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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

November 29, 2011

Dear Mr. Brady:

As you know Members for Church Accountability (MCA) is concerned about financial misadventures throughout the worldwide SDA Church. We previously requested a copy of the Grant Thornton report that summarized the involvement of the SDA Church with the Johnson Property Group (JPG). We thank you for mailing us that report.

On October 4, 2011 MCA wrote you a second letter requesting answers to nine questions. As of this date there has been no response.

The Grant Thornton report states:

“The SDA church and or its affiliates have not invested or loaned \$70m to the Johnson Property Group”.

Does that statement mean that the SDA church and or its affiliates have not invested or loaned money to the Johnson Property Group (JPG), but the SDA Church has invested or loaned money to one or more of the other 25 financial entities in the Johnson Property Group of Companies? As an alternative possibility, does it mean that the \$70m figure is inaccurate?

The statement lacks internal clarity because of the following statements in the Grant Thornton report:

1. “SDA purchased from ACFI the loan it made to JPG for the Joint Venture and purchase of additional land.”
2. “The SDA and or its affiliates have an investment interest in a Sydney real estate project with a JPG related party.”
3. “A loan has been provided to the joint project for subdividing blocks of land for resale.”

Document 5011 B from The Australian Securities & Investment Commission sheds light on the \$70m figure. On page 313 entitled, "Schedule of Moneys owing to the Seventh-day Adventist Church Ltd." The entries are as follows:

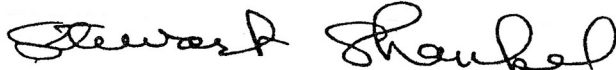
1. Tranche 1 loan to JPG Pitt Town Pty Ltd for \$35,107,088.09.
2. Tranche 1 loan additional to JPG Pitt Town Pty Ltd for \$1,418,880.47.
3. Tranche 2 loan to JPG Pitt Town Pty Ltd for \$4,681,151.44.
4. Tranche 3 loan to JPG Pitt Town Pty Ltd for \$737,537.58.
5. Bona Vista joint venture to JPG Pitt Town Pty Ltd for \$12,377,610.35.
6. "As for JPG Pitt Town" to Bona Vista Properties Pty Ltd for \$7,500,000.00.
7. Loan to Avondale Greens Developments Pty Ltd for \$7,761,191.98.

The total of these figures is \$69,583,459.91, close to \$70m.

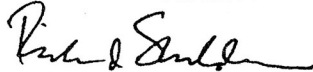
Since the administrative process has been completed how much of the \$69m has the SDA Church recovered? Parties involved in Joint Ventures share in, not only profits, but also in loses. How much money has the SDA Church lost through Joint Ventures with one or more of the Johnson Property Group of Companies?

Thank you for clarifying this issue.

Sincerely,  
Members for Church Accountability



Stewart W. Shankel



Richard Sheldon



George M. Grames