



## SEVENTH-DAY ADVENTIST CHURCH

### South Pacific Division

21 December 2011

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Dear Gentlemen,

I have received your letter dated November 29 2011.

I am not sure how familiar you are with Australian commercial law and the administration process. The administration process with regards to the Johnson property Group just dealt with the unsecured creditors. The Administrator said he was not dealing with secured creditors and they would need to care for their situation on the basis of the security in place. The bankers are looking both at their own position and other secured creditors. Johnson Property Group is still working with its bankers on refinancing and that process is not yet complete.

I need to stay within the advice given to us by legal and other professionals, including Grant Thornton, that we should not be putting into the public domain information other than what has already been given. That is also frustrating for me as if I did not have that restraint you would gain a very different picture of what is in place compared to some of the conclusions you may have. At the Division Year end meetings I gave a presentation to explain the nature and status of the Joint Ventures as we now have a new Executive Committee. Those Joint venture and related agreements in addition to other considerations also have confidentiality provisions. I can confirm the previous statements I have made are correct and that no losses have been incurred or are expected to be incurred.

This matter has had full disclosure to the governing bodies in this Division. At times Boards have to deal with items (employment issues, litigation, commercial transactions etc.) that must remain the domain of the Board. A serious issue for the church is the matter of Board confidentiality (ie the nominating committee process) and that is proving to be a two edged sword that has to be grappled with in the information age we are now in. What is important is that the decision making bodies are given full disclosure and that appropriate processes are in place. In this case I believe we have gone beyond what would usually be the case and in addition to an administrative response have sought an independent report that could be given to members that may have had questions after reading an inaccurate and misleading newspaper article.

While you are not members in the South Pacific Division I do respect that you have a genuine interest in the well-being of the church.

Yours sincerely,

Rodney Brady  
Chief Financial Officer  
South Pacific Division