

## Bringing Secure IM to Securities Trading: Why the Chicago Stock Exchange Uses FaceTime

### CASE STUDY

#### CHICAGO STOCK EXCHANGE

**John Vlangos**

Network Administrator, Chicago Stock Exchange

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#### HIGHLIGHTS

- Allows business-critical communications between members and clients, while ensuring monitoring and archival compliance
- Blocks IM attachments to minimize security risks
- Integrates with existing IT infrastructure to preserve technology investments
- Rapid, transparent deployment without user downtime or intervention
- Efficient architecture minimizes hardware and maintenance costs

#### Overview

The Chicago Stock Exchange (CHX) provides an auction market for the purchase and sale of a wide range of equity securities. This technologically advanced exchange exists exclusively to help its 200 member organizations efficiently trade more than 3,500 NYSE, Amex, Nasdaq and CHX--exclusive securities--resulting in a one-stop shop for equities trading.

#### Challenge

It's hard to imagine a business that relies on real-time communications more heavily than securities trading--or one that is so dependent on information technology. With equity values in a state of constant fluctuation, it's only natural that many traders began using instant messaging (IM) and other real-time communications to stay in constant contact with customers and trading partners.

“While instant messaging may have started out as a means for teenagers to stay in touch, it hasn't taken long to show up in the workplace,” states Kryisia Jacobs, vice president of technical services for the Chicago Stock Exchange. Jacobs understands the unique policy-compliance issues that IM usage presents and is equally aware of the need to protect the Chicago Stock Exchange from security threats such as viruses, worms and other malware, which are increasingly being launched via IM.

With recent SEC regulations requiring all electronic communications to be captured and stored for auditing purposes, the management of IM at the Chicago Stock Exchange was no light matter. Moreover, with system availability and integrity paramount to the Chicago Stock Exchange, any potential solution had to include exceptional scalability and a bulletproof strategy.

Unlike most business-critical applications, public IM networks fall outside the domain of enterprise IT control, making policy enforcement difficult at best. “We initially looked at implementing an internal IM solution but that wasn't what our members wanted. Their customers prefer public IM networks such as AOL's AIM, Yahoo! Messenger and MSN.Net Messenger,” recalls Jacobs. “The bottom line is that we are here to serve the needs of our members. Many of these members view IM as a business-critical tool that their customers insist on using, so we had to find a solution.”

#### Solution

After exploring IM security and compliance options, Jacobs' IT organization chose FaceTime Communications--the only provider of enterprise-grade perimeter and LAN

solutions for instant messaging security and management. “This was a fairly easy decision,” insists Jacobs. “FaceTime was the only solution we found that met our criteria for both regulatory compliance and IM security enforcement.”

The solution that best fit the needs of Chicago Stock Exchange included FaceTime™ IM Auditor™ and FaceTime IM Guardian™. FaceTime IM Auditor provides message archiving, supervisor review and storage system integration. FaceTime IM Guardian protects against application vulnerabilities, provides policy enforcement for application behavior, and has the ability to block unauthorized connections, as well as the ability to block file transfers. Many peer-to-peer applications, such as KaZaA and Skype, were designed to get around existing security mechanisms, thereby posing substantial security risks and requiring a purpose-built gateway for real-time communications enforcement.

Together, these FaceTime solutions are an integral part of a complete “defense-in-depth” approach to IM management and security--involving both IM user policy management and application behavior management.

As you might imagine, performance is a critical factor in any decision at the Chicago Stock Exchange--both in terms of system responsiveness and financial benefit. According to John Vlangos, Chicago Stock Exchange network administrator, “Our IT infrastructure requires complete system redundancy and failover capabilities, so we always add components in pairs. We looked at other IM security gateways. However, FaceTime IM Guardian was a much smarter solution for us because we could protect our network perimeter using just two devices for redundancy. The other solutions we looked at required multiple systems on each subnet, meaning we would have needed to purchase dozens of them.”

The Chicago Stock Exchange IM infrastructure consists of FaceTime IM Auditor on two load-balanced Compaq ProLiant [ML360] servers running Microsoft Windows 2003 Server, and two similar IM Guardian servers running RedHat Linux. “Beyond the basic installation, we also required the ability to export all IM conversations into email for archiving,” recalls Vlangos. “FaceTime gave us exactly what we wanted. I deal with a lot of different consultants on a regular basis, and this was one of the best experiences I've ever had.”

Jacobs couldn't agree more. “Our FaceTime consultant worked out great! Very often when you purchase a solution, a guy shows up with a manual and a phone number, and fumbles his way through the install. Our FaceTime consultant was very knowledgeable. When he left, everything was running as advertised.”

## Results

“The FaceTime solution is very straightforward to use. For example, our IM policy only allows text messages--we simply don't allow attachments. IM Auditor enforces this and sends the user a configurable message indicating the action was denied by corporate policy. Unlike standard firewalls and proxies that offer a very cursory level of control and inspection of IM traffic, IM Guardian provides complete packet analysis, inspection and reporting capabilities.

Without the right tools, finding rogue IM users can be an arduous process. Vlangos marvels, “IM Guardian's] Discovery feature makes this effortless. We set policies the way we wanted them, and IM Guardian immediately started enforcing them. Best of all, when we turned on the FaceTime solution, users didn't notice a thing--it was completely seamless.”

It's inevitable that every enterprise application will someday require support. So how does FaceTime stack up in that department? Vlangos puts it this way: “FaceTime's technical support has been exceptional. We've only had to call tech support twice. Both times a live person actually answered the phone--and I wasn't placed on hold. FaceTime's support technicians know their products and solved our issues in less than 10 minutes.”

If you're looking to invest in a secure IM solution, take a hot tip from the Chicago Stock Exchange: Choose a leader with a proven track record. Choose FaceTime Communications.

## 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.

