

URGENT MESSAGE FROM THE GRAND POLEMARCH

July 2004

My Brothers,

It has become necessary to once again communicate to you regarding the use (misuse) of the **Playboy Logo**. You may recall that we put out several communications regarding this a little over a year ago. Letters were sent directly to those Chapters of which we were aware as well as the membership in general. **WE CANNOT UNDER ANY CIRCUMSTANCES USE THE INTELLECTUAL PROPERTIES OF ANOTHER ENTITY.** The Playboy Bunny is the licensed property of Playboy Enterprises and is not for use by any other organization without their consent.

Included is a letter from Ms. Hefner, CEO of Playboy re-emphasizing their position. Kappa cannot afford to be involved in any type of litigation regarding this issue. **Please, if you are using the Playboy Bunny in any way, discontinue its use immediately.**

As always, I know I can count on My Brothers to do the right thing. I thank you in advance for your attention to this matter and remain...

Yours in the Bond,



Samuel C. Hamilton
Grand Polemarch



WE ARE NOT AUTHORIZED TO USE THE TRADEMARK RABBIT HEAD OR ANY FACIMILE RESEMBLING A RABBIT HEAD.

PLAYBOY ENTERPRISES, INC.

June 24, 2004

BY REGISTERED MAIL

Richard Lee Snow
Executive Director
Kappa Alpha Psi Fraternity, Inc.
2322-24 North Broad Street
Philadelphia, PA 19132

Dear Director Snow:

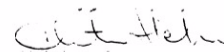
Over the past months, I understand that our legal counsel has been in touch with you regarding what is, quite frankly, the rampant trademark infringement of Playboy's trademarks by the Kappa Alpha Psi fraternity and its local chapters. While I appreciate the fact that you have members who are fans, I'm sure you appreciate the fact that we cannot tolerate the pervasive infringement of Playboy's valuable intellectual property rights by the fraternity.

In previous correspondence, you have assured Playboy's legal counsel that Kappa Alpha Psi would direct its chapters to cease infringement of Playboy's trademarks since as you have acknowledged, "Kappa Alpha Psi ... has no right to any perfected or registered intellectual property rights of Playboy." I need your assistance in putting an immediate end to this situation as numerous chapters persist in their intentional and willful infringement of the RABBIT HEAD DESIGN and PLAYBOY marks to promote the fraternity and its goods and services. The current infringement includes use on active chapter websites, tickets to events, posters, banners, clothing, and a variety of other fraternity paraphernalia. Thus, it is clear that appropriate steps have not been taken to cease this infringement.

I would much prefer to avoid the expense and embarrassment to the fraternity of litigation, but to do so, Kappa Alpha Psi must immediately adopt a compliance program to effectively and expeditiously resolve this matter.

I look forward to hearing back.

Sincerely yours,



Christie Hefner
Chief Executive Officer
Playboy Enterprises International, Inc.

680 ORTH LAKE DHORE DRIVE/CHICAGO, ILLINOIS 60611/312-751-8000