

## EXECUTIVE COMMITTEE MEETING MINUTES

**Meeting Date:** March 10, 2023

**Meeting Time:** 9:00 AM

**Location:** Executive Conference Room, Veridian Bank Headquarters

**Department:** Legal

**Confidentiality Level:** Highly Restricted

**Issue Category:** Investment Fraud

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

**Risk Assessment Score:** 43

### OVERVIEW

This meeting was convened to address the escalating crisis in Veridian Bank's investment activities, specifically concerning the Meridian Opportunities Fund (MOF). The executive committee reviewed the latest developments, including new evidence of investment fraud and its implications for the bank's financial stability and regulatory compliance.

### SUMMARY

Key points discussed during the meeting:

- The Meridian Opportunities Fund has been identified as a significant source of risk for the bank, with a risk assessment score of 43.
- New evidence suggests that the fund's valuation methodology has been compromised, leading to a potential loss of \$847 million.
- The executive committee acknowledged the failure of internal controls and the lack of transparency in the fund's operations.
- A plan was discussed to address the crisis, including the immediate freezing of all MOF assets, the launch of a comprehensive forensic audit, and the potential filing of a bankruptcy petition.

### DIALOGUE

[The meeting begins with a brief introduction by the Chair, Victoria Ashford.]

**Victoria Ashford:** Good morning, everyone. Today's meeting is focused on the ongoing crisis in our investment activities. We have Evelyn Reed, Head of Risk Management, to present the latest developments and recommendations.

**Evelyn Reed:** Thank you, Chair. As you are aware, our risk assessment scores have consistently indicated a high level of risk associated with the Meridian Opportunities Fund. Recent evidence

suggests that the fund's valuation methodology has been compromised, leading to a potential loss of \$847 million.

**Arthur Sterling (CEO):** I'm not sure I agree with the assessment, Evelyn. We need more information before we can make any decisions.

**Evelyn Reed:** I understand your concerns, Mr. Sterling, but the evidence is clear. The fund's valuation methodology has been altered to conceal the true value of the assets. This is a serious breach of our internal controls and regulatory requirements.

**Sarah Chen (Compliance Officer):** I concur with Evelyn's assessment. We have been aware of the issues with the MOF for some time, but we have been unable to address them due to the lack of transparency in the fund's operations.

**James Blackwood (Regulatory Expert):** I would like to add that the regulatory implications of this crisis are severe. We are potentially facing fines and penalties of up to \$10 million.

**Nina Patel (Board Member):** What is the plan to address this crisis?

**Evelyn Reed:** We recommend the immediate freezing of all MOF assets, the launch of a comprehensive forensic audit, and the potential filing of a bankruptcy petition.

**Arthur Sterling:** I'm not sure I agree with that plan. We need to consider the impact on our shareholders and the potential consequences of filing for bankruptcy.

**Victoria Ashford:** I think we need to consider the long-term implications of this crisis, including the potential damage to our reputation and the loss of client trust.

## CONCLUSION

The executive committee agreed to freeze all MOF assets, launch a comprehensive forensic audit, and consider the potential filing of a bankruptcy petition. The meeting concluded with a clear understanding of the severity of the crisis and the need for swift action to address it.

## NEXT STEPS

- Freeze all MOF assets
- Launch comprehensive forensic audit
- Consider potential filing of bankruptcy petition
- Review and implement revised internal controls and regulatory compliance procedures

## CONFIDENTIALITY LEVEL

This document is Highly Restricted and should only be shared with authorized personnel.

## **AUTHENTICATION**

This document has been authenticated by the Chair of the Executive Committee, Victoria Ashford.

## **FINAL NOTE**

The crisis in Veridian Bank's investment activities is a serious and complex issue that requires immediate attention and action. The executive committee is committed to addressing this crisis and ensuring the long-term stability and success of the bank.

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## **APPENDIX**

- Meridian Opportunities Fund: Risk Assessment Score (43)
- Investment Fraud: Key Developments and Recommendations
- Regulatory Implications: Fines and Penalties
- Plan to Address Crisis: Freezing MOF Assets, Forensic Audit, and Potential Bankruptcy Filing