Catelas eCommunications Supervisor for Compliance & Risk

Heightened pressure from the regulators (increased inquiries and fines), calls for greater risk disclosure (fallout from financial crisis), and the lack of compliance resources have sparked increased interest in technology solutions for Governance, Risk, and Compliance. Compliance Officers are taking center-stage in many board room discussions. Meeting the minimum regulatory requirements is no longer enough; corporations must proactively identify and monitor risk.

How can you expand your risk identification and supervisory efforts with limited resources?

Catelas® is the first company to approach compliance and risk from the perspective of **'People Governance'.** Catelas provides compliance & counsel better insight into the risks associated with 'how business gets done': Legal (Early Case Intelligence & Identification), Compliance (supervision of information barriers, watch lists, control rooms) and Information Security (investigations & monitoring) **WITHOUT COLLECTING EMAIL**. It's like having an 'MRI' across the company to first identify <u>if & where</u> there is risk and then only collecting <u>proportionally</u> the communications/data between relevant people: 'who is talking to whom' and 'why'.

> *"Compliance is about having control over your environment and being able to prove it. Catelas uncovers high-risk relationships and pinpoints precisely who is talking to whom and why. These visual audit trails are essential."*
> ***Alan Morley, former Managing Director, large New York Financial Investment firm,***

Current challenges for Chief Compliance Officers

- **Key Word supervisory systems are increasingly ineffective** – employees are aware their email is monitored
- **Random sampling** – seen as 'unsuccessful' from a risk perspective
- **Increasing volumes of data** to review with insufficient resources
- **Social Media, SMS/MMS, IM, Bloomberg need to be viewed holistically:** we live in a many-to-many networked world
- **Costs are high, process is manual** and impact generally accepted as being unreliable with very few 'successes'

How is Catelas being used for compliance?

- Allows **supervision of the entire communications network** with the same manpower as sampling & without collecting email
- **Information Barriers:** Catelas uncovers both direct and indirect information flow between groups, including those to external parties
- **Watch Lists & Restricted Lists:** Catelas displays networks of '<u>who is communicating to whom about what</u>', reducing the time taken to review hits by 80% while focusing Compliance on people and conversations that matter.
- **Suspicious Activity Reports:** Catelas compresses these investigations into days instead of weeks
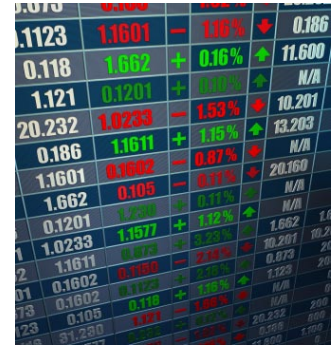

Display

Analyze

Import

Email   IM   Telephony   Log files
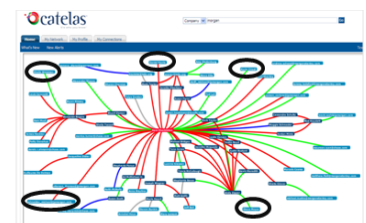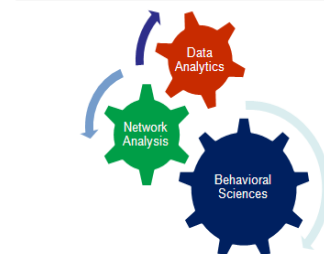
- **Employee Risk:** identify information leakage from departing employees, uncover inappropriate relationships, audit key individuals and monitor for trading strategy leakage & code theft.

Hedge Fund – Information Barriers and Employee Supervision

Our client is a tier 1 hedge fund. Their compliance team employed random sampling and keywords to supervise communications in order to measure compliance to various regulations. This process was manual, expensive and widely viewed as unreliable with very few 'successes'. While the company had stringent policies in force, it was generally felt that insufficient visibility existed to measure compliance to these policies. Given the current heightened regulatory environment our client looked to Catelas to provide a much more comprehensive risk based approach to the problem, identifying risk and proactively avoiding adverse events.
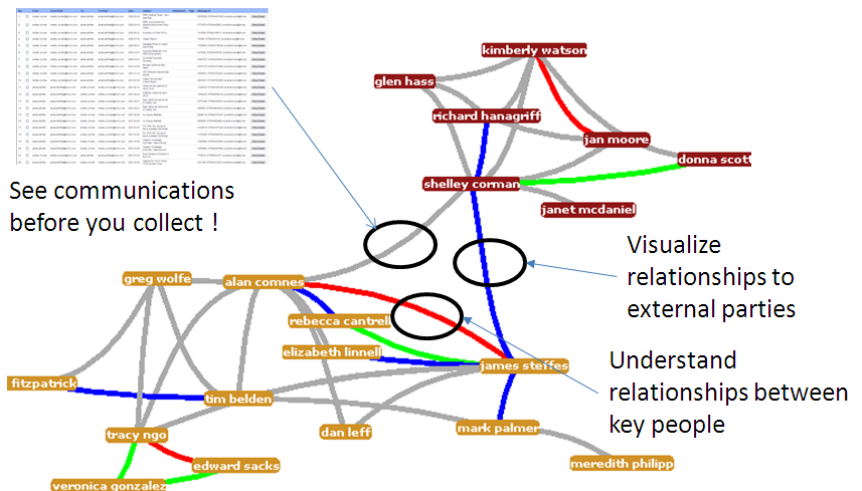
By using email log files, Catelas was deployed in under two days, mapping the entire company's communications network, providing automated surveillance and audit of all communications, without collecting a single email and remaining completely non-disruptive to daily operations. A number of potential high-risk relationships were uncovered – both internal and external (press, webmail, ratings agencies, and competitors). Catelas is now being used as a key component for compliance and investigations, at a fraction of the previous cost.

What makes Catelas so unique?

- **Visualize ALL communications** on a single network map, highlighting communication across & around information barriers, external relationship and information flow – all without collecting a single email

- **Uncover Regulatory Risk fast** by identifying who in your company is working with certain 'at risk' counterparties. Uncover risk within production requests before they are passed to a regulator.

- **Eliminate over-collection:** Focus on the relationships and communications that matter, reducing the collected content by over 80%, cutting collection costs and time

See communications before you collect !

Visualize relationships to external parties

Understand relationships between key people

Easy to deploy and use

- ✓ Scalable to billions of messages
- ✓ Simple to install and non-disruptive to IT or daily operations
- ✓ **Deployed in days** with no email server integration required

catelas™
It's who you know™