

M MEMBERS FOR CHURCH ACCOUNTABILITY INC.
C
A ADVMCA@AOL.COM

SOUTHERN CALIFORNIA CHAPTER
9450 JEFFERY DR, REDLANDS, CA 92373

PHONE: 909-793-9430
FAX: 909-335-9887

May 1, 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 dated March 3, 2012, which presumably should have been dated April 3 since you had received our letter of March 13.

Obviously your concept of transparency and accountability is vastly different from ours. Since the General Conference is a 501 c (3) organization possibly we could obtain financial information through "certain annual returns" as required by the IRS. We submit that being open about the church's investments will be of benefit to all parts of the church including your division and in that spirit, we urge you to reconsider your position.

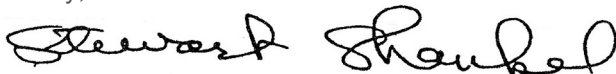
You referred again to the Grant Thornton report, but you made no attempt to explain the incongruities in that report. We urge you to explain the inconsistencies that exist in this report you frequently reference.

You claimed that no loans had been given to the Johnson Property Group, yet available documents refer to loans to the Johnson Property Group of Companies (JPGC). How do you explain that contradiction? Again, on what basis did the church file a claim to the Johnson Administrative Process?

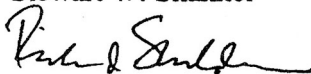
Your point form response number 2 is of interest to us. "The loan purchased from ACFI is an unusual transaction" Further, "The church purchased the denominational loans plus the JPG loan at full face value and created no loss to depositors of ACFI." Later in the paragraph, "it was not irregular to refinance those loans although there was no obligation to do so. However by doing so gave the depositors an immediate 20c in the dollar repayment." Please clarify the following: 1. Is "the church" a local church, conference, union, or division? 2. What church entities created "the denominational loans"? 3. Does "the JPG loan", refer to one or several loans? The statement, "It was not irregular to refinance those loans although there was no obligation to do so", implies that the ACFI depositors were to benefit from refinancing. That is a strange statement since refinancing left the depositors with 20c on the dollar as opposed to "no loss" to the depositors prior to refinancing. What church entity refinanced "those loans"?

Lastly, in paragraph number 2 you referred to loans five times, yet you previously informed us that no loans were made to the JPG. How can there be loans and refinancing of loans when there are no loans? If we, who are supportive of the mission of the church, have such questions, others will as well. We strongly urge that these inconsistencies be clarified.

Sincerely,



Stewart W. Shankel



Richard Sheldon



George M. Grames