

## Morgan Keegan makes a low-risk, high-value investment.

### CASE STUDY

## Morgan Keegan

#### ABOUT IM AUDITOR™ ENTERPRISE

FaceTime IM Auditor Enterprise is the industry's first and only IM network-independent application that captures, stores, monitors, and retrieves all IM messages sent and received, regardless of the IM network being used.

This communication can now be effectively managed using IM Auditor Enterprise, providing:

- Corporate compliance officers with a sophisticated workflow application for monitoring IM communications
- Information security officers with an effective tool to help reduce liability and protect corporate intellectual property
- IT management the ability to control the use of IM

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**John Threadgill**  
Morgan Keegan

#### Overview

Morgan Keegan & Company is one of the South's largest investment firms. Founded in 1969, this Memphis-based broker has 2,500 employees who serve individual and institutional investors through 140 offices in 14 states. A subsidiary of Regions Financial Corporation, Morgan Keegan offers a full range of retail and institutional brokerage and investment services.

#### Challenge

In the fast-paced brokerage business, real-time information and communications are a competitive necessity. That's why in 1998, Morgan Keegan installed a small instant messaging (IM) product for internal communications.

As employees realized the convenience and efficiency afforded by instant messaging, the company quickly outgrew its IM solution. “The IM product we were using simply wasn't enterprise-class software, and lacked the reliability required for business-critical communications,” recalls John Threadgill, managing director of information technology at Morgan Keegan.

Besides enhanced reliability, the company also needed more advanced capabilities from its IM solution. Morgan Keegan's legal department required consistent auditing and monitoring for all types of electronic communications to meet an ever-changing array of regulatory compliance requirements. Moreover, its compliance officers wanted a unified way to access both e-mail and IM communications logs.

“We needed an IM auditing solution that would comply with SEC regulations and keep us ahead of the curve as we move forward,” insists Threadgill.

#### Solution

Dan Evans, network systems engineer at Morgan Keegan, was asked to help research and evaluate IM networks, auditing products and messaging clients. “Early in the evaluation phase, it became clear that FaceTime IM Auditor Enterprise is an outstanding product that does everything we require,” states Evans.

Morgan Keegan chose to standardize on Reuters Messenger, a new high-security instant messaging service for the global financial community. It decided to continue using SAMS Online from Entelagent Software for e-mail surveillance and archival, and selected FaceTime IM Auditor Enterprise (IMAE) to provide risk management and auditing of its real-time communications.

“The fact that FaceTime has business relationships with Reuters and Entelagent made our decision very easy,” recalls Evans, who also points out that costs are a decisive factor in every business decision today. FaceTime IMAE provides corporate directory integration with Windows 2000 Active Directory. By using this feature, Evans automatically added network users to the IM Auditor Enterprise, ensuring that Morgan Keegan's audit history remains up to date. “The ability to quickly and easily integrate with our core communications systems reduces the up-front IT expense and speeds deployment. It also automates tasks for ongoing efficiencies.” continues Evans.

A relatively new SEC requirement involves limiting communications between a company's research analysts and investment banking divisions to avoid potential conflicts of interest. FaceTime IMAE allows system administrators to easily define or edit access privileges, creating a “Chinese wall” that prevents specific groups from communicating with each other via instant messaging.

## Results

In early 2003, Morgan Keegan's IT organization served as a control group to test interoperability between Reuters Messaging, FaceTime and the Entelagent e-mail archival system. As Evans explains, “Integrating various systems can be tricky. Thanks to FaceTime's strong business and technology partnerships, most of the integration effort is already done.” By March, 2003, Morgan Keegan rolled out FaceTime IM Auditor Enterprise to its 2,500 employees.

Evaluating any strategic business system must also take into account future needs and capabilities. “It's clear that IM will continue to gain popularity as a real-time communications tool with our customers and trading partners—many of whom use public instant messaging networks,” states Threadgill.

FaceTime offers the only solution that consolidates content logging and auditing for all popular public and private IM networks—whether it's AOL, Lotus Sametime, MSN, Reuters or Yahoo. As Threadgill explains, “While we aren't currently using this capability, it will become very important as we move forward. With FaceTime, we know Morgan Keegan will have an affordable and automated solution for remaining in compliance with SEC regulations.”

## About FaceTime Communications

Founded in 1998, FaceTime Communications is the leading provider of extensible real-time security and management solutions that address network and information security, regulatory and corporate compliance, and call center customer service. FaceTime's award-winning solutions are used by over 350 customers, with over 50 percent of the largest global 100 financial institutions, including seven of the eight largest U.S. banks. Hundreds of customers worldwide, including Dominion Energy, NCR, Standard Bank London, Thomas Weisel Partners and Wachovia Securities among others rely on FaceTime solutions. FaceTime has strategic partnerships with all leading public and private IM network providers, including AOL, Microsoft, Yahoo!, IBM, Bloomberg, Jabber and Reuters.

