ACCELERATE PARTNERS

AI Records Retention for Private Equity Firms

Regulatory Obligations, Retention Models, and Litigation Risk Under the Investment Advisers Act

Author:
Mark Aklian
Chief Information Security Officer
Accelerate Partners

June 2026

Table of Contents

Executive Summary

The SEC has collected more than $2.2 billion in recordkeeping penalties since 2021. That number has prompted a predictable reaction across the private equity industry: retain everything.

It is the wrong response.

For PE firms registered as investment advisers, over-retention of AI interaction data (prompts, responses, session logs, metadata) is not a conservative compliance posture. It is an accumulating litigation liability dressed up as caution. And the regulatory framework that governs your recordkeeping obligations does not require it.

This whitepaper examines the records retention obligations that apply to private equity firms deploying enterprise AI tools, including large language models such as ChatGPT Enterprise, Microsoft Copilot, and proprietary internal platforms. The analysis focuses on the regulatory framework specific to registered investment advisers under the Investment Advisers Act of 1940 and SEC Rule 204-2, the enforcement precedent established by recent SEC actions, and the competing litigation risks created by both under-retention and over-retention of AI interaction data.

Private equity firms registered as investment advisers operate under a recordkeeping framework that is structurally distinct from, and materially narrower than, the framework that governs broker-dealers and other categories of SEC registrants. Rule 204-2(a)(7) requires the preservation of written communications in four specific enumerated categories, rather than all communications relating to business operations. This distinction has significant implications for how PE firms should approach the retention of AI prompts, responses, and related metadata.

KEY DISTINCTION

PE firms registered as investment advisers are governed by SEC Rule 204-2, not Rule 17a-4, which covers broker-dealers. These are materially different obligations, and conflating them leads to materially different (and avoidable) risk.

This whitepaper evaluates several retention models, including full capture, automated classification, output-only archiving, and user-designation approaches. It concludes that a user-designation model, in which employees identify AI sessions containing regulated content for archival, represents a defensible retention architecture for registered investment advisers when implemented with appropriate safeguards, documentation, and supervisory controls.

The current regulatory environment supports a measured, proportionate approach to AI retention rather than indiscriminate capture. SEC leadership favors constructive dialogue over technical gotcha enforcement. SIFMA has formally petitioned to narrow the scope of retained electronic communications. And no AI-specific recordkeeping rule exists.

Regulatory Framework for Private Equity Firms

Registration and Governing Law

Private equity firms that manage investment funds are typically registered with the SEC as investment advisers under the Investment Advisers Act of 1940. The Dodd-Frank Wall Street Reform and Consumer Protection Act eliminated the private adviser exemption and extended registration requirements to most PE fund managers with $150 million or more in assets under management. Firms below this threshold may operate as exempt reporting advisers (ERAs) with reduced but non-trivial reporting obligations.

As registered investment advisers (RIAs), PE firms are subject to Section 204 of the Advisers Act and the books and records requirements codified in Rule 204-2. They are also subject to the Compliance Rule (Rule 206(4)-7), which requires adoption and implementation of written policies and procedures reasonably designed to prevent violations of the Advisers Act. PE firms that are not dually registered do not fall under the jurisdiction of FINRA as a self-regulatory organization and are examined directly by the SEC's Division of Examinations.

Rule 204-2(a)(7): The Four Categories

The communications retention obligation under Rule 204-2(a)(7) is specifically scoped. It requires investment advisers to maintain originals of all written communications received, and copies of all written communications sent, relating to four enumerated categories:

1. Recommendations and Advice
Any recommendation made or proposed to be made and any advice given or proposed to be given

2. Funds and Securities Movement
Any receipt, disbursement, or delivery of funds or securities

3. Order Execution
The placing or execution of any order to purchase or sell any security

4. Performance Reporting
The performance or rate of return of any or all managed accounts or securities recommendations.

Communications falling outside these four categories are not subject to mandatory retention under this rule. The standard retention period is five years, with the first two years in an easily accessible location within an appropriate office of the adviser.

Contrast with Rule 17a-4 (Broker-Dealer Standard)

It is critical that PE compliance teams understand the distinction between their governing rule and the rule that dominates public discourse. Rule 17a-4, which governs broker-dealers, requires the retention of all communications "relating to business as such" for six years. Electronic records must be preserved in WORM (Write Once, Read Many) format or under the audit-trail alternative the SEC added in its 2022 amendments to the rule. There is no categorical limitation and no selective retention.

Rule 204-2(a)(7) is structurally narrower. It covers communications in four enumerated categories, requires a five-year retention period, and does not mandate WORM format. The majority of the $2.2 billion in SEC recordkeeping penalties has been assessed against broker-dealers under Rule 17a-4, not against standalone investment advisers under Rule 204-2. Conflating the two standards leads PE firms to adopt retention postures that exceed their statutory obligations while creating unnecessary litigation exposure.

Dimension	Rule 17a-4 (Broker-Dealer)	Rule 204-2(a)(7) (Investment Adviser)
Scope	ALL business communications	Four enumerated categories only
Retention Period	6 years	5 years
Storage Format	WORM or audit-trail alternative	No WORM requirement
Selective Retention	Not permitted	Permissible for non-qualifying interactions

The Internal vs. External Communications Debate

A significant open question is whether Rule 204-2(a)(7) extends to purely internal communications between employees of a registered adviser. In January 2023, SIFMA, the Managed Funds Association, the American Investment Council, and seven other trade associations submitted a joint letter to the SEC arguing that the rule covers only external communications. The letter noted that the rule's language focuses on communications “by the investment adviser” rather than by “supervised persons,” and that an internal exchange between employees would not ordinarily be construed as a communication of the adviser itself.

In October 2025, SIFMA submitted a follow-up petition to SEC Chair Paul Atkins requesting that the SEC formally narrow the scope of retained electronic communications and explicitly exclude AI-generated meeting transcripts and collaborative platform inputs from the definition of communications requiring retention.

However, legal commentary following the Senvest enforcement action has observed that the SEC may construe the rule more broadly in practice, particularly where internal communications relate to one of the four enumerated categories. The SEC staff has historically interpreted the communications requirement broadly to include internal discussions about advice to be given to clients. Firms should consult qualified legal counsel to assess their specific exposure on this point.

When Does an AI Interaction Trigger a Retention Obligation?

A September 2024 analysis from Skadden Arps examined when SEC recordkeeping rules apply to AI-generated content, establishing a framework that is directly relevant to this analysis. The key distinction:

> AI-generated content that simply exists or is stored within an application or cloud environment likely does not constitute a "written communication sent or received" for purposes of Rule 204-2(a)(7). The generation of information within an application cannot reasonably be interpreted as a sent or received communication. The obligation is triggered by TRANSMISSION, not GENERATION.

If AI-generated content is subsequently transmitted via email, chat, deal room, or LP portal, it would trigger retention obligations, assuming the subject matter falls within one of the four enumerated categories. The Skadden analysis also recommended that firms consider retaining certain AI-generated records for risk-mitigation purposes beyond the minimum regulatory requirements, including documentation of datasets used by AI models and records supporting the accuracy of public representations about AI use.

Applied to a PE firm context, this framework suggests that the vast majority of AI interactions (internal research queries, financial modeling drafts, document formatting, general knowledge questions) do not independently trigger the retention obligation. The record is created when the AI output enters the firm's communication channels through transmission to a client, LP, co-investor, or counterparty.

Practical Use-Case Assessment

AI Use Case	Retention Obligation
An analyst uses ChatGPT Enterprise to summarize market research for internal use	**NOT IN SCOPE** No transmission to a client or counterparty
A principal uses Copilot to draft a memo about portfolio strategy, shared only with the deal team	**NOT IN SCOPE** Internal communication, likely outside the four categories
An associate uses AI to format financial projections included in an LP quarterly report	**IN SCOPE** Performance reporting category; transmitted to LPs
A senior partner uses AI to draft investment recommendations later emailed to a fund's advisory board	**IN SCOPE** Recommendations and advice category; transmitted externally
AI is used to generate meeting summaries that remain in an internal collaboration platform	**LIKELY NOT IN SCOPE** Not transmitted as a communication of the adviser

This is not a license for willful blindness. Where there is genuine uncertainty about whether a particular AI interaction falls within one of the four categories, a firm's documented retention policy should err toward retention for that specific session. The point is targeted judgment, not wholesale capture.

Industry Advocacy & Regulatory Trajectory

The regulatory trajectory provides important context for PE firms evaluating their AI retention posture. Several developments from 2023 through 2026 signal a regulatory environment that supports a measured, proportionate approach to AI retention, not indiscriminate capture.

Industry Trade Association Advocacy

In January 2023, SIFMA, the Managed Funds Association, the American Investment Council, and seven other trade associations submitted a joint letter to the SEC formally arguing that Rule 204-2(a)(7) covers only external communications in the four enumerated categories, not all business communications. The ten signatory organizations represent the majority of the U.S. alternative investment and wealth management industry.

In October 2025, SIFMA submitted a comprehensive follow-up petition to SEC Chair Paul Atkins. Four of the seven requests are most relevant for this analysis:

- Narrow the scope of retained electronic communications under both Rule 17a-4 and Rule 204-2
- Explicitly exclude AI-generated meeting transcripts and collaborative platform inputs from retention requirements
- Harmonize retention periods at three years across registrant types
- Provide a safe harbor for firms that implement and maintain reasonable policies and procedures

No formal SEC response to these petitions has been issued as of June 2026, but the petitions establish a clear evidentiary record that the industry's leading trade associations support a narrow interpretation of the investment adviser recordkeeping standard.

SEC Leadership and Examination Posture

SEC Chair Paul Atkins, confirmed in April 2025, has publicly stated that examinations "should not be a gotcha exercise" and has directed the Division toward partnership with compliance professionals. This signals a meaningful shift toward compliance-program effectiveness as the primary examination focus, rather than technical recordkeeping violations.

The SEC Division of Examinations released its FY2026 priorities in November 2025. The priorities address AI governance, cybersecurity, and compliance program effectiveness across multiple sections. Notably, the 2026 priorities:

- Contain no channel-specific retention mandates
- Include no AI-specific recordkeeping requirements
- Make no reference to capturing all AI interactions
- Emphasize the ability to demonstrate compliance program effectiveness and to substantiate representations regarding AI capabilities

No AI-Specific Recordkeeping Rule Exists

As of June 2026, neither the SEC nor any self-regulatory organization has promulgated a rule specifically requiring the retention of AI prompts and responses. All guidance confirms that existing rules apply in a technology-neutral manner. The regulatory baseline remains Rule 204-2, applied as it has been applied to every prior generation of electronic communications.

> SEC leadership posture, SIFMA's modernization petition, the absence of AI-specific retention rules, and the FY2026 examination priorities all support a measured, proportionate approach to AI retention. Firms that document their deliberative process and implement a defensible retention model are positioned stronger than firms that retain everything without analysis.

The Over-Retention Risk

The compliance instinct to retain everything is understandable given the SEC's enforcement posture on off-channel communications. But for PE firms governed by Rule 204-2, over-retention creates a quantifiable litigation liability that most compliance discussions ignore.

Discoverability of AI Records

In Tremblay v. OpenAI (N.D. Cal. 2024), the court compelled production of AI prompts and outputs from the plaintiffs' pre-suit ChatGPT testing, treating them as discoverable electronically stored information. A later ruling protected attorney-crafted test prompts as opinion work product, but prompts and outputs created by business users carry no such protection. This precedent means that all retained AI interaction data is potentially discoverable in any litigation, regulatory proceeding, or investor dispute.

For PE firms, the categories of potential litigation exposure are broad: LP disputes, portfolio company claims, co-investor disagreements, regulatory examinations, employment matters, and tax proceedings. Each of these matters could generate discovery requests that sweep in an AI interaction archive.

The Cost and Volume Problem

$2M+
Average eDiscovery cost per case

2.2M
AI records for a 100-person firm over three years

$4.4M
In document-review costs alone, at $2 per document

THE eDISCOVERY COST REALITY

- Average eDiscovery cost per case: **$2 million or more**
- Document review cost: **$1 to $3 per document**, comprising approximately 70% of total eDiscovery spend
- A 100-person firm generating 20 AI interactions per employee per day accumulates **~730,000 records per year**, approximately **2.2 million over three years**
- 2.2 million records at $2 per document: **$4.4 million in review costs alone**
- Additional exposure: expanded privilege waiver risk if retained records contain attorney-client communications

These costs scale directly with data volume. Industry data indicates that the average eDiscovery case now exceeds $2 million, with document review, at $1 to $3 per document in attorney review time, comprising approximately 70% of total costs. FTI Consulting has documented cases where global financial institutions struggled to manage decades of archived data, noting that firms face significant legal and regulatory risk related to over-retention alongside their obligation to retain certain records for specified periods.

DLA Piper has stated that best practice dictates records should be destroyed when no longer required for any business, legal, or regulatory purpose, citing numerous risks of over-preservation including unnecessary storage costs, increased litigation exposure, greater discovery expense, and enhanced cybersecurity risk.

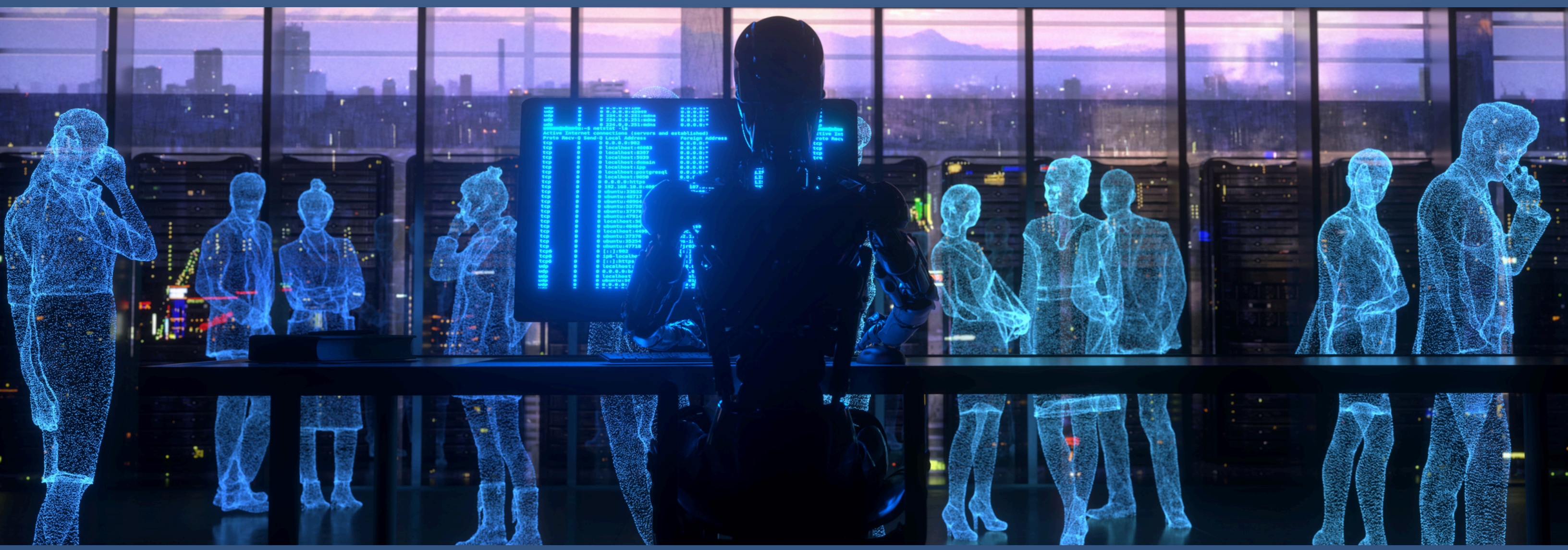
Defensible Deletion: Legal Foundation

The Sedona Conference's Principles on Defensible Disposition state that an organization need not retain all electronic information ever generated or received, and that systematic deletion of electronic information pursuant to a documented policy is not synonymous with evidence spoliation.

The 2015 amendments to Federal Rule of Civil Procedure 37(e) reinforced this principle by requiring a showing of intent to deprive another party of the information's use in litigation before the most severe sanctions may be imposed for lost evidence. In practice, a well-documented, consistently applied deletion schedule provides strong protection against spoliation claims.

Privilege and Work Product Considerations

AI interactions used in connection with legal analysis, deal structuring, or regulatory compliance may contain attorney-client privileged or work-product material. Retaining such content in a compliance archive designed for regulatory inspection could create inadvertent privilege waiver concerns. A selective retention model limits the volume of potentially privileged content that is stored in platforms accessible to examiners.



Retention Model Assessment

This section evaluates five retention architectures available to PE firms deploying enterprise AI. Each is assessed for regulatory compliance under the IA framework, litigation exposure, operational burden, and suitability for the PE operating environment.

Model	Regulatory Risk (IA)	Litigation Exposure	Operational Cost	PE Suitability
Full Capture	Very Low	Very High	High	Low. Exceeds statutory req.
Automated Classification	Low	Low to Medium	Medium	Moderate
Output-Only Capture	Low to Medium	Very Low	Very Low	Moderate
User-Designation + Safeguards	Low	Low	Low	**HIGH (Recommended)**
No Policy	High	Variable	None	Not Viable

Model A: Full Capture

All AI prompts and responses are captured into the compliance archive. AI-powered surveillance tools such as Smarsh's Noise Reduction Agent triage the archive to surface risk-relevant interactions for human review. OpenAI has built a dedicated Compliance API for ChatGPT Enterprise to enable this approach.

Full capture eliminates under-retention risk entirely but maximizes the discoverable corpus. It is operationally expensive, creates a target-rich environment for opposing counsel, and may produce a chilling effect on candid AI use. For a PE firm operating under the narrower 204-2 standard, it exceeds the statutory requirement.

Model B: Automated Classification

An AI classification layer evaluates each prompt-response pair against a defined taxonomy and routes content to the appropriate retention tier. Interactions are categorized as business records (full retention), working files (intermediate retention), or transitory content (short-term retention with metadata preservation). This model significantly reduces the discoverable corpus while maintaining regulatory compliance. It requires investment in classification technology, carries a risk of misclassification, and demands ongoing tuning.

Model C: Output-Only Capture

Rather than archiving AI interaction logs, only the final work product that results from AI use is retained (the memo, the analysis, the client email, the marketing draft) in the systems where that work product already resides. Under the Skadden framework, if the transmitted output is captured through existing channels, the regulatory obligation may be satisfied without also retaining the underlying prompts. This model produces the smallest data footprint and uses existing infrastructure, but sacrifices the audit trail of how conclusions were reached.

Model D: User-Designation with Safeguards (Recommended)

Users are provided a mechanism (a toggle, button, or prompt) to designate AI sessions containing regulated content for archival. The default state is non-retention, with content held in a temporary buffer (60 to 90 days) before purging. Metadata is retained on a longer schedule. Critically, this model is not simply an honor system. A defensible implementation incorporates five structural safeguards:

1. **Contextual prompts**
   At the start of each AI session, a brief reminder displays the four categories requiring retention. This calibrates user awareness without creating friction for the vast majority of interactions that fall outside scope.

2. **Keyword escalation**
   When high-signal terms appear in a session (LP names, fund identifiers, deal names, transaction-related language), a more prominent retention prompt is surfaced, with the user's response logged automatically.

3. **Output-level capture**
   Any AI-generated content that is transmitted via email, document management system, deal room, or LP portal is captured through existing archiving infrastructure, regardless of whether the user toggled the retention flag. This backstop addresses the most significant regulatory exposure.

4. **Supervisory review**
   A quarterly random-sample review of non-retained sessions during the buffer period validates that designation decisions are consistent and appropriate.

5. **Legal hold integration**
   When litigation is reasonably anticipated, all AI interaction data for relevant custodians is placed on hold, suspending scheduled deletion for those individuals.

This model is particularly well-suited to PE firms because of their structural characteristics: small, senior teams of 30 to 200 professionals; high levels of trust and direct supervisory relationships; and a clear demarcation between the communications that touch the four enumerated categories and the much larger volume that do not.

Model E: No Formal Retention Policy

Operating without a documented AI retention policy exposes firms to both regulatory and litigation risk. The absence of policy provides no defensibility in an examination and no basis for proportionate discovery responses. This approach is not viable for any registered investment adviser.

Implementation Roadmap

Regardless of which retention model a PE firm selects, several implementation requirements apply universally under the current regulatory framework. The following roadmap provides practical steps that should be completed before the next SEC examination cycle.

1. **Document Your Retention Policy in Writing**

   Rule 206(4)-7 requires investment advisers to adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act. Any AI retention framework must be documented in the firm's compliance policies, including the classification taxonomy, retention schedules, supervisory review protocols, and exception-handling procedures. The policy should define, with examples, the types of AI interactions that fall within each retention category.

2. **Audit AI Use Cases Against the Four Categories**

   Conduct a comprehensive inventory of how enterprise AI tools are being used across the firm. Map each use case against the four enumerated categories under Rule 204-2(a)(7). Identify which use cases involve transmission to clients, LPs, co-investors, or counterparties and which remain purely internal.

3. **Map Transmission Points**

   Identify every pathway through which AI-generated content leaves the firm's internal environment: email, deal rooms, LP portals, document management systems, CRM platforms, and any other external-facing channels. These are the points at which the retention obligation is triggered.

4. **Implement Output-Level Capture as a Minimum Backstop**

   Any AI content transmitted via email, DMS, deal room, or LP portal should be archived through existing infrastructure, regardless of any other retention decisions. This backstop addresses the most significant regulatory exposure and operates independently of user-designation decisions.

5. **Deploy User-Designation with Safeguards**

   Implement contextual prompts at session initiation, keyword-triggered escalation for high-signal content, and a user-designation mechanism that allows employees to flag sessions containing regulated content. Configure a 60 to 90 day buffer period before non-designated content is purged. Retain metadata on a longer schedule.

6 **Conduct and Document Personnel Training**

Personnel must receive initial and recurring training on AI retention obligations, including concrete examples of interactions that do and do not require archival. Training should cover the four categories, the transmission trigger, and the consequences of both under-retention and over-retention. Training completion must be documented and available for examination.

7 **Establish Supervisory Review Protocols**

Implement quarterly random-sample reviews of non-retained AI sessions during the buffer period to assess designation accuracy. For automated classification models, audit classification decisions against a human-reviewed benchmark. Document all review activity.

8 **Integrate with Legal Hold Procedures**

When litigation is reasonably anticipated, all AI interaction data for relevant custodians must be placed on hold, suspending any scheduled deletion. The retention platform must support custodian-level hold capabilities, and the legal hold process must be documented.

9 **Document the Deliberative Process**

Maintain records of the analysis and reasoning underlying your retention model selection, including legal memoranda, outside counsel opinions, regulatory guidance considered, and the rationale for the chosen approach. This documentation demonstrates good faith and informed decision-making in the event of an examination or enforcement inquiry.

10 **Establish an Annual Review Cadence**

The annual compliance review required under Rule 206(4)-7 must assess the adequacy of the AI retention framework, including usage metrics, designation or classification accuracy, regulatory developments, and any gaps identified through supervisory review.

The SEC Enforcement Record

The Senvest Order (April 2024)

In April 2024, the SEC brought its first standalone enforcement action against an investment adviser for off-channel communication recordkeeping failures: In the Matter of Senvest Management, LLC. Senvest, a New York-based hedge fund adviser, agreed to a $6.5 million penalty after the SEC found that the firm failed to preserve business communications sent and received by senior personnel through personal devices and unapproved messaging applications.

The Senvest order is instructive for PE firms for several reasons:

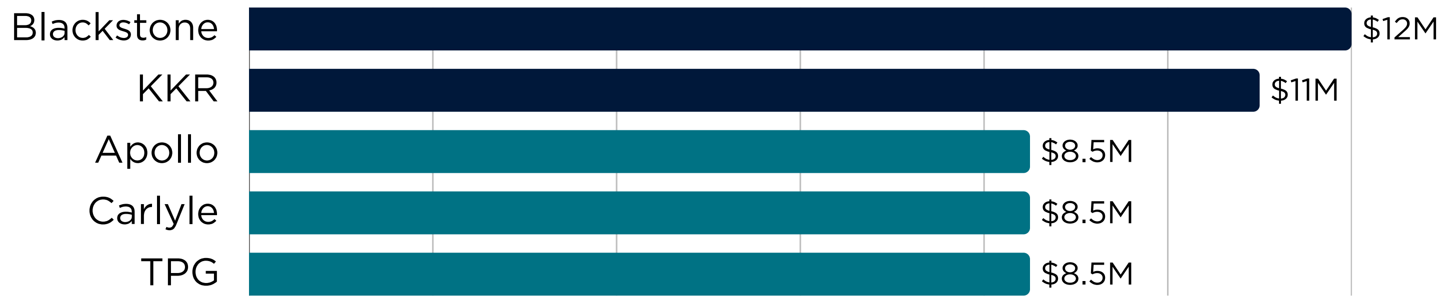
- **Scope confirmation:** The SEC found violations specifically where "numerous messages related to matters within the scope of Advisers Act Rule 204-2(a)(7)," confirming that the enforcement standard for investment advisers is tied to the four enumerated categories rather than to all business communications.
- **Dual-charge approach:** The SEC charged both a substantive recordkeeping violation (Rule 204-2(a)(7)) and a compliance-program failure (Rule 206(4)-7). This means that a firm that adopts policies broader than the statutory minimum may face compliance-program charges if it fails to enforce those self-imposed standards, even where the underlying communications might not have been required records.
- **Remediation credit:** The SEC explicitly credited Senvest's remedial actions and cooperation when determining the penalty amount, consistent with the stated framework for penalty calculation.

CRITICAL IMPLICATION

Firms that adopt broader voluntary policies and fail to enforce them risk compliance-program charges even where the underlying communications were not required records. **The standard you set becomes the standard you are held to.**

The Broader Off-Channel Enforcement Campaign

Since 2021, the SEC has assessed more than $2.2 billion in penalties across more than 90 firms for recordkeeping failures related to off-channel communications. In January 2025, the SEC announced $63 million in penalties across 12 firms in a single action, naming prominent PE firms.



While the majority of these actions have targeted dually registered firms operating under the broader Rule 17a-4 standard, the Senvest order confirmed that standalone investment advisers are within scope. Legal commentators at Sidley Austin have noted that the SEC may continue to pursue these cases. The enforcement posture under SEC Chair Paul Atkins suggests a shift toward constructive engagement.

The AI Parallel

The parallel between off-channel communications and uncontrolled AI usage is direct. Employees sending business communications through personal devices and unapproved messaging apps is the same behavioral pattern as employees pasting deal memos, CIMs, and MNPI into public LLMs without governance, monitoring, or retention controls. The adoption curve is ahead of the control framework. That is the same dynamic that created billions of dollars in off-channel penalties.

The difference for PE firms is that Rule 204-2 provides a narrower, more manageable path to compliance than Rule 17a-4. The obligation is defined. The categories are enumerated. The question is whether the firm's retention architecture is calibrated to that obligation.

Conclusion

The question is not whether to have an AI retention policy. The question is whether your policy is calibrated to the obligation, not to a liability you created yourself.

Private equity firms that deployed enterprise AI in 2023 and 2024 often did so without a developed view of the recordkeeping implications. The regulatory framework was unsettled; the enforcement precedent was thin; and the instinct toward over-retention felt like the defensible choice.

The picture is clearer now:

- Rule 204-2(a)(7) is the governing standard for PE firms registered as investment advisers.
- The four enumerated categories (recommendations and advice, funds and securities movement, order execution, and performance reporting) define the scope of the obligation.
- The point of obligation is transmission, not generation.
- Over-retention creates material, quantifiable litigation exposure: an estimated $4.4 million in eDiscovery review costs for a 100-person firm over three years.
- Defensible deletion under a documented policy is a recognized best practice, not a compliance risk.
- A user-designation model with appropriate safeguards is the architecture that most PE RIAs should be evaluating.
- SEC leadership posture, SIFMA's modernization petition, and the absence of any AI-specific recordkeeping rule all support a measured, proportionate approach.

The right answer for any specific firm depends on its regulatory posture, operational structure, and risk tolerance, and should be developed in consultation with qualified legal counsel.

References

[1] SIFMA, MFA, AIC, et al. Joint Letter on Investment Adviser Recordkeeping Requirements (January 31, 2023)
[2] 17 CFR § 275.204-2. Books and Records to Be Maintained by Investment Advisers
[3] Global Relay. Leveraging SEC Rule 204-2 as a Foundation for Compliance
[4] SEC. Compliance Programs of Investment Companies and Investment Advisers (Rule 206(4)-7 Adopting Release)
[5] SIFMA. Modernizing Communications and Record Retention Rules for Broker-Dealers, Investment Advisers, and Security-Based Swap Dealers (October 2025)
[6] Sidley Austin. SEC Files First Charges Against Standalone Investment Adviser for Off-Channel Communication Recordkeeping Failures (April 2024)
[7] Skadden Arps. How and When SEC Recordkeeping Rules May Apply to AI-Generated Content (September 2024)
[8] SEC. Division of Examinations Announces 2026 Priorities (November 2025)
[9] Goodwin Procter. 2026 SEC Exam Priorities for Registered Investment Advisers and Registered Investment Companies
[10] Portal26. GenAI Prompt Retention: Preparing for Mandatory Compliance (citing Tremblay v. OpenAI, 2024)
[11] FTI Consulting. Digital Safe Data Disposition in Financial Services (November 2025)
[12] DLA Piper. Defensible Deletion: The Proof Is in the Planning
[13] The Sedona Conference. Principles and Commentary on Defensible Disposition
[14] Redgrave LLP. Act Now or Pay Later: The Case for Defensible Disposition of Data (April 2025)
[15] Smarsh. AI-Enabled Communication Surveillance for Small to Medium Businesses (March 2026)
[16] Smarsh. Capture for ChatGPT Enterprise Compliance API
[17] OpenAI. New Compliance and Administrative Tools for ChatGPT Enterprise
[18] SEC Press Release 2025-6. Twelve Firms to Pay More Than $63 Million Combined to Settle SEC's Charges for Recordkeeping Failures (January 13, 2025)
[19] Gibson Dunn. Securities Enforcement 2024 Year-End Update
[20] Compliance & Ethics Blog. The Hidden Compliance Cost of Poor Records Retention (January 2026)

About the Author

Mark Aklian
Chief Information Security Officer · Accelerate Partners

Mark Aklian is the Chief Information Security Officer at Accelerate Partners, where he advises private equity firms and regulated industry executives on cybersecurity strategy, AI governance, CMMC compliance, and technology risk management. He leads Accelerate Partners' AI Diligence Accelerator practice, a structured, CISO-led process to govern, secure, and operationalize AI across firms and portfolio companies.

Mark's research on AI records retention for financial services firms has informed compliance frameworks at PE firms and wealth management organizations nationwide. His analysis of the intersection between SEC recordkeeping rules and emerging AI tools gives practitioners practical guidance grounded in the regulatory text and in how firms actually operate.

This whitepaper draws on the full research report published March 2026, the published LinkedIn analysis, and ongoing advisory engagements with PE firms working through AI governance in regulated environments.

DISCLAIMER

This whitepaper is intended for informational purposes only and does not constitute legal advice. Private equity firms should consult qualified legal counsel before implementing any AI retention policy. The analysis herein reflects the regulatory framework as of June 2026 and may be affected by subsequent regulatory developments.