



Accrediting Commission of Career Schools and Colleges

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November 21, 2024

ELECTRONIC DELIVERY

██████████
Director
Traxler’s School of Hair
2845 Suncrest Drive
Jackson, Mississippi 39212

*School #M070154
Probation*

Dear ██████████:

At the November 2024 meeting, the Accrediting Commission of Career Schools and Colleges (“ACCSC” or “the Commission”) considered the Commission’s previous decision to continue Traxler’s School of Hair located in Jackson, Mississippi on Warning. Upon review of the Commission’s October 9, 2024 Continued Warning and the school’s response, the Commission voted to place Traxler’s School of Hair on Probation with a subsequent review scheduled for the Commission’s **February 2025** meeting. In addition, due to the significant concerns set forth in this letter, the Commission also voted to direct the school to **Cease Enrollment** effective as of the date of this letter. The reasons for the Commission’s decision are set forth below.

History of the Commission’s Review:

March 2024

At the March 2024 meeting, the Commission reviewed the school’s Application for Renewal of Accreditation and voted to defer action in order to provide the school an opportunity to provide additional information related to the financial soundness of the institution. Specifically, the Commission directed Traxler’s School of Hair to demonstrate the school’s financial structure is sound with resources sufficient for the proper operation of the school and the discharge of obligations to students (*Section I (C)(1), Substantive Standards, Standards of Accreditation*). A review of the school’s internally prepared financial statements for the twelve-month period of January 1, 2023 through December 31, 2023 found the following:

- Traxler’s School of Hair decreased its accumulated deficit of ██████████ at December 31, 2022 to retained earnings of ██████████ at December 31, 2023 (██████████) and
- Traxler’s School of Hair decreased its net loss of ██████████ as of December 31, 2023 to net income of ██████████ as of December 31, 2023 (3 ██████████).

The Commission also reviewed the school’s MD&A and found that, although the school does appear be progressing and on-track, the Commission directed the school to provide audited financial statements for the fiscal year ending December 31, 2023 along with supporting documentation as outlined in the Commission’s May 15, 2024 Deferral to be reviewed at the August 2024 meeting.

August 2024

At the August 2024 meeting, the Commission reviewed the school's July 31, 2024 request for an extension to submit the following information:¹

- Response to the Commission's May 15, 2024 Deferral;
- Audited Financial Statements for December 31, 2023 and 2022;
- The appropriate sustaining fees in conjunction with the financial statements; and
- A late fee of \$750.

Upon review of the extension request, in which Traxler's School of Hair stated that the school would be able to provide the aforementioned information by August 31, 2024, the Commission voted to grant the school an extension until that time, noting that failure to submit the required materials by the established deadline would result in the Commission taking further action, to include placing the school on Warning.

Traxler's School of Hair subsequently failed to submit the required information by the established due date, and the Commission placed Traxler's School of Hair on Warning with a subsequent review scheduled for the Commission's September 2024 meeting.

Additionally, on September 4, 2024, prior to the issuance of the Commission's Warning, ACCSC received correspondence from [REDACTED] which indicated that there was some dispute regarding a change of ownership transaction dating as far back as 2018. Although the letter was not entirely clear as to its claims, it had raised questions regarding the current ownership of the school. As such, in its September 5, 2024 Warning, ACCSC requested information pertaining to and confirming the current ownership of the school.

September 2024

At the September 2024 meeting, the Commission reviewed a letter submitted by Traxler's School of Hair requesting additional time to respond to the requested information. The Commission noted that the school included as part of the response, submission of payment for the outstanding fees assessed. In addition, the Commission was copied on a September 26, 2024 Annual Submission Citation Letter issued to the school from the U.S. Department of Education, stating that the school had failed to submit a complete and acceptable annual audit for fiscal year ended December 31, 2023. Upon review of the aforementioned information, the Commission voted to continue the school on Warning with a response due for the Commission's November 2024 meeting.

November 2024 Review

Areas of Non-Compliance with Accrediting Standards

1. Traxler's School of Hair has failed to demonstrate that in order to maintain its eligibility for accreditation, the school complies on a continuous basis with accreditation standards and requirements; fulfills all process, reporting, and substantive change requirements; maintains compliance with all applicable local, state, and federal requirements; and pays all sustaining fees, processing fees (including late fees), and on-site evaluation fees as required on a timely basis (*Section I (G)(2), Rules of Process and Procedure, Standards of Accreditation*).

¹ The original due date established for the school to respond was July 11, 2024. Upon delinquency of the response, multiple attempts were made to contact the school via email and telephone. These communications attempts will serve as part of the record in this matter.

2. Traxler's School of Hair has failed to demonstrate that the school submits a Financial Report each year in accordance that includes the school's financial statements prepared in accordance with the ACCSC Instructions for the Preparation and Submission of Financial Statements and Related Information and that the report is received in the ACCSC office no later than the prescribed due date (*Section V (C)(1), Rules of Process and Procedure, Standards of Accreditation*).
3. Traxler's School of Hair has failed to demonstrate that the school applied to the Commission and received prior approval of a proposed substantive change (*Section IV (C)(1), Rules of Process and Procedure, Standards of Accreditation*).

In response to the Commission's October 9, 2024 Continued Warning, Traxler's School of Hair submitted a notarized letter attesting to the current institutional ownership of the school; however, also stating that [REDACTED] refused to sign the letter. Included in this letter is a summary of events outlined by [REDACTED] that pertains to the institutional ownership of the school. In the letter, [REDACTED] states that he established an agreement with [REDACTED] in March 2018 to purchase the school. An initial payment of [REDACTED] was made in 2018 with two additional payments of [REDACTED] to be made in 2019 and 2020 by [REDACTED]. After the two additional payments were not made by [REDACTED], [REDACTED] explained that he and [REDACTED] made a verbal agreement for [REDACTED] to continue to make payments to purchase the school and property/buildings. In October 2023, [REDACTED] stated that the transaction was finalized, however, the day after the transaction, [REDACTED] stated that because the original transaction was supposed to be with [REDACTED] and [REDACTED], [REDACTED] refused to initiate the change of ownership. As a result, according to [REDACTED], [REDACTED] has not filed or legally signed any documents with the State of Mississippi, ACCSC, or the U.S. Department of Education to initiate or update a change of ownership of the school" (Traxler's School of Hair, October 22, 2024 response, page 8).

Per the events listed above, the Commission determined that Traxler's School of Hair failed to submit either a Modification of Ownership Report or an Application for a Change of Ownership-Part I prior to the transaction in 2018. Specifically, according to the response, [REDACTED] paid [REDACTED] in March of 2018 with a subsequent [REDACTED] due over the next two years. According to the school's response, however, a Modification of Ownership was not submitted to ACCSC at the time because interest did not exceed 10% ownership. Per the details listed above and the school's own admission, however, a transaction did in fact occur. In any event, Traxler School of Hair failed to follow ACCSC's substantive change requirements that would allow for an assessment of the impact of this transaction and the appropriateness of the proposed new owners to operate an ACCSC-accredited school.

In response to the Commission's concerns as it relates to the delinquent financial statements, Traxler's School of Hair stated that the school is currently working on finalizing and submitting 2023 audited financial statements, and that the delay is due to current ownership situation with [REDACTED]. The school stated in the response that the completed 2023 and 2024 financial statements, budget and audit will be submitted by the end of November 2024.

Cease Enrollment Directive

The issues of non-compliance raised in this letter with regard to the school's current institutional ownership, financial soundness, and failure to report significant events to both ACCSC and the U.S. Department of Education raise significant concern with regard to the school's ability to operate in compliance with ACCSC's *Standards of Accreditation*. As such, due to the severity of the items listed herein, the Commission directs the school to Cease Enrollment as of the date of this letter for a period to be determined as the Commission continues its review to resolve these issues.

Based on the foregoing, the Commission directs Traxler's School of Hair to submit the following:

- a. A notarized letter signed by both the current owner of the school and the highest-ranking administrative official (i.e., Director) at the school setting forth and attesting to the current institutional ownership of Traxler School of Hair, Inc. to include percentage of ownership, as applicable;
- b. A copy of the corporation's status and approval/recognition from the state of Mississippi;
- c. As applicable, a Modification of Ownership Report or an Application for a Change of Control-Part I;
- d. The following items from the Commission's May 15, 2024 Deferral:
 - i. Traxler's School of Hair's fiscal year end December 31, 2023 audited financial statements, prepared in accordance with requirements set forth in ACCSC's Instructions for the Preparation and Submission of Financial Statements and Related Information;
 - ii. An updated Management Discussion and Analysis examining and explaining the school's current financial condition; and
 - iii. Traxler's School of Hair's full fiscal year 2024 budget with a budget-to-actual analysis for the period January 1, 2024 through August 31, 2024; and
- e. Traxler's School of Hair internally prepared financial statements to cover the nine-month period of January 1, 2024 through September 30, 2024, to include a balance sheet and statement of income, prepared in accordance with requirements set forth in ACCSC's Instructions for the Preparation and Submission of Financial Statements and Related Information;
- f. An update regarding the school's fiscal year ended December 31, 2023 audit submission to the Department, to include any correspondence between the school and the Department from September 26, 2024 onward;
- g. Evidence that the school has notified students of the Commission's Probation action in accordance with the directive listed below; and
- h. Any additional information that the school believes will assist the Commission in determining the school's compliance with accrediting standards in this regard.

PROBATION REQUIREMENTS:

In cases where the Commission has reason to believe that a school is not in compliance with accreditation standards and other requirements, the Commission may, at its discretion, place a school on Probation. A school subject to a Probation Order must demonstrate corrective action and compliance with accrediting standards. **Failure of the school to demonstrate compliance with accrediting standards or other accrediting requirements by the due date set forth herein may result in a revocation of accreditation action.**

In accordance with *Section X, Rules of Process and Procedure, Standards of Accreditation*, the reasons for the Probation is made public and provided to the U.S. Department of Education, appropriate State agencies, and appropriate accrediting agencies.

TEACH-OUT PLAN REQUIREMENT:

In response to the Commission's October 9, 2024 Continued Warning, Traxler's School of Hair submitted an Institutional Teach-Out Plan Approval Form. As part of this continued review, the Commission directs the school to keep the Commission abreast of any changes to the proposed teach-out plan as originally submitted.

MAXIMUM TIMEFRAME TO ACHIEVE COMPLIANCE:

According to *Section VII (M)(5), Rules of Process and Procedures, Standards of Accreditation*, the Commission may establish timeframes as deemed appropriate for an institution to demonstrate compliance with accrediting standards. The maximum timeframe allowed for Traxler's School of Hair to achieve and demonstrate compliance with the *Standards of Accreditation* begins as of May 15, 2024 and will not exceed the timeframe established in *Section VII (M)(5) Rules of Process and Procedures, Standards of Accreditation*. However, be advised that the Commission is not required to allow the maximum time frame to remedy noncompliance in all instances and may establish shorter time frames as deemed appropriate or may take an adverse action prior to the expiration of the maximum timeframe. Given that the identified areas of non-compliance are basic requirements of accreditation and involve potentially a loss of Traxler's School of Hair's eligibility for accreditation, the Commission established that it can take an immediate adverse action to withdraw the school's accreditation at its February 2025 meeting if the school fails to conclusively show that the school has not undergone a change of control without Commission approval or fails to submit financial statements and fees as required.

NOTIFICATION TO STUDENTS:

Within **seven days** of receipt of the Probation notification and for the duration of that action, the school must:

- a. Inform current and prospective students in writing that the school has been placed/continued on Probation and provide such notice on the school's website;
- b. Provide a summary that accurately describes the reasons for the Probation; and
- c. Provide the uniform resource locator (URL) where that action can be obtained from the Commission's website.

(Section VII (L)(7) Rules of Process and Procedure, Standards of Accreditation)

RESPONSE REQUIREMENTS:

By applying for accreditation, a school accepts the obligation to demonstrate continuous compliance with the *Standards of Accreditation*. While the Commission employs its own methods to determine a school's compliance with accrediting standards, the burden rests with the school to establish that it is meeting the standards. The Commission's deliberations and decisions are made on the basis of the written record and thus a school must supply the Commission with complete documentation of the school's compliance with accrediting standards.

Traxler's School of Hair must provide a response to the items expressed above that provides the information requested along with any additional information that the school believes supports a demonstration of compliance with accrediting standards.² If the school's response contains documentation that includes personal or confidential student or staff information that is not required for the Commission's review (e.g., social security numbers, dates of birth, etc.), please remove or redact that information.

² ACCSC has resources for submitting a well-documented and organized response for Commission consideration. As a reminder *Section I (H)(1) Rules of Process and Procedure, Standards of Accreditation*, states that all submissions and notifications must be organized as required by the *ACCSC Instructions for Electronic Submission*. More information is available on the [ACCSC website](#) under [Resources](#) and [Forms and Reports](#).

Traxler's School of Hair must upload the school's electronic response directly to ACCSC's College 360 Database. The ACCSC College 360 database can be accessed by [clicking here](#). Please note that the password utilized by the institution to access the Annual Report Portal is the same to access the School Submission section of the College 360 database. The Instructions for College 360 DMS Submissions can be found [here](#). A detailed overview on how to upload a school submission can be found [here](#).

Keep in mind, the school's response must be prepared in accordance with ACCSC's Instructions for Electronic Submission (e.g., prepared as one Portable Document Format ("PDF") file that has been prepared using Adobe Acrobat software (version 8.0 or higher) and which has a .pdf extension as part of the file name). The school will receive an e-mail confirmation that the file has been received within 24 hours of the submission.

The school's response must also include a signed certification attesting to the accuracy of the information and be received in the Commission's office **on or before December 12, 2024**. If a response, the required fee,³ and the certificate of attesting to the accuracy of the information is not received in the Commission's office **on or before December 12, 2024**, the Commission will consider further appropriate action.

For assistance with the password or for any other questions regarding the electronic submission requirements, please contact [REDACTED]. Please note that any password requests to access College 360 must be made by the school director, or designated member of the school's management team, via e-mail.

For further assistance or additional information, please contact [REDACTED] at [REDACTED] or via email at [REDACTED].

Sincerely,

[REDACTED]

Executive Director

³ ACCSC assesses a \$1,000 processing fee to a school placed on Probation.