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Addressing FDIC Failed Bank Contract with StoredIQ's Information Governance Solution

The global financial crisis has severely impacted the United States banking industry resulting in a growing number of banks that are undercapitalized, requiring intervention from the FDIC. To date, over 100 financial institutions have failed, and analysts predict that as many as 200 additional banks will fail as part of the current economic climate.

When the FDIC intervenes and takes control of a failed bank, it negotiates the sale of bank assets and liabilities to a healthy, solvent bank. Among the many criteria outlined in the contract between the FDIC and the assuming bank, Paragraph 6.3 pertains specifically to the preservation of records.

Paragraph 6.3: Preservation of Records

“The Assuming Bank agrees that it will preserve and maintain for the joint benefit of the Receiver, the Corporation and the Assuming Bank, all Records of which it has custody for such period as either the Receiver or the Corporation in its discretion may require, until directed otherwise, in writing, by the Receiver or Corporation. The Assuming Bank shall have the primary responsibility to respond to subpoenas, discovery requests, and other similar official inquiries with respect to the Records of which it has custody.”

Additional details from the FDIC contract require the assuming bank preserve all electronic data and paper records for 10 years *prior* to the takeover and an additional 6 years *following* the takeover.



For the assuming bank, it is important to categorize, classify and store all unstructured data and electronically stored information (ESI) from the assumed bank's network servers, storage systems and personal computers while complying with federal and corporate governance strategies, and do so in a cost effective manner. Since the assuming bank is liable for any discovery requests, it is important to mitigate liability and risk during the early stage data collection and storage process.

Meet FDIC Preservation of Records Requirements with StoredIQ for Information Governance

StoredIQ's intelligent eDiscovery and Information Management solution provides financial services firms with a comprehensive, secure and efficient approach to complying with FDIC Preservation of Records requirements and corporate governance needs.

Financial organizations can use StoredIQ's solutions as part of a bank acquisition strategy to perform a thorough,

KEY SOLUTION BENEFITS

Comply with corporate policy and government regulations, knowing exactly what information is stored and where.

Reduce risk, preempt litigation and avoid fines, based on the ability to proactively identify and retain documents as required by law.

Help ensure that valuable business information is safe and accessible to authorized personnel only, according to regulatory compliance requirements and corporate access policies.

Migrate older, infrequently accessed documents to less expensive storage facilities.

Automatically enforce record retention schedules through automated identification and retention of records.

“Clean house” by proactively identifying and destroying documents whose age exceeds document retention policies.

automated inventory control of the assumed banks ESI to properly discover, classify, manage and store all information according to business value and risk. Enabling financial organizations to proactively identify content that is not in compliance with corporate governance policies, as well as FDIC regulations, helps ensure that potential issues are addressed before they become legal issues.

StoredIQ can create an auditable data topology map of active ESI, files and email located on network servers, email servers, content management systems, storage systems and PCs. The solution crawls and collects active data across the enterprise – without installing a software agent and without disrupting end users.

However, when performing large-scale data collection from remote offices or mobile users – like during a bank acquisition – StoredIQ can provide a temporary, just-in-time agent that is easy and seamlessly installed and removes itself once the task is complete. It includes the ability to discover and manage data on desktops and laptops and is specifically designed for organizations that are geographically distributed, of significant size, or have a large number of mobile staff members.

Banks of all sizes across the United States have been hurt by rising loan defaults in the recession. Given the large number of expected bank failures still to come, it is realistic that healthy banks will acquire the assets of *multiple* failed financial firms; making the process of categorizing, classifying and storing all electronically stored information that much more complex.

Challenged to comply with FDIC Preservation of Records policies across multiple organizations, the assuming banks will bear a greater burden in their attempts to comply with federal and corporate governance strategies, and do so in a cost effective manner.

With StoredIQ’s intelligent eDiscovery and Information Management solution, financial organizations can strategically and cost effectively manage electronic information, in keeping with FDIC Preservation of Records policies.

About StoredIQ

StoredIQ is a leading provider of enterprise-class Intelligent Information Management solutions, enabling organizations to gain visibility and control over business-critical information to help meet their compliance, governance and legal discovery requirements. The company provides a range of integrated solutions for fast response to litigation and investigations, for proactive "litigation readiness," and for information protection and risk management, as well as storage management. Industry-leading companies rely on StoredIQ’s award-winning technology to streamline their information management and eDiscovery processes to reduce the associated risk, complexity and cost.

For more information on any of StoredIQ’s products or services please visit us at: www.storediq.com

