Consider that all of you here in this room make up the board of directors for a major multi-billion dollar conglomerate. Your company’s media division owns newspapers, a cable news network, local TV stations, radio stations, and various web-only news sites. The company also owns ski resorts in New England, Colorado, and Lake Tahoe. The company has interests in real estate and hotels as an owner and operator. It also has an industrial and energy division focusing on oil and wind energy. The major reputation of the company’s brand, however, is it’s media interests and news network. The industrial division also shares the same brand name. There are times when the industrial division has reputational issues some of which is covered by the news media. The CEO, who is also Chairman of the Board, is often at odds with the news division president who feels that the industrial side taints the reputation of the news division. These disagreements sometimes spill out into the Wall Street Journal.

In recent years your company has invested a number of smaller tech startup companies. Most of these are run by the younger CEOs that started each of the companies. Some are profitable; some are not. The long-range plan on these tech startups is that hopefully they can help offset any decrease in revenue from the newspaper assets. They are an investment in the future.

One of those tech companies has a new face recognition technology that has had some successes and failures with the technology used in the app. Some field tests have gone well but others have not. The word on the street is that they have solved most of the issues and it is just about ready to break out with a finished product that’s ready to market.

However, The CEO and Chairman of the Board abruptly shut the tech company down, laid off most of the staff, and moved a limited number of tech only staff to an off-site location to preserve and further develop the technology. The Board was not consulted on this abrupt move. This was the reason you were gathering for this meeting. However, I want you to assume today is Monday morning. On Friday of last week a news story was published that created another issue for the board to tackle.

On Friday a newspaper in Miami published a report by one of its reporters. This reporter is the sister of the CEO from that tech company that was just shuttered by your CEO—although she did not reveal that in the article. On her phone she had downloaded a beta version of her brother’s face recognition app. Her newspaper, a competitor to one of your company newspapers, published the story that claims that the face recognition program identified your CEO as one of the people coming off a private jet that had been registered to convicted sex offender Jeffrey Epstein. The photo used in the newspaper story certainly looks like him. Further examination of flight logs not previously released had his initials listed as a passenger numerous times.

Not revealed in the article are some additional facts that have been provided to the board by your security and communications teams. Some of these facts were also shared with you in an email from your CEO.

The reporter is someone with whom the CEO had a prior relationship when she had worked for the company’s newspaper in New York.

The CEO claims the photo is not him and that the face recognition app does not work which is why he shut down the tech company.

The former tech company president denies giving the app to his sister. He claims she acquired it without his knowledge.

The reporter’s current employer was not aware of that prior relationship when it published the article.

In a Tweet just prior to the start of your board meeting you learn that the reporter claims on her Twitter account that the CEO knew the story was coming out and that is why he shut down the tech company.

During previous board meetings the issue of splitting the company into two pieces has been discussed. This would allow the media division to perhaps divorce itself from the many reputational and branding issues that come with the industrial and energy divisions. The CEO has not been in favor of splitting the company. It would essentially cut the value of the company in half and his ego likes being the head of the larger entity.

As of the start of the meeting your stock is down 4%.

Let’s begin the meeting.