



SOUTHERN CALIFORNIA CHAPTER

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November 3, 2009

Dr. Roy Ryan, Associate Treasurer  
General Conference of Seventh-day Adventists  
12501 Old Columbia Pike  
Silver Spring, MD 20904-6600

Dear Dr. Ryan,

Thank you for your letter of October 5 in response to MCA's letter to President Paulsen of July 31, 2009.

We very much appreciate your candor concerning the magnitude of the financial loss from the LifePoint investment. However, we were not asking whether transparency regarding this investment was practiced within the General Conference. We referred to President Paulsen's statement that church 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."

Hence, full disclosure to the General Conference Investment Committee, the General Conference Executive Committee, and the General Conference Audit Committee, while admirable, does not meet the standard of holding church leadership accountable. We commend the General Conference for making policy changes.

Presumably the General Conference Investment Committee has engaged "in house" investors rather than well established brokerage firms. How much latitude did these in-house investors have prior to the change in policy? A red flag is raised when millions of dollars are invested in a small start-up company. Even more alarming is the fact that the General Conference extended a \$10 million line of credit to such a company. This suggests that either the president, or an officer of LifePoint had ties to the General Conference or the in-house investors. Thus, the question: Did such a connection exist? Secondly, what was the specific policy that permitted the \$10 million dollar line of credit to LifePoint? If this line of credit violated policy were the individuals responsible disciplined?

Thank you for addressing these questions.

Sincerely,

Stewart W. Shankel

Richard Sheldon

George M. Grames