

July 14, 2025

ELECTRONIC DELIVERY

[REDACTED]
Traxler's School of Hair
2845 Suncrest Drive
Jackson, Mississippi 39212

School #M070154
Appeals Panel Decision

[REDACTED]

Traxler's School of Hair ("TSH" or "the school") brought this appeal from the February 21, 2025 decision of the Accrediting Commission of Career Schools and Colleges ("ACCSC" or "the Commission") to withdraw the school's accreditation and remove TSH from the list of ACCSC-accredited institutions. For the reasons set forth herein, the Appeals Panel voted to affirm the Commission's decision to withdraw the accreditation of TSH. Accordingly, pursuant to ACCSC's *Rules of Process and Procedure*, the Commission's decision to withdraw the accreditation of the school is hereby final effective as of the date of this letter.

Appeal Process History

The school timely submitted a Letter of Intent to Appeal a Commission Decision and its Grounds for Appeal. Pursuant to ACCSC's *Rules of Process and Procedure*, a hearing was held before an independent Appeals Panel on May 6, 2025. This letter sets forth the decision of the Appeals Panel from that second hearing.

The Commission's Decision to Withdraw Accreditation

The history of this matter is set forth in ACCSC's February 21, 2025 Withdrawal of Accreditation letter (pgs. 1-9) and the grounds for the Commission's adverse accreditation decision are enumerated therein. Accordingly, the February 21, 2025 Withdrawal of Accreditation letter is incorporated herein by reference. In that letter, the Commission set forth its withdrawal of accreditation action from its February 2025 meeting having found that TSH failed to demonstrate compliance in the following areas:

1. Traxler's School of Hair failed to demonstrate that it has maintained its eligibility for accreditation, by demonstrating that 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 federal requirements (*Section I (G)(2)(a&c), Rules of Process and Procedure, Standards of Accreditation*).
2. Traxler's School of Hair 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*).
3. Traxler's School of Hair 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*).

The February 21, 2025 Withdrawal of Accreditation letter serves to establish the Commission's grounds for withdrawal of the school's accreditation based on its findings in the areas listed above (pg. 4).

TSH's Grounds for Appeal & New Financial Information

In its Grounds for Appeal, the school provided information related to the grounds upon which ACCSC took the adverse accreditation decision. In its Grounds for Appeal TSH provided new financial information that had not been submitted to the Commission. Pursuant to *Section VIII (C)(2)(c), Rules of Process and Procedure, Standards of Accreditation* the following instances allow for the submission of new information for consideration by the Appeals Panel

- c. Financial Information: In instances where the only remaining deficiency cited by the Commission in an adverse accreditation decision is the institution's failure to meet the Commission's standards pertaining to financial soundness, an institution may present new financial information under the following conditions:*
 - i. The financial information was unavailable prior to the adverse accreditation decision;*
 - ii. The Commission or the Executive Committee has determined that the financial information is significant and bears materially on the financial deficiencies identified by the Commission; and*
 - iii. A school may present new financial information only once and any final determination reached with respect to the new financial information does not provide a new basis for appeal.*

Per this *Rule*, the ACCSC Executive Committee reviewed a summary of the new information submitted as part of the Traxler's School of Hair's Application for Appeal of a Commission Decision and determined that in regards to (ii.), in an abundance of due process the new information submitted by Traxler's School of Hair as part of the Application for Appeal of a Commission Decision minimally meets the above referenced criteria. The Executive Committee informed the Appeals Panel, however, that its determination was not meant to signal the extent of the significance or materiality of the new financial information or that in the view of the Executive Committee the Commission's decision to withdraw the school's accreditation was arbitrary, capricious, in substantial disregard of the criteria or procedures of the Commission, or not supported by evidence in the record on which the Commission took action.

The Appeals Panel reviewed the school's Grounds for Appeal including the new financial information as submitted. Otherwise, the Appeals Panel only considered evidence previously submitted to the Commission in the record at the time that the Commission took the adverse action (*Section VIII (C)(2)(b), Rules of Process and Procedure, Standards of Accreditation*). To follow are the Appeals Panel findings relative to the three grounds for the Commission's withdrawal of accreditation decision.

Financial Soundness:

Although three grounds are cited as grounds for the Commission's withdrawal of accreditation decision, collectively they are all related to the school's failure to demonstrate financial soundness (*Section I (C)(1), Substantive Standards of Accreditation*) (February 21, 2025 Withdrawal of Accreditation Letter, pg. 4). In its Grounds for Appeal, TSH does not dispute that the school has failed to submit financial statements as required by accrediting standards. Instead, the school asks the Appeals Panel to consider factors that "could lead to a reevaluation of [its] accredited status" (TSH Grounds for Appeal, pg. 3). TSH also submitted as exhibits internally prepared financial statements for 2023, a copy of the Irrevocable LOC on file with the U.S Department of Education, and Surety Bond held by The Mississippi Board of Cosmetology and Barbering.

As a reason for the school's failure to submit financial statements as required. TSH posits the following:

[REDACTED]

would like to ask the commission and the appeals panel to consider that this is an extremely rare and unforeseen circumstance that has caused the institution to be in noncompliance. I can only resolve this area of non-compliance once it is legally decided by a judge. The school at this time does not have the required information necessary to complete all documentation need [sic] to submit to the auditor for them to properly complete audited financial statements (*Id.*, pg. 5).

In these regards, the Appeals Panel found that a contested change of control and ownership which was not reported to the Commission originally is not in its view a mitigating factor for the school's failure to submit required financial statements that would allow the Commission to properly assess the school's financial soundness and its ongoing ability to meet its obligations to students. Moreover, the Appeals Panel agrees with the Commission that the school's submission of internally prepared financial statements does not meet ACCSC's requirements for the school to submit financial statements annually that have been audited by an independent CPA.

The Appeals Panel also considered that the school provided internally prepared financial statements for 2023 and Irrevocable Letters of Credit filed with the U.S. Department of Education as well as surety bond filed with The Mississippi State Board of Cosmetology and Barbering and the school's assertion that these documents "ensure that the students are protected and resources are secured and on file with the state and federal agencies to protect the interest of the students at Traxler's School of Hair at all times" (*Id.*). In so doing, TSH asks the Appeals Panel to set aside the Commission's decision and to consider these documents as a proxy for audited financial statements as the school secures "...the audited financial statements once legal determination of the transactions made in 2023 are determined by the court" (*Id.*). The Appeals Panel made no determination as to whether these documents are equivalent measures of financial soundness or for protecting students; however, as to the question of whether the school failed to submit the required audited financial statements pursuant to the *Standards of Accreditation*, the Appeals Panel agrees with the Commission.

Appeals Panel Decision

Section VIII (B) of the Commission's 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* provide that the Appeals Panel has the authority to affirm, remand, or amend the Commission's decision to withdraw TSH's accreditation.

Based on a complete and thorough review of the record in this matter, the Appeals Panel concluded that TSH has not carried its burden of proof on appeal and consequently unanimously affirms on all grounds the Commission's decision to withdraw the school's accreditation. Accordingly, the Commission's decision to withdraw the accreditation of the TSH is hereby final effective as of the date of this letter.

In accordance with *Section VII (Q)(7), Rules of Process and Procedures, Standards of Accreditation*, the school may re-apply no sooner than nine months from the date on which the withdrawal of accreditation becomes effective. Accordingly, TSH may not re-apply for accreditation sooner than April 14, 2026.

The school may submit comments **on or before July 24, 2025** 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 [REDACTED]

Sincerely,

[REDACTED]

Executive Director

Encl.: ACCSC Public Comment Disclosure Form