



Hedge Funds (IA 1940)

SEC Investment Advisers Act of 1940

The U.S. Securities and Exchange Commission (SEC) has recently imposed new regulations on private investment pools, also known as hedge funds. The U.S. Securities and Exchange Commission, in a three-to-two vote on Oct. 26, the SEC decided to require hedge fund managers with assets in excess of \$25 million to register under the Investment Advisors Act of 1940. The regulation goes into effect on Feb. 1, 2006. The ruling requires that most hedge fund advisers register with the SEC under the Investment Advisers Act of 1940, which includes provisions for securing, managing and archiving all electronic communication, including email and instant messages.

Regardless of whether hedge-fund managers are for or against the regulation, they still will have to evaluate their current processes and prepare for the coming deadline. Hedge-fund managers will also have to face many challenges around pricing.

Athena Archiver™ is an easy-to-use, fully secure solution for immediate compliance with SEC, Investment Advisers Act, and NASD regulations, with real-time search and discovery, supervision, and enforcement features.

We provide automatic verification of the quality and accuracy of the storage media recording process using CRC checks and cryptographic signatures. Athena Archiver ensures the integrity of an electronic document by encrypting messages at all points during transmission and storage. As email comes into the system we time stamp, serialize and create a unique signature for each message to ensure the authenticity of your email in court. Unlike some of our competitors we prevent spoliation by disallowing users and administrators from deleting emails from the archive.

more information at www.athenaarchiver.com (888) 613-9400

Athena Archiver assists companies in complying with IA 1940 in the following ways:

- Athena Archiver can verify the integrity of the archive because as email comes into the system we time stamp, serialize and create a unique signature for each message.
- Athena allows companies to retain critical email for the required time period in a highly secure encrypted archive. We provide automatic verification of the quality and accuracy of the storage media recording process using CRC checks and cryptographic signatures.
- Athena ensures the integrity of an electronic document by encrypting messages at all points during transmission and storage.
- Unlike some of our competitors, we disallow users and administrators from deleting emails from the archive. The ability to delete email from the archive will almost guarantee IA 1940 noncompliance.

