

From: Ruth Major  
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## **A Brief Finding of the Review of AKA Books & Financial Records on behalf of Julia B. Purnell by Attorney Ruth I Major**

During the course of the last week or so, AKA has made every effort, and fought tooth and nail, to keep the financial information about the sorority from being disclosed at the Boule. Although they argued several months ago that a voting member could only seek review of the books and records during the Boule, they argued this week that a voting member should not review the books and records during the Boule. Once Judge Riley ruled that the books would be made available this week, they continued to try to avoid production by first claiming not to have a key, and then claiming not to be able to access computerized documents. When those arguments failed, they tried (twice) to get a protective order so that Ms. Purnell could not share what she found with the Boule. When I attempted to state the amount of funds AKA had the attorneys objected, not wanting that information to become public. Today Judge Riley admonished AKA for not responding to Ms. Purnell's reasonable requests and for creating the problems that have occurred this week.

It was obvious in reviewing the records that many were missing. There were tens if not hundreds of entries specifically stating that checks were missing. There were also numerous entries showing checks written with no dollar amount. Indeed, even one whole page with just a 0 for the dollar amount even though the names of the payee and the date appeared. There were also months and months of monthly wire transfers that were not produced, including all of 2010. It is impossible to imagine that for the last seven months the Finance Director has not kept a record of wire transfers, especially since the records I reviewed show that millions of dollars are transferred out via wire per month. Yet none of the wire transfers for the final seven months of McKinzie's tenure were provided for review.

The only vote we found in the Directorate's minutes permitting compensation to be paid to Barbara McKinzie appeared in mid-July, 2007. At that time two votes occurred--one day apart--allowing for a payment of \$250,000 for her work on complex accounting matters and one for \$4,000 per month for 4 years for retirement. We did not see any other votes to account for the additional hundreds of thousands that she received in compensation (more than \$700,000 additional dollars) and retirement benefits (more than \$300,000 additional dollars). We also saw substantial amounts of money being transferred into accounts for which no records were produced. One million, two hundred and fifty thousand into a LaSalle account. Hundreds of thousands into a Profit Account. There were other miscellaneous accounts identified and receiving funds for trustees retirement, etc. As to these accounts, we still have not been provided with the records. And while McKinzie may continue to claim that she has been above board in her management, those claims ring hollow when she continues to fight to keep the proof a secret. Additionally, the \$499,699.00 paid to McKinzie last summer is not included below.

### **Checks to McKinzie (excluding Payroll Wire Transfers)(highlighted information from hearing exhibits; not included in today's production)**

25963 \$175,000 (retirement)

25964 \$96,000 (retirement)

26216 \$95,000 (retirement)

26217 \$89,000 (retirement)

26219 \$43,769 (retirement)

21391 12/20/07 \$175,000

### **Votes for McKinzie Compensation**

The only information we could see in which the Directorate voted to give her compensation or retirement benefits was as follows:

7/14/07: the Directorate voted to give her \$250,000 because she was a CPA and had purportedly handled complex accounting issues

7/15/07: the Directorate voted to give her a \$4,000 per month stipend for retirement commensurate with that given to the Exec Director for McKinzie 4 year term (comes out to be more than \$300,000 less than what she received).

### **Wire Transfers to General Fund/COIP**

6/28/07 \$1,279,158.36

### **Wire Transfers to LaSalle Inv. Acct**

12/27/07 \$1,000,000

10/15/08 \$250,000

### **Wire Transfers Payroll**

Prior to 4/07 the monthly payroll was \$95,000

[could this be the point in time in which McKinzie starts receiving a salary; this would be three months prior to the vote on the retirement stipend and the \$250,000)

4/26/07 \$140,000

2/4/08 \$125,000

3/3/08 \$125,000

3/27/08 \$156,000

5/9/08 \$100,000

6/11/08 \$100,000

8/18/08 \$130,000

12/8/08 \$125,000

3/12/09 \$150,000

9/15/09 \$175,000

[If you figure that the \$25,000 increase per month in 2007 is attributable to McKinzie, and add the wire transfer for \$175,000 she received at the end of year 2007 (see above under Wire Transfers to McKinzie) then her salary comes out to what is reported in the 2007 tax return, leading me to believe that she started receiving compensation three months before the directorate even voted on giving her anything.]

**Wire Transfers to Capital Services, Inc.**

6/17/08 \$44,992

\$348,924

6/27/08 \$87,231

**Wire Transfers to TKE**

5/15/08 \$60,000

7/2/08 \$75,000

10/14/08 \$51,600

5/27/07 \$200,000

**Wire Transfers Retirement**

3/18/08 \$96,000

9/15/09 \$24,712

9/15/09 \$25,411

**Wire Transfers Trustee Retirement Plan**

21490 \$61,358

**Wire Transfer to Freeman**

7/31/06 \$314,956

Oppenheimer Funds (another account appearing in the records)