



Accrediting Commission of Career Schools and Colleges

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February 4, 2021

ELECTRONIC DELIVERY

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Trigram Education Partners
545 Long Wharf Dr., 5th Floor
New Haven, Connecticut 06511

Appeal Decision

Re: Trigram Education Partners

- Harris School of Business, Voorhees, New Jersey (School #M001524)
 - Harris School of Business, Upper Darby, Pennsylvania (School #B072801)
 - Harris School of Business, Dover, Delaware (School #B070709)
- Branford Hall Career Institute, Parsippany, New Jersey (School #M000360)
 - Branford Hall Career Institute, Jersey City, New Jersey (School #B056051)

Trigram Education Partners¹ (“Trigram” or “the schools”) brought this appeal from the November 20, 2020 decision of the Accrediting Commission of Career Schools and Colleges (“ACCSC” or “the Commission”) to withdraw the Trigram’s accreditation and remove the schools from the list of ACCSC-accredited institutions. The school timely submitted a Letter of Intent to Appeal a Commission Decision and its Grounds for Appeal were filed on December 21, 2020. Pursuant to ACCSC’s *Rules of Process and Procedure*, a hearing was held before an independent Appeals Panel on January 19, 2021. For the reasons set forth herein, the Appeals Panel voted to affirm the Commission’s decision to withdraw the accreditation of the five schools owned by Trigram listed above. Accordingly, the Commission’s decision to withdraw the accreditation of the five schools listed above is hereby final effective as of the date of this letter.

Background:

Key elements in the accreditation review process leading up to ACCSC’s adverse accreditation are outlined below:

- At the June 2020 meeting, ACCSC approved the Applications for a Change of Control-Part I that proposed a new ownership structure for the above referenced schools, formerly owned and operated by Premier Education Group (“PEG”). The Commission’s June 18, 2020 letter informed the schools that the institutions’ compliance with accrediting standards under new ownership would be monitored by ACCSC throughout the change of control process.
- By letter dated August 5, 2020, the U.S. Department of Education (“USDE”) notified ACCSC that the Trigram schools were no longer eligible to participate in Title IV student financial assistance programs because Trigram did not submit two years of financial statements required of new owners, did not provide a 25 percent letter of credit, and did not meet the requirements of filing a materially complete application. The USDE also specified that the Trigram institutions would have to prove that they continue to be eligible institutions and be approved by the agency to sign a new Provisional Program Participation Agreement.
- By letter dated August 14, 2020, the Commission advised Trigram that it had serious concerns regarding the soundness of the schools’ financial structure and whether each school possesses the

¹ For purposes of this proceeding, Trigram Education Partners encompasses the Harris School of Business, Voorhees, New Jersey (School #M001524); Harris School of Business, Upper Darby, Pennsylvania (School # B072801); Harris School of Business, Dover, Delaware (School #B070709); Branford Hall Career Institute, Parsippany, New Jersey (School # M000360); and Branford Hall Career Institute, Jersey City, New Jersey (School #B056051).

resources sufficient for its proper operation and the discharge of obligations to its students (*Section I (C)(1), Substantive Standards, Standards of Accreditation*). The Commission also stated that this concern was exacerbated by the schools' inability to submit the audited balance sheet as of the date of the change of control transaction as required by the Application for a Change of Control-Part II.

- In a letter dated October 8, 2020, the Commission placed Trigram on Warning indicating that “Trigram has not given the Commission confidence that the new ownership has the ability to lead and manage a post-secondary educational institution in compliance with accrediting standards as required by *Section I (A)(1)(a), Substantive Standards, Standards of Accreditation* given that several months after the transaction, Trigram continue[d] to fail to demonstrate compliance with accrediting standards regarding the requirements to effectuate a change of control” (pgs. 2-3). The Commission directed Trigram to submit evidence of its compliance with accrediting standards as well as complete ACCSC Teach-out Agreement forms for each campus.
- In an October 9, 2020 notice, Trigram advised the Commission that the Accrediting Council for Continuing Education & Training (“ACCET”) had issued a show cause order to the Trigram schools accredited by that agency due to heightened concerns regarding Trigram’s financial stability. The letter also informed ACCSC that a media outlet had reported issues with payroll and lease payments of the Harris School of Business in Dover, Delaware and that the schools had delayed a return to campus after the “Fall Break” due to “a delay in funding to meet payroll...” (p. 1).
- Subsequent to this notification, ACCSC had also become aware that ACCET had since elevated its action to withdrawal of accreditation for the Trigram owned schools. Thus, in a letter dated October 27, 2020, ACCSC informed Trigram that it was moving its review of the October 8, 2020 Warning to the November 2020 meeting and further directed the school to address the impact of the ACCET action on Trigram’s financial condition and to provide an update as to the current operational status of the ACCSC-accredited schools.
- Trigram submitted a response to the October 8, 2020 and the October 27, 2020 letters for review at the Commission’s November 2020 meeting.

ACCSC’s Decision to Withdraw Accreditation

At its November 2020 meeting, the Commission again reviewed this matter and voted to withdraw the accreditation of the five schools owned by Trigram. The Commission’s decision to withdraw Trigram’s accreditation was set out in detail in a letter dated November 20, 2020 to [REDACTED]. The decision letter contains a comprehensive description of the Commission’s actions with respect to Trigram commencing with the school’s Application for a Change of Control-Part I and continuing through the decision to withdraw accreditation. The letter also examines the information, arguments, and commitments that Trigram made to the Commission during this period with respect to ACCSC’s concerns with Trigram’s compliance with accreditation standards.

The gravamen of the Commission’s withdrawal decision was succinctly stated in the November 20, 2020 letter:

At the November 2020 meeting, the Commission considered Trigram’s responses to ACCSC’s October 8, 2020 and October 27, 2020 letters, along with the history regarding this matter. Based on its review, the Commission found that Trigram, despite being afforded multiple opportunities to do so, failed to demonstrate that the financial structure of the schools is sound, with resources sufficient for the proper operation of the schools and discharge of obligations to students (Section I (C)(1), Substantive Standards, Standards of Accreditation) (ACCSC Withdrawal Letter, p. 4).

The Commission found that, among other things, Trigram’s response to the Commission’s concerns amounted to nothing more than unsubstantiated and unsupported promises. Trigram asserted that:

Per our Principle/Co-Owner, ██████████ Trigram is very close to receiving our initial financing of ██████████ had been unpredictably delayed. In addition, ██████████ has been pledged to Trigram by our financial partner, ██████████ within the next 3-4 weeks. Once the funding has been received, Trigram will make all payments necessary to become current on all financial responsibilities and the schools will continue to operate as they have in the past. The school's [sic] will be in compliance with all federal, state and accreditor regulations and standards related to financial stability once the funding is received.

The Commission was unpersuaded by any of these assertions because they were not accompanied by any documents or other evidence to establish their veracity and to prove that the alleged funding, if received, would address the Commission's concerns with the schools' compliance with ACCSC's accreditation standards.

In addition, information provided by Trigram in reply to the Commission's October 27, 2020 demonstrated that Trigram's financial distress had become even more acute. The Commission concluded that Trigram's "lack of financial viability is also having a direct impact on the operation of the schools and the quality of the educational experience of hundreds of students served by the schools." This led the Commission to find that due to the schools' inadequate financial resources, the "schools are for all intents and purposes non-operational and are not fulfilling obligations to students by providing education and training as required by *Section I (G)(2)(b), Rules of Process and Procedure, Standards of Accreditation*" (ACCSC Withdrawal Letter, p. 5).

Moreover, Trigram did not submit all information as had been directed. Trigram failed to submit complete Teach-Out Agreements as had been directed by the Commission. Trigram also did not submit an audited same-day balance sheet as required by the Application for a Change of Control-Part II and as ACCSC had twice requested.

Trigram's Appeal

Trigram has not disputed any statement of fact contained in the decision letter nor did it challenge any of the decision's facts or findings in its Grounds for Appeal or during the appeal hearing. According to Trigram's Grounds for Appeal, the "primary basis" for the appeal was "to present the Commission with authenticated evidence of a record of responsible financial management with financial resources adequate to provide quality student education, training, and services and to complete instruction of all enrolled students and therefore meeting ACCSC's Standards of Accreditation" (Trigram Grounds for Appeal, p.1). To this end, Trigram promised to "present new significant financial information that will bear materially on the financial deficiencies identified by the Commission" (Id.). In particular, Trigram stated that it would provide "supporting documentation" proving that "Employees at the five ACCSSC-Accredited [sic] Institutions will be paid through to the current pay period"; the CPA firm "will have been paid for their services and will release the audited same-day balance sheet as required for the ACCSC application for Change of Control-Part II"; and that Trigram had "sufficient operating funds to meet future fiscal needs of the company". Trigram also said that it would provide other documents including "letters of credit and bonds to further demonstrate the sufficiency of our financial resources" (Trigram Grounds for Appeal, pgs. 1-2).

None of the promised documentation was submitted with the Grounds for Appeal. In fact, the only documents included with the filing were a copy of ACCSC's Teach-Out Agreement Approval Form lacking complete signatures, a spreadsheet of students and courses, and an unexecuted Agreement for Educational Services.

In lieu of documentation, Trigram asserted that:

At this point in time Trigram is expecting it's [sic] funding to arrive in January 2021. Paradoxically, our funding has been delayed due to Covid-19 as well as the International conundrum of moving capital. To deal with this shortfall I have been involved with investors on a daily basis to secure a [REDACTED] short term loan until our [REDACTED] arrives in January 2021. Our funding is guaranteed by [REDACTED] which mature in 2028 (Trigram Grounds for Appeal, p. 2).

Trigram did not adduce a scintilla of evidence to prove the veracity and accuracy of any of these statements.

At the Appeal Hearing on January 19, 2020, [REDACTED], the Chief Executive Officer of Trigram, confirmed that the institutions continue to be under substantial financial stress, students have not been trained for over four months, the schools do not have liability insurance because the premiums have not been paid, teachers and staff have not received their wages, vendors and suppliers have not been paid, and that Trigram has been unable to secure any teach-out agreements for its students. [REDACTED] continued to assert, again without documentation of any sort, that funding would soon be available, suggesting that [REDACTED] would be in place by January 22, 2021. In point of fact, although ACCSC has informed Trigram that it was permitted to submit additional information concerning its financial solvency on appeal (ACCSC Withdrawal Letter, p. 6), the schools' representatives did not provide a single document or piece of evidence to the Appeals Panel to this effect.

Appeals Panel Decision

Section VIII (B), Rules of Process and Procedure, Standards of Accreditation provides that on appeal, the school has the burden of proving that the Commission's decision to withdraw accreditation "was arbitrary, capricious, or otherwise in substantial disregard of the criteria or procedures of the Commission, or not supported by substantial evidence in the record on which the Commission took action." ACCSC's *Rules of Process and Procedure* also state that the Appeal Panel has the authority to affirm, remand, or amend the Commission's decision to withdraw Trigram's accreditation. After carefully reviewing the entire record in this matter including the presentations made by [REDACTED] and the other Trigram representatives at the Appeal Hearing, the Appeals Panel concluded that Trigram has not carried its burden of proof on appeal and accordingly the Appeals Panel affirms the decision of the Commission to withdraw the accreditation of Trigram Education Partners. The basis for the Appeals Panel's determination is explained below.

The rationale for the Appeal Panel's decision is straightforward: Trigram provided no documents or other evidence that its severe financial difficulties have been resolved and that the schools are in compliance with the Commission's accreditation requirements. The record demonstrates that repeatedly ACCSC requested Trigram to establish its financial stability and capability of meeting its obligations to its students. But, time and again, such requests were met with totally unsupported assertions about funding that would be forthcoming at some point in the future. No documentary proof was ever proffered by Trigram concerning the alleged commitments from [REDACTED] [REDACTED].

[REDACTED]. There was no evidence concerning the purported [REDACTED] [REDACTED]. All that exists on the record are the unsupported assertions of Trigram and [REDACTED] that the funding would materialize at some time in the future – according to a timetable that continually slipped from August 2020 to a date past the Appeal Hearing.

The record also shows that numerous critical issues were never addressed by Trigram including:

- The USDE's decision to terminate Trigram's eligibility to participate in Title IV student financial assistance programs and Trigram's failure to tender financial information and a letter of credit as required by the USDE;

- The withdrawal of the accreditation of certain Trigram-owned schools by ACCET;
- Trigram’s failure to furnish an audited balance sheet in connection with the Application for Change of Control-Part II;
- Trigram’s failure to submitted mandated Teach-Out Agreements for each of the schools;
- The fact that Trigram school students have received no training for well over four months; and
- Trigram’s inability to pay its teachers, staff, and vendors.

No documents or any other form of proof was tendered by Trigram on any of these issues.

Trigram’s Grounds for Appeal states that it would “present the Commission with authenticated evidence of a record of responsible financial management with financial resources adequate to provide quality student education, training, and services...” (Trigram Grounds for Appeal, p. 1). Since no such evidence accompanies the Grounds for Appeal, the implication was that it would be presented at the Appeal Hearing. That did not happen. Indeed, ██████████ conceded at the very beginning of his remarks that he did not have such evidence because the funding had not yet come through. He suggested that the ██████████ ██████████ would be available by Friday of the week of the hearing but offered no evidence that it would in fact be available. Given the history of Trigram’s multiple failed representations about the availability of financing, there was no cause for the Appeals Panel to put any stock in this latest assertion. Furthermore, at no point did Trigram ever show that even if the funding did materialize it would be sufficient to resolve the myriad serious issues described above.

Conclusion

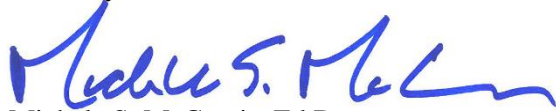
For the foregoing reasons, it is the unanimous decision of the Appeals Panel that the decision of the Commission to withdraw the accreditation of Trigram Education Partners be affirmed. Accordingly, the Commission’s decision to withdraw the accreditation of the five schools owned by Trigram is hereby final effective as of the date of this letter.

In accordance with *Section VII (P)(7), Rules of Process and Procedures, Standards of Accreditation*, the school may apply no sooner than nine months from the date on which the withdrawal of accreditation becomes effective. Accordingly, the Trigram schools may not re-apply for accreditation sooner than November 4, 2021. However, it is noted here that Trigram did not submit complete and executable Teach-out Agreements as had been directed as part of the November 20, 2020 letter and that this failure will be considered in any future application for accreditation.

The school may submit comments **on or before February 15, 2021** in accordance with the enclosed Public Comment Disclosure Form to accompany the Commission’s disclosure of this final adverse accreditation action in accordance with *Section X (C)(4) & (D)(4), Rules of Process and Procedure, Standards of Accreditation*.

For additional information pertaining to this matter, please contact me directly at ██████████

Sincerely,



Michale S. McComis, Ed.D.
Executive Director



Accrediting Commission of Career Schools and Colleges

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PUBLIC COMMENT DISCLOSURE FORM

To Be Submitted No Later Than February 15, 2021

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

Re: **Trigram Education Partners, LLC.**

- Harris School of Business, Voorhees, New Jersey (School #M001524)
 - Harris School of Business, Upper Darby, Pennsylvania (School #B072801)
 - Harris School of Business, Dover, Delaware (School #B070709)
- Branford Hall Career Institute, Parsippany, New Jersey (School #M000360)
 - Branford Hall Career Institute, Jersey City, New Jersey (School #B056051)

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 adverse accreditation decision together with any comments submitted by the school.

I understand and acknowledge that a school may voluntarily submit public comments to accompany this public disclosure and that the school is not obligated to do so.

I understand and agree that any public comments must be in summary format, professional in tone, and free of profanity and calumnious statements. 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 attached comments constitute Trigram’s public comments on the adverse accreditation action that will 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 Commission will release the adverse accreditation decision to the public pursuant to the Commission’s *Rules of Process and Procedure, Standards of Accreditation* and that a school’s written comments will not be added to this disclosure if this form and comments are not submitted in the required format **on or before February 15, 2021.**

I understand and agree that the Commission has no responsibility for how the school’s comments may be used once they are put in the public domain.

I attest that the attached comments are truthful and accurate to the best of my knowledge.

Signature

Date

Name/Title