

**IN THE SUPERIOR COURT FOR THE DISTRICT OF COLUMBIA
CIVIL DIVISION**

JOY DALEY, et al.,	:	
	:	
Plaintiffs,	:	
	:	
vs.	:	Case No. 2009 CA 004456 B
	:	
ALPHA KAPPA ALPHA SORORITY, INC., et al.,	:	Judge Todd E. Edelman
	:	
Defendants.	:	Next Event: Answer Due Date: March 14, 2012
	:	

**ANSWER OF DEFENDANT BARBARA MCKINZIE TO
PLAINTIFFS' SECOND AMENDED COMPLAINT**

Defendant Barbara McKinzie ("McKinzie"), by and through undersigned counsel, hereby files an Answer to Plaintiffs' Second Amended Complaint, and states as follows:

1. Defendant McKinzie admits that this action was brought by the Plaintiffs, who are members of Alpha Kappa Alpha, Incorporated ("AKA"), and avers that although they may now be geographically diverse in their residence, all of the Plaintiffs have a relationship with Plaintiff Joy Daley ("Daley"), and/or each other; Defendant McKinzie is without sufficient information to either admit or deny Plaintiffs' reasons for bringing the action, and, therefore, the remaining allegations set forth in the first sentence in Paragraph 1 of the Second Amended Complaint are denied. Defendant McKinzie denies the remaining allegations set forth in paragraph 1 of the Second Amended Complaint.

JURISDICTION AND VENUE

2. The allegations set forth in paragraph 2 of the Second Amended Complaint call for a legal conclusion to which no response is required.

3. The allegation set forth in the first sentence of paragraph 3 of the Second Amended

Complaint calls for a legal conclusion to which no response is required. Defendant McKinzie admits the remaining allegations set forth in paragraph 3 of the Second Amended Complaint, except that the Foundation only has individual members, not chapters.

THE PARTIES

4. Defendant McKinzie admits the allegations set forth in paragraph 4 of the Second Amended Complaint.

5. Defendant McKinzie is without sufficient information to either admit or deny the allegations set forth in paragraph 5 of the Second Amended Complaint, and, therefore, they are denied.

6. Defendant McKinzie is without sufficient information to either admit or deny the allegations set forth in paragraph 6 of the Second Amended Complaint, and, therefore, they are denied.

7. Defendant McKinzie is without sufficient information to either admit or deny the allegations set forth in paragraph 7 of the Second Amended Complaint, and, therefore, they are denied.

8. Defendant McKinzie is without sufficient information to either admit or deny the allegations set forth in paragraph 8 of the Second Amended Complaint, and, therefore, they are denied.

9. Defendant McKinzie is without sufficient information to either admit or deny the allegations set forth in paragraph 9 of the Second Amended Complaint, and, therefore, they are denied.

10. Defendant McKinzie is without sufficient information to either admit or deny the

allegations set forth in paragraph 10 of the Second Amended Complaint, and, therefore, they are denied.

11. Defendant McKinzie is without sufficient information to either admit or deny the allegations set forth in paragraph 11 of the Second Amended Complaint, and, therefore, they are denied.

12. Defendant McKinzie admits the allegations of paragraph 12 of the Second Amended Complaint, except that she avers that the Constitution and Bylaws are subject to change every two years, and the 2006 and 2008 versions are applicable to the allegations in this action, and further, that AKA is also governed by Roberts Rules of Order, and other procedural documents listed in the Manual of Procedure.

13. Defendant McKinzie admits the allegations set forth in paragraph 13 of the Second Amended Complaint.

14. Defendant McKinzie admits the allegations set forth in paragraph 14 of the Second Amended Complaint, except that she avers that she hold the office of Executive Director from 1984-1987.

15. Defendant McKinzie is without sufficient information to either admit or deny the allegations set forth in paragraph 15 of the Second Amended Complaint, and, therefore, they are denied.

16. Defendant McKinzie is without sufficient information to either admit or deny the allegations set forth in paragraph 16 of the Second Amended Complaint, and, therefore, they are denied.

17. Defendant McKinzie is without sufficient information to either admit or deny the

allegations set forth in paragraph 17 of the Second Amended Complaint, and, therefore, they are denied.

18. Defendant McKinzie is without sufficient information to either admit or deny the allegations set forth in paragraph 18 of the Second Amended Complaint, and, therefore, they are denied.

19. Defendant McKinzie is without sufficient information to either admit or deny the allegations set forth in paragraph 19 of the Second Amended Complaint, and, therefore, they are denied.

20. Defendant McKinzie is without sufficient information to either admit or deny the allegations set forth in paragraph 20 of the Second Amended Complaint, and, therefore, they are denied.

21. Defendant McKinzie is without sufficient information to either admit or deny the allegations set forth in paragraph 21 of the Second Amended Complaint, and, therefore, they are denied.

22. Defendant McKinzie is without sufficient information to either admit or deny the allegations set forth in paragraph 22 of the Second Amended Complaint, and, therefore, they are denied.

23. Defendant McKinzie is without sufficient information to either admit or deny the allegations set forth in paragraph 23 of the Second Amended Complaint, and, therefore, they are denied.

24. Defendant McKinzie is without sufficient information to either admit or deny the allegations set forth in paragraph 24 of the Second Amended Complaint, and, therefore, they are

denied.

25. Defendant McKinzie is without sufficient information to either admit or deny the allegations set forth in paragraph 25 of the Second Amended Complaint, and, therefore, they are denied.

26. Defendant McKinzie is without sufficient information to either admit or deny the allegations set forth in paragraph 26 of the Second Amended Complaint, and, therefore, they are denied.

27. Defendant McKinzie is without sufficient information to either admit or deny the allegations set forth in paragraph 27 of the Second Amended Complaint, and, therefore, they are denied.

28. Defendant McKinzie is without sufficient information to either admit or deny the allegations set forth in paragraph 28 of the Second Amended Complaint, and, therefore, they are denied.

29. Defendant McKinzie is without sufficient information to either admit or deny the allegations set forth in paragraph 29 of the Second Amended Complaint, and, therefore, they are denied.

30. Defendant McKinzie is without sufficient information to either admit or deny the allegations set forth in paragraph 30 of the Second Amended Complaint, and, therefore, they are denied.

31. Defendant McKinzie is without sufficient information to either admit or deny the allegations set forth in paragraph 31 of the Second Amended Complaint, and, therefore, they are denied.

32. Defendant McKinzie is without sufficient information to either admit or deny the allegations set forth in paragraph 32 of the Second Amended Complaint, and, therefore, they are denied.

33. Defendant McKinzie is without sufficient information to either admit or deny the allegations set forth in paragraph 33 of the Second Amended Complaint, and, therefore, they are denied.

34. Defendant McKinzie is without sufficient information to either admit or deny the allegations set forth in paragraph 34 of the Second Amended Complaint, and, therefore, they are denied.

35. Defendant McKinzie is without sufficient information to either admit or deny the allegations set forth in paragraph 35 of the Second Amended Complaint, and, therefore, they are denied.

FACTUAL ALLEGATIONS

Alpha Kappa Alpha

36. Defendant McKinzie admits that AKA is America's first Greek-letter sorority established by Black women and that it was founded in 1908 by sixteen women on the campus of Howard University in Washington, D.C. In response to the remaining allegations set forth in paragraph 36 of the Second Amended Complaint, Defendant McKinzie states that the Preamble of AKA's Constitution and Bylaws speaks for itself, and Defendant McKinzie denies all other characterizations thereof.

37. Defendant McKinzie admits the allegations set forth in paragraph 37 of the Second Amended Complaint, except that she avers that the global membership is approximately

250,000.

38. Defendant McKinzie admits the allegations set forth in paragraph 38 of the Second Amended Complaint.

39. Defendant McKinzie admits the allegations set forth in paragraph 39 of the Second Amended Complaint, except she avers that only those members who register for the Boule are members of the Boule.

40. Defendant McKinzie admits the allegations set forth in paragraph 40 of the Second Amended Complaint, except she avers that in addition to the designated delegates, the following also are entitled to voting privileges at the Boule: Former Supreme Basilei, members of the Directorate, the Executive Director and Deputy Director.

41. Defendant McKinzie admits the allegations set forth in paragraph 41 of the Second Amended Complaint.

42. Defendant McKinzie admits the allegations set forth in paragraph 42 of the Second Amended Complaint.

43. Defendant McKinzie admits the allegations set forth in paragraph 43 of the Second Amended Complaint.

44. Defendant McKinzie admits the allegations set forth in paragraph 44 of the Second Amended Complaint.

45. Defendant McKinzie admits the allegations set forth in paragraph 45 of the Second Amended Complaint.

46. Defendant McKinzie admits the allegations set forth in Paragraph 46 of the Second Amended Complaint.

47. In response to the allegations set forth in paragraph 47 of the Second Amended Complaint, Defendant McKinzie states that AKA's Constitution and Bylaws speaks for itself, and Defendant McKinzie denies all other characterizations or implied limitations thereof.

48. In response to the allegations set forth in paragraph 48 of the Second Amended Complaint, Defendant McKinzie states that AKA's Constitution and Bylaws speaks for itself, and Defendant McKinzie denies all other characterizations or implied limitations thereof.

49. In response to the allegations set forth in paragraph 49 of the Second Amended Complaint, Defendant McKinzie states that AKA's Constitution and Bylaws speaks for itself, and Defendant McKinzie denies all other characterizations or implied limitations thereof.

50. In response to the allegations set forth in paragraph 50 of the Second Amended Complaint, Defendant McKinzie states that AKA's Constitution and Bylaws speaks for itself, and Defendant McKinzie denies all other characterizations or implied limitations thereof.

51. In response to the allegations set forth in paragraph 51 of the Second Amended Complaint, Defendant McKinzie states that AKA's Constitution and Bylaws speaks for itself, and Defendant McKinzie denies all other characterizations or implied limitations thereof.

52. In response to the allegations set forth in paragraph 52 of the Second Amended Complaint, Defendant McKinzie states that AKA's Constitution and Bylaws speaks for itself, and Defendant McKinzie denies all other characterizations or implied limitations thereof.

53. In response to the allegations set forth in paragraph 53 of the Second Amended Complaint, Defendant McKinzie states that AKA's Constitution and Bylaws speaks for itself, and Defendant McKinzie denies all other characterizations or implied limitations thereof.

54. Defendant McKinzie admits that AKA is a non-profit corporation but denies that the

duties of the officers and directors are “clearly defined.”

55. Defendant McKinzie admits the allegations set forth in paragraph 55 of the Second Amended Complaint.

56. The allegations in paragraph 56 of the Second Amended Complaint call for a legal conclusion to which no response is required.

57. To the extent the allegations are directed toward Defendant McKinzie, Defendant McKinzie admits that she voluntarily agreed to be bound by the AKA Constitution and Bylaws, the Soror Code of Ethics and the Code of Conduct for Directorate Members, but avers that whether any of those documents constitutes a contractual undertaking calls for a legal conclusion to which no response is required.

58. In response to paragraph 58 of the Second Amended Complaint, Defendant McKinzie states that the AKA Code of Conduct for Directorate Members speaks for itself, and she denies all other characterizations or implied limitations thereof.

59. Defendant McKinzie denies the allegations set forth in paragraph 59 of the Second Amended Complaint, and avers that the dues, the chapter tax and fees of the financially active members of AKA serve as the sorority’s primary revenue source of AKA’s operations. The Boule registration fees finance the convention only.

60. Defendant McKinzie admits the allegations set forth in paragraph 60 of the Second Amended Complaint.

61. Defendant McKinzie admits the allegations set forth in paragraph 61 of the Second Amended Complaint, and further avers that dues have remained unchanged since 2004.

62. Defendant McKinzie denies the allegations set forth in paragraph 62 of the Second

Amended Complaint, and avers that she voluntarily resigned from her position as Executive Director.

63. Defendant McKinzie admits that she attained the office of Treasurer in 1998, but denies the remaining allegations set forth in paragraph 63, and avers that under her tenure as Executive Director, AKA's dues increased by \$1 million in 1986.

64. Defendant McKinzie admits that a fact-finding committee embarked on an investigation, and avers that the investigation was prompted by false allegations by David Carpenter, a former travel agent for AKA. Defendant McKinzie denies that her practices were "questionable" and avers that the Directorate closed the matter without any sanction to Ms. McKinzie. Except as otherwise admitted or averred, Defendant McKinzie denies the remaining allegations of paragraph 64 of the Second Amended Complaint.

65. Defendant McKinzie denies that while the investigation referred to above she assumed the office of Vice President; Defendant McKinzie avers that the investigation into her activities as Treasurer occurred four years after she held that position, at a time when she was already serving as Vice President, and three months before she was to be installed as President. Defendant McKinzie admits that the Vice-President assumes the office of President after a four year term.

66. Defendant McKinzie admits that the allegations in the 2006 investigation were as described in paragraph 66 of the Second Amended Complaint (having now read the report of the investigation), but she denies that she was ever informed of the allegations about Salomon Smith Barney, denies the substance of the allegations described in Paragraph 66, and avers that the Directorate issued no sanction against her following the investigation.

67. Defendant McKinzie denies that Carpenter was paid only \$39,025 (because the transaction began earlier than the checks submitted to the Committee), and further denies that the committee “found” Mr. Carpenter paid \$20,114 “back to McKinzie.” Rather, the Report simply reflects that Mr. Carpenter provided the committee with some checks. Some of those checks were payable to Mr. Carpenter from AKA, and other checks were payable to Defendant McKinzie from Mr. Carpenter, in the amounts reflected in paragraph 67. Defendant McKinzie avers that the committee concluded that “it is entirely possible” (despite Mr. Carpenter’s allegations of impropriety) that the payments to Defendant McKinzie from Mr. Carpenter were for services rendered in developing a necessary accounting system for him to track payments for a post-Boule trip that he had arranged in 2002; thus, Defendant McKinzie denies that the allegations that the payments were “back to” McKinzie.

68. In response to the allegations set forth in paragraph 68 of the Second Amended Complaint, Defendant McKinzie states that the Committee Report speaks for itself, and Defendant McKinzie denies all other characterizations thereof. Defendant McKinzie denies that there was anything improper about any nominal commissions she may have received from Salomon Smith Barney, or that she “urged” that funds be sent to Salomon Smith Barney.

69. In response to the allegations set forth in the first sentence in paragraph 69 of the Second Amended Complaint, Defendant McKinzie states that the Committee Report speaks for itself, and Defendant McKinzie denies all other characterizations thereof. In addition, Defendant McKinzie avers that the Committee Report included other recommendations in addition to the conflict of interest policy.

70. In response to the allegations set forth in paragraph 70 of the Second Amended

Complaint, Defendant McKinzie states that the report of the investigation conducted by Edward R. Kirby & Associates speaks for itself, and Defendant McKinzie denies all other characterizations thereof, or that she engaged in any improper conduct.

71. Defendant McKinzie admits the allegations contained in paragraph 71 of the Second Amended Complaint.

72. Defendant McKinzie denies the allegation of her “financial improprieties” set forth in Paragraph 72 of the Second Amended Complaint. Defendant McKinzie is without sufficient information to either admit or deny the remaining allegations set forth in paragraph 72, and, therefore, they are denied.

73. Defendant McKinzie denies the allegations set forth in paragraph 73 of the Second Amended Complaint.

74. Defendant McKinzie admits that properly submitted and supported expenses were subject to reimbursement, but denies that Plaintiff Daley complied with the proper procedure.

75. Defendant McKinzie denies the allegations set forth in Paragraph 75 of the Second Amended Complaint, and avers that in a November 2005 Treasurer’s report, the Treasurer reported that Plaintiff Daley had failed to submit quarterly reports for 2002, 2004 and 2005; and that for 2003, Plaintiff Daley had only submitted reports for the 1st and 2nd quarters. Defendant McKinzie is without knowledge or information (this many years later) sufficient to form a belief as to whether and if so, when, Plaintiff Daley actually submitted her quarterly expense reports, and whether they were submitted without objection, and whether reimbursement was made without reservation.

76. Defendant McKinzie denies the allegations set forth in paragraph 76 of the Second

Amended Complaint., and avers that all Regional Directors with incomplete expense reimbursement support were corresponded with to make sure they provided quarterly reports and supporting documentation. This was a result of an audit by the IRS, which had disallowed officer expenses.

77. Defendant McKinzie denies that Plaintiff Daley made a good faith effort to supplement her reports, and further denies that the request for documentation was beyond AKA requirements; Defendant McKinzie is without knowledge or information (this many years later) sufficient to form a belief as to whether Plaintiff Daley submitted any documentation in support of her expenses.

78. Defendant McKinzie denies the allegations set forth in paragraph 78 of the Second Amended Complaint.

79. Defendant McKinzie admits the allegations contained in Paragraph 79 of the Second Amended Complaint.

80. Defendant McKinzie avers that the initial complaint against Plaintiff Daley was for improper use of AKA letterhead, and admits that the action was later amended to include a claim for money damages as described in paragraph 80 of the Second Amended Complaint.

81. In response to the allegations set forth in paragraph 81 of the Second Amended Complaint, Defendant McKinzie states that the June 19, 2009 Order of the New York Supreme Court, Orange County speaks for itself, and Defendant McKinzie denies all other characterizations thereof.

82. In response to the allegations set forth in paragraph 82 of the Second Amended Complaint, Defendant McKinzie states that the June 19, 2009 Order of the New York Supreme

Court, Orange County, speaks for itself, and Defendant McKinzie denies all other characterizations thereof.

83. To the extent the allegations are directed toward Defendant McKinzie, the allegation set forth in paragraph 83 of the Second Amended Complaint are denied, and avers that all allegations of defamation and false light have been dismissed.

84. To the extent the allegations are directed toward Defendant McKinzie, the allegations set forth in paragraph 84 of the Second Amended Complaint are denied, and avers that all allegations of defamation and false light have been dismissed.

85. To the extent the allegations are directed toward Defendant McKinzie, the allegations set forth in paragraph 85 of the Second Amended Complaint are denied, except to aver that the New York Court granted summary judgment to Plaintiff Daley. Further, Defendant McKinzie avers that all allegations of defamation and false light have been dismissed.

86. Defendant McKinzie is without sufficient information to either admit or deny that Ms. Daley has suffered emotional distress, manifesting as hypertension, difficulty sleeping and mental anguish, and, therefore, the allegation is denied. To the extent the remaining allegations set forth in paragraph 86 of the Second Amended Complaint are directed toward Defendant McKinzie, those allegations are denied.

87. In response to the allegations set forth in paragraph 87 of the Second Amended Complaint, Defendant McKinzie states that AKA's Constitution and Bylaws speaks for itself, and denies all other characterizations thereof. Defendant McKinzie admits that the budget is approved on a biennial basis by the Boule, but avers that it is the General Fund budget only.

88. Defendant McKinzie denies the allegations set forth in paragraph 88 of the Second

Amended Complaint.

89. In response to the allegations set forth in paragraph 89 of the Second Amended Complaint, Defendant McKinzie states that AKA's Constitution and Bylaws speaks for itself, and Defendant McKinzie denies all other characterizations thereof. Defendant McKinzie admits that the budget is submitted as alleged, but avers that it is the General Fund budget only.

90. In response to the allegations set forth in paragraph 90 of the Second Amended Complaint, Defendant McKinzie states that AKA's Constitution and Bylaws speaks for itself, and Defendant McKinzie denies all other characterizations thereof. Defendant McKinzie admits that the budget is approved as alleged, but avers that it is the General Fund budget only.

91. Defendant McKinzie admits the allegations set forth in paragraph 91 of the Second Amended Complaint only to the extent that the Bylaws (Article VII, §1) state that the budget is to be provided to the chapters no later than April 30 preceding the Boule. Defendant McKinzie denies the remaining allegations of Paragraph 91.

92. Defendant McKinzie denies the allegations set forth in paragraph 92 of the Second Amended Complaint.

93. Defendant McKinzie denies the allegations set forth in paragraph 93 of the Second Amended Complaint.

94. Defendant McKinzie admits that AKA is a member-controlled, non-profit corporation, and avers that the budget was approved at the Boule.

95. Defendant McKinzie specifically denies that she "solicited" members to approve compensation, and the implication that services were not rendered, and avers that the Finance Committee recommended the compensation; Defendant McKinzie denies the remaining

allegations set forth in paragraph 95 of the Second Amended Complaint.

96. Defendant McKinzie admits that prior sorority Presidents were compensated by a stipend, and received reimbursement for expenses, but denies that the expenses had to be specifically approved by the Directorate or the AKA membership, and therefore denies the remaining allegations set forth in paragraph 96 of the Second Amended Complaint.

97. Defendant McKinzie admits the allegations to the extent no compensation is shown on any form referred to in paragraph 97. Defendant denies the remaining allegations set forth in paragraph 97 of the Second Amended Complaint and they are, therefore, denied.

98. Defendant McKinzie denies the allegations set forth in paragraph 98 of the Second Amended Complaint because she did not “request” the \$250,000 payment; Defendant McKinzie avers that the Directorate’s approval of a \$250,000 payment was based on a recommendation by the Finance Committee which recognized Defendant McKinzie’s work and effort obtaining substantial tax and cost savings for AKA.

99. Defendant McKinzie denies the allegations set forth in paragraph 99 of the Second Amended Complaint, and states that in November 2007, she presented a Special Report detailing the financial situation she inherited, and the savings from her efforts. Defendant McKinzie avers that the Special Report does not put any specific value on her services.

100. Defendant McKinzie admits that the AKA Directorate approved a \$250,000 payment to her, but denies that the Directorate never received written documentation supporting that amount as appropriate, and avers that there was no requirement that the payment be expressly authorized by the AKA membership or submitted in a detailed budget.

101. Defendant McKinzie denies the allegations in paragraph 101 of the Second

Amended Complaint, and avers that the \$375,000 listed on Exhibit F (2007 Form 990) has nothing to do with the \$250,000 compensation approved by the Directorate. The \$375,000 in compensation identified on Form 990 relates to a separate vote by the Directorate to fund a pension trust for McKinzie, which would provide her with \$4,000 per month in retirement income after Defendant McKinzie reached retirement age.

102. Defendant McKinzie denies the allegations set forth in paragraph 102 of the Second Amended Complaint.

103. Defendant McKinzie denies the allegations set forth in paragraph 103 of the Second Amended Complaint.

104. Defendant McKinzie denies the allegations in paragraph 104 of the Second Amended Complaint.

105. Defendant McKinzie denies the allegations in paragraph 105 of the Second Amended Complaint to the extent that the allegations imply that the stipend had to be specifically identified in the budget as a separate line item; Defendant McKinzie avers that there is no requirement in the Constitution and Bylaws which requires the stipend to be specifically identified in the budget or approved at the Boule, because the Boule approves budgets, not individual transactions. Further, McKinzie avers that the stipend was not paid in 2006.

106. Defendant McKinzie denies the allegations in paragraph 106 of the Second Amended Complaint to the extent that the allegations imply that the stipend, if it was not a specific item in the budget approved by the 2006 Boule, could only be justified on grounds of emergency. Defendant McKinzie admits that there was no emergency, and avers that there is no requirement in the Constitution and Bylaws which requires the stipend to be specifically

identified in the budget, approved at the Boule, or justified on grounds of “emergency.”

107. Defendant McKinzie denies the allegations in paragraph 107 of the Second Amended Complaint, and avers that there is no requirement in the Constitution and Bylaws which requires the stipend to be specifically identified in the budget or approved at the Boule, because the Boule approves budgets, not individual transactions.

108. Defendant McKinzie denies the allegations in paragraph 108 of the Second Amended Complaint, because although the Directorate voted to purchase such a policy, no amount was voted on in the minutes. Moreover, AKA is the beneficiary under the policy, to create a fund to repay the costs related to the pension trust.

109. Defendant McKinzie denies the allegations in paragraph 109 of the Second Amended Complaint to the extent that the allegations imply that the policy premium had to be specifically identified in the 2006 budget as a separate line item; Defendant McKinzie avers that there is no requirement in the Constitution and Bylaws which restricts expenditures to those specifically identified in the budget or approved at the Boule, because the Boule approves budgets, not individual transactions.

110. Defendant McKinzie denies the allegations in paragraph 110 of the Second Amended Complaint to the extent that the allegations imply that the policy premium, if it was not a specific item in the budget approved by the 2006 Boule, could only be justified on grounds of emergency. Defendant McKinzie admits that there was no emergency, and avers that there is no requirement in the Constitution and Bylaws which restricts expenditures to those specifically identified in the budget or approved at the Boule, or justified on grounds of “emergency.”

111. Defendant McKinzie denies the allegations in paragraph 110 of the Second

Amended Complaint, and avers that there is no requirement in the Constitution and Bylaws which restricts expenditures to those specifically identified in the budget or approved at the Boule, because the Boule approves budgets, not individual transactions.

112. Defendant McKinzie denies the allegations in paragraph 112 of the Second Amended Complaint.

113. Defendant McKinzie denies the allegations in paragraph 113 of the Second Amended Complaint to the extent that it implies that the actions of Defendant James or Mr. Brooks were improper or unauthorized. Defendant McKinzie further states that Exhibit I to Plaintiffs' Second Amended Complaint is a draft document, and the records of AKA would reflect the actual distributions to fund the pension trust, in accordance with the advice of tax and benefits professionals.

114. Defendant McKinzie admits that Paragraph 114 correctly quotes the language in Exhibit I to Plaintiffs' Second Amended Complaint, but avers that Exhibit I is a draft document, and the records of AKA would reflect the actual distributions to fund the pension trust, in accordance with the advice of tax and benefits professionals.

115. Defendant McKinzie denies the allegations set forth in paragraph 115 of the Second Amended Complaint.

116. Defendant McKinzie denies the allegations set forth in paragraph 116 of the Second Amended Complaint to the extent that the allegations intend to imply that the payments were not consistent with the votes of the Directorate.

117. Defendant McKinzie denies the allegations set forth in paragraph 117 of the Second Amended Complaint.

118. Defendant McKinzie denies the allegations set forth in paragraph 118 of the Second Amended Complaint, and avers that pursuant to the agenda adopted by the Boule, the last plenary session was for new and unfinished business.

119. Defendant McKinzie denies the allegations set forth in paragraph 119 of the Second Amended Complaint.

120. Defendant McKinzie denies the allegations set forth in paragraph 120 of the Second Amended Complaint, and further avers that except for Plaintiff Daley, none of the other Plaintiffs attended the 2008 Boule.

121. Defendant McKinzie denies the allegations set forth in paragraph 121 of the Second Amended Complaint.

122. Defendant McKinzie denies the allegations set forth in paragraph 122 of the Second Amended Complaint, and avers that \$500 was the fee for graduates only.

123. Defendant McKinzie denies the allegations set forth in paragraph 123 of the Second Amended Complaint, and avers that the revenue generated from the Boule registration fees was approximately \$10 million; total revenue was approximately \$14 million.

124. Defendant McKinzie admits the allegations set forth in paragraph 124 of the Second Amended Complaint.

125. Defendant McKinzie avers that over 25,000 people attended the Boule, which included members and guests.

126. Defendant McKinzie admits the allegations set forth in paragraph 126 of the Second Amended Complaint.

127. Defendant McKinzie admits the allegations set forth in paragraph 127 of the Second

Amended Complaint.

128. Defendant McKinzie denies the allegations set forth in paragraph 128 of the Second Amended Complaint.

129. Defendant McKinzie denies the allegations set forth in paragraph 129 of the Second Amended Complaint.

130. Defendant McKinzie denies the allegations set forth in paragraph 130 of the Second Amended Complaint.

131. Defendant McKinzie denies the allegations set forth in paragraph 131 of the Second Amended Complaint, and avers that such expenditures were not required to be specifically set forth in the budget, nor approved by the membership, the delegates, or at the Boule.

132. Defendant McKinzie denies the allegations set forth in paragraph 132 of the Second Amended Complaint, and avers that such expenditures were not required to be specifically set forth in the budget, nor approved by the membership, the delegates, or at the Boule.

133. Defendant McKinzie denies the allegations set forth in paragraph 133 of the Second Amended Complaint.

134. Defendant McKinzie avers that the Finance Director and Executive Director oversee the preparation and filing of the federal tax returns, and admits that when they held those roles, in Defendants McKinzie and James did oversee such matters. Except as otherwise admitted or averred, Defendant McKinzie denies the allegations of Paragraph 134.

135. Defendant McKinzie denies the allegations set forth in paragraph 135 of the Second Amended Complaint.

136. Defendant McKinzie denies the allegations forth in paragraph 136 of the Second

Amended Complaint.

137. Defendant McKinzie avers that the Directorate did not historically review the tax returns, and relied on the advice of tax professionals, and denies the implication that the Directorate had the obligation to review the federal tax returns to determine whether deductions were proper.

138. Defendant McKinzie denies the allegations forth in paragraph 138 of the Second Amended Complaint

139. Defendant McKinzie denies the allegations set forth in paragraph 139 of the Second Amended Complaint.

140. Defendant McKinzie denies the allegations set forth in paragraph 140 of the Second Amended Complaint.

141. Defendant McKinzie denies the allegations set forth in paragraph 141 of the Second Amended Complaint.

142. Defendant McKinzie avers that there was no requirement of a separate audit of credit card usage, because these items were covered in the annual audit by the AKA's accounting professionals, and denies the implication that the Directorate had the obligation to request a separate audit.

143. Defendant McKinzie denies the allegations set forth in paragraph 143 of the Second Amended Complaint.

144. Defendant McKinzie denies the allegations set forth in paragraph 144 of the Second Amended Complaint.

145. The allegations of paragraph 145 of the Second Amended Complaint call for a legal

conclusion, no response is required, and they are therefore deemed denied.

146. The allegations of paragraph 146 of the Second Amended Complaint call for a legal conclusion, no response is required, and they are therefore deemed denied.

147. Defendant McKinzie denies the allegations set forth in paragraph 147 of the Second Amended Complaint.

148. In response to paragraph 148 of the Second Amended Complaint, Defendant McKinzie avers that she used the corporate American Express card to pay for certain expenses, but denies that the use of the credit card was for personal expenses, or was wrongful, inappropriate, or inconsistent with practices of predecessor Presidents. All other allegations or implications contained therein are denied.

149. In response to paragraph 149 of the Second Amended Complaint, Defendant McKinzie avers that she used the corporate American Express card to pay for certain expenses, but denies that the use of the credit card was wrongful, inappropriate, or inconsistent with practices of predecessor Presidents. All other allegations or implications contained therein are denied.

150. In response to paragraph 150 of the Second Amended Complaint, Defendant McKinzie avers that she used the corporate American Express card to pay for certain expenses, but denies that the use of the credit card was wrongful, inappropriate, or inconsistent with practices of predecessor Presidents. All other allegations or implications contained therein are denied.

151. Defendant McKinzie denies the allegations set forth in paragraph 151 of the Second Amended Complaint.

152. Defendant McKinzie admits that she used points to purchase the Toshiba television and gym equipment, and avers that her use of points was consistent with the use of points by past Presidents (and AKA practice), and denies the remaining allegations set forth in paragraph 152 of the Second Amended Complaint,

153. Defendant McKinzie admits the allegations set forth in paragraph 152 of the Second Amended Complaint.

154. In response to paragraph 154 of the Second Amended Complaint, Defendant McKinzie admits that an investigation was conducted by the 2006 Fact Finding Committee regarding her actions as Treasurer, but denies that she had been engaged in any misconduct.

155. In response to paragraph 155 of the Second Amended Complaint, Defendant McKinzie avers that the 2006 investigation was conducted by a committee of AKA members who then issued a report entitled “Report of the Fact Finding Committee to the Directorate Alpha Kappa Alpha Sorority, Incorporated, April 3, 2006” (“Committee Report”). In further response, Defendant McKinzie states that she was never provided with a copy of the Committee Report, that document speaks for itself, and denies all other characterizations thereof, and denies that she had been engaged in any misconduct.

156. In response to paragraph 156 of the Second Amended Complaint, Defendant McKinzie states that the Committee Report speaks for itself, and denies all other characterizations thereof. Defendant McKinzie avers that until she saw the Committee Report attached as an exhibit to the pleadings in this action, she had never seen it before, and was not aware of the recommendations contained in the Committee Report.

157. Defendant McKinzie avers that until she saw the Committee Report attached as an

exhibit to the pleadings in this action, she had never seen it before, and was not aware of the recommendations contained in the Committee Report; it was not given to her as the incoming President. McKinzie avers that the investigation was referred to at the 2006 Boule, in the then-President's opening remarks who noted that the Directorate had examined the Committee Report, and "brought closure to the issue." McKinzie denies that there was any obligation to disseminate the Committee Report to the membership or "vote" on it at the Boule.

158. Defendant McKinzie admits that the Committee Report and its recommendations were not shared with the membership, and denies that there was any obligation to disseminate the Committee Report to the membership.

159. In response to paragraph 159 of the Second Amended Complaint, Defendant McKinzie states that any representations made by the sorority and the foundation to the IRS in federal tax filings speak for themselves, and Defendant McKinzie denies all other characterizations thereof. Defendant McKinzie further avers that the Directorate Code of Conduct addresses conflicts of interest in Paragraph 5.

160. To the extent the allegations are directed towards Defendant McKinzie, the allegations set forth in paragraph 160 of the Second Amended Complaint are denied to the extent they assert that any sanction was not appropriate.

161. Defendant McKinzie denies the allegations set forth in paragraph 161 of the Second Amended Complaint..

162. Defendant McKinzie denies the allegations set forth in paragraph 162 of the Second Amended Complaint.

163. Defendant McKinzie denies the allegations set forth in paragraph 162 of the Second

Amended Complaint.

164. Defendant McKinzie admits that the Plaintiffs' membership privileges were withdrawn, but denies that it was wrongful or retaliatory, and avers that the withdrawal of privileges was consistent with the established practice of the AKA.

165. Defendant McKinzie admits that the Plaintiffs' membership privileges were withdrawn, but denies that it was wrongful or retaliatory, and avers that the withdrawal of privileges was consistent with the established practice of the AKA; there is no requirement that it be provided for in the Bylaws and Constitution, or prohibited absent an amendment to those governing documents.

166. Defendant McKinzie denies that the withdrawal of membership privileges or suspension had to be provided for in the Bylaws and Constitution, or that withdrawal of privileges or suspension was prohibited absent an amendment to those governing documents.

167. Defendant McKinzie denies the allegations set forth in paragraph 167 of the Second Amended Complaint.

168. In response to paragraph 168, Defendant McKinzie avers that she filed an action against the sorority in 2006 and that she was not suspended as a result of her filing an action against AKA.

169. Defendant McKinzie denies that the sanctions were wrongful, and avers that the Plaintiffs failed to follow the procedures for an appeal set forth in the Constitution and Bylaws.

170. Defendant McKinzie denies the allegations set forth in paragraph 170 of the Second Amended Complaint.

171. Defendant McKinzie avers that "the Defendants" did not deprive "members" of any

membership privileges; those privileges were denied as a result of the members' conduct in violation of AKA's governing documents, practices and procedures, and accordingly, the allegations set forth in paragraph 171 of the Second Amended Complaint are denied.

172. Defendant McKinzie denies the allegations set forth in paragraph 172 of the Second Amended Complaint.

173. In response to paragraph 173 of the Second Amended Complaint, Defendant McKinzie states that the AKA Constitution and Bylaws speak for themselves, and Defendant McKinzie denies all other characterizations thereof. The remaining allegations in paragraph 173 are denied.

174. In response to paragraph 174 of the Second Amended Complaint, Defendant McKinzie states that the AKA Constitution and Bylaws speak for themselves, and Defendant McKinzie denies all other characterizations thereof. Defendant McKinzie avers that to the extent the membership perceives a disparity in the due process requirements of the appeals process for individual members and the Directorate, the membership has the power to amend the Constitution and Bylaws, as provided in Article VIII of the Constitution, and Article XIII of the Bylaws.

175. Defendant McKinzie denies the allegations set forth in paragraph 175 of the Second Amended Complaint.

176. Defendant McKinzie denies the allegations set forth in paragraph 176 of the Second Amended Complaint.

Breach of Fiduciary Duties by Defendants Betty James and Glenda Glover

177. The allegations of paragraph 177 are not directed towards Defendant McKinzie,

and therefore no response is required; to the extent the allegations are intended to be directed towards Defendant McKinzie, the allegations set forth in paragraph 177 of the Second Amended Complaint are denied.

178. The allegations of paragraph 178 are not directed towards Defendant McKinzie, and therefore no response is required; to the extent the allegations are intended to be directed towards Defendant McKinzie, the allegations set forth in paragraph 178 of the Second Amended Complaint are denied.

179. The allegations of paragraph 179 are not directed towards Defendant McKinzie, and therefore no response is required; to the extent the allegations are intended to be directed towards Defendant McKinzie, the allegations set forth in paragraph 179 of the Second Amended Complaint are denied. In addition, Defendant McKinzie avers that Plaintiffs never made a request to Defendant McKinzie for access to the books and records.

STATEMENT OF CLAIMS

COUNT ONE

(Breach of Fiduciary Duty Against Defendant McKinzie)

180. Defendant McKinzie adopts and incorporates by reference the responses to the allegations contained in paragraphs 1 through 179 of the Second Amended Complaint.

181. Defendant McKinzie denies the allegations set forth in paragraph 181 of the Second Amended Complaint.

182. Defendant McKinzie denies the allegations set forth in paragraph 182 of the Second Amended Complaint.

183. Defendant McKinzie denies the allegations set forth in paragraph 183 of the Second

Amended Complaint.

COUNT TWO

(Breach of Fiduciary Duty Against Defendants Glover and James)

184. Defendant McKinzie adopts and incorporates by reference the responses to the allegations contained in paragraphs 1 through 183 of the Second Amended Complaint.

185. The allegations of paragraph 185 are not directed towards Defendant McKinzie, and therefore no response is required; to the extent the allegations are intended to be directed towards Defendant McKinzie, the allegations set forth in paragraph 185 of the Second Amended Complaint are denied.

186. The allegations of paragraph 186 are not directed towards Defendant McKinzie, and therefore no response is required; to the extent the allegations are intended to be directed towards Defendant McKinzie, the allegations set forth in paragraph 186 of the Second Amended Complaint are denied.

187. The allegations of paragraph 187 are not directed towards Defendant McKinzie, and therefore no response is required; to the extent the allegations are intended to be directed towards Defendant McKinzie, the allegations set forth in paragraph 187 of the Second Amended Complaint are denied.

COUNT THREE

(Breach of Fiduciary Duty Against Remaining Directorate Defendants)

188. Defendant McKinzie adopts and incorporates by reference the responses to the allegations contained in paragraphs 1 through 187 of the Second Amended Complaint.

189. The allegations of paragraph 189 are not directed towards Defendant McKinzie,

and therefore no response is required; to the extent the allegations are intended to be directed towards Defendant McKinzie, the allegations set forth in paragraph 189 of the Second Amended Complaint are denied.

190. The allegations of paragraph 190 are not directed towards Defendant McKinzie, and therefore no response is required; to the extent the allegations are intended to be directed towards Defendant McKinzie, the allegations set forth in paragraph 190 of the Second Amended Complaint are denied.

191. The allegations of paragraph 191 are not directed towards Defendant McKinzie, and therefore no response is required; to the extent the allegations are intended to be directed towards Defendant McKinzie, the allegations set forth in paragraph 191 of the Second Amended Complaint are denied.

192. The allegations of paragraph 192 are not directed towards Defendant McKinzie, and therefore no response is required; to the extent the allegations are intended to be directed towards Defendant McKinzie, the allegations set forth in paragraph 192 of the Second Amended Complaint are denied.

193. The allegations of paragraph 193 are not directed towards Defendant McKinzie, and therefore no response is required; to the extent the allegations are intended to be directed towards Defendant McKinzie, the allegations set forth in paragraph 193 of the Second Amended Complaint are denied.

194. The allegations of paragraph 194 are not directed towards Defendant McKinzie, and therefore no response is required; to the extent the allegations are intended to be directed towards Defendant McKinzie, the allegations set forth in paragraph 194 of the Second Amended

Complaint are denied.

195. The allegations of paragraph 195 are not directed towards Defendant McKinzie, and therefore no response is required; to the extent the allegations are intended to be directed towards Defendant McKinzie, the allegations set forth in paragraph 195 of the Second Amended Complaint are denied.

196. The allegations of paragraph 196 are not directed towards Defendant McKinzie, and therefore no response is required; to the extent the allegations are intended to be directed towards Defendant McKinzie, the allegations set forth in paragraph 196 of the Second Amended Complaint are denied.

197. The allegations of paragraph 197 are not directed towards Defendant McKinzie, and therefore no response is required; to the extent the allegations are intended to be directed towards Defendant McKinzie, the allegations set forth in paragraph 197 of the Second Amended Complaint are denied.

COUNT FOUR

(Breach of Contract Against McKinzie)

198. Defendant McKinzie adopts and incorporates by reference the responses to the allegations contained in paragraphs 1 through 197 of the Second Amended Complaint.

199. Defendant McKinzie denies the allegations set forth in paragraph 199 of the Second Amended Complaint.

200. Defendant McKinzie denies the allegations set forth in paragraph 200 of the Second Amended Complaint.

201. In response to paragraph 201 of the Second Amended Complaint, Defendant

McKinzie denies that “lawsuits were filed against members,” and avers that, to the best of her knowledge, information and belief, the only lawsuit that was filed during her tenure as President was against Joy Daley, and further denies that filing such an action was wrongful or inappropriate, or not approved by the Directorate.

202. Defendant McKinzie denies the allegations set forth in paragraph 202 of the Second Amended Complaint.

203. Defendant McKinzie denies the allegations set forth in paragraph 203 of the Second Amended Complaint.

COUNT FIVE

(Breach of Contract Against All Defendants)

204. Defendant McKinzie adopts and incorporates by reference the responses to the allegations contained in paragraphs 1 through 203 of the Second Amended Complaint.

205. Defendant McKinzie denies the allegations set forth in paragraph 205 of the Second Amended Complaint.

206. In response to paragraph 206 of the Second Amended Complaint, Defendant McKinzie admits that the AKA Directorate approved a \$250,000 payment to her. Defendant McKinzie avers that the AKA Directorate voted to fund a pension trust for McKinzie, which would provide her with \$4,000 per month in retirement income after she reached retirement age. Defendant McKinzie admits that the AKA Directorate voted to take out a life insurance policy on her life but denies that there was a specified \$1 million amount attached to the policy; Defendant McKinzie avers that the sorority was the beneficiary of that policy. Defendant McKinzie admits that the AKA Directorate authorized Defendant McKinzie to spend the surplus

from the 2008 Boule, and avers that there was no requirement that the expenditures be expressly approved by the Boule.

207. Defendant McKinzie denies the allegations set forth in paragraph 207 of the Second Amended Complaint.

208. Defendant McKinzie denies the allegations set forth in paragraph 208 of the Second Amended Complaint.

COUNT SIX

(Fraud Against Barbara McKinzie)

209. Defendant McKinzie adopts and incorporates by reference the responses to the allegations contained in paragraphs 1 through 208 of the Second Amended Complaint.

210. Defendant McKinzie denies the allegations set forth in paragraph 210 of the Second Amended Complaint.

211. Defendant McKinzie denies the allegations set forth in paragraph 211 of the Second Amended Complaint.

212. Defendant McKinzie denies the allegations set forth in paragraph 212 of the Second Amended Complaint.

COUNT SEVEN

(Unjust Enrichment Against McKinzie)

213. Defendant McKinzie adopts and incorporates by reference the responses to the allegations contained in paragraphs 1 through 212 of the Second Amended Complaint.

214. Defendant McKinzie admits the allegations set forth in paragraph 214 of the Second Amended Complaint, and avers that those cost savings are described in her November 2007

Special Report to the Directorate.

215. Defendant McKinzie denies the allegations set forth in paragraph 215 of the Second Amended Complaint.

216. Defendant McKinzie denies the allegations set forth in paragraph 216 of the Second Amended Complaint.

217. Defendant McKinzie denies the allegations set forth in paragraph 217 of the Second Amended Complaint.

218. Defendant McKinzie denies the allegations set forth in paragraph 218 of the Second Amended Complaint.

219. Defendant McKinzie denies the allegations set forth in paragraph 219 of the Second Amended Complaint.

220. Defendant McKinzie denies the allegations set forth in paragraph 220 of the Second Amended Complaint.

221. Defendant McKinzie denies the allegations set forth in paragraph 221 of the Second Amended Complaint.

222. Defendant McKinzie denies the allegations set forth in paragraph 222 of the Second Amended Complaint.

223. In response to paragraph 223, Defendant McKinzie avers that BMC Associates was established and is owned and operated by Defendant McKinzie.

224. Defendant McKinzie denies the allegations set forth in paragraph 224 of the Second Amended Complaint.

225. Defendant McKinzie denies the allegations set forth in paragraph 225 of the Second

Amended Complaint.

226. Defendant McKinzie denies the allegations set forth in paragraph 226 of the Second Amended Complaint.

COUNT EIGHT

(Ultra Vires Against All Defendants)

227. Defendant McKinzie adopts and incorporates by reference the responses to the allegations contained in paragraphs 1 through 226 of the Second Amended Complaint.

228. Defendant McKinzie admits the allegations set forth in paragraph 228 of the Second Amended Complaint.

229. In response to paragraph 229 of the Second Amended Complaint, Defendant McKinzie states that the AKA Bylaws speak for themselves, and Defendant McKinzie denies all other characterizations thereof.

230. Defendant McKinzie denies the allegations set forth in paragraph 230 of the Second Amended Complaint.

231. Defendant McKinzie denies the allegations set forth in paragraph 231 of the Second Amended Complaint.

232. In response to paragraph 232 of the Second Amended Complaint, Defendant McKinzie admits that the AKA Directorate approved a \$250,000 payment to her. Defendant McKinzie avers that the AKA Directorate voted to fund a pension trust for McKinzie, which would provide her with \$4,000 per month in retirement income after she reached retirement age. Defendant McKinzie admits that the AKA Directorate voted to take out a life insurance policy on her life but denies that there was a specified \$1 million amount attached to the policy;

Defendant McKinzie avers that the sorority was the beneficiary of that policy. Defendant McKinzie states that she never used corporate funds for her own personal use and benefit and therefore denies that the AKA Directorate allowed her to use corporate funds for such purposes; Defendant McKinzie avers that her use of corporate credit card was consistent with the use of the corporate credit card by preceding AKA Presidents. Defendant McKinzie admits that the AKA Directorate authorized her to spend the surplus from the 2008 Boule but denies that the use of the Boule surplus was for projects in which Defendant McKinzie had a personal interest.

233. Defendant McKinzie denies the allegations set forth in paragraph 233 of the Second Amended Complaint.

234. Defendant McKinzie denies the allegations set forth in paragraph 234 of the Second Amended Complaint.

COUNT NINE

(Defamation Against All Defendants)

235. Defendant McKinzie adopts and incorporates by reference the responses to the allegations contained in paragraphs 1 through 234 of the Second Amended Complaint.

236. The allegations contained in Count Nine have been dismissed by the Court and, accordingly, no response to Paragraph 236 is required.

237. The allegations contained in Count Nine have been dismissed by the Court and, accordingly, no response to Paragraph 237 is required.

238. The allegations contained in Count Nine have been dismissed by the Court and, accordingly, no response to Paragraph 238 is required.

239. The allegations contained in Count Nine have been dismissed by the Court and,

accordingly, no response to Paragraph 239 is required.

240. The allegations contained in Count Nine have been dismissed by the Court and, accordingly, no response to Paragraph 240 is required.

241. The allegations contained in Count Nine have been dismissed by the Court and, accordingly, no response to Paragraph 241 is required.

242. The allegations contained in Count Nine have been dismissed by the Court and, accordingly, no response to Paragraph 242 is required.

243. The allegations contained in Count Nine have been dismissed by the Court and, accordingly, no response to Paragraph 243 is required.

244. The allegations contained in Count Nine have been dismissed by the Court and, accordingly, no response to Paragraph 244 is required.

COUNT TEN

(False Light Against All Defendants)

245. Defendant McKinzie adopts and incorporates by reference the responses to the allegations contained in paragraphs 1 through 244 of the Second Amended Complaint.

246. The allegations contained in Count Ten have been dismissed by the Court and, accordingly, no response to Paragraph 246 is required.

247. The allegations contained in Count Ten have been dismissed by the Court and, accordingly, no response to Paragraph 247 is required.

248. The allegations contained in Count Ten have been dismissed by the Court and, accordingly, no response to Paragraph 248 is required.

249. The allegations contained in Count Ten have been dismissed by the Court and,

accordingly, no response to Paragraph 249 is required.

COUNT ELEVEN

(Intentional Infliction of Emotional Distress Against All Defendants)

250. Defendant McKinzie adopts and incorporates by reference the responses to the allegations contained in paragraphs 1 through 249 of the Second Amended Complaint.

251. Defendant McKinzie denies the allegations set forth in paragraph 251 of the Second Amended Complaint.

252. Defendant McKinzie denies the allegations set forth in paragraph 252 of the Second Amended Complaint.

253. Defendant McKinzie denies the allegations set forth in paragraph 253 of the Second Amended Complaint.

COUNT TWELVE

(Accounting Against All Defendants)

254. Defendant McKinzie adopts and incorporates by reference the responses to the allegations contained in paragraphs 1 through 253 of the Second Amended Complaint.

255. Defendant McKinzie denies the allegations set forth in paragraph 255 of the Second Amended Complaint.

256. Defendant McKinzie denies the allegations set forth in paragraph 256 of the Second Amended Complaint.

257. Defendant McKinzie denies the allegations set forth in paragraph 257 of the Second Amended Complaint.

258. Defendant McKinzie denies the allegations set forth in paragraph 258 of the Second

Amended Complaint.

259. Defendant McKinzie denies the allegations set forth in paragraph 259 of the Second Amended Complaint.

PRAYER FOR RELIEF

WHEREFORE, Defendant Barbara McKinzie denies that Plaintiffs are entitled to the relief sought in the Second Amended Complaint, and respectfully requests that the Second Amended Complaint be dismissed with prejudice, that attorneys' fees and costs of this action be assessed against Plaintiffs, and requests such other and further relief that the Court may deem just and proper.

AFFIRMATIVE DEFENSES

1. Plaintiffs fail to state a claim upon which relief can be granted.
2. Plaintiffs' claims are barred by the applicable statute of limitations.
3. Plaintiffs' claims are barred by their failure to follow the provisions set forth in the AKA Constitution and Bylaws.
4. Plaintiffs' claims are barred by the business judgment rule.
5. Plaintiffs' claims are barred by the failure to plead demand futility.
6. Plaintiffs' claims are barred by unclean hands.
7. Plaintiffs' claims are barred by laches.
8. Plaintiffs' claims are barred by estoppel.
9. Defendant McKinzie asserts there have been no damages and requiring strict proof of the Plaintiffs' alleged injuries and/or damages.
10. Plaintiffs cannot state sufficient facts to support a claim for breach of fiduciary

duty or fraud.

11. Plaintiffs' claims are barred, in whole or in part, because they cannot state sufficient facts to support a claim for any intentional tort.

12. Plaintiffs' claims are barred, in whole or in part, because their alleged damages were not caused by any acts and/or omissions of the Defendant McKinzie.

13. Defendant McKinzie cannot be liable for acts and/or omissions by the Directorate and/or Directors or employees of Defendant AKA which were made in an informed manner and by disinterested individuals.

14. Plaintiffs' Second Amended Complaint and all claims therein are barred by lack of jurisdiction over the Defendant McKinzie.

15. Plaintiffs cannot state sufficient facts to support a claim for punitive damages.

16. Plaintiffs voluntarily waived their claim by failing to follow AKA's dispute resolution procedures.

17. An award of damages would cause unjust enrichment.

18. Plaintiffs' claims are barred, in whole or in part, because the alleged acts and/or omissions by Defendant McKinzie are unsupported by AKA's Constitution and Bylaws.

19. Defendant McKinzie denies each and every allegation of the Plaintiffs' Second Amended Complaint, which has not been expressly admitted, and thus, the Defendant McKinzie requires strict proof of Plaintiffs' alleged injuries and/or damages at trial.

20. Defendant McKinzie reserves the right to raise any and all additional defenses that
my come to light as this litigation develops.

21. The Defendant McKinzie's alleged actions did not cause any damages to the Plaintiffs.

WHEREFORE, Defendant Barbara A. McKinzie, respectfully requests that judgment be entered in her favor, and against Plaintiffs, along with other relief, as this Court deems proper.

Respectfully submitted,

COOTER, MANGOLD, DECKELBAUM
& KARAS, L.L.P.

/s/ Dale A. Cooter

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Counsel for Defendant Barbara McKinzie

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 14th day of March, 2012 a copy of the foregoing ANSWER was served via the Court's Electronic Filing System on:

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/s/ Dale A. Cooter _____
Dale A. Cooter