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CUSTOMER SUCCESS

CapitalSource Inc.

Protecting One of the Most Successful U.S. Banks with Symantec Solutions

To ensure quality processes that enhance compliance and minimize risk, CapitalSource Inc. turned to Symantec for solutions that protect its information, infrastructure, and transactions. Results include eDiscovery in hours instead of days or weeks, hundreds of gigabytes reclaimed by automated email retention and deletion enforcement, and a broad array of risks successfully minimized to date by encryption and protection solutions.

A capital idea

There's a key ingredient that can help pull the United States economy out of recession: give small and midsize businesses more access to credit.

That's exactly what CapitalSource Inc. does. Based in Los Angeles, its subsidiary CapitalSource Bank gathers deposits through 21 branches in southern and central California. Then CapitalSource lends the money nationally to small and midsize businesses.

CapitalSource Inc. is very successful, according to Forbes, which ranked CapitalSource Bank 21st in a recent banking sector review.

CapitalSource has 13 specialty lending platforms, including healthcare-related equipment leasing, technology, multifamily lending, and the acquisition of dental and veterinary practices. "If a group of doctors want to open a medical imaging clinic, they might come to us for a loan to buy an MRI machine," says Tom Honan, senior vice president and CIO at CapitalSource Inc. "If a dentist is retiring and wants to sell their practice, we can arrange a loan to buy it."

Designing in quality from the start

Everything that makes a financial services organization successful, such as good service and good decision making, depends on a foundation of sound processes, says Honan, and auditors have told CapitalSource that it stands out in this area. "Our most recent set of regulatory reviews validated that we have a good approach for building quality into our processes rather than just auditing them once a year," Honan notes.

ORGANIZATION PROFILE

Website: www.capitalsource.com

Industry: Financial Services

Headquarters: Los Angeles, California

Employees: 600

SYMANTEC SOLUTIONS

IT Compliance

Data Loss Prevention

Archiving

Discovery & Retention Management

Endpoint Security

Messaging Security

Why Symantec?

- Complements proactive strategies for compliance and security
- Reduces cost and risk through automated retention enforcement
- Provides advanced archiving and eDiscovery for Exchange email and files
- Simplifies encryption and maximizes threat protection

Bankers can devote more attention to customers when risk is minimized and compliance is built into the way the bank does business. This has been a principle at CapitalSource for some time. Before Honan became CIO, the bank had been giving a Firefighter Award to the person who had solved the biggest problem each month. “I argued that we should implement a Fire Preventer award to make sure quality is built into our processes so someone doesn’t have to ride to the rescue and fix something once a month,” Honan says.

Coming up with credible guidelines for a Fire Preventer award wasn’t possible. But designing quality into processes was.

Minimizing risk from email

CapitalSource has organized itself to systematically and proactively reduce risk. “We do a risk assessment each year and report results to the audit committees of both the bank and its parent company,” Honan says.

A Governance and Operations Committee includes stakeholders from across the business, and the committee reviews and approves all program assessments, such as the report to the audit committee, before they are submitted.

There’s a separate Enterprise Risk Management Committee chaired by the chief compliance officer. “The Risk Management committee has more senior executives, such as the CEO and CFO, and it identifies key risk areas,” says Honan. It then delegates the assessment and mitigation of those risks to the Governance and Operations Committee.

Attorneys from the legal department sit on both committees, and one project they are helping to shape is a new email retention policy. Courts recognize that once messages are older than a pre-set retention period, they may be uniformly deleted without liability. Certain types of information such as healthcare records have mandated retention periods—otherwise, an organization is free to set its own retention period. It must also show that its retention policies are consistently enforced and can be paused if legal holds have been placed.

SOLUTIONS AT A GLANCE

Key Challenges

- Minimize risks and eDiscovery burdens from email
- Reduce cost of email storage
- Protect sensitive data with encryption
- Block malware and spam

Symantec Products

- PGP™ Desktop Email from Symantec
- PGP™ Whole Disk Encryption from Symantec
- Symantec™ Protection Suite Enterprise Edition
 - Symantec™ Endpoint Protection
 - Symantec™ Mail Security for Microsoft Exchange
- Symantec Enterprise Vault™ with
 - File System Archiving
 - Microsoft Exchange Journaling
 - Microsoft Exchange Mailbox Archiving
 - Discovery Accelerator

Symantec Services

- Symantec Essential Support Services

Technology Environment

- Server platform: Intel-based servers running Windows Server 2008, HP servers running HP-UX
- Applications: Oracle E-Business Suite, Open Solutions Banking System
- Databases: Oracle 10g, Microsoft SQL Server 2008
- Storage: NetApp

BUSINESS RESULTS AND TECHNICAL BENEFITS

- Projected 2 to 3 terabytes of storage space to be reclaimed by retention enforcement
- 5 terabytes of storage reclaimed on email servers by archiving
- Up to 1,000 hours in eDiscovery time saved in the past 12 months
- No data breaches since deploying Symantec encryption solutions
- No significant disruption from malicious code since deploying Symantec security solutions

CapitalSource chose Symantec Enterprise Vault™ Microsoft Exchange Mailbox Archiving to automate enforcement of its upcoming retention policies. “Enterprise Vault will expire email automatically,” Honan explains. “We set a policy that email is not a business record and we will keep it only a short period of time. We have years of legacy email to work through, to identify and classify email as business records or items that require retention for other purposes. We project that using Enterprise Vault to automate deletion may reclaim as much as two to three terabytes of disk space.”

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Tom Honan

Senior Vice President and CIO
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Pleased with the results from archiving email, the IT team is considering expanding the use of Symantec Enterprise Vault to archive files in the future.

Shrinking the challenge

CapitalSource uses Enterprise Vault Microsoft Exchange Journaling to retain copies of all incoming and outgoing messages, enhancing security and compliance. It also archives messages with Enterprise Vault that are older than 180 days, compressing and deduplicating them. This has already removed 5 terabytes of messages from Microsoft Exchange-based servers, freeing valuable disk space, while indexing, compressing, and deduplicating the messages to reduce their volume by 40 percent while storing them in a secure central archive.

CapitalSource uses Enterprise Vault Discovery Accelerator to extend the basic search functionality of Enterprise Vault and lower the cost and simplify the process of eDiscovery. “Compared to searching through tapes and restoring Exchange databases, Enterprise Vault Discovery Accelerator completes searches for us in hours what would normally take weeks,” Honan explains. “In the past 12 months, Enterprise Vault has saved us as much as 1,000 hours during eDiscovery searches.”

Shielding sensitive information

One of the most regulated forms of data at CapitalSource is Consumer Non-Public Information or CNPI, Honan says. “A couple years ago, regulators recommended that we enable employees to encrypt outgoing email if it contained information such as CNPI—and that’s when we deployed PGP Desktop Email from Symantec,” Honan explains. “It works great.”

Employees just type ‘Confidential’ in the subject line, Honan adds, and the message is automatically encrypted. The recipient receives a note that an encrypted email is waiting on a secured website, and can log on and retrieve it from there in decrypted form.

CapitalSource also uses Symantec PGP™ Whole Disk Encryption to encrypt all laptops. “This protects CNPI as well,” Honan explains. “If a laptop is lost and our company can prove its contents were encrypted, the incident is not considered a data breach. Our encryption solutions pay for themselves with even one prevented data breach.”

Screening out threats

To minimize risks from malware and other threats, CapitalSource uses Symantec™ Protection Suite Enterprise Edition, which includes Symantec™ Endpoint Protection to secure servers, desktops, and laptops, and Symantec™ Mail Security for Microsoft Exchange to block spam. It plans to also deploy Symantec Messaging Gateway and Symantec Web Gateway virtual appliances, which are part of the Suite.

“We do all kinds of threat collection and correlation activity throughout our network using a number of solutions,” Honan reports. “There has been no significant disruption from malicious code since deploying Symantec solutions, and spam has been virtually eliminated from employee inboxes.”

Support is waiting

Symantec Essential Support Services means that Symantec experts are just a phone call away 24x7. “Our technical team has been happy with the support they’ve received,” Honan says.

More insight, less firefight

Proactive monitoring and risk mitigation are paying off. “We’ve done a good job of keeping compliance overhead at a minimum,” Honan reports. “I spend about 25 to 30 percent of my time as CIO on risk management and compliance. Most of the conversations I have with senior executives aren’t about the processing power of the servers in a data center. They’re trying to understand topics such as the risk involved in acquiring a given lender, given their business profile and types of customers. To me, these discussions fall into the area of compliance and risk.”

Because CapitalSource is more strategic and less tactical about risk and compliance, Honan and his team can spend more time on strategy and less on firefighting. And that helps the bank have more time and resources for making capital available to business customers that very much need it.

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