



## Case Study

**Customer Firm:** Perkins Capital Management Inc., Wayzata, Minnesota

**Intradyn Solution:** ComplianceVault™ Email Archiving & Retrieval Appliance

**Customer Contact:** Lisa R. Schmidt, Vice President/Chief Compliance Officer

### Customer Background

Perkins Capital Management provides investment management services for individuals, trusts, employee benefit plans, tax-exempt organizations, corporations, as well as a mutual fund.

The firm is registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. The sole activity at the company is investment management. Its clients, while primarily in the Upper Midwest, are geographically dispersed across the United States and in Europe. All the accounts managed by Perkins are fully discretionary, and assets are held by a qualified custodian.

The primary emphasis at Perkins Capital Management is to achieve superior investment returns. The firm's approach to equity investments is primarily to find public companies it believes to be undergoing change, which may result in higher earnings and, when this positive change is recognized by others, a higher price/earnings ratio through increased share price. Portfolios containing fixed income securities are also managed for clients who require higher current income or who desire less volatility than is normally associated with total equity accounts.

### The IT Environment and the Need

Perkins Capital Management has 16 employees, each with a Windows 2000 workstation. The firm uses Microsoft Outlook for desktop email. According to Lisa Schmidt, Chief Compliance Officer, "Our main server is running Windows Small Business Server 2003, our trading server runs SQL2000, and our internet/mail server is Windows 2000, with IMail by IPSwitch as the email and spam blocking software. We use Microsoft Exchange for sharing mailboxes, but do no online calendaring at this time. We have a double firewall set between the internet/mail server and our main server." Schmidt is in charge of all systems-related issues and the firm uses a local contractor to do most of its upgrades and to troubleshoot system problems that Schmidt is unable to handle.

"On a daily basis, Schmidt says, "we're currently processing about 1200 emails, both incoming and outgoing. Our backup software is ARCServe 2000, and a backup is run every night with a two-week tape rotation. My main duties consist of day-to-day compliance as well as monthly, quarterly, and annual reporting to the SEC. That is one of the reasons we chose the ComplianceVault™ to begin the process of 'WORM archiving' our emails – because, in most inspections of investment advisers, the SEC is now looking for email retention."

Perkins Capital Management is required by the SEC to maintain three years of records onsite. “As far as system backups,” says Schmidt, “we backup our entire system, except the Internet/email server, every night and remove the Friday tape from the building each weekend. Quarter-end and year-end tapes are stored at an offsite location. Our average backup is 72 Gigabytes.”

Perkins Capital must retain records of all activity in client accounts, and the firm uses the Advents Axys portfolio management system for that. “We have data on client accounts going back to the beginning of the company in 1985,” says Schmidt. “We were not archiving email prior to implementing the ComplianceVault™ appliance, but we were seeing our email volume growing every day. Most of the emails we receive are research documents from companies we follow or are interested in – which is approximately 600 emails a day coming from analysts to each of our portfolio managers. That translates to approximately 4200 per week, or 18,000 per month.” Emails sent approximately doubles this amount, to 36,000 monthly by current count.

### **The Result? Just the Right Solution**

No one can say Schmidt is indecisive. She saw a demo of the ComplianceVault™ in her offices and made the decision on the spot to acquire the appliance, seeing it as the perfect answer for solving her email archiving dilemma. Perkins Capital chose the ComplianceVault™ “Mini” or standalone model with 120 GB disk capacity.

Since the firm did not archive email prior to the ComplianceVault™, it isn’t as if Schmidt had a certain amount of time budgeted each month to devote to this activity. It was a new undertaking for her. Thus, she needed something simple, a solution that would not tax her already limited time in managing her firm’s complex compliance requirements. And she recognized the ComplianceVault™ as the solution that could serve that purpose well.

“With the ComplianceVault™, we were up and running in a few hours,” she said. “And maintenance has been minimal.” As far as daily operation, Schmidt says it couldn’t be simpler. “Each day, I check the number of emails saved against the number that I received the previous day, via an email the ComplianceVault™ sends me each morning.” Ongoing monitoring of the email retention process is quite simple, she says.

As expected, Schmidt says the ComplianceVault™ has met the needs of her organization for retaining emails. “We have gone through one software upgrade, and the process was easy and only took about three hours,” notes Schmidt. “Most of the time was spent rebuilding the emails that had previously been stored. The service tech was in and out of our office in half a day.”

Since Perkins Capital is a small firm that does not allow instant messaging – not uncommon with securities firms – it only needed to archive email.

“The ComplianceVault™ fills our needs perfectly,” says Schmidt. “Other systems I had looked at covered far more than we needed, and cost much more than we were able to spend.”

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## **About the ComplianceVault™**

The *ComplianceVault™ Email Archiving & Retrieval Appliance* is an affordable, all-in-one device designed for small to midsized firms, which until now have found it difficult or impossible to comply with email archiving regulations. It's an integrated hardware/software solution that captures all of a user company's emails on a continuous basis, from a virtually unlimited number of mailboxes. Pricing starts at \$6995. The device is very simple to install, requiring no integration time or expense, and can content search up to one million emails per second based on keywords, searching both subject lines and the bodies of all archived email messages.

The ComplianceVault™ has a very simple setup and can be put to use immediately. It is available in standalone models with 120 and 250 GBytes of raw disk space; each of these models has an internal Sony AIT tape drive to archive all email onto non-alterable WORM (write-once, read-many) tape cartridges. The device is also available in 1U rackmount models, which are used in conjunction with a 1U or 2U rackmount Sony AIT tape library. These ComplianceVault™ models are available in 250, 500, or 800 GBytes of raw disk space capacity.

The ComplianceVault™ appliance works with Microsoft Exchange and all major email systems (any based on the IMAP or POP3 email standard). When the device is attached to a company's network, all emails are instantly and continuously saved and indexed to disk, plus archived and indexed to tape – making them immediately available for retrieval in a manner compliant with the user company's corporate policies, as well as with industry regulations.

The unique features and specifications of the ComplianceVault™ appliance, combined with its low cost of ownership, make it the perfect choice for businesses that require simplicity and low cost in an email retention and availability solution. For more information, please visit [www.intradyn.com](http://www.intradyn.com) or contact us at 651-203-4600 or [info@intradyn.com](mailto:info@intradyn.com).

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