



the total penalty to an amazing \$1.45 billion.

"The case between Morgan Stanley and Ronald Perelman demonstrates exactly why companies need to come to grips with the issue of archiving", comments Mark Donkersley, managing director for a leading provider of records compliance management software, AXS-One. "They may think that the task is impossible or beyond their resources, but the technology now exists to solve definitively the 'incomplete record' problem.

"With eye-popping judgements becoming increasingly frequent, organisations need to consider carefully their level of exposure."

He adds, "an organisation with 45,000 email users that retains all messages, and this is where things are heading, will need to store up to 1 petabyte - a billion megabytes - in year three, and this is just in email! Scary, yes, but, thanks to today's technology, solvable and at a fraction of the cost of a potential negative judgement.

"A corporate-wide archive will not only ease (potential) legal discovery issues, it also helps organisations to manage risk and improve decision making. Unarchived, uncontrolled and unsearchable information is a 'smoking gun' - that makes it very difficult to make informed business decisions. And the penalties for making bad decisions, particularly where litigation is involved, are growing every day."

COURT IN THE ACT WITHOUT ARCHIVING

The implications of failing to store data properly have been demonstrated to the tune of \$1.45 billion in the US - sounding alarm bells for businesses throughout the UK as well. Last month, Judge Elizabeth Maass told the jury in the case of Ronald Perelman versus Morgan Stanley in the US that it should simply assume that the firm helped defraud Mr. Perelman. Why? Because Morgan Stanley had been unable to prove convincingly to the court that it had handed over records of all emails requested by Mr Perelman for his case.

The firm already had set aside \$360 million to cover potential damages and Perelman was seeking \$2.7 billion after Morgan Stanley rejected his offer to settle for \$20 million. The jury then added on \$850 million in punitive damages to the original \$604.3 million in compensatory damages, bringing