

M MEMBERS FOR CHURCH ACCOUNTABILITY INC.
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July 9, 2013

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 response letter dated May 20, 2013. You referred to Australian laws regarding privacy and ownership of intellectual property and you were very disappointed to find your past correspondence published on the MCA web site without your permission.

We corresponded with you under the auspices of Members for Church Accountability (MCA), an organization of lay church members whose mission is to foster transparency and accountability on the part of church administration toward the lay membership. If you were unable to comprehend that from the title of the organization our letter to you dated December 13, 2011 should have made our position clear. We referred to the document by Paul Douglas, Director of the General Conference Auditing Service and Robert E. Lemon, the World Church Treasurer, entitled "Transparency and Accountability in Finance Reporting". The document encourages "church officials worldwide to foster a better culture of leadership, outlining what it calls the 'credibility cycle.' Accountable leadership and transparent auditing build better trust among all church stakeholders".

How would a private conversation between you and MCA advance the cause of transparency and accountability in SDA church administration toward the lay membership? You are extremely naïve or merely hiding behind a "straw man".

You have never resolved the incongruities in the Grant Thornton report and the incongruities in your previous letters. The other issue of loans to Board of Directors from the very entity for which they have a fiduciary responsibility is very disconcerting! Does Australia have laws prohibiting such practices? According to the ACFI Creditors Support Group, "the original creditors committee was heavily weighted with Avondale and church representatives". The support group made inquiry concerning the names of the board of directors, former directors, or relatives securing loans from ACFI. The PPB's response is classic! "Of the director and former director related loans, one set (relating to three directors/former directors) has not been paid in full. The committee is aware of the details of this settlement which was confidential and full details cannot be disclosed to the general body of creditors. The loss suffered was in the region of \$1.5m". Is this SDA transparency and accountability in action? Who authorized these loans? What were the amounts of the original loans? How many "sets of loans" to board of directors were there? Is this practice common in the SDA Church in Australia? I regret that you feel unable to communicate with us.

Sincerely,



George Grames
Treasurer, MCA, Inc.