

## EXECUTIVE COMMITTEE MEETING MINUTES

**Department:** Finance

**Confidentiality Level:** Internal Only

**Issue Category:** Internal Power Struggle

**Author:** Evelyn Reed, Head of Risk Management

**Risk Assessment Score:** 64

### MEETING SUMMARY

The Executive Committee convened on August 15, 2022, amidst escalating concerns over the Meridian Fund's anomalies. This meeting marks a pivotal moment in the crisis, as key stakeholders gathered to discuss the implications of growing evidence and the ongoing power struggle between factions. The meeting focused on the following key points:

1. **Risk Assessment Update:** I presented a revised risk assessment score of 64, highlighting the growing threat of systemic fraud within the Meridian Fund.
2. **Internal Power Dynamics:** The power struggle between my faction and the Thorne-Sterling alliance continues to intensify. I emphasized the need for the Board to take decisive action to address the crisis.
3. **Key Developments:** We discussed the recent whistleblower reports from Rebecca Torres and Michael Voss, which have revealed a complex web of fraudulent activities.
4. **Regulatory Scrutiny:** The Federal Banking Commission (FBC) has increased its scrutiny of Veridian Bank, with potential regulatory actions looming.
5. **Financial Implications:** The estimated losses from the Meridian Fund's phantom assets now exceed \$847 million, with further damages expected.

### MEETING DETAILS

The meeting was attended by the following Executive Committee members:

- Arthur Sterling, CEO and Chair of the Executive Committee
- Victoria Ashford, Board Chair
- James Blackwood, former regulator and Board member
- Nina Patel, tech entrepreneur and Board member

The discussion began with my presentation of the revised risk assessment score, which emphasized the growing threat of systemic fraud within the Meridian Fund. I highlighted the following key points:

- **Risk Assessment Score:** 64, indicating a high level of risk
- **Fraudulent Activities:** The Meridian Fund's phantom assets, fabricated security structures, and fictitious returns on Shadow Creek vehicles
- **Whistleblower Reports:** Recent reports from Rebecca Torres and Michael Voss have revealed a complex web of fraudulent activities

Arthur Sterling and Marcus Thorne responded to my presentation, with Sterling emphasizing the need for continued confidence in the bank's investment strategies and Thorne downplaying the significance of the whistleblower reports. Victoria Ashford intervened, pressing for more information on the risk assessment process and the potential consequences of inaction.

The meeting then turned to a discussion of the internal power dynamics, with James Blackwood questioning the motivations of the Thorne-Sterling alliance and Nina Patel expressing concerns about the impact of the crisis on the bank's reputation. I emphasized the need for the Board to take decisive action to address the crisis, citing the following key points:

- **Regulatory Scrutiny:** The FBC has increased its scrutiny of Veridian Bank, with potential regulatory actions looming
- **Financial Implications:** The estimated losses from the Meridian Fund's phantom assets now exceed \$847 million, with further damages expected
- **Internal Power Dynamics:** The power struggle between my faction and the Thorne-Sterling alliance continues to intensify

The meeting concluded with a decision to increase the frequency of executive committee meetings and to establish a task force to investigate the crisis. The task force will be led by James Blackwood and will include representatives from the Board, Risk Management, and Internal Audit.

## **ACTION ITEMS**

- Establish a task force to investigate the crisis
- Increase the frequency of executive committee meetings
- Review and revise the risk assessment process
- Provide regular updates to the Board on the crisis and the bank's response

## **NEXT STEPS**

The Executive Committee will reconvene on August 22, 2022, to review the progress of the task force and to discuss further actions to address the crisis. I will provide a detailed report on the risk assessment process and the potential consequences of inaction.

### **CONFIDENTIALITY**

This meeting minute is confidential and intended for internal use only. Distribution is restricted to authorized personnel.

### **AUTHORIZATION**

I, Evelyn Reed, authorize the distribution of this meeting minute to authorized personnel.

### **DATE**

August 15, 2022

### **TIME**

10:00 AM

### **LOCATION**

Executive Committee Conference Room

### **ATTENDEES**

- Arthur Sterling, CEO and Chair of the Executive Committee
- Victoria Ashford, Board Chair
- James Blackwood, former regulator and Board member
- Nina Patel, tech entrepreneur and Board member
- Evelyn Reed, Head of Risk Management

### **DISTRIBUTION**

This meeting minute is distributed to authorized personnel within the Executive Committee and the Board of Directors.