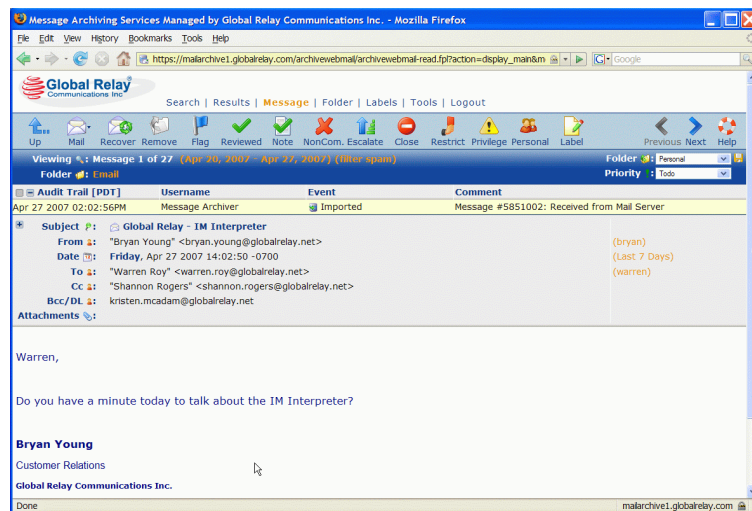


Take control...We provide the tools. Global Relay's Compliance Reviewer was developed to provide financial firms with an electronic record supervisory system specifically engineered to meet the regulatory compliance requirements for supervision under **IDA By-law 29.7** and **NASD Rule 3110** in addition to internal controls.

To enforce and monitor your firm's email & IM policies for proper usage, corporate governance and compliance, we provide a flexible, easy-to-use, multi-tier supervisory system with advanced rules engines for one-click compliance, one-second review, and categorization by flags, priorities, folder and labels. Effectively, be the first to know about internal issues before they become public problems, not the last. Messages of any user are analyzed on import and flagged for review if violations are detected as follows:

1. real time filtering for keyword or phrase violations (we provide a start-up list of suggested words);
2. specific query using flexible search criteria;
3. advanced rule-based keyword & phrase proximity analysis; or
4. random sampling rules (by User, User Group, or firm as a whole, with adjustable percentages).








As demonstrated below, via an intuitive, color-coded icon based user interface, a Reviewer can instantaneously retrieve for review any flagged message and then quickly evaluate and log the results. If applicable, a first level Reviewer may escalate any non-compliant message to a Super Reviewer for further evaluation.



Once a message has been:

Flagged for review




REVIEWER may mark message as:

-  Viewed, Action required
-  Reviewed
-  Non-compliant
-  Closed
-  Privilege
-  Restrict
-  Personal

If Escalated  message is marked:

 Flagged for review

Super Reviewer may mark message as:

-  Reviewed
-  Non-compliant etc.
-  Closed

Business Benefits of the Compliance Reviewer:

- real-time detection of inappropriate or misleading messages, which may violate regulation or firm policies
- ability to enforce firm policies regarding appropriate email & IM usage, corporate governance and privacy
- improvement of employee productivity through decreased personal email & IM use due to monitoring

Features of the Compliance Reviewer:

- customized, automated flagging of messages for review based on flexible filtering criteria
- review of full messages and attachments, or rapid review of headers only, with virtually no latency
- keyword flagging rules can be customized for each of incoming, internal and outgoing messages
- keyword search results are highlighted in different colors within the message for quick discovery
- customized filters can exclude specific words and phrases (i.e. disclaimers or attorney-client privileged mail)
- Reviewer can log message review history with action icons and predefined or issue specific comments
- Reviewer-defined folders to categorize data for compliance or litigation purposes, with fast export to CD

Meets Regulatory Compliance Requirements:

- rapid access to review functions via any secure web browser
- advanced filtering with categorization by flags, priorities, folder and labels
- customized security rules govern multi-tier access rights and action privileges of authorized reviewers
- rules-based, automatic message flagging with review alerts to enforce timely review
- detailed time stamped logs with audit trail history of reviews and related actions taken
- flexibility to internally make adjustments to surveillance and monitoring procedures
- enables response to audit requests within minutes with online audit, search and eDiscovery tools

The Compliance Reviewer: Supervisory System

The Compliance Reviewer is configured to enforce and monitor your firm's supervisory policies and procedures.



ADMINISTRATOR sets up your firm's Users and assigns them to User Groups; appoints Reviewer(s) to monitor specific User Groups, and if required, appoints Super Reviewer(s) to assist Reviewers. Administrator also provides access to authorized persons (such as regulators, auditors and owners).



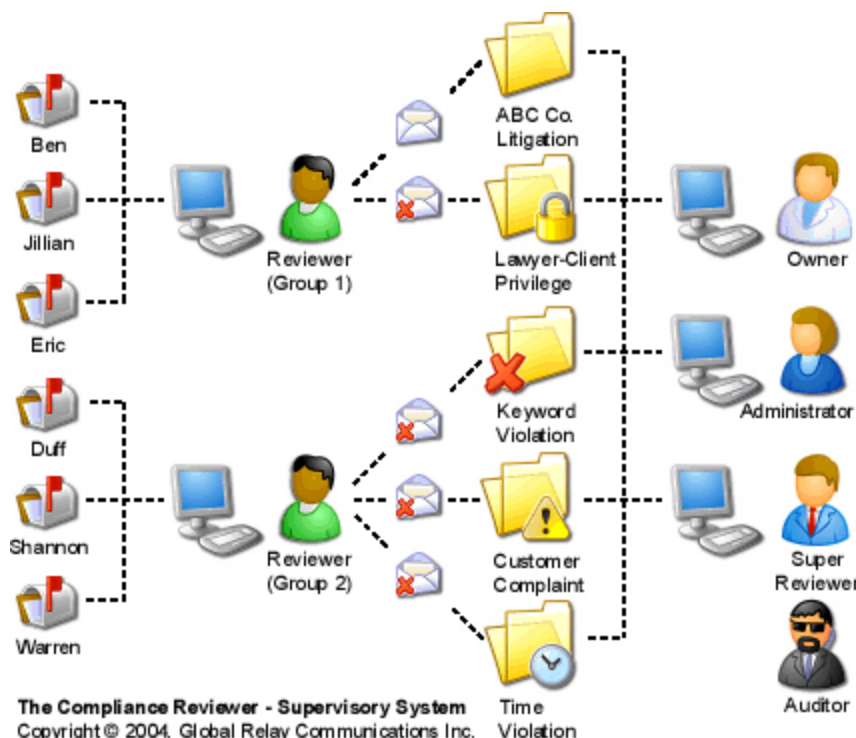
USER has access to a permanent online record of their messages from any location. Specific Users (i.e. a manager) may be assigned access to additional User accounts by the Administrator. A User can reply, forward, print or download their messages, but cannot access records relating to any supervisory review.



REVIEWER has access to messages of its assigned User Group(s) in order to carry out the first level review. Messages may be "Flagged for Review" through real-time keyword scanning, specific search criteria or random sampling. The Reviewer then may review the flagged message. Through simple color-coded icons, the Reviewer marks the message as "Reviewed" or "Non-compliant". If "Viewed, Action Required", such messages will be marked accordingly, and become subject to a time violation if not dealt with. An explanatory comment must accompany all non-compliant and/or "Escalated" messages, in order to assist the assigned Super Reviewer, or otherwise detail the review process. Messages may be organized into Reviewer-defined folders. Once a non-compliant message has been fully dealt with, it may be marked as "Non-compliant - Closed". Messages can also be marked "Privileged", "Restricted" or "Personal".



SUPER REVIEWER has all access and review capabilities of the Reviewer, as well as firm-wide access to all User messages (unless specifically restricted) to carry out the second level review. Similar to the Reviewer, once a message has been "Escalated" and "Flagged for Review", the message may be marked as "Reviewed", "Non-compliant" or "Viewed, Action Required". Once it has been "Escalated" to the Super Reviewer, the Reviewer can no longer take any actions. The Super Reviewer has access to any Reviewer-defined folders. Once a non-compliant messages has been fully dealt with, it may be marked as "Non-compliant - Closed".



CUSTOMIZED STRUCTURE

To organize the review of flagged messages of employees, the firm Administrator may establish multiple User Groups by domain, department, office, division or management team, and may assign multi-tier Reviewers. The Owners, managers, auditors or regulators can also be assigned review privileges.

The firm can directly manage the review structure and adjust User Groups, access rights or levels of review to fit the firm's evolving needs.

Reviewer-defined priorities, labels and shared folders, help organize reviews.

IDA BY-LAW 17.19

SYNOPSIS: IDA RULES REGARDING BUSINESS CONTINUITY & DISASTER RECOVERY PLANNING

SIGNIFICANCE OF RULES: Events such as September 11th, the eastern grid power failure and the ice storm in Quebec, have mandated a new level of business protection and contingency measures in Canada and globally. In the event of a market-wide disruption, the resilience of the financial sector is contingent upon the rapid recovery and resumption of critical activities that support financial markets. The adoption of **IDA By-law 17.19** requires all firms to have a business continuity plan (BCP) to deal with significant business interruption scenarios and have the ability to resume service within an acceptable period of time. In addition to the broad principles of **By-law 17.19**, IIROC has issued guidelines on what should be addressed in developing a BCP.

WHO MUST COMPLY: All Member firms are required to make adequate BCP preparations relative to their size, business and structure.

COMPLIANCE DEADLINE: By-law 17.19 was effective as of June 25, 2004. Accordingly, all firms should have established a BCP.

REQUIREMENTS: Under By-law 17.19, firms must establish a customized BCP that is based on an analysis of the impact to their business of a serious or prolonged disruption or emergency and the mitigating solutions. Relevant By-law 17.19 Guidelines in connection with electronic communications and digital data include:

- duplication of critical technology, vital records and other data critical to resuming business in a secure, geographically removed location, available for use during an emergency
- pre-designated alternate sites, located a prudent distance from primary sites
- organizational strategies for IT and business functions (such as access to client data)
- processes for the storage, protection and recovery of data (electronic records)
- back-up procedures for all applications and hardware
- processes for handling lost work in progress and/or backlog processing
- alternative methods of communication during a disruption
- ability to resume effective operation within an acceptable period of time
- continued compliance with all relevant regulations and legal obligations and duties to clients
- review, testing and auditing regularly for BCP capabilities and quality
- updating the BCP in the event of any material change to operations, structure, business or location
- all the firm's operations in each region where the firm has a presence must be incorporated into BCP

REPERCUSSIONS OF NON-COMPLIANCE: Given the complex interdependencies of the markets, there is a potential for a sudden business disruption to cascade into a significant market-wide crisis if firms do not establish adequate business preparedness and disaster recovery solutions. Securities auditors are required to review and report annually on firm's compliance with the BCP By-law.

GLOBAL RELAY'S SOLUTION: Our BCP solution combines two powerful technologies to firstly enable a firm to resume all critical business processes relating to accessing and using email and instant messaging (IM). Additionally, it provides a complete management and recovery system for digital documents in the event you suffer a network outage, server shutdown or catastrophic failure. Benefits include providing a single source for recovery of critical information and a centralized managed response.



The **Message Archiver** is an online electronic record and digital document archival system that archives an authentic and complete record of email, IM, e-fax, PDFs and all other e-documents in a secure but accessible off-site system. Hosted Continuity Mail incorporates a 30 day "always on" synchronized secondary mail system, for immediate access by all employees in the event that the primary mail server is unavailable.

FOR MORE INFORMATION, please refer to Global Relay's: (1) *The Message Archiver*; (2) *Hosted Continuity Mail*

Contact Global Relay at **1.866.484.6630**. Note that this BCP solution relates to meeting IDA requirements for communication capabilities and electronic data access, backup and recovery.

IDA Bylaw 17.19 may be found at: http://www.globalrelay.com/files/BusContPlanRequirement_en.pdf

Benefits of Global Relay's Software-as-a-Service (SaaS) Solution For Investment Dealer Electronic Recordkeeping and Supervision

Establishing a message management system and satisfying the compliance requirements imposed by IIROC and the SEC relating to electronic recordkeeping and supervision are complex, and potentially expensive if done in-house. As the developer, owner and operator of our technology services, Global Relay is able to provide your firm with cost-effective, complete, high quality solutions to achieve compliance, as well as to ensure that your email is properly backed up and managed.

Global Relay's Outsourced Message Archiver & Compliance Reviewer Solution

- superior technology with time test reliability since 1999
- it's a seamless, turnkey solution that plugs into your existing system and is activated within hours
- no special equipment, programming, hardware, software or other capital outlays
- affordable, typically costing as little as 25% to 50% of a comparable in-house solution
- predictable budgeting
- unmatched speed enabling you to find any message in under 2 seconds
- user-friendly with virtually no learning curve
- off-site, mirrored storage in SAS 70 Certified East/West Coast Data Centers
- accessible from any secure web browser
- technology is continuously and seamlessly updated to meet current technological, legal & regulatory needs
- SEC mandated non-rewriteable, non-erasable dedicated WORM media with off-site backup
- secure, National Security Agency (NSA) level AES and RSA dual encryption for highest protection
- unlimited mailbox storage and scalability, designed to support millions of Users
- provable authenticity of records and audit trails which are evidentiary quality for court & regulators
- 24/7 IT Support & immediate audit support
- dedicated professional compliance team with the highest synergy of business, technical and legal expertise
- mission critical reliability, not a single incident of data loss in eight years of providing message archiving
- individual User accounts can be associated with multiple email addresses, aliases and distribution lists
- 30 day total satisfaction guarantee
- we will tailor an all-encompassing compliance solution for firms of any size, structure, nature
- enables your firm to focus on its core business

In-House Software & Hardware Solutions

- significant initial and ongoing expense in software, hardware and IT personnel
- time consuming to research, plan and coordinate with multiple software and hardware vendors
- finding the in-house expertise to implement, manage and update a compliant solution may be challenging
- logistically difficult and intrusive to establish an internal data center
- your valuable electronic assets may not be safe in the event of a disaster
- difficult to fulfill SEC requirement to have separate storage locations for duplicate copies of email
- costly legal services related to ongoing compliance issues and filings with IIROC and SEC
- mailbox licensing may be expensive and operationally difficult
- risk of messages not being captured properly, or not stored securely with satisfactory encryption
- independent security audits may be required to ensure security and compliance standards are met
- replacement by hardware vendors of defective components may result in days of downtime
- if relying on PST files: (1) they are susceptible to corruption resulting in data loss; (2) regulators, by nature, would have access to all information in Outlook including contacts, calendar and lawyer client-privileged mail

Conclusion

Global Relay eliminates the financial and operational risks of implementing a compliant message archiving and supervision solution. Our 30-day trial, which includes setup, activation, training and support for your firm demonstrates our commitment to you, our belief in our team and our solution.

Six Steps to Compliance for Financial Firms

Getting Started...The Message Archiver and the Compliance Reviewer can be set up and made operational for your firm within hours.



30-Day Trial. Let's start you on the road to compliance without risk of commitment. No software, hardware, programming, or other capital outlays are required. Satisfaction is guaranteed since you have 30 days to try out our Services. If not fully satisfied, we can disengage the Services instantly upon request. In the meantime, your data is legally and confidentially protected, as well as securely stored.



1. Gathering Info. Let's talk. We recognize that compliance starts with combined proactive decision-making on the part of your compliance officers, IT technicians and senior management. We have the business, technical and legal team to match. Try our online demos at: www.globalrelay.com, or schedule a live product demonstration. We also can provide you with a Fee quote.



2. Sign Up. To sign up, starting with the 30-day trial, complete the [Registration Information](#) form online at: www.globalrelay.com/signup.aspx. Linked to the online signup is our online Services Terms & Conditions that you must carefully read and "Accept" to complete your registration.



3. Installation. Upon receipt of your online signup request, Global Relay's Provisioning Team will work with your IT contact or hosted mail provider to complete the installation. For archiving customers, if your firm operates its own mail servers, simple journaling or plug-in instructions will be provided. Global Relay will test, monitor and troubleshoot the connection to confirm that the mail is flowing into the Message Archiver. Instant Messaging, Bloomberg, Reuters and BlackBerry message capture will also be activated at this time, as required.



4. Welcome Package. Once the mail is confirmed to be flowing, we send you a Welcome email, as well as provide your Administrator with account information. At this point, your Administrator may assign User access rights and set up User Groups.



5. Online Training. While our technology is extremely intuitive, we offer free training sessions held by conference call, concurrently while you access the system through any secure web browser. These sessions run about 90 minutes. If you require further assistance, our team of well-trained technical support professionals will gladly guide you through any questions.



6. Usage Consultation & Ongoing Support. Upon expiry of the 30-day trial, assuming you are satisfied with our Services, you will be engaged as a full customer. The Fee Agreement is required to be signed and faxed back to Global Relay. Upon request, we can provide you with messaging statistics, such as usage reports (standard statistics can also be found within your system). For compliance archiving customers, the tamperproof, dedicated WORM drive will be activated.

Enjoy the peace of mind that comes with Global Relay's Compliance Solutions.

Global Relay's Suite of Hosted Business Services

Global Relay's proprietary technologies have been specifically engineered to secure, filter, capture, index, archive, monitor and unify all email and attachments, together with other electronic communications such as instant messages (IM), e-Fax, Blackberry, Bloomberg, Reuters, and imported historical email for instant online search and retrieval within seconds from anywhere. Global Relay offers businesses a proactive, all-in-one solution, delivered in a Software-as-a-Service (SaaS) model, to address messaging compliance, management, storage, security, eDiscovery, business continuity and disaster recovery.



MESSAGE ARCHIVING & MONITORING

Enterprise Archiving, our fully-managed message archiving, monitoring and eDiscovery solution which mirrors data in our SAS 70 Certified Data Centers integrating HP servers, Sun Microsystems' operating systems, and Blue Arc NAS/SAN storage, to provide unmatched performance, resilience and scalability:

- 1. Message Archiver**, our core message archiving system. Powered by robust search engine technology to retrieve any message in seconds regardless of volume or age, it offers unlimited online storage for the long-term preservation, management and retrieval of email, attachments and IM. With personal message management tools, Users may view, reply to, forward and download all their current and historical messages, and even create new mail. You will never lose email again.
- 2. Compliance Reviewer**, our multi-tier, turn-key supervisory system with one-click compliance, one-second review, and categorization by flags, priorities, folders and labels. Email & IM policies for proper usage, corporate governance and compliance are easily enforced and monitored. Rogue messages are identified by keyword filtering, specific query or random sampling.
- 3. Tamperproof Storage**, our secondary near-online storage (NOS) using dedicated, tamperproof WORM (**Write Once, Read Many**) drives with write verification (used in addition to primary online SAN storage), to provide an authentic, evidentiary quality copy of every message.

Compliance Archiving, provides industry-specific solutions developed to meet the stringent regulatory compliance requirements mandated for electronic records, with advanced Audit & eDiscovery tools.

Our technology provides compliance with: SEC Rule 17a-4; FINRA (formerly NASD) Rules 3010 & 3110; RIA SEC Rules 204-2 & 206(4)-7; IDA Bylaw 29.7; FSA, *Sarbanes Oxley Act*; HIPAA; *Graham-Leach Bliley Act*; PIPA & PIPEDA; *Patriot Act*; *Data Protection Act*, Basel II, FERC; FCC, and more.

Legacy Data Importer imports historical email from PST, MDIR & Mbox files, backup tapes etc. to the Message Archiver for rapid search and retrieval.



MESSAGE CONVERTERS for each of Bloomberg, Reuters and BlackBerry enable messages to be automatically downloaded and consolidated in the Message Archiver, or converted for external delivery to third-party archives.



EMAIL, our secure email system provides simultaneous POP, IMAP and Webmail access.

- includes Virus Scanning & SPAM Filtering
- support for Outlook & Outlook Express and seamlessly integrates with the Message Archiver



EMAIL FILTERING shields your corporate Exchange/in-house email servers from attack.

- provides front-end Virus Scanning & SPAM Filtering
- 30-day Store & Forward mail-queuing in the event of a network outage or server upgrade/repair
- 30-day Storage Buffer to recover lost email between the time of a server crash and your last backup



EMAIL CONTINUITY, our secondary "always on" 30-day rolling Webmail system with POP & IMAP access for complete email continuity in the event of a disruption or disaster.

- includes Virus Scanning & SPAM Filtering
- support for Outlook & Outlook Express and seamlessly integrates with the Message Archiver



IM INTERPRETER facilitates the secure capture of instant messages (IM) by the Message Archiver for easy search, retrieval and monitoring. We offer three IM solutions depending on a firm's requirements:

- 1. Enterprise IM**, our secure, internal Jabber messaging system
- 2. Hosted IM Filtering** & capture of AOL, MSN, ICQ, Yahoo & LCS via Akonix L7 Security Servers
- 3. IM Capture** of Akonix, Facetime & IM Logic Proxy Servers via SMTP



The Message Archiver & The Compliance Reviewer

Technical Solutions For

• IDA BY-LAW 29.7

Technical Solution for: IDA By-Law 29.7 - Advertisements, Sales Literature & Correspondence

Global Relay's Message Archiver and Compliance Reviewer, an email archival and surveillance system, are engineered to meet the regulatory compliance requirements for supervision and record retention of electronic correspondence under the amended Investment Dealers Association of Canada (IDA) By-law 29.7 ("By-law 29.7"), and the corresponding Guidelines for the Review of Advertisements, Sales Literature and Correspondence dated April 12, 2004 under Notice MR0281 (the "Guidelines").

The revision to By-law 29.7 is intended to require Member firms to implement policies and procedures for the supervision and post-review of advertisements, sales literature and correspondence, as an alternative to the requirement to obtain prior approval of such materials. Electronic correspondence, including the Internet and email, are now incorporated into the By-law, as well as retention periods for preservation of the same. The By-law and Guideline requirements are met as follows:

By-Law 29.7	COMPLIANCE REQUIREMENT	GLOBAL RELAY'S SOLUTIONS
<p>(1) untrue, Misleading, Detrimental or Non-Compliant E-Records</p>	<p>No Member shall issue to the public, participate in or knowingly allow its name to be used in respect of any advertisement, sales literature or correspondence, and no registered or approved persons shall issue or send any advertisement, sales literature or correspondence in connection with its or his or her business which:</p> <p>(a) contains any untrue statement or omission of a material fact or is otherwise false or misleading;</p> <p>(b) contains an unjustified promise of specific results;</p> <p>(c) uses unrepresentative statistics to suggest unwarranted or exaggerated conclusions, or fails to identify the material assumptions made in arriving at these conclusions;</p> <p>(d) contains any opinion or forecast of future events which is not clearly labeled as such;</p> <p>(e) fails to fairly present the potential risks to the client;</p> <p>(f) is detrimental to the interests of the public, the Association or its Members; or</p> <p>(g) does not comply with any applicable legislation or the guidelines, policies or directives of any regulatory authority having jurisdiction.</p>	<p>Once the Member firm's written policies on the above prohibitions have been established, the Compliance Reviewer's rule-based system can be employed to monitor email activity to enforce adherence to such prohibitions by the firm's employees. The Compliance Reviewer enables the review, monitoring and retrieval of a firm's messages stored in the Message Archiver, and therefore has the ability to monitor and flag for review email that may contain the above prohibitions.</p> <p>Flagging for Review - Messages of any User may be flagged for post-delivery review by any combination of the following methods:</p> <p>real time import scanning for keyword violations (a predetermined keyword list can be created that detects one of the above prohibitions have been violated); structured query based on various search criteria (all, date, date range, To, From, CC, Subject, keyword contained within a message or attachment, attachment file name or any part of or combination of the preceding); or by defined random sampling rules (by User, User group, or firm as a whole).</p> <p>Supervisory Review & Evaluation - A firm may establish a flexible and scaleable multi-tier review system, consisting of authorized Reviewers and Super Reviewer(s). Reviewers and Super Reviewers, via an intuitive user interface, can instantaneously retrieve for review any flagged email. Using a simple color-coded icon indicator based system, a Reviewer is then able to evaluate and select the appropriate action icon to log the status of the email (as "Flagged for Review", "No Action Taken," "Compliant", "Non-compliant", "Escalated"). If monitoring large numbers of registered representatives, a first level Reviewer may escalate any non-compliant email to a Super Reviewer for further evaluation.</p> <p>Explanatory Evaluation Comments - In addition to marking the message status, a predefined or issue specific comment must accompany all non-compliant and/or escalated email. For IDA compliance purposes, a firm is able to create a predefined comment list that may include the prohibitions set out in IDA By-law 29.7(1)(a)-(g) (eg: "False or Misleading Information"; "Unjustified Promise of Results"; "Unwarranted Conclusions"; "Future Forecast"; "Inadequate Description of Risks"; "Abusive Content"; or "Detrimental to Public Interest").</p>

By-Law 29.7	COMPLIANCE REQUIREMENT	GLOBAL RELAY'S SOLUTIONS
<p>(2) Supervisory Policies</p>	<p>Each Member shall develop written policies and procedures that are appropriate for its size, structure, business and clients for the review and supervision of advertisements, sales literature and correspondence relating to its business. All such policies and procedures shall be approved by the Association.</p>	<p>In general, IDA Regulatory examiners will periodically review each Member's policies and procedures and systems to ensure that they are reasonable in view of each firm's structure and the nature and size of its business and client base. Global Relay's Message Archiver and Compliance Reviewer technology has been developed to meet current "best practices" standards for electronic recordkeeping and supervision. Our technology standards more than meet the IDA requirements, as they were originally based on the more stringent compliance requirements mandated for Broker-Dealers under the US Securities and Exchange Commission.</p> <p>Given that amended By-law 29.7 now requires that electronic business correspondence to clients be monitored, in the least, all outgoing messages deemed to be official business records should be subject to the provisions of the Member firm's email & IM records management and supervisory review policies and procedures. The Message Archiver has the capability of capturing all such incoming, internal and outgoing messages and attachments of a firm, and the Compliance Reviewer may be used to flag for review all such incoming, internal and outgoing messages and attachments, or selectively flagging only outgoing email.</p> <p>Once written supervisory policies and procedures have been established relating to electronic advertising, electronic sale literature and all incoming and outgoing email correspondence, the Compliance Reviewer makes the enforcement of a firm's supervisory policies simple by enabling a Member firm to:</p> <p>(1) Implement Procedures: Procedures may be cost effectively implemented through a rules-based system in accordance with the Member's written supervisory policy. This may include multi-tier Reviewers and Super Reviewers, if applicable, and customized surveillance and monitoring privileges and capabilities to match each firm's policies regarding review of electronic records and email use (refer to the Guidelines, Part II, Paragraph 1 Solution below for more detail).</p> <p>(2) Electronically Supervise: The Compliance Reviewer enables Reviewers, Super Reviewers and Administrators to supervise its employees by using various review configurations to review any User's messages via any secure web browser.</p> <p>(3) Review & Document: Global Relay's Compliance Reviewer enables supervisory review to be conducted on demand by reviewing random samples or definitive selections of all incoming or outgoing email communication of specified Users via any secure web browser. The Reviewer is able to document actions and evaluations by applying simple icon indicators, together with optional predefined or issue specific explanatory comments to further detail supervisory review results.</p> <p>(4) Schedule Review Time Frames: For review purposes, a rules-based schedule for automatic message flagging and review may be implemented and customized to enforce policy time deadlines for review. If Reviewer fails to review within the set time frame, an icon indicator will automatically mark the flagged message accordingly. Reviewers also have the ability to flag and review on demand.</p> <p>(5) Report: An audit trail of the Reviewer's actions with comment history is logged and archived and is available online with the associated message which may be forwarded, downloaded or printed, for internal or IDA inspection purposes.</p>

By-Law 29.7	COMPLIANCE REQUIREMENT	GLOBAL RELAY'S SOLUTIONS
<p>(3) Supervision of Post-Review Process</p>	<p>The policies and procedures referred to in subsection (2) may provide that such review and supervision will be done by pre-use approval, post use review or post use sampling, as appropriate to the type of material. ... [see By-law for pre-approval list of material]</p>	<p>Pre-Use Approval – To assist in detecting distribution process breaches, once a firm has determined what material must be pre-approved the Administrator has the ability to create customized flagging rules to notify the compliance department if such materials are distributed before completing the pre-approval process (eg: keywords detecting particular research reports, market letters, telemarketing scripts, promotional seminar texts, original template advertisements). For more detail on flagging methods, refer to above By-law 29.7(1) Solution – Flagging for Review.</p> <p>Post-Use Review or Post-Use Sampling – all outgoing (and incoming, if desired) messages of any User may be flagged for post-delivery review by any combination of methods described above in By-law 29.7(1) Solution – Flagging for Review.</p> <p>Specific examples of material include:</p> <p>(a) Email of Registered Representatives - Reviewers and Super Reviewers are able to specifically review samples of all email messages from each individual RR. Such sampling may specify each RR's Username in order to ensure capturing some of their RR's public correspondence. Email of an RR that includes recommendations to a customer may also be flagged for review by customer name, key words or phrases.</p> <p>(b) Customer Complaints – A value added ability of the Compliance Reviewer is that through keyword flagging, notification of customer complaints delivered to the Member firm by email may be flagged and brought to the attention of the firm.</p>
<p>(4) Training</p>	<p>Where such policies and procedures do not require the approval of advertisements, sales literature or correspondence prior to being issued, the Member must include provisions for the education and training of registered and approved persons as to the Member's policies and procedures governing such materials as well as follow-ups to ensure that such procedures are implemented and adhered to.</p>	<p>Where a firm does not conduct a pre-approval review of electronic materials, By-Law 29.7(4) requires the firm to:</p> <p>Train Employees – once a firm has established appropriate written supervisory procedures, it is then required to educate and train appropriate employees on these procedures regarding the governance of all outgoing public electronic advertisements, sales literature and email correspondence relating to its business. Although Global Relay's Message Archiver and Compliance Reviewer operate via an intuitive user interface, virtually eliminating any learning curve, Global Relay will assist in this process by providing support for employee education and training where required. An audit trail of all Reviewer actions, whether the employee is having a training session or is carrying out an actual review, is automatically logged and available as required for proof of training.</p> <p>Monitor and Evaluate Procedures - Global Relay's Compliance Reviewer has a reporting module with the ability to monitor, track and provide statistics on a firm's monitoring and surveillance activities to ensure proper implementation and compliance, as well as for audits and periodic re-evaluation by the firm. Administrators (or others with designated access rights) may view the results of the Reviewer's actions and the auditing of actions to ensure the executed reviews comply with the policy goals of the Member firm.</p>

By-Law 29.7	COMPLIANCE REQUIREMENT	GLOBAL RELAY'S SOLUTIONS
<p>(5) Archiving</p>	<p>Copies of all advertisements, sales literature and correspondence and all records of supervision under the policies and procedures required by subsection (2) shall be retained so as to be readily available for inspection by the Association. All advertisements, sales literature and related documents must be retained for a period of 2 years from the date of creation and all correspondence and related documents must be retained for a period of 5 years from the date of creation.</p>	<p>Storage Media - Global Relay's Message Archiver is an email archival system for the long-term preservation, access and retrieval of email. The Message Archiver ensures that all messages, including attachments, are serialized and duplicated with identical copies written to the primary online storage using RAID discs, with a secondary permanent copy written in the Storage Robot, our near-online storage (NOS) robotic tape libraries using dedicated WORM (write once read many) tapes.</p> <p>Record Retention Schedules - Global Relay's Message Archiver employs retention scheduling to manage the lifecycle of electronic records, audit trails and indices ensuring compliance requirements are met. Following best practice standards, the Message Archiver is able to provide "readily available" real-time access to email & IM records through the primary online storage system using RAID discs during the first two years (given that most record requests occur within two years of creation). For the remainder of the retention period, the messages are preserved and able to be accessed and available promptly through the Storage Robot.</p> <p>Databases - Global Relay's Message Archiver maintains a database in real-time which contains accurate information pertaining to the messages stored on the primary and secondary file storage systems. The Message Archiver database contains indexes of all relevant data on each electronic record including all email header information (Date, From, To, Cc, Subject, attachment file name) and keywords from the email and attachment(s), if applicable. This index data is generally referred to as metadata (data on data), which is used when searching for messages within the Message Archiver.</p> <p>Readily Available - Access to view, print and download is done through the Message Archiver's secure, user-friendly web browser interface accessible by authorized personnel from any desktop. All information stored within Message Archiver can be made "readily available" for inspection by the IDA, provided the firm has given access privileges to the regulators. Authorized Users are able to easily conduct searches using structured queries based on various search parameters (all, date, date range, To, From, Cc, Bcc, Subject, keyword contained within a message or attachment, attachment file name or any part of or combination of the preceding). The Message Archiver is able to retrieve messages in bulk and download such records on any media requested by the IDA.</p> <p>Encryption - Before being stored, each email is encrypted meeting National Security Agency (NSA) standards by using AES encryption algorithms and secondary RSA encryption algorithms. The encryption (and decryption) process is transparent to Users.</p> <p>Write Verification - In order to prove authenticity of messages to the IDA, the Message Archiver automatically verifies the quality and accuracy of the storage media recording process as messages are written to the Message Archiver. The Message Archiver incorporates write-verification of email and attachments sent to the primary and secondary file storage systems. As messages are processed, the Message Archiver automatically compares the post-processed message to the original email before the original is deleted. The Message Archiver also provides automated 72 hour external storage as an added level of redundancy in the write-verification process.</p> <p>Audit Trails - All messages stored in the Message Archiver are forwarded directly from the firm's email server, with no user intervention. During the lifecycle of a message, all actions (viewing, replying, forwarding, downloading, flagging, notation, review) by any user, Reviewer, Super Reviewer, Administrator or the system itself, associated with the message are logged. The Message Archiver's detailed logs provide a full audit trail verifying the integrity of the message. These logs are available to the firm. As well, access can be provided to the IDA by the firm.</p>

Technical Solutions for the IDA Guidelines

The IDA By-law has provided corresponding Guidelines for the Review of Advertisements, Sales Literature and Correspondence dated April 12, 2004 in Notice MR0281. Such Guidelines provide further guidance and information regarding the development and implementation of the policies and procedure now required under amended By-law 29.7. **Part II (Policies and Procedures)** and **Part IV (Electronic Communications) of the Guidelines** are of particular relevance to the implementation of an email archival and surveillance system, such as Global Relay's Message Archiver and Compliance Reviewer:

By-Law 29.7 Guidelines: Part II — Policies & Procedures		
	COMPLIANCE REQUIREMENT	GLOBAL RELAY'S SOLUTIONS
Guideline II.1	<p>Assigning Reviewers: A partner, director or officer of the Member should be assigned specific overall responsibility for ensuring compliance with By-law 29.7. Where a Member is organized into two or more separate business units or divisions, the Member may assign a separate partner, director or officer for each separate business unit or division.</p>	<p>The Compliance Reviewer technology is highly scaleable. A firm may establish a multi-tier surveillance and monitoring structure for one or more domains, which may include one or more administrators, Reviewers and Super Reviewers, each with defined access privileges depending on review level. The Administrator has the ability to set up the firm's Users and assigns them to User Groups. A User Group may be set up for each separate business unit or division. The Administrator appoints Reviewers to monitor specific User Groups, and one or more partners, directors or officers may be appointed as Super Reviewers to assist Reviewers and be charged with overall responsibility for ensuring compliance with the By-law. The names of persons who prepared, reviewed and approved correspondence are readily ascertainable from the retained records. A Reviewer has access to email of its assigned User Group(s) in order to carry out the first level review. By the Reviewer being assigned specific Users to monitor, it ensures confidentiality within the firm, by preventing inappropriate viewing of messages. Reviewer actions include the ability to annotate and escalate a reviewed email to a superior or Super Reviewer.</p> <p>Within a small firm, one Reviewer can monitor all User email. The Reviewer in this case is often the business owner, the partner or director specifically charged with overseeing compliance. For growing, complex or large firms, the Administrator may establish multiple User Groups (Group 1, 2, 3 etc.) to organize Users into appropriate departments, divisions, business units, management teams or offices. A multi-tiered supervisory review system may be adopted consisting of multiple Reviewers and Super Reviewers. In this case, the Super Reviewer has all access and review capabilities of the Reviewer, as well as firm-wide access to all User email (unless specifically restricted) to carry out the second level review.</p>
	<p>Evaluations & Revisions: The designated partner, director or officer should ensure that adequate policies and procedures are in place, are reviewed periodically to ensure that they remain adequate, are revised to incorporate relevant rule changes and are communicated to all applicable personnel.</p>	<p>The Compliance Reviewer provides flexibility by giving privileged abilities to Reviewers, Super Reviewers and the Administrator to make adjustments on random message flagging methodology in order to constantly update and improve surveillance and monitoring procedures. See Solution to By-law 29.7(4) above.</p> <p>Global Relay's technology is updated as required to ensure that compliance requirements are met for new and amended rules as they are introduced. Global Relay's legal and IT departments are tightly integrated to ensure that actual deployment strategies for a firm of any nature, size, structure and customer base, meet the mandated compliance requirements.</p>

	COMPLIANCE REQUIREMENT	GLOBAL RELAY'S SOLUTIONS
Guideline II.2	Prohibited Material: Where specific types of advertising, sales literature or correspondence are prohibited by the Member, the policies and procedures should explicitly state the prohibition.	<p>Once the Member firm's written policies on the prohibited types of advertising, sales literature or correspondence have been established, the Compliance Reviewer's rule-based system can be employed to monitor email activity to detect breaches of policy by the firm's employees. For more detail on flagging methods, refer to above By-law 29.7(1) Solution – Flagging for Review.</p> <p>To assist in detecting distribution process breaches, once a firm has determined what material must be pre-approved the Administrator has the ability to create customized flagging rules to notify the compliance department where such materials have been distributed before completing the pre-approval process (eg: keywords detecting particular research reports, market letters, telemarketing scripts, promotional seminar texts, original template advertisements).</p>
Guideline II.3	Review Criteria: The specific review requirements for each type of material used by the Member should be clearly delineated in the Member's policies and procedures.	Refer to By-law 29.7(3) Solution above.
Guideline II.4	Record Retention Schedules & Audit Trails: The policies and procedures should include records retention requirements, covering both copies of the material itself and records of reviews and approvals.	Refer to By-law 29.7(5) Solution above.
	Non-Compliant Records: Where a post-use or sampling review uncovers problems, records should be kept of the action taken to correct them.	A complete audit trail of the Reviewer's or Super Reviewer's actions with comment history is automatically logged and archived and is available online with the associated message which may be forwarded, downloaded or printed. Compliance-related email may also be organized into Reviewer-defined folders.
Guideline II.5	Pre-Approval Advertising: Original advertising refers to the first instance of the advertisement or an advertising template and requires pre-approval. Minor variations in specific placements of template advertisements, such as the name of the RR or location of the branch office, do not require continuous approval.	The Administrator has the ability to create pre-defined search criteria, to assist in detecting and flagging advertising that should have been pre-approved. Also, the Compliance Reviewer provides Reviewers with the ability to employ the Excluded Phrase feature to ensure that general publications not requiring continuous approval are not flagged in a post-review. Refer to By-law 29.7(1) Solution and Guideline II.2 above.
Guideline II.6	Pre-use Reviews: Post-use or sampling reviews may be appropriate for, as examples, specific instances of template advertisements, daily comments following up on published research or correspondence to single clients or small groups of similar clients.	Refer to By-law 29.7(3) Solution above.
	Policy Requirements: The Member's policies and procedures should outline the type of review required, responsibility for conducting reviews and taking any remedial actions found to be necessary, sampling frequency or techniques and records retention requirements.	Policy Requirements: Refer to By-law 29.7(1) Solution above. Regarding record retention requirements, refer to By-law 29.7(5) Solution above.
Guideline II.7	Cross Supervision: The policies and procedures should provide for cross-supervision, i.e. individuals should not be responsible for the supervision or approval of advertising or sales literature which they themselves have prepared.	Again, the Administrator can ensure that there is cross-supervision since the Administrator sets up the firm's Users and assigns them to User Groups and appoints Reviewers to monitor specific User Groups, and if required, appoints Super Reviewers to assist Reviewers. A User has access to a permanent record of their email from any location, but has no ability to access records relating to any supervisory review of their email.

By-Law 29.7 Guidelines: Part IV — Electronic Communications		
	COMPLIANCE REQUIREMENT	GLOBAL RELAY'S SOLUTIONS
Guideline IV.1	<p>Email Capture: It is impossible to supervise material transmitted outside of a Member's systems, such as emails sent through a registered representative's private email facilities. Members should have policies to ensure that all business-related email to clients and prospective clients is captured. This can be done by providing secure remote access to the Member's systems to employees and agents, by prohibiting the sending of business-related email through home or by requiring that copies of all business-related e-mails be sent to the Member.</p>	<p>Domain-Wide Capture - The Message Archiver uses a server-based system engineered to capture and archive all incoming, internal, outgoing messages, including attachments, of a firm on a domain-wide basis. Capturing email on a domain-wide basis achieves two goals:</p> <p>(a) All email under the firm's domain, whether sent from the firm, an employee's home computer or remotely via webmail, will be captured and made subject to a supervisory review facilitated by the Compliance Reviewer; and</p> <p>(b) All email that may be deemed "correspondence" under IDA By-Law 29.7, which is defined to include "electronic business related communication prepared for delivery to a single current or prospective client" (broadly interpreted to encompass not only registered representatives, but all associated persons to the business), will be captured and made potentially subject to a supervisory review facilitated by the Compliance Reviewer.</p> <p>Communication outside of Firm Domain - Systems must be in place to prohibit circumventing the email archive by the firm's Users, such as the monitoring of outgoing SMTP mail to ensure all Users utilize the proper SMTP servers enabling the capture of messages. If non-domain email communication is suspected, Reviewers can supervise specific User accounts to verify whether or not outgoing mail is being captured by the Message Archiver.</p> <p>Exclusion of SPAM - The industry interpretation of "business related communication" appears to exclude SPAM. Global Relay offers an optional Anti-SPAM/Anti-Virus Gateway that can either tag SPAM so it is not displayed in the User inbox, or the Gateway can quarantine it for review prior to it being deleted (or redirected to the User).</p> <p>Instant Messaging – The By-law's definition of "correspondence" may include business communicated by Instant Messaging (IM), therefore a firm's policy on electronic communications should either restrict IM from being used for business or implement Global Relay's Global Messenger IM archiving solution, in order to automatically capture such electronic communications to archive for compliance purposes.</p>
Guideline IV.2	<p>Record Retention & Sampling: Where a Member's employees or agents make use of email to communicate with clients, Members should have records retention and sampling procedures to ensure that any e-mails that fall within By-law 29.7 have been properly approved and comply with the Member's policies and procedures.</p>	<p>Refer to By-law 29.7(2) Solution above.</p>
Guideline IV.3	<p>Policies: While not required, it is a good business practice to have a policy on the appropriate use of email and world wide web access and virus-protection.</p>	<p>For informational guidance in creating an acceptable use of email policy, please contact Global Relay at: legal@globalrelay.net.</p>

	COMPLIANCE REQUIREMENT	GLOBAL RELAY'S SOLUTIONS
Guideline IV.4	Email Orders: Acceptance of orders by email through anything but a dedicated order-entry system creates a number of risks... Clients and RRs should be discouraged from making use of email for order instructions, and if they choose to use it, clients should be warned of the risks.	If a Member chooses to prohibit acceptance of orders by email, other than through a dedicated order-entry system, the Administrator has the ability to create pre-defined search criteria and keywords to assist in detecting such violations in policy. Refer to By-law 29.7(1) Solution above.
Guideline IV.5	Keyword Flagging: There is software available that will enable Members to review outgoing and incoming email for keywords indicating that it should be reviewed.	As described above under the solution to By-law 29.7(1), the Compliance Reviewer enables Reviewers, Super Reviewers and Administrators to supervise its employees by using various review configurations to review any User's messages via any secure web browser. Incoming and outgoing messages may be flagged for review as messages are received by the Message Archiver based on real time import scanning for keyword violations. A firm is able to create a predetermined keyword list to flag email for review that may be non-compliant. The Administrator has the ability to modify, add to or delete from this keyword list at any time.
	Notice of Monitoring: Members should consult counsel to ensure that their policies and procedures include proper notice that emails may be subject to supervisory review.	A firm's supervisory policies should maintain transparency and disclose the functionality of email archiving technology to all employees with User mailboxes. Proper notice should be given to employees to ensure that such employees are fully informed of email retention, monitoring, supervisory review, usage and archive policies being undertaken and upheld within the firm.
Guideline IV.6	Internet Chat Rooms & Bulletin Boards: It is improper for registered persons to make anonymous representations or recommendations in Internet chat rooms or bulletin boards.	All electronic chat room and investment-related bulletin board business-related communications should be prohibited, as neither activity can be captured by the Message Archiver, and thereby not monitored by the Compliance Reviewer.

To learn more, visit www.globalrelay.com
or call 1.866.484.6630 (toll free)

