

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

SOUTHERN CALIFORNIA CHAPTER PHONE: 909-793-9430
9450 JEFFERY DR, REDLANDS, CA 92373 FAX: 909-335-9887

Rodney Brady, Chief Financial Officer
South Pacific Division, SDA Church
148 Fox Valley Road, Locked Bag 2014
Wahroonga, NSW 2076, Australia

October 4, 2011

Dear Mr. Brady,

Thank you for your letter of 10 August 2011 regarding MCA's inquiry into the involvement of the SDA Church in the Johnson Property Group (JPG).

In your letter dated 29 July 2011 you referred us to the Grant Thornton Report on the South Pacific Division of the SDA Church and the Johnson Property Group (JPG).

That report states that "the SDA church and or its affiliates have not invested or loaned \$70m to the Johnson Property Group". The substance of the report prompts a number of questions.

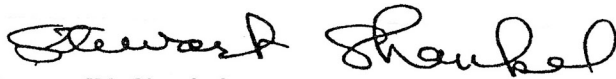
In an interview in the June 2009 issue of Adventist World the previous General Conference president, Jan Paulsen, committed church administration to accountability and transparency with the following language, "Our members...become even more sensitive to how the church uses its money...and rightly so! They *should* be sensitive and they should hold church leadership accountable." He further stated, "we're not sheltered from flawed human judgments, nor are we always protected from deliberate...and unacceptable... attempts by some individual leaders to "filter" information they give to the board...I can't overstate the importance of openness and transparency in administration."

In accordance with this spirit of transparency, we would appreciate your response to the following questions:

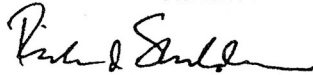
1. Who are the parties involved in the Cooranbong Joint Venture in addition to the Australasian Conference Association Ltd.?
2. How much money did Avondale College Foundation Investments (ACFI) loan to the Johnson Property Group (JPG) for the Joint Venture and purchase of additional land?

3. How much money did the SDA church and or its affiliates invest in a Sydney real estate project with a JPG related party, and what was the name of the “party”?
4. What was the amount of the loan to the joint project for subdividing blocks of land for resale?
5. What are the “other contractual obligations”?
6. What is the JPG administration process?
7. On what basis did the SDA church lodge a “secured claim” to the JPG administration process for \$69m?
8. How many Joint Ventures and under what titles has the SDA church and or its affiliates entered into with JPG, and what was the financial contribution by the SDA church and JPG?
9. What is the relationship between the owner of JPG and the SDA church?

Many thanks for your kindness in responding to these questions.



Stewart W. Shankel



Richard Sheldon



George M. Grames

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