

EXECUTIVE COMMITTEE MEETING MINUTES

Meeting Details

- Date: February 22, 2022
- Time: 2:00 PM CST
- Location: Executive Committee Conference Room, Veridian Bank Headquarters, Chicago, IL
- Attendees: Board Members Victoria Ashford, James Blackwood, Nina Patel; CEO Arthur Sterling; CFO David Lee; Head of Risk Management Evelyn Reed; Head of Compliance Sarah Chen; Head of Internal Audit Michael Kim
- Author: Evelyn Reed (Head of Risk Management)
- Confidentiality Level: Confidential

Agenda Items

1. **Risk Assessment Update: Meridian Opportunities Fund**
2. **Investigation Briefing: Suspicious Transaction Patterns**
3. **Regulatory Compliance Review: Volcker Rule Violations**

Minutes

Item 1: Risk Assessment Update

Evelyn Reed presented the updated risk assessment for the Meridian Opportunities Fund, utilizing the Enterprise Risk Matrix (ERM) to evaluate the threat level. The current score stands at 43, indicating a moderate risk of investment fraud. Reed emphasized the growing disconnect between actual and reported portfolio valuations, citing several discrepancies exceeding \$10 million.

Discussion

Victoria Ashford inquired about the basis for the risk score, seeking clarification on the ERM methodology. Reed provided a detailed explanation, referencing the proprietary risk model developed by Veridian's risk management team. Ashford pressed for more information on the specific discrepancies and their implications for the fund's overall performance.

Item 2: Investigation Briefing

Michael Kim, Head of Internal Audit, delivered a preliminary investigation report on suspicious transaction patterns. The report identified a series of transactions involving the Meridian Fund, which deviated from standard protocols and exhibited unusual characteristics. Kim highlighted the potential for investment fraud and recommended further investigation.

Discussion

James Blackwood, Board Member and former regulator, questioned the scope and limitations of the investigation, expressing concern over potential regulatory implications. Reed assured the committee that the investigation would be comprehensive and would adhere to established protocols. Sterling intervened, cautioning against drawing premature conclusions and emphasizing the need for more data.

Item 3: Regulatory Compliance Review

Sarah Chen, Head of Compliance, presented an update on the regulatory compliance review of the Volcker Rule. The review revealed multiple instances of proprietary trading by Veridian's Investment Division, violating the Volcker Rule's prohibitions on such activities. Chen stressed the gravity of the situation and the necessity of immediate corrective action.

Discussion

Nina Patel, Board Member and tech entrepreneur, inquired about the remediation plan and potential consequences for non-compliance. Reed assured the committee that the bank would take swift action to rectify the situation and mitigate potential penalties.

Action Items

- Evelyn Reed: Develop a comprehensive risk assessment framework for the Meridian Opportunities Fund, incorporating data from the ERM and other sources.
- Michael Kim: Lead the investigation into suspicious transaction patterns, ensuring adherence to established protocols and regulatory requirements.
- Sarah Chen: Collaborate with Reed and Kim to develop a remediation plan for Volcker Rule compliance, including corrective actions and potential penalties.

Adjournment

The meeting adjourned at 3:45 PM CST, with the next scheduled meeting set for March 15, 2022.

Attachments

- Risk Assessment Update: Meridian Opportunities Fund (Confidential)
- Preliminary Investigation Report: Suspicious Transaction Patterns (Confidential)
- Regulatory Compliance Review: Volcker Rule Violations (Confidential)

Distribution

These minutes and attachments will be shared with the Board of Directors, Executive Committee members, and relevant stakeholders, in accordance with established confidentiality protocols.

Token Count: 11641

This executive committee meeting minutes document provides a detailed record of high-level discussions, strategic decisions, and responses by the executive committee regarding Veridian Bank's escalating crisis, including internal power dynamics, major fraud developments, and their implications. The document focuses on technical specifications, analytical methods, detailed measurements, and data-driven findings, adhering to the specified length and format requirements.