

URGENT INTERNAL MEMO

Subject: Crisis Update and Power Struggle Assessment

To: Senior Management and Key Stakeholders

From: Evelyn Reed, Head of Risk Management

Date: 15 March 2022

Confidentiality Level: Internal Only

Summary: This memo provides an overview of the escalating internal power struggle within Veridian Bank, highlighting the intensifying conflict between our department and the Investment Division. We will outline the key issues, recent developments, and the immediate actions required to mitigate the crisis.

Overview: The current power struggle between our department and the Investment Division has reached a critical juncture. The conflict centers around the Meridian Opportunities Fund, which has been the subject of increasing scrutiny due to its questionable valuations and trading practices. As Risk Management, we have been warning senior management about the fund's anomalies since early 2021, but our concerns have been consistently dismissed.

Key Issues:

1. **Investment Fund Anomalies:** The Meridian Opportunities Fund has consistently deviated from its stated investment objectives, with unexplained valuations and trading practices that raise significant red flags.
2. **Conflicting Leadership:** The Investment Division, led by Marcus Thorne, has been at odds with our department over the proper management of the fund. Thorne's actions have created an environment of distrust and fear, hindering our ability to perform our duties effectively.
3. **Internal Power Play:** The CEO, Arthur Sterling, has chosen to side with Thorne, further exacerbating the conflict and undermining our department's authority.

Recent Developments:

1. **Board Meeting:** The Board of Directors met on 10 March 2022, where we presented our findings on the Meridian Opportunities Fund. Despite our evidence, the Board failed to take decisive action, allowing the situation to escalate further.
2. **Investment Division Resistance:** Thorne and his team have actively resisted our attempts to investigate the fund, using various tactics to discredit our department and undermine our credibility.

Immediate Actions:

1. **Establish a Task Force:** We propose the formation of a task force, comprising representatives from Risk Management, Internal Audit, and Compliance, to investigate the Meridian Opportunities Fund and provide a comprehensive report to the Board.
2. **Enhance Communication:** We recommend increased communication with the Board and senior management to ensure that our concerns are heard and addressed promptly.
3. **Review Governance Structure:** We suggest reviewing the governance structure of the Investment Division to ensure that it aligns with the bank's risk management policies and procedures.

Measures and Metrics: We have developed a set of metrics to track the progress of our investigation and the effectiveness of our recommendations. These include:

- **Risk Assessment Scores:** We have assigned a risk score of 85 to the Meridian Opportunities Fund, indicating a high level of risk.
- **Operational Risk Index (ORI):** We have recorded an ORI score of 70, indicating a moderate level of operational risk.
- **Compliance Risk Ratings (CRR):** We have assigned a CRR score of 90, indicating a high level of compliance risk.

Next Steps: We request a meeting with the Board and senior management to discuss our findings and recommendations in more detail. We also propose the establishment of a regular update schedule to ensure that the Board and senior management are informed of any developments.

Conclusion: The current power struggle within Veridian Bank has reached a critical point, and immediate action is required to mitigate the crisis. We urge senior management to take our concerns seriously and to take decisive action to address the issues outlined in this memo.

Action Required: Please acknowledge receipt of this memo and indicate your availability for a meeting to discuss our findings and recommendations.

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