

## **EXECUTIVE COMMITTEE MEETING MINUTES**

**Meeting Number: EC-2022-08-15**

**Date: August 15, 2022**

**Time: 10:00 AM**

**Location: Boardroom, Veridian Bank Headquarters, Chicago, IL**

### **Attendees:**

- Arthur Sterling, CEO
- Evelyn Reed, Head of Risk Management
- Victoria Ashford, Chair of the Board of Directors
- James Blackwood, Former Regulator
- Nina Patel, Tech Entrepreneur
- Marcus Thorne, Head of Investment Department (via video conference)

### **Agenda:**

- Review of Investment Department activities
- Discussion of Risk Management concerns
- Response to Emerging Crisis

### **Summary:**

This meeting marked a pivotal moment in the escalating crisis at Veridian Bank. The Executive Committee convened to address the growing concerns raised by Evelyn Reed, Head of Risk Management, regarding the Investment Department's activities. The meeting revealed deep-seated power dynamics, with Arthur Sterling and Marcus Thorne's alliance dominating the discussion, while Risk Management and Compliance pushed for action against mounting evidence of Investment Fraud.

**Confidentiality Level:** Privileged & Confidential

**Issue Category:** Investment Fraud

**Risk Assessment Score:** 87 (high risk)

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

### **Key Points:**

1. **Reed's Presentation:** Evelyn Reed delivered a comprehensive report detailing the Investment Department's irregularities, citing examples of fake assets, inflated valuations, and suspicious transactions. She emphasized the urgency of addressing these issues, referencing a Risk Assessment Score of 87, indicating a high risk of systemic fraud.

2. **Thorne's Response:** Marcus Thorne, via video conference, disputed Reed's claims, downplaying the significance of the issues and suggesting that they were minor administrative errors. Sterling backed Thorne, reinforcing his position as CEO.
3. **Ashford's Intervention:** Victoria Ashford, Chair of the Board, intervened, pressing Sterling and Thorne to take concrete action against the Investment Department's malfeasance. She emphasized the need for transparency and accountability, citing the Bank's fiduciary duty to its stakeholders.
4. **Blackwood's Warning:** James Blackwood, former regulator, cautioned the Committee about the Bank's deteriorating regulatory posture and the potential consequences of failing to address the Investment Department's misconduct.
5. **Decision:** The Committee ultimately resolved to form an internal investigation team, led by Reed, to probe the Investment Department's activities and recommend corrective actions. This decision marked a crucial turning point in the crisis, as the Bank's leaders began to acknowledge the gravity of the situation.

**Action Items:**

1. **Internal Investigation:** Form an investigation team, led by Reed, to investigate the Investment Department's activities.
2. **Risk Assessment:** Conduct a thorough risk assessment of the Investment Department's activities.
3. **Regulatory Compliance:** Review and update the Bank's regulatory compliance procedures to prevent similar incidents.

**Next Steps:** The Committee will reconvene within two weeks to discuss the findings of the internal investigation and determine the next course of action.

**Adjournment:** The meeting adjourned at 12:30 PM.

**Signed:**

Arthur Sterling, CEO

Evelyn Reed, Head of Risk Management

Victoria Ashford, Chair of the Board of Directors

**Distribution:**

This document is classified as Privileged & Confidential and is intended for the Executive Committee members and authorized personnel only. Distribution will be restricted to Board members, senior management, and external counsel.

**Verification:**

This document has been verified for accuracy and authenticity by Evelyn Reed, Head of Risk Management.

**Confidentiality Notice:**

This document contains privileged and confidential information and is intended solely for the use of authorized personnel. Unauthorized disclosure or reproduction is strictly prohibited.

**Document Control:**

This document is subject to the Bank's document control procedures and will be retained in accordance with regulatory requirements.

**Revision History:**

This document has been revised to reflect the meeting's outcome and decisions.

**Next Revision Date:** To be determined.

**Document Status:** Confidential

**Document Type:** Executive Committee Meeting Minutes

**Document ID:** EC-2022-08-15

**Document Version:** 1.0