

EXECUTIVE COMMITTEE MEETING MINUTES

Meeting Date: March 15, 2022

Meeting Time: 2:00 PM - 4:00 PM

Meeting Location: Conference Room 3, Veridian Bank Headquarters, Chicago, IL

Department: Human Resources

Confidentiality Level: Internal Only

Attendees:

- **Arthur Sterling**, CEO
- **Victoria Ashford**, Board Chair
- **James Blackwood**, Regulator Representative
- **Nina Patel**, Tech Entrepreneur Representative
- **David Miller**, Head of Human Resources
- **Evelyn Reed**, Head of Risk Management
- **Sarah Chen**, Head of Compliance

Summary:

This meeting focused on addressing the escalating crisis within Veridian Bank. The Executive Committee discussed internal power dynamics, major fraud developments, and their implications. Head of Risk Management, Evelyn Reed, presented critical risk assessment data, highlighting the urgent need for corrective actions. The Committee reviewed updates on regulatory non-compliance, internal audit findings, and the impact on employee morale.

Detailed Minutes:

The meeting commenced with a review of the current risk assessment score, which stood at 66, indicating a moderate to high risk of systemic failure. Head of Risk Management, Evelyn Reed, emphasized the importance of addressing these concerns swiftly, citing the potential consequences of inaction. (Confidentiality Level: Highly Restricted)

Risk Assessment Score Update:

- Current Risk Assessment Score: 66
- Risk Matrix Category: Moderate to High Risk
- Recommendation: Immediate corrective actions to mitigate risk

Regulatory Non-Compliance:

Head of Compliance, Sarah Chen, presented an update on the bank's regulatory non-compliance issues. She highlighted the failure to report suspicious transactions to the Federal Banking Commission (FBC) and inadequate Know Your Customer (KYC) procedures. The Committee acknowledged the gravity of these violations and directed Chen to develop a comprehensive plan to rectify these issues. (Confidentiality Level: Confidential)

Internal Audit Findings:

Internal Audit presented their findings on the Meridian Opportunities Fund, which revealed significant discrepancies in portfolio valuations and fictitious returns on Shadow Creek vehicles. The Committee recognized the need for a thorough investigation and instructed Internal Audit to proceed with a comprehensive forensic analysis. (Confidentiality Level: Highly Restricted)

Employee Morale:

Head of Human Resources, David Miller, reported a significant decline in employee morale, citing the ongoing crisis as the primary cause. The Committee expressed concern and directed Miller to develop a plan to address employee well-being and retain key talent. (Confidentiality Level: Internal Only)

Action Items:

1. Immediate corrective actions to mitigate risk (Evelyn Reed, Risk Management)
2. Comprehensive plan to rectify regulatory non-compliance issues (Sarah Chen, Compliance)
3. Thorough investigation and forensic analysis of the Meridian Opportunities Fund (Internal Audit)
4. Plan to address employee well-being and retain key talent (David Miller, Human Resources)

Next Steps:

The Executive Committee will reconvene in two weeks to review progress on these action items. In the interim, all Committee members are directed to provide updates on their respective initiatives and address any new concerns that may arise.

Adjournment:

The meeting adjourned at 4:00 PM. The next Executive Committee meeting is scheduled for March 29, 2022.

Respectfully submitted:

Evelyn Reed, Head of Risk Management
Human Resources Department
Veridian Bank