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# Archimedes Technologies, LLC

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Security & Compliance  
Are you Protected?

# The RIA Challenge

- Computers are central to your business
  - Most RIA's don't have a dedicated computer staff
  - Enterprise anti-virus software does not trap most Spyware and Trojan's
- Compliance related costs can be cost-prohibitive for smaller firms
- IT Compliance issues distract from revenue generating activities

# Compliance Is Your Responsibility

- Every RIA under section 203 of the *Investment Advisors Act* must comply to the Internal controls portion of the act
- Rule 206(4)-7 and Release IA-2204 specify supervisory policies

# Compliance Is Your Responsibility

- These rules include
  - Internal controls to prevent regulatory violations
  - Monitoring electronic communications to clients, investors, and regulators
  - An annual review of written supervisory policies and procedures

# New State Laws for Client Privacy

- New State privacy laws also apply
- Results of any loss of personal information
  - Informing clients of the information breach
  - Paying for client credit checks for a number of years
  - State penalties
  - Distraction from revenue generating activities

# Repercussions of Non-compliance

- Disciplinary actions from regulators
- Costly penalties
- Civil liability
- Loss of clients
- Damaged corporate image
- Loss of licenses

# Why Perform an Audit?

- To ensure data protection for your customers
- Ensure compliance with electronic communications guidelines
- To prevent loss of data and revenue
- To help you protect your reputation
- To ensure compliance with State security breaches disclosure laws
- Correct policies and procedures

# How can Archimedes Help

- Review IT policies and procedures as part of the annual supervisory review
- Policy and Procedure Gap Analysis
- Attempt to penetrate firewalls from the outside to determine security breaches
- Scan for Virus, Trojan and Spyware
- Review of application access and configurations as part of internal controls

# Archimedes IT Audit Process

- Review email supervision policies
- Provide a security report of every device attached to the network
  - Operating system patch levels
  - Protocols used per device
  - VPN access
  - Summary of critical vulnerabilities

# Why Choose Archimedes?

- We understand your business
- We have extensive experience in providing cost effective RIA IT audits
- We work with your compliance officer to spot any deficiencies in complying with the regulations before they become a problem

# Why Choose Archimedes?

- Our consultants have audit experience working with
  - SEC
  - GAO
  - SOX compliance
  - Internal audit functions
- Our consultants have all been senior IT managers and bring that experience to your firm

# Archimedes Qualifications

- All of Archimedes consultants come from Self Regulating Organizations
- Our consultants have held senior IT positions at
  - DLJ
  - Bank of Montreal
  - Prudential Securities
- We understand the compliance challenge

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## Security & Compliance

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Telephone 973-845-6027

[info@archimedestech.com](mailto:info@archimedestech.com)