

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

Ms. Joy Elaine Daley  
37 Ramona Road  
Newburgh, New York 12550

and

Ms. Kezilah Means Vaughters  
8470 Limekiln Pike  
Apt. 605-2  
Wyncote, Pennsylvania 19095

and

Ms. Carol P. Ray  
7932 Lowber Avenue  
Philadelphia, Pennsylvania 19150

and

Ms. Elizabeth Berry Holmes  
7720 Valley Green Road  
Wyncote, Pennsylvania 19095

and

Catherine Alicia Georges, Ed. D  
836 Tilden Street, #4D  
Bronx, New York

and

Ms. Marie L. Cameron  
4453 Northside Parkway  
Atlanta, Georgia 30327

and

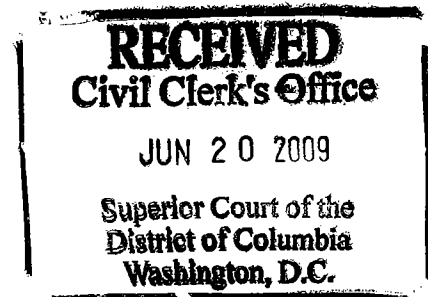
Ms. Brenda Georges  
4021 Castle Way  
Fairburn, Georgia 30213

and

0004456-09

Civil Action No.

Jury Trial Demanded



Ms. Frances Tyus  
19412 Mayfair Lane  
Warrensville Heights, Ohio 44128

Plaintiffs

v.

Alpha Kappa Alpha Sorority, Inc.  
5656 South Stony Island Avenue  
Chicago, Illinois 60637,

and

AKA Educational Advancement  
Foundation, Inc.  
5656 South Stony Island Avenue  
Chicago, Illinois 60637,

and

Barbara A. McKinzie, CPA  
President  
Alpha Kappa Alpha Sorority, Inc.  
301 Wysteria Dr.  
Olympia Fields, Illinois 60461

and

Carolyn House Stewart, Esq.  
First Vice President  
1719 Tom Folsom Rd  
Thonotosassa, Florida 33592

and

Ms. Melanie C. Jones  
Second Vice President  
HU West Plaza Towers  
2251 Sherman Ave Apt. 525  
Washington, District of Columbia 20001

and

Ms. Dorothy Buckhanan Wilson  
Secretary  
5432 Burning Bush Ln  
Mequon, Wisconsin 53092

and

Ms. Freddie Groomes-McLendon  
Parliamentarian  
3306 Wheatley Rd  
Tallahassee, Florida 32305

and

Glenda Glover, CPA, JD  
Treasurer  
1031 Whitsett Walk  
Jackson, MS 39206

and

Ms. Shayla M. Johnson  
Undergraduate Member-at-Large  
2251 Sherman Ave. NW  
Washington, District of Columbia 20001

and

Ms. Noel Marie Niles  
Undergraduate Member-at-Large  
1713 Fleetwood Dr  
Troy, Michigan 48098

and

Ms. Pamela Bates Porch  
Central Regional Director  
1407 W. 73rd St.  
Chicago, Illinois 60638

and

Ms. Lavern Tarkington  
Far Western Regional Director  
1616 Moody Trail,  
Phoenix, Arizona 85041

and )  
)  
)  
Ms. Schylbea J. Hopkins )  
Great Lakes Regional Director )  
5640 Oakman Blvd., )  
Detroit, Michigan 48204-3011 )  
)  
and )  
)  
Ms. Norma Tucker )  
International Regional Director )  
1516 Holman Road, )  
Oakland, California 94610 )  
)  
and )  
)  
Ms. Ruby Batts Archie )  
Mid-Atlantic Regional Director )  
145 Westwood Dr. )  
Danville, Virginia 24541-5222 )  
)  
and )  
)  
Hon. Vicki Miles-LaGrange )  
Mid-Western Regional Director )  
200 NW Fourth Street, )  
Oklahoma City, Oklahoma 73101 )  
)  
and )  
)  
Ms. Evelyn Sample-Oates )  
North Atlantic Regional Director )  
501 Monticello Lane )  
Plymouth Meeting, Pennsylvania 19462 )  
)  
and )  
)  
Ms. Ella Springs Jones )  
South Atlantic Regional Director )  
2370 Courtney Circle, )  
Augusta, Georgia 30906 )  
)  
and )  
)  
)

Ms. Gwendolyn Brinkley  
South Central Regional Director  
4035 Fernwood  
Houston, Texas 77021

and

Ms. Juanita Sims Doty  
South Eastern Regional Director  
1532 Lakeside Dr  
Jackson, Mississippi 39216-4807  
and

Ms. Tari Bradford  
Former South Central Regional Director  
3634 Crestview Dr  
Shreveport, LA 71119

and

Betty Nolan James, Ed. D.  
Executive Director  
1642 East 56<sup>th</sup> Street  
Chicago, Illinois 60637

and

Ms. E LaVonne Lewis  
Former Far Western Regional Director  
202 Spring Rd  
Las Vegas, Nevada 89134

and

Ms. Ranika Sanchez  
Former Second Vice President  
4738 Friendship Ave  
Pittsburgh, Pennsylvania 15224

and

Ms. Adria Robinson	)
Former Undergraduate	)
Member At Large	)
14292 East 28 <sup>th</sup> Ave.	)
Aurora, Colorado 80011	)
	)
and	)
	)
Ms. Shaylyn Cochran	)
Former Undergraduate Member At Large	)
641 Arlington Ave	)
Mansfield, Ohio 44903,	)
	)
Defendants.	)

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## COMPLAINT

1. This action is brought by geographically diverse members of Alpha Kappa Alpha Sorority, Incorporated (“AKA” or the “sorority”), Ms. Daley, Ms. Vaughters, Ms. Ray, Ms. Holmes, Dr. Georges, Ms. Cameron, Ms. Georges and Ms. Tyus (collectively, the “Plaintiffs”), who bring this action to restore their beloved sorority to its former high standards of governance, corporate transparency and active member communication including compliance with its corporate articles, Constitution and Bylaws with respect to the approval of sorority expenditures and other matters. The Defendants have failed to abide by the rules and procedures set forth in AKA’s Constitution and Bylaws, resulting in several large expenditures without the appropriate approval and the improper silencing of dissenting members under the guise of “discipline.” Defendants have made clear that they will not voluntarily redress the concerns of Plaintiffs. This dispute arises to enforce Plaintiffs claims against Defendants’ breaches of fiduciary duty, breaches of contract,

corporate waste, and unjust enrichment. Plaintiffs seek monetary recovery for the sorority and injunctive relief.

### JURISDICTION AND VENUE

2. Jurisdiction of this court exists under DC ST § 11-921 because the amount in controversy in this civil action exceeds \$50,000.

3. Venue is properly in the District of Columbia, in that Defendants are current and former members of the board of directors of the sorority. The sorority's Board of Directors is known as the Directorate, and is vested pursuant to AKA Constitution and Bylaws with the responsibility to govern the sorority and AKA Educational Advancement Foundation, Inc. (the "foundation"), a wholly-owned affiliate of the sorority. The sorority is a non-profit organization incorporated under the laws of the District of Columbia, and the foundation is a non-profit organization incorporated under the laws of the State of Illinois. The sorority and the foundation operate in the District of Columbia through their member chapters.

### THE PARTIES

4. Plaintiff, Ms. Joy Elaine Daley, is an individual residing in Newburgh, New York and since 1985, a member of AKA. Plaintiff Daley served as local chapter president based in New York, Chairman of the defendant's regional and national Nominating committees, and North Atlantic Regional Director.

5. Plaintiff, Ms. Kezilah Means Vaughters, is an individual residing in Wyncote, Pennsylvania. Ms. Vaughters is a founding member and first Treasurer of a local chapter based in Philadelphia, is the third President of said local chapter, was the Chairman of the 2004 North Atlantic Regional Conference, was the President of said local chapter's Ivy

Legacy Foundation, is a member of the said local chapter's Financial Oversight Committee, is a member of the Advisory Council (Past Presidents) of said local chapter, is an active member of said local chapter, and since 1958, a member of AKA.

6. Plaintiff, Ms. Carol P. Ray, is an individual residing in Philadelphia, Pennsylvania. Ms. Ray is a founding member and first President of a local chapter based in Philadelphia, was Co-chairman of the 1986 North Atlantic Regional Conference, was the Corporate Sponsor Chairman for said local chapter's major fundraiser, is Co-chairman of said local chapter's Financial Oversight Committee, is a member of the Advisory Council (Past Presidents) of said local chapter, is an active member of said local chapter and served four years on the Former Regional Director Advisory Council, and since 1961, a member of AKA.

7. Plaintiff, Ms. Elizabeth Berry Holmes, is an individual residing in Wyncote, PA. Ms. Holmes is a founding member and first Assistant Treasurer of a local chapter based in Philadelphia, was a Corporate Sponsor Chairman for major fundraiser of said local chapter, was Co-chairman of Black Family initiative in said local chapter, was Chairman of 2004 North Atlantic Regional Conference Awards Banquet, is an active member of said local chapter, and since 1957, a member of AKA.

8. Plaintiff, Catherine Alicia Georges, PhD, is an individual residing in Bronx, New York. Dr. Georges is a Faculty Advisor and Chairman of the local chapter Audit Committee based in New York, and since 1984, a member of AKA.

9. Plaintiff, Ms. Marie L. Cameron is an individual residing in Atlanta, Georgia. Ms. Cameron was initiated into membership of defendant AKA Sorority in 1986, and is



an Executive in Residence and Instructor of the Institute of Health Administration in the Robinson College of Business, Georgia State University.

10. Plaintiff, Ms. Brenda Georges, is an individual residing in Fairburn, GA. Ms. Georges is an educator in the Atlanta, Georgia school system. Ms. Georges is, since 1999 an active member of AKA.

11. Plaintiff, Ms. Frances Tyus is an individual residing in Warrensville Heights, Ohio Ms. Tyus is, since 1983, a member of AKA. Plaintiff Tyus served as a local chapter president based in Ohio.

12. Defendant AKA was incorporated on January 20, 1913 as a private, nonprofit corporation organized under the laws of the District of Columbia. It has been designated by the Internal Revenue Service as a tax exempt organization under I.R.C. § 501 (c) (7). AKA maintains its corporate office at 5656 South Stony Island Avenue, Chicago, Illinois 60637. Defendant AKA adopted a Constitution and Bylaws, and operates pursuant to these documents, pertinent parts of which are attached as Exhibit A. Defendant AKA is further governed by rules set forth in its Manual of Standard Procedure, pertinent parts of which are attached as Exhibit B.

13. Defendant, AKA Educational Advancement Foundation, Inc. is a private Illinois non-profit corporation. The foundation was designated by the Internal Revenue Service as a tax exempt organization under I.R. C. § 501 (c) (3). The foundation was organized by AKA leadership and is a wholly-owned affiliate of the Defendant sorority.

14. Defendant, Ms. Barbara McKinzie is an individual residing at 301 Wysteria Drive, Olympia Fields, Illinois 60461. McKinzie is, and was at all times referred to herein, the current International President ("President"), and member of AKA.
15. Defendant, Ms. Carolyn House Stewart is an individual residing at 1719 Tom Folsom Road, Thonotosassa, Florida 33592. Ms. Stewart is, and was at all times referred to herein, the current First Vice President and a member of the Directorate of AKA.
16. Defendant, Ms. Melanie C. Jones is an individual residing at HU West Plaza Towers, 2251 Sherman Avenue, Apt. 525, Washington, District of Columbia 20001. Ms. Jones is, and was at all times referred to herein, the current Second Vice President and a member of the Directorate of AKA.
17. Defendant, Ms. Dorothy Buckhanan Wilson is an individual residing at 5432 Burning Bush Lane, Mequon, Wisconsin 53092. Ms. Wilson is, and was at all times referred to herein, the current Secretary and a member of the Directorate of AKA.
18. Defendant, Ms. Freddie Groomes-McLendon is an individual residing at 3306 Wheatley Road, Tallahassee, Florida 32305. Ms. Groomes-McLendon is, and was at all times referred to herein, the current Parliamentarian and a member of the Directorate of AKA.
19. Defendant, Ms. Shayla M. Johnson is an individual residing at 2251 Sherman Avenue, Washington, District of Columbia 20001. Ms. Johnson is, and was at all times referred to herein, a current Undergraduate Member at Large and a member of the Directorate of AKA.

20. Defendant, Ms. Noel M. Niles is an individual residing at 1713 Fleetwood Drive, Troy, Michigan 48098. Ms. Niles is, and was at all times referred to herein, a current Undergraduate Member at Large and a member of the Directorate of AKA.
21. Defendant, Ms. Pamela Bates Porch is an individual residing at 1407 W. 73<sup>rd</sup> Street, Chicago, Illinois 60638. Ms. Porch is, and was at all times referred to herein, a current Regional Director and a member of the Directorate of AKA.
22. Defendant, Ms. LaVern M. Tarkington is an individual residing at 1616 Moody Trial, Phoenix, Arizona 85041. Ms. Tarkington is, and was at all times referred to herein, a current Regional Director and a member of the Directorate of AKA.
23. Defendant, Ms. Schylbea J. Hopkins is an individual residing at 5640 Oakman Boulevard, Detroit, Michigan 48204. Ms. Hopkins is, and was at all times referred to herein, a current Regional Director and a member of the Directorate of AKA.
24. Defendant, Ms. Norma Jean Tucker is an individual residing at 1516 Holman Road, Oakland, California 94610. Ms. Tucker is, and was at all times referred to herein, a current Regional Director and a member of the Directorate of AKA.
25. Defendant, Ms. Ruby Batts Archie is an individual residing at 145 Westwood Drive, Danville, Virginia 24541. Ms. Archie is, and was at all times referred to herein, a current Regional Director and a member of the Directorate of AKA.
26. Defendant, Ms. Vicki Miles-LaGrange is an individual residing in Oklahoma City, OK. Ms. Miles-LaGrange is, and was at all times referred to herein, a current Regional Director and a member of the Directorate of AKA.

27. Defendant, Ms. Evelyn Sample-Oates is an individual residing at 501 Monticello Lane, Plymouth Meeting, Pennsylvania 19462. Ms. Sample-Oates is, and was at all times referred to herein, a current Regional Director and a member of the Directorate of AKA.
28. Defendant, Ms. Ella Spring Jones is an individual residing at 2370 Courtney Circle, Augusta, Georgia 30906. Ms. Jones is, and was at all times referred to herein, a current Regional Director and a member of the Directorate of AKA.
29. Defendant, Ms. Gwendolyn J. Brinkley is an individual residing at 4035 Fernwood, Houston, Texas 77021. Ms. Brinkley is, and was at all times referred to herein, a current Regional Director and a member of the Directorate of AKA.
30. Defendant, Ms. Juanita Sims Doty is an individual residing at 1532 Lakeside Drive, Jackson, Mississippi 39216. Ms. Doty is, and was at all times referred to herein, a current Regional Director and a member of the Directorate of AKA.
31. Defendant, Ms. Tari Bradford is an individual residing at 3634 Crestview Dr., Shreveport, LA 71119. Ms. Bradford was a Regional Director from 2004 -2008, and a member of the Directorate of AKA.
32. Defendant, Betty N. James, Ed.D. is an individual residing at 1642 East 56<sup>th</sup> Street, Chicago, IL 60637. Dr. James is, and was at all times referred to herein, the Executive Director responsible for the administration of AKA corporate office and management of its staff.
33. Defendant, Ms. E Lavonne Lewis is an individual residing at 202 Spring Road, Las Vegas, Nevada 89134. Ms. Lewis was a Regional Director from 2004 to 2008, and a member of the Directorate of AKA.

34. Defendant, Ms. Ranika Sanchez is an individual residing at 4738 Friendship Avenue, Pittsburgh, Pennsylvania 15224. Ms. Sanchez was the Second Vice President from 2006 to 2008 and a member of the Directorate of AKA.
35. Defendant, Ms. Adria Robinson is an individual residing at 14292 East 28<sup>th</sup> Avenue, Aurora, Colorado 80011. Ms. Robinson was an Undergraduate Member at Large from 2006 to 2008, and a member of the Directorate of AKA.
36. Defendant, Ms. Shaylyn Cochran is an individual residing at 641 Arlington Avenue, Mansfield, Ohio 44903. Ms. Cochran was an Undergraduate Member at Large from 2006 to 2008, and a member of the Directorate of AKA.

#### FACTUAL ALLEGATIONS

37. AKA is America's first Greek-letter sorority established by Black women. AKA was founded in 1908 by 16 women on the campus of Howard University, Washington, D.C. The AKA founding principles include promoting unity and friendship, improving the social and economic condition of college women, cultivating and encouraging high ethical standards. Today, that tradition continues locally, nationally and internationally. (See Exhibit A, Preamble of AKA's Constitution and Bylaws.)
38. AKA has over 950 chapters in cities, colleges and universities throughout the world, a global membership of over 200,000 and a financially active membership in excess of 50,000.
39. AKA enjoys a global reputation for service and excellence. The sorority includes among its members such renowned Black women as the poet, Maya Angelou, the

astronaut and physician, Mae Jamison, the author, Toni Morrison, and actress Phylicia Rashād.

40. The principal governance and policy making body of AKA is known as the Boulé. All financially active members of AKA are members of the Boulé. The Boulé meets biennially in even calendar years at a convention which is also called the Boulé.
41. The board of directors of AKA is known as the Directorate. With exception of the President and the first Vice President of the sorority who are elected for a four year term, the other Directorate members are elected for a two year term at the biennial meeting of the Boulé by Boulé delegates.
42. The Directorate is authorized to conduct the business of AKA when the Boulé is not in session. The Directorate is comprised of eighteen (18) officers: President, First Vice President, Second Vice President, Secretary, Treasurer, two Undergraduate Members at Large, and ten Regional Directors. The Executive Director is a non-voting member of the Directorate.
43. The operation of AKA's headquarters in Chicago, Illinois is managed by a professional staff led by the Executive Director. The current Executive Director is Defendant, Dr. Betty N. James.
44. The Executive Director is responsible for administration of the AKA corporate office and management of its staff, and is a non-voting member of the Directorate, but is a voting member of all committees except the Nominating Committee.
45. Pursuant to Article IV of the AKA Constitution and Bylaws, the duties of the members of AKA include meeting all financial requirements of their chapters and the Boulé. (*See AKA Constitution and Bylaws, Exhibit A.*)

46. The duties of the President are set forth in Article I, Sec. 6 of the AKA Constitution and Bylaws. (*See Exhibit A.*)
47. The duties of the members of the Directorate are set forth in Article I, Sec. 5 of the AKA Constitution and Bylaws. (*See Exhibit A.*)
48. The duties of the Executive Director are set forth in Article I, Sec. 19 of the AKA Constitution and Bylaws. (*See Exhibit A.*)
49. The President, the Directorate, and the Executive Director are bound by the general AKA member duties in addition to their duties as officers of AKA.
50. The President, the members of the Directorate and the Executive Director have a duty to act in good faith, with the care of an ordinary prudent person and in the best interests of AKA and its members.
51. Each member of AKA, including the President, Executive Director and members of the Directorate voluntarily entered into an agreement to abide by, among other things, the AKA Constitution and Bylaws, Soror Code of Ethics and Code of Conduct for Directorate Members.
52. The AKA Code of Conduct for Directorate Members includes the following provisions: (1) to devote time, thought and study to the duties and responsibilities of a Board member so as to render effective and credible service; (2) to base personal decisions on all available facts in each situation; to vote based on an honest conviction in every case; (3) to resist every temptation and outside pressure to use the position as a Board member to benefit the Board member or any other individual or agency apart from the total interest of AKA; (4) to welcome and encourage active communication by the membership with respect to established policy and proposed future developments; (5) to

support the various committees in carrying out the constitutional duties assigned; and (6) to strive toward ideal conditions for the most effective Board service in a spirit of teamwork and devotion to AKA and its mission of service to all mankind.

53. The dues and Boulé registration fees of the financially active members of AKA serve as the primary revenue source of AKA's operations.

54. Members of AKA provide a substantial portion of AKA's revenue through members dues and registration fees for attending the biennial Boulé meeting.

55. Dues for an active member of AKA range from \$70 to \$200 per year.

#### Disregard of Sorority's Budget Approval Process

56. Pursuant to Article I, Section 10 of the Bylaws, AKA's budget is to be approved on a biennial basis by the Boulé. (*See Exhibit A.*)

57. Expenditures not provided for in the budget submitted to the Boulé are not authorized. Normally, unauthorized expenditures cannot be made except on an emergency basis when the Boulé is not in session and unable to approve these expenditures.

58. Pursuant to Article VII, Section 1 of the Bylaws AKA's proposed budget and financial assessments must be submitted to the chapters for consideration no later than April 30 preceding the Boulé. (*See Exhibit A.*)

59. Pursuant to Article VIII, Section 1 of the Bylaws, the approval of AKA's budget is decided by the votes of the authorized chapter and general members delegates as well as the members of the Directorate, former Presidents, the Executive Director, and the Deputy Director. (*See Exhibit A.*)



60. A detailed budget is given to the Regional Directors in advance of the upcoming Boulé meeting so that members can review proposed expenditures prior to authorizing their delegates to vote for or against the budget items at the Boulé meeting.
61. Upon information and belief, since on or about April 2008, the President and the Directorate ceased providing pre-Boulé budget information to the AKA Regional Directors as required by Article VII, Section 1 of the Bylaws.
62. At the 2008 Boulé, AKA members were only allowed to see a summary version of AKA's budget that did not show proposed line item expenditures. Requests by AKA members to see a line item budget before April 30, 2008, and since the 2008 Boulé, have been ignored or denied.
63. As the members of AKA are the primary source of revenue for AKA's operations, it is proper that, as a member- controlled, non-profit corporation the Constitution and Bylaws require membership approval of AKA's budget.

Unprecedented and Unapproved Payments to Barbara McKinzie

64. Upon information and belief and on or prior to July 14, 2007, Defendant Barbara A. McKinzie solicited other members of the Directorate to support McKinzie's request for compensation in the amount of \$250,000 for alleged services rendered on behalf of the sorority.
65. Historically, the services to the sorority provided by previous sorority Presidents were uncompensated except for a stipend and reimbursement for actual expenses approved by the Directorate or the AKA membership.
66. In the years 2004, 2005, and 2006 the then President did not receive any compensation from Defendant AKA . (See Exhibit C, 2004 Form 990 for Defendant

. AKA, Exhibit D, 2005 Form 990 for Defendant AKA, and Exhibit E 2006 Form 990 for Defendant AKA.)

67. Defendant McKinzie requested the \$250, 000 payment on the ground that she, with great effort, obtained tax and cost savings for the sorority that justified this payment to her.

68. Upon information and belief, at no time did Defendant McKinzie provide written documentation supporting her claim that she had rendered services having a minimum fair and reasonable value of \$250,000.

69. Upon information and belief, the AKA Directorate approved the \$250,000 payment to Defendant McKinzie even though they never received written documentation supporting that amount as appropriate. This \$250,000 payment to Defendant McKinzie was never expressly authorized by the AKA membership or set forth in any detailed budget for approval by the Boulé.

70. Although the payment approved by the AKA Directorate was for \$250,000, in 2007 Defendant McKinzie received \$375,000 in compensation from Defendant AKA.. (See Exhibit F, 2007 Form 990 for Defendant AKA.)

71. Upon information and belief, the payment of \$375,000 in compensation to Defendant McKinzie was never expressly authorized by the Directorate, the AKA membership or set forth in any detailed budget for approval by the Boulé.

72. On July 15, 2007, the Directorate approved a \$4,000/month pension stipend to be paid to Defendant McKinzie for four years after she leaves office for a total of \$192,000. This \$4,000/month pension stipend was not included in the 2006 budget for AKA and was not approved by the 2006 Boulé.

73. This \$4,000/month pension stipend was not an emergency and there was no reason the payment could not be deferred until the \$4,000/month pension stipend could receive approval by the 2008 Boulé.

74. During the July 15, 2007 meeting, the Directorate also voted to purchase a life insurance policy with a face value of \$1 million dollars upon the life of McKinzie. This policy premium was not included in the 2006 budget for AKA, nor was it approved by the 2006 Boulé.

75. This payment was not an emergency and there was no reason the payment could not be deferred until it could receive approval by the Boulé.

Denial of Budget Debate at 2008 Boulé.

76. At the 2008 Boulé, Defendant McKinzie denied initial plenary session floor motions to permit discussion of the budget.

77. In so doing, Defendant McKinzie promised that discussion would be permitted during the 2008 Boulé's final plenary session.

78. However, at the last plenary session of the 2008 Boulé McKinzie did not allow discussion, but rather had the entire program focused on a gospel prayer event.

79. Had such discussion been permitted, the \$250,000 payment and pension payments to Defendant McKinzie would have been discussed.

The 2008 Boulé and Misuse of Its Surplus

80. The average fee per member for attending the Boulé prior to the 2008 Boulé was \$250.00.
81. In 2008, the members of AKA were required to pay a \$500 registration fee to attend the centennial Boulé in July.
82. For the 2008 Boulé, the payments of the Boulé registration fees by members of AKA resulted in AKA receiving approximately \$13 million dollars in registration fees.
83. Upon information and belief, the 2008 Boulé expenses totaled approximately \$9 million dollars, resulting in a surplus for the 2008 Boulé of approximately \$4 million dollars.
84. Approximately 20,000 AKA members attended the 2008 Boulé.
85. Upon information and belief, in March 2009, subsequent to the 2008 Boulé the Directorate approved the expenditure of all or substantially all of AKA's surplus from the 2008 Boulé as follows: Liberian Women's Market Funds (\$500,000); Ford Museum to acquire Rosa Parks Collection (\$1 million); Smithsonian African American Museum Partnership (\$500,000); Centennial Administration History Project (\$570,000); and a 2010 Boulé living legacy wax figure of Barbara McKinzie (\$900,000).
86. None of these expenditures were specified in the summary budget presented to the 2008 Boulé nor were other wise approved by AKA membership, nor its delegates, nor any Boulé.
87. None of these expenditures are included in the existing budget for AKA.
88. These expenditures were not approved by the 2008 Boulé, were not emergencies, and they could be deferred until the 2010 Boulé approves or rejects them.

Failed Financial Oversight by Directorate

89. Upon information and belief, Defendant McKinzie and Defendant Betty James have, with the assistance of tax and other advisors, overseen the preparation and filing of the federal tax returns of the sorority and the foundation and the investment and purchasing decisions made by the sorority and the foundation.
90. Upon information and belief, the Directorate has failed to scrutinize the preparation and filing of the sorority's federal tax returns to determine if the deductions taken in the returns are accurate and supported by fact and law.
91. Several of the deductions claimed by the sorority on its federal tax returns for 2006 and 2007 are unreasonably large and inappropriate, thus exposing the sorority to potential IRS claims and obligations.
92. Upon information and belief, the Directorate has not secured Boulé approval of the investment philosophy of Defendant Barbara McKinze which has caused the shifting of several million dollars of the sorority and foundation funds from cash and cash equivalents to stock and bond investments.
93. Upon information and belief, the Directorate has not retained an independent investment advisor to comment upon the shift from cash and cash equivalents to stock and bond investments.
94. Upon information and belief, the sorority and foundation's stock and bond investments have declined significantly in value as compared to the value they would have had if they remained invested in cash and cash equivalents.

95. Upon information and belief, the Directorate has not requested audits of or reviewed AKA credit card usage by Defendants McKinzie and James to determine if non AKA related expenditures are being paid for use of the AKA credit cards.
96. Upon information and belief, neither the Directorate nor the Boulé has received audited financial statements with respect to AKA's financial accounts, office expenses and investments from McKinzie, Glover or the Corporate Office since at least 2006.
97. Upon information and belief, neither the Directorate nor the Finance Committee is receiving, or providing to the membership, regular independent audited statements showing the location, management, and supervising fees for AKA's fund investments.
98. Each of the defendants occupies a position of trust with respect to the affairs of AKA and, by virtue of that position, owes a fiduciary duty to the Boulé and every active member of AKA that is a member of the Boulé.
99. Each Directorate member further has a fiduciary duty to uphold the Constitution and Bylaws of Defendant AKA and refrain from doing any harmful act to AKA or its members, which each defendant has failed to do.
100. The Directorate has not taken reasonable, prudent steps to maintain proper financial oversight of expenditures and financial reports and federal tax returns authorized or permitted by Defendants McKinzie and James.

Barbara McKinzie's Misuse of AKA Credit Cards for Personal Gain

101. Defendant McKinzie has used an American Express card to pay Defendant McKinzie's monthly certified public accountant club dues and other personal expenses.

102. Defendant McKinzie caused defendant AKA to pay American Express charges for designer clothing, lingerie, jewelry, gifts, and other excessive and inappropriate expenses of a personal nature of Defendant McKinzie, her friends and acquaintances.

103. By using her AKA American Express card for these expenditures, Defendant McKinzie represented to AKA that these expenses were for the business purposes of defendant AKA.

104. Defendant McKinzie knew or should have known that these expenses were her personal expenses and were not for the business purposes of defendant AKA.

105. By using her AKA American Express card for such personal expenditures in addition to properly reimbursed expenditures, Defendant McKinzie thereby increased the amount of points that her AKA American Express card earned in the American Express® Rewards Program®, and redeemed said points for merchandise that was for her personal use, such as a Toshiba 46" HDTV and gym equipment.

#### Board's Failure to Adopt Ethics Recommendation

106. From time to time, the Directorate or the President has authorized investigations into complaints that individual AKA members have violated the rules of AKA.

107. One such investigation occurred in 2006 and concerned allegations of financial impropriety against the current President, Defendant McKinzie, who was then the First Vice President of AKA.

108. The 2006 investigation was conducted by a committee of AKA members appointed by the President who then issued a report entitled "Report of the Fact Finding Committee to the Directorate Alpha Kappa Alpha Sorority, Incorporated, April 3, 2006" (the "2006 Report").

109. The 2006 Report contained the following recommendations that suggested that the AKA adopt specific amendments to the Constitution and Bylaws to improve the due process aspects of the disciplinary process of AKA for members and to require a conflict of interest policy for the Directorate:

a. Due process procedures for all members of the sorority who are accused of a violation of the Constitution and Bylaws.

b. Procedures that document the clear authority of the President or the Investigating Team assigned by her to use the services of an independent Hearing Officer.

c. Procedures for Officers of the sorority who are accused of an infraction.

d. Adoption of a "Conflict of Interest" policy.

e. Training for each Directorate member in both Alpha Kappa Alpha's governing policies as well as those that legally govern all organizations similarly situated as ours.

110. None of the 2006 Report's recommendations were ever implemented by the Directorate or submitted to the Regional Directors for dissemination to the membership or presented for a vote at the subsequent Boulé.

111. The 2006 Report of that committee and its recommendations have never been publicly shared with the AKA membership.

112. Notwithstanding the failure of the Directorate to adopt a written conflict of interest policy, the sorority and the foundation represented to the IRS on the federal tax filings for 2005, 2006 and 2007 that they had a written conflict of interest policy.



Infringement by Barbara McKinzie of Members' Rights to Freely Communicate

113. The Constitution and Bylaws have been interpreted by the Directorate and its counsel to require that AKA members refrain from communicating with each other or persons outside of AKA regarding certain AKA matters. (See Exhibit G, September 4, 2007 letter from Barclay, Dixon & Smith, P.C. to members of AKA, and Exhibit H, August 21, 2007 letter from Ms. Evelyn Sample-Oates, North Atlantic Regional Director, to members of AKA.)
114. Defendants McKinzie, Sample-Oates, Archie and Hopkins have disciplined members, including one of the Plaintiffs, who communicated with other members regarding suspected unauthorized and inappropriate expenditures of AKA funds.
115. Defendants McKinzie, Sample-Oates, Archie and Hopkins have deliberately withdrawn, suspended and otherwise adversely affected the membership privileges of members who have inquired about and/or discussed alleged financial improprieties within AKA.
116. Such discipline is wrongful and a breach of fiduciary duties of good stewardship and adherence to the sorority's core principles and purposes to encourage and cultivate high ethical standards, and to welcome and encourage open communication among the membership.
117. Defendant McKinzie has wrongfully approved sanctions and refused to schedule appeal hearings for members who have been suspended or had privileges withdrawn,

thereby denying such members their constitutionally mandated appeals process which is set forth in Article VI, Section 15 of the Bylaws of Defendant AKA.

118. The Directorate has allowed Defendant McKinzie to deprive members who desire to appeal their withdrawal of privileges or suspensions, of their right to an appeal and due process as provided in the Constitution and Article VII, Section 15 of the Bylaws of defendant AKA.

119. Moreover, the Defendants have deprived these members the right to attend meetings, vote, hold office and participate in and attend social affairs held by defendant AKA.

120. As a direct and proximate result of such disciplinary actions, and other unapproved legal actions and lawsuits, Defendant AKA has incurred legal fees in excess of \$500,000 in 2008/09, the reputation and goodwill of the Defendant sorority have been damaged, the Defendant sorority risks being deprived of effective and loyal members, and Plaintiffs and Defendant AKA Sorority have been otherwise damaged.

121. Such discipline or litigation violates the right of members to elect their own representatives as required by the AKA Constitution and Bylaws. (*See Exhibit A, Article VI, Sections 4 and 8.*)

122. The disciplinary provisions in the Constitution and Bylaws offer more due process type protections to Directorate members than to general members of the AKA in that they specify that non-Directorate members must be included in the hearing panels or committees set up to hear appeals of Directorate members from disciplinary action while general members have no such right.

123. Upon information and belief, in 2008 and 2009 one or more Chapter Presidents were constructively removed from office without compliance with the disciplinary and appeal provisions set forth in AKA's Bylaws.

124. Upon information and belief, these elected AKA officers were constructively removed by McKinzie or with her approval, and the Directorate took no action to reverse McKinzie's actions.

Breach of Fiduciary Duties by Betty N. James and Glenda Glover

125. Defendant Glover failed to oversee the expense account of Defendants McKinzie and James, and failed to provide full and complete financial information about AKA funds and assets to the AKA members. Defendant Glover permitted Defendants McKinzie and James to use their American Express cards and expense accounts without control and did not properly supervise the cash disbursement records, allowing AKA funds to be taken by Defendants McKinzie and James. Defendant Glover failed to require proof that the expenditures made by Defendants McKinzie and James with AKA funds were in fact for AKA's purpose and benefit.

126. Defendant James failed to oversee the expense account of Defendant McKinzie and failed to provide appropriate information to the AKA members about the use of AKA funds. Defendant James permitted Defendant McKinzie to use her expense account without control and did not properly supervise the cash disbursement records, allowing AKA funds to be taken by Defendant McKinzie for her personal use. Defendant James failed to require proof that the expenditures made by Defendant McKinzie were for AKA's proper benefit.

127. The Plaintiffs have been denied access to the books, papers, and records of the defendant AKA Sorority, although demand has been made to be allowed to inspect such books and records of the corporation.

### STATEMENT OF CLAIMS

#### COUNT ONE

#### (Breach of Fiduciary Duty Against Defendant McKinzie)

128. Plaintiffs reallege the previous paragraphs as if fully set forth herein.

129. McKinzie breached her fiduciary duty and duty of loyalty to Plaintiffs and AKA for her own personal benefit.

130. McKinzie breached that fiduciary duty by willfully and maliciously (1) spending thousands of AKA's funds on personal items, services and benefits; (2) providing false or unsubstantiated information to the Directorate to support her request for \$250,000 for rendered service to AKA; (3) receiving \$375,000 in compensation when that amount was never approved; (4) requesting or approving the suspension and/or withdrawal of privileges of members who disagree with her in violation of the AKA Code of Conduct for Members of the Directorate and Constitution and Bylaws; (5) causing Defendant AKA to incur legal fees for actions against whistleblowers and/or AKA members who have disagreed or questioned McKinzie or actions taken under her Presidency; (6) denying other members of the Directorate and the members of AKA access to information to which they are entitled under AKA's Constitution and Bylaws; (7) serving as an officer and director of the sorority and of BMC Associates an entity organized by Defendant McKinzie to provide fee based services to the sorority; and (8) soliciting and receiving personal payments or kickbacks from vendors to the sorority.

## COUNT TWO

(Breach of Fiduciary of Duty Against Defendants Glover and James)

131. Plaintiffs reallege the previous paragraphs as if fully set forth herein.
132. Glover and James breached their fiduciary duties and duties of loyalty to Plaintiffs and AKA and grossly abused their discretion and breached their duty of trust in the disposition of the assets of AKA.
133. Glover and James breached that fiduciary duty by willfully and maliciously (1) approving Defendant McKinzie's expenditure reports containing personal items, (2) failing to require proof that Defendant McKinzie's expenditures were for the benefit of AKA, and (3) failing to provide complete and accurate financial information and statements to AKA members.

## COUNT THREE

(Breach of Fiduciary Duty Against Remaining Directorate Defendants)

134. Plaintiffs reallege the previous paragraphs as if fully set forth herein.
135. Given the requirement that all AKA expenditures be approved at the Boulé meeting, Defendants breached their fiduciary duty by willfully and maliciously voting to (1) pay Defendant McKinzie compensation of \$250,000; (2) pay Defendant McKinzie a \$4,000/month "pension stipend"; and (3) purchase a \$1 million dollar life insurance policy on the life of McKinzie; and (4) by approving the use of all or substantially all of the \$ 4 million dollar surplus from the 2008 Boulé when the proposed expenditures were not budgeted and were not approved by either the 2006 or 2008 Boulé.
136. Defendants have willfully and maliciously breached their fiduciary duty, committed corporate waste and diverted the assets and surplus of AKA, by authorizing

payment to defendant McKinzie of \$250,000 from the assets and treasury of AKA as compensation for services that

Defendant McKinzie alleged she rendered on behalf of AKA without requesting proper evidence that such compensation was true, fair or reasonable.

137. The Directorate has failed to be good stewards of AKA's resources and breached their fiduciary duty to AKA and its members, by failing to require proper audits of AKA's cash disbursement records, permitting the expense account of Defendant McKinzie and Defendant James to be used without control or proper evidence that the expenditures were made for the benefit of AKA and its members.

138. Unless Defendants are enjoined from using AKA's budget and surplus in this manner, no portion of the surplus from the 2008 Boulé will ever be approved by the membership before it is spent.

139. By not implementing the due process safeguards recommended by the April 3 2006 Fact Finding Committee Report to the Directorate, the Defendants have permitted the evils which prompted this recommendation to continue, and have allowed Defendant McKinzie to deprive dissenting members who desire to appeal their withdrawal of privileges or suspensions their right to an appeal and due process as provided in the Constitution and Bylaws of Defendant AKA.

140. As a consequence, certain Plaintiffs have been sued by the sorority or forced to engage in litigation against the Sorority to protect their status as active members of AKA, and allowed Defendant McKinzie to spend in 2008 in excess of \$500,000 of AKA funds on legal actions and lawsuits.

141. Such litigation and discipline have been vexatious, denied or chilled Plaintiffs rights to open communication with other AKA members to criticize the conduct of the President and the other members of the Directorate, has caused financial and emotional injury to Plaintiffs and jeopardized Plaintiffs' status as members of AKA.

COUNT FOUR  
(Breach of Contract Against McKinzie)

142. Plaintiffs reallege the previous paragraphs as if fully set forth herein.

143. Since at least 2007, McKinzie materially breached several terms of Article I, Secs. 5-14 of the AKA Constitution and Bylaws, Manual of Standard Procedure, and the Code of Conduct for Directorate Members.

144. In or about 2007 and 2008 while bound by the AKA Bylaws and Code of Conduct, McKinzie (1) spent thousands of dollars of AKA's funds to pay for personal items, services and benefits; (2) provided false information to the Directorate in order to receive compensation of \$250,000 for services she did not render; (3) overcharged members to attend the centennial Boulé to create a surplus to fund McKinzie's chosen projects which the AKA membership has not approved; (4) intimidated and retaliated against members who disagree with or question her in order to maintain their silence; (5) forced the suspension of members without following proper procedure and without a sufficient basis for the suspension; and (6) solicited personal payments and kickbacks from AKA vendors.

145. In or about 2007 and 2008 McKinzie filed lawsuits against members of AKA without first seeking and/or receiving approval from the Directorate.

146. McKinzie's actions were in violation of the spirit or express terms of the AKA Constitution and Bylaws and Code of Conduct for Directorate Members.

#### COUNT FIVE

(Breach of Contract Against All Defendants)

147. Plaintiffs reallege the previous paragraphs as if fully set forth herein.

148. Since at least 2007, Defendants materially breached several terms of Article I, Secs. 5-14 of the AKA Constitution and Bylaws and the Code of Conduct for Directorate Members.

149. In 2007 and 2008, while bound by the AKA Constitution and Bylaws and Code of Conduct for Directorate Members, Defendants (1) voted to pay McKinzie compensation of \$250,000; (2) voted to pay McKinzie a \$4,000/month pension "stipend"; (3) purchased a \$1 million dollar life insurance policy on the life of McKinzie; and (4) voted to allow McKinzie to use all or substantially all of the \$4 million dollar surplus from the 2008 Boulé for expenditures which were never approved by a Boulé.

150. Defendants failed to require audits, conflict of interest avoidance requirements and other safeguards to ensure financial transparency and that proper disciplinary procedures are followed by McKinzie. Defendants' actions wasted the Sorority's assets and were in violation of the express terms of the AKA Constitution and Bylaws and Code of Conduct for Directorate Members.

#### COUNT SIX

(Unjust Enrichment Against McKinzie)

151. Plaintiffs reallege the previous paragraphs as if fully set forth herein.

152. In 2007 McKinzie represented to the Directorate that due to her actions and involvement AKA realized cost savings of \$1.6 million.



153. McKinzie caused Defendant AKA to rely on her representation and pay her \$250,000 as compensation.
154. McKinzie willfully and maliciously misrepresented the extent of her involvement in the realization of cost savings for Defendant AKA.
155. In 2007 McKinzie induced the Directorate to pay her a pension of \$4,000 per month, retroactive to 2006.
156. In 2007, McKinzie received a total of \$375,000 in compensation, \$125,000 in excess of the compensation approved by the Directorate.
157. McKinzie has not returned the \$250,000 compensation, the \$125,000 additional compensation, nor disclaimed the right to receive a pension of \$4,000 per month retroactive to 2006.
158. Upon information and belief, Defendant McKinzie has developed a planned giving campaign to raise one hundred million (\$100 million) dollars from AKA members for an AKA endowment fund which will be managed, for a fee, by BMC Associates.
159. Upon information and belief, BMC Associates was established and is owned and operated by Defendant McKinzie.
160. The relationship between BMC Associates and AKA creates at least the appearance of a conflict of interest for Defendant McKinzie.
161. Upon information and belief, Defendant McKinzie has secured benefits and undisclosed payments from vendors to the sorority and the foundation in exchange for payments to McKinzie.

162. Under the circumstances, McKinzie's retention of each such benefit and payment is unjust as are the planned future benefits and payments she hopes to receive by creating a relationship between BMC Associates, the sorority and the foundation.

COUNT SEVEN  
(Ultra Vires Against All Defendants)

163. Plaintiffs reallege the previous paragraphs as if fully set forth herein.

164. McKinzie is the current President of Defendant AKA. The named Defendants, other than McKinzie, are the current or former members of the Directorate of Defendant AKA.

165. Article VII, Sec. 9 of the AKA Bylaws permits the Directorate to provide the President with a stipend only when funds are available in the budget approved by the members at the Boulé.

166. The Directorate voted to compensate McKinzie based solely on her alleged work in securing \$1.6 million in cost savings for Defendant AKA, with no proof of her work in producing such savings.

167. When the Directorate voted to pay McKinzie \$250,000 as compensation no such amount was in the budget approved by the members at the 2006 Boulé.

168. The Directorate (1) voted to pay McKinzie compensation of \$250,000, (2) voted to pay McKinzie a \$4,000/month pension "stipend", (3) voted to purchase a \$1 million dollar life insurance policy on the life of McKinzie, (4) allowed McKinzie to use corporate funds for her personal use and benefit, and (5) voted to allow McKinzie to spend 100% of the surplus from the 2008 Boulé, in the amount of approximately \$4 million dollars, for projects in which McKinzie has personal interest.

169. The actions of the Directorate described herein are ultra vires to the purposes of AKA, harmful to the Plaintiffs and AKA, resulted in the waste of AKA funds, and frustrated the legitimate aims and purposes of AKA.

170. Plaintiffs believe that, because of the control and influence exercised over the Directorate by McKinzie, McKinzie and the Directorate will, unless enjoined by order of this Court, continue to expend Defendant AKA funds in this manner.

COUNT EIGHT  
(Corporate Waste Against McKinzie)

171. Plaintiffs reallege the previous paragraphs as if fully set forth herein.

172. McKinzie spent more than \$500,000 on unapproved lawsuits and legal services, misused Defendant AKA's corporate credit card and funds to pay for gifts and travel for herself and friends, and plans to use the approximately \$4 million surplus from the 2008 Boulé for her personal projects, as alleged herein.

173. These expenditures of AKA funds are beyond the outer limits of McKinzie's discretion and amount to gifts to McKinzie and her friends for which AKA has not required or received any reciprocal benefit or consideration. In making or proposing these expenditures, McKinzie did not exercise sound business judgment and did not engage in a proper exercise of the affirmative obligations of a director or officer of a District of Columbia non-profit corporation.

174. Defendant McKinzie changed the investment strategy of the sorority and the foundation thereby increasing the exposure of AKA assets to market risk

175. Defendant AKA, the foundation and their members sustained injury due to the wasteful transactions engaged in by McKinzie.

COUNT NINE  
(Corporate Waste Against All Defendants)

176. Plaintiffs reallege the previous paragraphs as if fully set forth herein.

177. Defendants approved the payment of \$250,000 as compensation and a pension stipend of \$4,000 per month for four years for McKinzie, as alleged herein.

178. The approval of this compensation and pension payments are beyond the outer limits of the Defendants' discretion and amounts to a gift to McKinzie for which AKA has not received any reciprocal benefit or consideration. Defendants did not make a good faith business judgment in approving these payments.

179. Defendant AKA and its members suffered injury due to the wasteful transactions engaged in by the Defendants.

PRAYER FOR RELIEF

**WHEREFORE**, the Plaintiffs pray that this Court enter judgment against the Defendants and in favor of the Plaintiffs, and award:

- 1) A permanent injunction enjoining and restraining each and all Defendants from taking any action that does not strictly follow the budget requirements set forth in Defendant AKA Constitution and Bylaws;
- 2) The return of all unapproved payments and expenditures, in an amount to be determined at trial;
- 3) A permanent injunction enjoining and restraining each and all Defendants from making any of the aforementioned payments or expenditures until the full membership of AKA has had the opportunity to vote on each payment or expenditure;
- 4) A permanent injunction enjoining and restraining each and all Defendants from authorizing any payments or expenditures not specifically set forth as a line item in

the budget approved by the Boulé in 2006 and 2008, unless such payment or expenditures are approved after the full membership of Defendant AKA has had the opportunity to vote on each payment or expenditure;

5) That all meetings of the Directorate, except Executive Sessions, be transcribed and that such transcription and board minutes be regularly posted on the Defendant AKA members only website so that the AKA membership shall have proper notice of the discussion and votes occurring in the meetings of the Directorate;

6) Judicial removal of Barbara McKinzie as President.

7) Judicial removal of all current Directorate members, and an election of a new Directorate and officers in accordance with the AKA Constitution and Bylaws;

8) To set aside any and all contracts entered between AKA and BMC Associates and/or defendant McKinzie with respect to professional services to be rendered on behalf of endowment funds from AKA members, and directing defendant McKinzie to refund any moneys or consideration paid into such endowment fund;

9) A permanent injunction enjoining and restraining each and all Defendants from adversely affecting the membership privileges and rights of Plaintiffs for bringing this action or other dissenting Defendant AKA members;

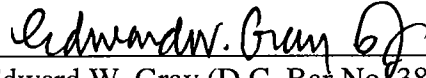
10) Actual and punitive damages suffered by the Plaintiffs, the sorority and the foundation from all Defendants, jointly and severally, in excess of fifty thousand dollars (\$50,000) and amounts to be determined at trial; and

11) Such other and further relief as this Court deems just and proper.

JURY DEMAND

The Plaintiffs demand a trial by jury on all counts.

Dated: June 20, 2009



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