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March 13, 2012

Mr. Rodney Brady, Chief Financial Officer
South Pacific Division of the SDA Church
Locked Bag 2014, Wahroonga, N.S.W. 2076, Australia

Dear Mr. Brady,

Thank you for your letter of February 2, 2012. We appreciate that you are on board with the General Conference as they formulate the Accountability and Transparency policy. However, to equate our inquiry to asking the "General Conference specific employment detail questions about an individual or specific facts about a current litigation case" is astonishing! We remind you that individuals from your constituency in Australia contacted Members for Church Accountability (MCA) concerning this issue.

To quote from your letter: you "said before and confirmed by Grant Thornton \$69 million has **not been given in loans** to the Johnson Property Group". Did the church, or any subsidiary or affiliate, give the JPGC any cash, and if so, how much? If no cash was given by the church or any subsidiary or affiliate what did JPGC get in return for it giving the church \$69 million in mortgages?

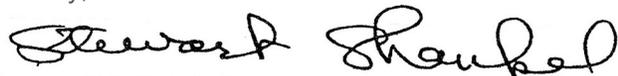
On what basis did the church file a claim to the Johnson Administrative Process, which produced a "schedule of moneys **owing** to Seventh-day Adventist Church", and then listed each of the JPGC **loans** or joint ventures, which totaled \$69,583,459.91? A copy of that schedule is enclosed.

The Grant Thornton Report stated: "The SDA Church and or its affiliates have **not invested or loaned** \$70m to the Johnson Property Group". How can that statement be understood in light of the next paragraph: "SDA purchased from Avondale College Foundation Investments (ACFI) depositors, the **loan** it made to JPG for the Joint Venture and purchase of additional land."?

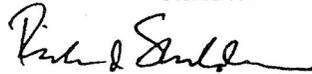
Grant Thornton's next paragraph also contradicts the initial statement: "The SDA and or its affiliates have an **investment interest** in a Sydney real estate project with a JPG related party. A **loan** has been provided to the joint project for subdividing blocks of land for resale. The **loan and interest** are being repaid from the sale of land. Registered First mortgage security is in place to secure the **loan**". If the investment interest is not a loan, was it an equity investment in the project, and if so, what did the church receive in return for the equity investment? If anything, the Grant Thornton Report confirms that loans were, in fact, made by the church, and the Administration documents are a second witness to that statement.

How can you deny that the SDA church, apparently through the Australasian Conference Association Ltd, made loans to the JGPC when documents repeatedly refer to **loans**?

Sincerely,



Stewart W. Shankel



Richard Sheldon



George M. Grames

30. May. 2011 16:11

No. 2524 P. 7

Schedule of Moneys owing to Seventh-day Adventist Church Ltd

As at 20 April 2011

Debtor	Description	Amount (approx)	Security held (if any)
JPG Pitt Town Pty Ltd	Tranche 1 loan	\$ 35,107,088.09	Mortgages and fixed and floating charges held over Pitt Town project
JPG Pitt Town Pty Ltd	Tranche 1 loan additional	\$ 1,418,880.47	Mortgages and fixed and floating charges held over Pitt Town project
JPG Pitt Town Pty Ltd	Tranche 2 loan	\$ 4,681,151.44	Mortgages and fixed and floating charges held over Pitt Town project
JPG Pitt Town Pty Ltd	Tranche 3 loan	\$ 737,537.58	Mortgages and fixed and floating charges held over Pitt Town project
JPG Pitt Town Pty Ltd	Bona Vista joint venture	\$ 12,377,610.35	Mortgages and fixed and floating charges held over Pitt Town project
Bona Vista Properties Pty Ltd	As for JPG Pitt Town	\$ 7,500,000.00	As above
Fernadell Properties Pty Ltd	As for JPG Pitt Town	As above	As above
Vermont Quays Pty Ltd	As for JPG Pitt Town	As above	As above
JPG 28 Pty Ltd	As for JPG Pitt Town	As above	
JPG 58 Pty Ltd	As for JPG Pitt Town	As above	As above and second mortgage security held over Kitchener properties
Avondale Greens Developments Pty Ltd	Loan	\$ 7,761,191.98	Mortgage and charge*
* Note that JPG Pitt Town Pty Ltd, Bona Vista Properties Pty Ltd, Fernadell Properties Pty Ltd, Vermont Quays Pty Ltd and JPG 28 Pty Ltd guarantee the obligations of Avondale Greens Developments Pty Ltd			
Total as at 20 April 2011		\$ 69,583,459.91	