

February 21, 2006

VIA FACSIMILE

Mr. Gregory Olwine
Internal Revenue Services
Exempt Organizations
PO Box 2508
Cincinnati, OH 45201

RE: Your letter dated January 13, 2006 EIN 20-1721500

Dear Mr. Olwine:

Thank you for allowing us the opportunity to clarify our thoughts on why the Alpha Phi Foundation of Alpha Kappa Psi ("Alpha Phi Foundation") is appropriately classified as a 501 (c) (3) organization.

As related to the primary purposes of student chapters of traditional social fraternity and that of Alpha Kappa Psi ("AKPsi"), we feel there are several important distinctions that highlight the educational and professional development characteristics of AKPsi and therefore support a 501 (c) (3) classification:

- We believe there is a meaningful difference between a traditional social fraternity that "in some degree contribute[s] to the cultural and educational growth of its members during their student years, [but] this is not its primary purpose" (Rev. Ruling 69-573) and the Alpha Kappa Psi professional business fraternity. The primary purpose of Alpha Kappa Psi is to develop well-trained, ethical, skilled, resourceful and experienced business leaders. The social activities and interactions of the business majors and the business community, although fringe benefits of the foundation's activities, are ones that will not be funded by the Alpha Phi Foundation. Since our purpose is for educational and professional development and not social in nature, a 501 (c) (3) designation is appropriate for the Alpha Phi Foundation. If AKPsi's purpose was primarily social in nature, proper classification of the Alpha Phi Foundation as a 501 (c) (7) would clearly be warranted.
- Rev. Ruling 69-573 also discusses that "[t]he basis for selection [for a fraternity's members] is largely one of companionability, although some academic qualifications also exist." In the case of AKPsi, selection is primarily based on students' chosen majors (membership is restricted to business majors), clearly an academic qualification that supports education-focused purposes.

In addition, there is a meaningful difference between a facility purchased and maintained for a traditional social fraternity ("fraternity house") or social club and that which we hope to obtain

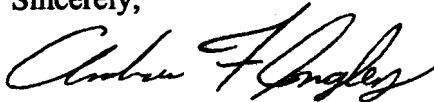
for the Alpha Phi Foundation. The principle difference lies in the intended primary function of the structure. The facility we hope to obtain will be used to support the education and professional development of the student members of AKPsi as well as provide dormitory-type housing, both on a scholarship (funded by the Alpha Phi Foundation) and rental basis, to these members. To support the educational and professional development goals of AKPsi, the facility that we hope to acquire will incorporate interview rooms to facilitate mock and real job interviews; a large seminar room to facilitate educational events, speakers related to different fields of business (sales, accounting, finance, etc.) and various AKPsi meetings; and a library to house a collection of business-related educational materials. We also hope to fund video conference functions so the student members can extend their interview capability to potential employers who don't normally recruit at the University of Florida.

Overall we view our role as supporting the educational and career development needs of the AKPsi chapter at the University of Florida, in part through a facility described above. We do not feel that we are financing a social club or a facility that is easily compared to a traditional social fraternity house. While there will most likely be social activities and other AKPsi meetings held in this facility, these activities will be fallout of the close association of the student members and will not be funded by the Alpha Phi Foundation.

As mentioned previously, if AKPsi was a traditional social fraternity instead of an organization dedicated to developing future business leaders, the Alpha Phi Foundation would clearly be properly categorized as a 501 (c) (7) organization. Due to the issues discussed above, the Alpha Phi Foundation more closely fits the definition of a 501 (c) (3) organization that that of a 501 (c) (7).

Thank you once again for your attention to this matter; we look forward to your reply. Please call me at work, (312) 612-7697 or on my cell phone, (813) 220-9113 if I can provide additional items or information.

Sincerely,



Andrew F. Ingley
Chairman
Alpha Phi Foundation of Alpha Kappa Psi, Inc.

Cc: Richard Ashbrook – Secretary, Alpha Phi Foundation of Alpha Kappa Psi, Inc.
Cleve Watson, P.A. – Certified Public Accountant