



*Alpha Kappa Alpha Sorority, Incorporated*

5656 S. Stony Island Avenue • Chicago, Illinois 60637-1997 • Phone 773.684.1282 • Fax 773.684.3397 • www.AKA1908.com

CAROLYN HOUSE STEWART, ESQ.  
SUPREME BASILEUS

November 14, 2012

Barbara McKinzie  
301 Wysteria Dr  
Olympia Fields, IL 60461

Dear Soror Barbara:

This is in response to your July 9, 2012 letter, which acknowledged receipt of my letter of June 2, 2012, and is a follow-up to my letter dated July 16, 2012.

You indicated that you had not seen a copy of the report prepared by Edward R. Kirby & Associates in connection with the litigation brought by Julia Brogdon Purnell. I enclose a copy as you requested.

As for the bills submitted by your legal counsel, the Sorority paid those fees that related to your activities as President and member of the Directorate.

With respect to the remainder of the documents you requested, the Sorority has had to respond to inquiries by the Internal Revenue Service, the United States Department of Justice and a federal grand jury in connection with their ongoing investigations. We are cooperating with those legal authorities and are not at liberty to share further information with you.

As we discussed, the Executive Session minutes of the Directorate meeting of July 14 and 15, 2007 do not reflect a decision for the Sorority to pay any of your state or federal income taxes. Irrespective of your position on the remainder of the disputed amounts, the Directorate expects you to repay the amount paid for taxes as requested.

Sisterly,

Soror Carolyn House Stewart  
Supreme Basileus

Encl.



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CAROLYN HOUSE STEWART, ESQ.  
SUPREME BASILEUS

June 2, 2012

Soror Barbara A. McKinzie  
301 Wysteria Drive  
Olympia Fields, IL 60461

Dear Soror Barbara:

As you know, in the litigation brought by Past Supreme Basileus, Julia Brogdon Purnell (*Purnell v. Alpha Kappa Alpha Sorority, Inc.*, Case No. 10 CH 10972, Cook County, Illinois), her agents, Edward R. Kirby & Associates Inc., were allowed to review certain of the books and records of the Sorority. That inspection yielded a report which called into question certain financial transactions involving you, but was based on an admittedly limited sample of the relevant documents.

Because of the questions raised by that report, the IRS and outcry from the membership, a further review of the Sorority's records by an independent accountant was conducted based upon advice of counsel and the potential tax liability to the sorority. Based upon his review of the records and interviews with past and present members of the Directorate and the former Finance Committee, he has concluded that you received payments that were not authorized by the Directorate and which are inconsistent with the Sorority's Constitution and Bylaws.

As you know, the July 14, 2007 vote of the Directorate was to provide you with a one-time payment of \$250,000. In addition, the July 15, 2007 vote called for a stipend equal to \$4,000 a month, over your four (4) year term as Supreme Basileus, totaling \$196,000. The records indicate, however, that you received payments in excess of these amounts.

First, the audit revealed checks totaling \$273,000 for the payment of your state and federal taxes. There has never been any mention at any Directorate meeting or minutes to suggest that the Sorority would pay your taxes on any payments to you.

The records also disclosed an additional \$1,338,512 in compensation to you. This exceeds the \$250,000 approved in the Directorate vote.

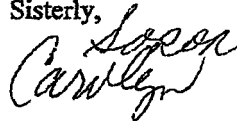
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Barbara A. McKinzie  
June 2, 2012  
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The Directorate voted that you be asked to repay the Sorority for the unapproved fund transfers described above. Therefore, you are being asked to pay the Sorority \$273,000, for the taxes, and \$1,088,512, for the apparent overpayment of sums for the stipend. We look forward to your early response, but need to hear from you no later than August 2, 2012, sixty (60) days from the date of this letter.

This letter is sent on a confidential basis and hopefully this matter can be resolved.

Sisterly,



Carolyn House Stewart,  
Supreme Basileus



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CAROLYN HOUSE STEWART, ESQ.  
SUPREME BASILEUS

*Directorate vote  
Special Comm*

July 16, 2012

Soror Barbara McKinzie  
301 Wysteria Drive  
Olympia Fields, IL 60461

Dear Soror Barbara:

This is to inform you that pursuant to Article V of the *Alpha Kappa Alpha Sorority Constitution*, the Directorate has taken action regarding your status as a member. The Directorate voted to withdraw your membership privileges and immediately suspend you for violation of Article V of the *Alpha Kappa Alpha Sorority Bylaws* and the Soror Code of Ethics. More specifically, this includes writing a check to yourself for "sweat equity" in 2006; prior to the time a stipend was approved for you by the Board in 2007. Additionally, checks were executed for payment by you and others under your direction for payment of personal federal income taxes and state income taxes without Board authorization. Further, you violated established internal financial controls and exposed the Sorority to Federal tax liability and jeopardized its 501 (c) 7 status.

Suspension shall disqualify you from participation in the Sorority and all Sorority activities, including the **upcoming Boule**. Further, this includes wearing of Alpha Kappa Alpha Sorority paraphernalia, displaying of AKA decals and license plates. You cannot serve as a representative or spokesperson and cannot represent yourself in any manner as an active member of Alpha Kappa Alpha Sorority Inc.

A Special Committee of the Directorate has been appointed to make further findings and recommendations. Once the Special Committee concludes its review, we will advise you of any change in your membership status. This suspension shall last pending this review and a resolution of issues raised in the letter of June 2, 2012 regarding repayment.

You may choose to repay the Sorority for the amount of Federal income taxes paid from the Sorority's funds as referenced in the June 2, 2012 letter received by you.

You have the right to exercise an appeal to the Directorate as outlined in the appeal process in the Bylaws and Manual of Standard Procedures.

Be advised that the Board also voted to take steps necessary to enforce this action until final resolution.

Sincerely,

*Carolyn House Stewart*

Carolyn House Stewart, Esq.  
Supreme Basileus

CHS/sld