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

August 7, 2012

Dear Mr. Brady,

Thank you for your letter dated July 2, 2012. We accept that in Australia a mortgage can be used as security for a range of interests in addition to loans, but you maintain that neither the church nor any church affiliated organization loaned money to the Johnson Property Group of Companies (JPGC). You imply that the Australian Securities & Investments Commission (ASIC) incorrectly identified loans from the Seventh-day Adventist Church Ltd (Australian Conference Association Ltd) to several of the Johnson Property Group of Companies (JPGC) totaling \$69,583,459.91, yet the designation by the ASIC was based upon documents submitted by your office.

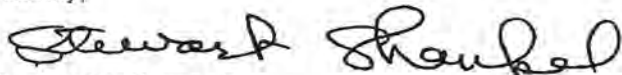
As you state, "The directors have dealt with this and I have shared with the appropriate governing bodies in the South Pacific Division". We would like to remind you that it was the executive committees, finance committees, select committees, and "confidential/commercially sensitive" agreements that gave the SDA church in the NAD the Pawtucket Nursing Villa, Shady Grove Hospital, the Davenport Investments, Family Enrichment Resources, and the Boston Regional Medical Center financial debacles that cost the SDA Church untold millions of dollars in cash and real property. These financial disasters are explored and well documented in the book published by Members for Church Accountability entitled *Who Watches? Who Cares?* As the Chief Financial Officer of the South Pacific Division we believe that this book should be included in your library. Therefore we are sending you a complimentary copy.

Again, you refer to the Grant Thornton report, "even though it was not required we have supplied interested SPD members the Grant Thornton report to give the assurance about [what] was inaccurately reported in the media" Unfortunately that report was not at all assuring because it was restricted by a limited data base, it was internally contradictory, and it hid behind "confidential agreements".

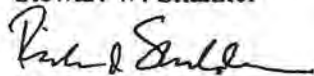
You are concerned that church attendance is "very low" and churches are being "targeted for negative publicity". Do you suppose that church administrators' lack of transparency and accountability regarding church investments and church officers' willingness to sign "confidential agreements" are contributing to this disturbing trend in the SDA church?

Lastly, we would be delighted to meet with you when you visit Southern California during the end of the year. Please keep us informed as to your itinerary

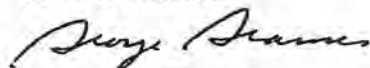
Sincerely,



Stewart W. Shankel



Richard Sheldon



George M. Grames