

February 21, 2025

**ELECTRONIC DELIVERY** 

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

School #M070154 Withdrawal of Accreditation



At the February 2025 meeting, the Accrediting Commission of Career Schools and Colleges ("ACCSC" or "the Commission") considered its previous decision to place Traxler's School of Hair located in Jackson, Mississippi on Probation. Upon review of the Commission's October 9, 2024 Continued Probation, the school's continued failure to fully respond to requirements, and the overall history of this matter, the Commission voted to withdraw the school's accreditation. The history of the Commission's review and the grounds for the Commission's decision are set forth below.

# History of the Commission's Review:1

# August 2022

At the August 2022 meeting, the Commission reviewed Traxler's School of Hair's Application for Renewal Accreditation. Upon review of the June 12, 2022 On-Site Evaluation and the school's response, the Commission determined that the school be given an additional opportunity to demonstrate compliance with accrediting standards in the following areas: variable records of initial employment, third-party verification, admissions, leave of absence policy, program name disclosure and approval, and transcripts. As such the Commission voted to defer action on the school's Application for Renewal Accreditation until the Commission's February 2023 meeting.<sup>2</sup>

#### November 2022

At the November 2022 meeting, the Commission considered the matter of delinquent fees owed to the Commission by Traxler's School of Hair. The Commission reviewed communication from the school and granted the school additional time to submit payment of the required on-site evaluation fees.<sup>3</sup>

## February 2023

At the February 2023 meeting, the Commission considered its previous decision to defer final action on the Application for Renewal of Accreditation submitted by Traxler's School of Hair. Upon review of the December 20, 2022 Deferral and the school's response, the Commission voted to again defer final action until the August 2023 meeting in order to provide the school with an additional opportunity to demonstrate compliance with accrediting standards in the areas of verifiable records of initial employment and transcripts.<sup>4</sup>

<sup>&</sup>lt;sup>1</sup> The associated materials and Commission actions cited herein are incorporated into the record of this matter by reference.

<sup>&</sup>lt;sup>2</sup> See the December 20, 2022 letter.

<sup>&</sup>lt;sup>3</sup> See the November 10, 2022 letter.

<sup>&</sup>lt;sup>4</sup> See the April 21, 2023 letter.

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# **August 2023 and September 2023**

At the August 2023 and September 2023 meetings, the Commission considered the previous decision to defer final action on the Application for Renewal Accreditation submitted by Traxler's School of Hair. Upon review of the April 21, 2023 Deferral and the school's response to that letter, the Commission voted to again defer final action until the February 2024 meeting in order to provide the school with an additional opportunity to demonstrate compliance with accrediting standards in the areas of verifiable records of initial employment. In the October 10, 2023 Deferral, the Commission also noted that the school's financial statements show an accumulated deficit and a net loss for two consecutive fiscal years, both of which had grown significantly from fiscal year-end 2021 to 2022. As such, the Commission directed Traxler's School of Hair to submit information related to the financial soundness of the school.<sup>5</sup>

## February 2024 and March 2024

At the February and March 2024 meetings, the Commission voted to defer action again in order to provide the school with an opportunity to provide additional information related to the financial soundness of the institution. Specifically, the Commission determined that Traxler School of Hair must 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)(I), Substantive Standards, Standards of Accreditation). The financial statements for the fiscal years ended December 31, 2021 and 2022 show two consecutive years of accumulated deficit and net loss. Although the school's internally prepared financial statements for the twelve-month period of January 1, 2023 through December 31, 2023 show that although the school appeared to be progressing in a more financially positive direction, the school did not, provide the budget for the twelve-months covering the period of January 1, 2023 through December 31, 2023 with a budget-to-actual-analysis as directed in the October 10, 2023 Deferral. The Commission determined that a final determination in regard to the school's financial soundness could not be made without the audited comparative financial statements for the fiscal years ending December 31, 2022 and 2023 as is normally required. As such, the Commission deferred final action with another review scheduled for the August 2024 meeting.<sup>6</sup>

#### 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:<sup>7</sup>

- A Response to the Commission's May 15, 2024 Deferral;
- The school's audited financial statements for the fiscal years ended December 31, 2023 and 2022;
- The required sustaining fees normally required 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 August

<sup>&</sup>lt;sup>5</sup> See the October 10, 2023 letter.

<sup>&</sup>lt;sup>6</sup> See the May 15, 2024 letter.

<sup>&</sup>lt;sup>7</sup> 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.

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31, 2024 due date, and as such, 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 indicating 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 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.<sup>8</sup>

#### 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. However, the Commission was copied on a September 26, 2024 Annual Submission Citation Letter issued to the school from the U.S. Department of Education ("the Department"), 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.<sup>9</sup>

# November 2024

At the November 2024 meeting, the Commission considered a notarized letter submitted by on behalf of Traxler's School of Hair attesting that as of October 22, 2024, holds a 100% ownership stake in Traxler's School of Hair. also explained that refused to sign the notarized letter confirming his ownership of the school. The letter includes a summary of events outlined by Specifically, stated that a financial transaction to purchase the school occurred in 2018, however, based on subsequent events that includes a change in the original agreed-upon purchasers of the school, refused to initiate the change of ownership process or sign any documents with the state of Mississippi, ACCSC, or the U.S. Department of Education to initiate or update the ownership of the school.
According to the response, paid in March of 2018 with a subsequent due over the next two years. According to the school's response, however, a Modification of Ownership was not submitted to ACCCSC at the time because the agreement/transaction did not result in a 10% or greater change in the ownership share. Given the information provided, it does appear that some level of transaction did occur, but ACCSC cannot ascertain the extent to which a modification/change of ownership or a change of control occurred.
Related to delinquent financial statements, Traxler's School of Hair stated that the school was working on finalizing and submitting 2023 audited financial statements and that the delay is due to the current ownership situation with 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.
Due to the issues regarding to the school's institutional ownership, financial soundness, and failure to

submit information as required to both ACCSC and the U.S. Department of Education (see September 2024 action letter), the Commission directed Traxler's School of Hair to cease enrollment for a period to

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See the September 5, 2024 Warning.
See the October 9, 2024 Warning.

be determined by the Commission and dependent upon the school's ability to meet accreditation requirements.<sup>10</sup>

# **Post November 2024 Communication**

Subsequent to the Commission's issued November 21, 2024 Probation, an attorney representing reached out to ACCSC requesting an extension to submit a modification of ownership report. ACCSC staff met with the school via videoconference on December 17, 2024 and granted the school an extension to December 23, 2024 to respond to the Commission's Probation. Upon the school's failure to submit a response, ACCSC staff reached out to the school and the attorney via email on January 8, 2025 requesting an update on the school's delinquent response. As of the date of the Commission's February 2025 meeting, the school's response remained delinquent.

#### February 2025 Review & Action

At the February 2025 meeting, the Commission considered the history of this matter as described above as well as its previous decision to place Traxler's School of Hair on Probation. Upon review of the Commission's November 21, 2024 Probation and the school's failure to respond to the Probation, the Commission found that the school failed to meet the burden of demonstrating continuous compliance with the *Standards of Accreditation* in the following areas:

- 1. Traxler's School of Hair 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 (Section I (G)(2)(a&c), Rules of Process and Procedure, Standards of Accreditation). Although having been given multiple opportunities and extensions of time to do, as of the Commission's February 2025 meeting Traxler School of Hair has failed to submit the school's fiscal year end 2023 audited financial statements to ACCSC and failed to demonstrate that the school has provided these same statements to the U.S. Department of Education as required (Section I (G)(2)(d), Rules of Process and Procedure, Standards of Accreditation.
- 2. Traxler's School of Hair has failed to demonstrate that the financial structure of the school is sound with resources sufficient for the proper operation of the school and discharge of obligations to students (Section I (C)(1), Substantive Standards, Standards of Accreditation). Specifically, Traxler School of Hair has failed to submit the school's fiscal year end 2023 audited financial statements to ACCSC as a means to show the most current financial position of the school. Given that the Commission has only the fiscal year ended December 31, 2021 and 2022 audited financial statements to work from and that these statements show two years of net losses and accumulated deficits, the Commission determined that the school has failed to demonstrate financial soundness with resources sufficient for the proper operation of the school and discharge of obligations to students.
- 3. Traxler's School of Hair has failed to submit a Financial Report each year 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).

Accordingly, the Commission voted to withdraw the accreditation of Traxler's School of Hair and to remove the school from the ACCSC list of accredited institutions.

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<sup>&</sup>lt;sup>10</sup> See the November 21, 2024 Probation.

#### **Notification To Students**

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Within seven days of receipt of this letter, the school must:

- a. Inform all currently enrolled and prospective students of the withdrawal decision and indicate where the action can be obtained from the Commission's website;
- b. If the school chooses to appeal a withdrawal of accreditation decision, then the school must inform current and prospective students of the appeal and that the school is on Probation during the appeal process; and
- c. Once a decision to withdraw accreditation is final, the school must within seven days inform current and prospective students that the withdrawal of accreditation action is final. A school must delete all references to and claims of ACCSC accreditation from the school's website, catalog, enrollment agreement, advertising, and promotional materials immediately after withdrawal of accreditation.

#### **Teach-Out Plan and Teach-Out Agreement**

The Commission directs the school to provide an <u>Institutional Teach-Out Agreement Approval Form and Teach-Out Agreement Approval Form</u>, which must be submitted as part of the response for the items listed above (*Section IV* (*F*)(2)(*b*) Rules of Process and Procedure, Standards of Accreditation). The school must demonstrate how it will ensure the opportunity for students to complete their program of study either by the school or through an agreement with another accredited institution(s) approved to offer a program comparative to the school's. The teach-out plan/agreement must contemplate the loss of accreditation and concordant loss of state or federal funding. The school's <u>Institutional Teach-Out Agreement Approval Form</u> and <u>Teach-Out Agreement Approval Form</u> should be submitted <u>on or before (10 days)</u>.

#### **Appeal and Reapplication Process and Procedure**

Traxler's School of Hair may opt to appeal the Commission's decision to withdraw accreditation or may elect to reapply for accreditation. Details regarding the reapplication and appeal procedures are outlined in the ACCSC Rules of Process and Procedures, Standards of Accreditation.

- If Traxler's School of Hair elects to appeal this decision, the school must sign and return the enclosed Letter of Intent to Appeal a Commission Decision, along with the Appeal Expense Fee of \$8,000.00, on or before March 3, 2025.
- If Traxler's School of Hair elects to appeal this decision, the school's Application for Appeal of a Commission Decision and Grounds for Appeal must be submitted **on or before March 23, 2025.**
- If Traxler's School of Hair elects not to appeal this decision, the Commission's decision will become effective <u>March 3, 2025</u>. The school may submit comments by <u>March 3, 2025</u> in accordance with the enclosed Public Comment Disclosure Form. Comments submitted by the school will accompany any public disclosure of a final Commission action pursuant to Section X (D)(4), Rules of Process and Procedure, Standards of Accreditation.
- In accordance with Section VII (N)(3) Rules of Process and Procedure, Standards of Accreditation, the school may reapply no sooner than nine months from the date on which the withdrawal of accreditation becomes effective.

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For additional information regarding the Commission's decision, please contact me directly at

Sincerely, **Executive Director** 

Letter of Intent to Appeal a Commission Decision ACCSC Standing Appeals Committee Members Public Comment Disclosure Form Encls:



#### LETTER OF INTENT TO APPEAL A COMMISSION DECISION

## To Be Submitted No Later Than March 3, 2025

Michale S. McComis, Ed.D. Executive Director ACCSC 2101 Wilson Boulevard, Suite #302 Arlington, Virginia 22201

Dear Dr. McComis:

This letter serves to provide notice that Traxler's School of Hair located in Jackson, Mississippi intends to appeal the recent decision of the Commission to withdraw the school's accreditation and remove the school from the list of ACCSC-accredited institutions. Attached is a check in the amount of \$8,000 as required by accreditation procedures. I understand that this fee is non-refundable.

I understand that an ACCSC Sitting Appeals Panel will meet to consider the appeal of the school and that I will receive final confirmation of the hearing at a later date. I have reviewed Section VIII, Rules of Process and Procedure of the Standards of Accreditation pertaining to appeals and noted that I am entitled to a transcript of the proceedings and to have representatives, including legal counsel, present with advance notification to ACCSC.

I understand that it is the right of a school to appeal an adverse accreditation decision taken by the Commission on the grounds that the decision was arbitrary, capricious, or otherwise in disregard of the criteria or procedures of the Commission, or not supported by substantial evidence in the record on which the Commission took the action (Section VIII (B), Rules of Process and Procedures, Standards of Accreditation). I understand that because the appeal must be based on evidence in the record at the time that the Commission took the adverse action, no new evidence may be submitted during the appeal process, except as allowed for under Section VIII (C)(2)(c), Rules of Process and Procedure, Standards of Accreditation.

I understand that it is the right of a school intending to appeal a Commission decision to indicate whether there is good cause as to why any member of the Commission's Standing Appeal Panel should not hear the appeal. I have reviewed the list of Standing Appeal Panel members and have included with this notice any objections to any member of the Standing Appeal Panel with the reasons and cause why I believe that member should not hear the school's appeal. I understand the absence of a submission with this notice indicates my approval to allow any member of the Standing Appeal Panel to sit for the school's appeal.

I understand that the Application for Appea	i of Commission Decision along with the school's Grounds for
Appeal are due to ACCSC on or before Ma	arch 23, 2025, and I agree to submit that material on or before
that date. I understand that failure to subroconsideration of the school's appeal.	mit these required documents by the due date could prevent
Signature	Date

Name/Title



# **Standing Appeals Panel Members**

Panel Member	Affiliation	Term Ending
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# PUBLIC COMMENT DISCLOSURE FORM

# To Be Submitted No Later Than March 3, 2025

Michale S. McComis, Ed.D. Executive Director ACCSC 2101 Wilson Boulevard, Suite #302 Arlington, Virginia 22201

RE: Traxler's School of Hair 2845 Suncrest Drive Jackson, Mississippi 39212

I understand and agree that the Commission, pursuant to  $Section\ X\ (C)(4)\ \&(D)(4)$ ,  $Rules\ of\ Process\ and\ Procedure,\ Standards\ of\ Accreditation$ , will make public the reasons for the decision together with any comments submitted by the school. I further understand that the summary will be accompanied by the attached comments.

I understand and agree that the attached comments constitute School's public comments on the adverse accreditation action that are to be disseminated with the public notice of the Commission's adverse accreditation decision including, but not limited to, dissemination to appropriate federal, state and other accrediting agencies and posting to the ACCSC website (Section X(C)(4)&(D)(4), Rules of Process and Procedure, Standards of Accreditation).

I understand and agree that the school is not obligated to submit public comments and acknowledge that the attached comments are provided voluntarily.

I understand and agree that the school's public comments must be in summary format, professional in tone, and free of profanity and calumnious statements and limited to two type written pages. I acknowledge that any comments which do not meet these requirements will not be disseminated or posted along with the summary of the reasons for the adverse accreditation decision.

I understand and agree that the Commission will release the adverse accreditation decision to the public pursuant to  $Section\ X\ (D)(3)$ ,  $Rules\ of\ Process\ and\ Procedure$ ,  $Standards\ of\ Accreditation$  and that the school's written comments will not be added to this disclosure if this form and the comments are not submitted in the required format on or before March 3, 2025.

used once put into the public domain.	dission has no responsibility for how the school's comments may be
Signature	
Name/Title	