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**A** MEMBERS FOR CHURCH ACCOUNTABILITY INC.  
ADVMCA@AOL.COM

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

January 23, 2012

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 letter of December 21, 2011. Unfortunately you chose to ignore our questions and therefore did not explain the inconsistencies in the Grant Thornton report. You claim that "no losses have been incurred or are expected to be incurred", but you provide no support for that claim. Obviously you are not onboard with the General Conference policy of transparency and financial accountability to lay church members.

We are SDA Church members in good standing and do have a "genuine interest in the well being of the church". For that reason we object to church administrators spending or investing church funds of any description and then obscuring their action in administrative boards.

The SDA Church's submission to the Johnson Administration is very clear that over \$69 million in loans have been given to the Johnson Property Group of Companies (JPGC), as well as the Church being a partner in joint ventures with JPGC. Therefore, it appears that the church is holding mortgages, which may be under secured, but the terms of the promissory notes are confidential. If the notes are due in the distant future with periodic payments or no payments until the project is completed, then the financial accounts remain open and "no losses have been incurred or expected to be incurred".

Please address two questions:

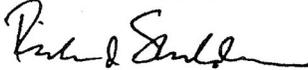
1. Is Johnson or the Johnson Property Group of Companies (JPGC) financially capable of paying the mortgages?
2. In the instances where the church holds the mortgages on undeveloped land, will it be necessary for the church to infuse additional funds into the projects to develop the land for resale?

Sincerely,

Members for Church Accountability



Stewart W. Shankel



Richard Sheldon



George M. Grames