



NOV 18 2022

Michael G. Kapos  
President  
Michael's School of Hair Design  
The Bedford Mall  
79-6 South River Road  
Bedford, NH 03110

Sent Via UPS  
Tracking #: 1Z37X7Y30101962747

Re: Denial of Application for Recertification to Participate in the Federal Student Financial Assistance Programs  
OPE ID: 02174800

Dear Mr. Kapos:

The U.S. Department of Education ("Department") has reviewed Michael's School of Hair Design's ("MSHD's") application for recertification to continue to participate in the student financial assistance programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 *et seq.* ("Title IV, HEA programs"). MSHD's provisional Program Participation Agreement (PPA) expired on December 31, 2021. However, since MSHD submitted its recertification application in a timely fashion, MSHD's previous certification was extended on a month-to-month basis while the application was being reviewed. 34 C.F.R. § 668.13(b)(2).

This notice is to inform you that the Department has denied MSHD's application for continued participation. Therefore, as of November 10, 2022, MSHD is no longer eligible to participate in the following Title IV, HEA programs: Federal Pell Grant ("Pell Grant"), Federal Supplemental Educational Opportunity Grant ("FSEOG"), Iraq and Afghanistan Service Grants, Teacher Education Assistance for College and Higher Education ("TEACH") Grant, Federal Work-Study ("FWS"), Federal Perkins Loan ("Perkins Loan"), and William D. Ford Federal Direct Loan ("Direct Loan") programs. The Direct Loan Program includes the Federal Direct Stafford/Ford Loan Program, the Federal Direct Unsubsidized Stafford/Ford Loan Program, and the Federal Direct PLUS ("PLUS") program. The FSEOG, FWS, and Perkins Loan programs are known as the campus-based programs.

The denial is based on a November 10, 2022 notice from the National Accrediting Commission of Career Arts & Sciences ("NACCAS") reporting the final withdrawal of MSHD's accredited

**Federal Student Aid**  
An OFFICE of the U.S. DEPARTMENT of EDUCATION

Administrative Actions and Appeals Service Group  
830 First St., N.E. Washington, D.C. 20002-8019  
StudentAid.gov

Mr. Michael G. Kapos, President  
Michael's School of Hair Design  
Page 2

status, effective November 10, 2022. (Enclosure 1.) Accreditation by a nationally recognized accrediting agency, such as NACCAS, is one of the statutory requirements that an institution must meet in order to be eligible to participate in the programs authorized under Title IV of the HEA. 20 U.S.C. §§ 1001(a)(5), 1002(b)(1)(D), (c)(1)(B). When MSHD lost its accreditation, it became ineligible to participate in the Title IV, HEA programs since it no longer met the definition of a Title IV eligible institution.

Department regulations establish the date on which a loss of eligibility is effective. 34 C.F.R. § 600.40. As pertinent here, they provide that an institution loses its eligibility on the date that the institution fails to meet any of the eligibility requirements of 34 C.F.R. Part 600. 34 C.F.R. § 600.40(a)(1)(i). Thus, pursuant to 34 C.F.R. § 600.40(a)(1)(i), MSHD's eligibility to participate in the Title IV programs ended on November 10, 2022, the effective date of its loss of accreditation.

An institution may not be considered Title IV eligible for 24 months after it has had its accreditation or preaccreditation withdrawn, revoked, or otherwise terminated for cause, unless the accrediting agency that took that action rescinds its action. 34 C.F.R. § 600.11(c)(1). Due to MSHD's loss of accreditation, the Department will not entertain an application from MSHD for reinstatement to participate in the Title IV programs before November 10, 2024. In addition, the Department will notify MSHD of any liabilities it may owe for Title IV, HEA funds received after November 10, 2022 in a separate letter. That letter will provide MSHD with the opportunity to contest those liabilities under the procedures set forth at 34 C.F.R. Part 668, Subpart H.

Should MSHD have evidence to dispute the Department's findings, and demonstrate that, in fact, it did not lose its accreditation, MSHD must submit that evidence via overnight mail to me at the following address:

Administrative Actions and Appeals Service Group  
U.S. Department of Education  
Federal Student Aid  
830 First Street, NE- UCP-3, Room 84F2  
Washington, DC 20002-8019

This denial of recertification is effective November 10, 2022. If MSHD chooses to submit material for the Department's consideration, it must be received within two weeks of the date of this letter. Any such material will be reviewed by the Department, and MSHD will be notified whether the recertification denial will be modified, rescinded, or left in place. If the denial of recertification is left in place, the New York/Boston School Participation Division will then contact you concerning the proper procedures for closing out MSHD's Title IV, HEA program accounts.

In the event that MSHD submits an application to participate in the Title IV, HEA programs in the future, that application must address all of the deficiencies noted in this letter. If you have

Mr. Michael G. Kapos, President  
Michael's School of Hair Design  
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any questions about this letter, you may contact Lauren Pope via email at [Lauren.Pope@ed.gov](mailto:Lauren.Pope@ed.gov)  
or by phone at 202-377-4282.

Sincerely,



Susan D. Crim  
Director  
Administrative Actions and Appeals Service Group

Enclosure

cc: Michael Kapos, MSHD President, via [michael@michaelschool.com](mailto:michael@michaelschool.com)  
Darin M. Wallace, Esq., Executive Director, National Accrediting Commission of Career  
Arts & Sciences, via [dwallace@naccas.org](mailto:dwallace@naccas.org)  
New Hampshire Board of Barbering, Cosmetology, & Esthetics, via  
[customersupport@oplc.nh.gov](mailto:customersupport@oplc.nh.gov)  
Department of Defense, via [osd.pentagon.ousd-p-r.mbx.vol-edu-compliance@mail.mil](mailto:osd.pentagon.ousd-p-r.mbx.vol-edu-compliance@mail.mil)  
Department of Veteran Affairs, via [INCOMING.VBAVACO@va.gov](mailto:INCOMING.VBAVACO@va.gov)  
Consumer Financial Protection Bureau, via [CFPB\\_ENF\\_Students@cfpb.gov](mailto:CFPB_ENF_Students@cfpb.gov)

Enclosure 1



NATIONAL ACCREDITING COMMISSION OF CAREER ARTS & SCIENCES  
3015 Colvin Street, Alexandria, VA 22314  
PHONE (703) 600-7600 • www.naccas.org

November 10, 2022

VIA UPS

Mr. Michael G. Kapos  
Coiffures by Michael, Inc.  
The Bedford Mall  
79-6 South River Road  
Bedford, NH 03110

**CONFIDENTIAL**  
**APPEAL DENIED**  
**WITHDRAW- FINAL**

Re.: Michael's School of Hair Design & Esthetics  
The Bedford Mall  
79-6 South River Road  
Bedford, NH 03110

Ref. #039006-00

Process: Withdrawal of Accreditation with Right to Appeal

Dear Mr. Kapos:

On October 4, 2022, an Appeal Review Panel of the National Accrediting Commission of Career Arts & Sciences, Inc. (NACCAS), duly constituted in accordance with Part 9 of NACCAS' *Rules of Practice and Procedure*, considered the referenced institution's appeal of the adverse action of the NACCAS Board of Commissioners, which is noted above. You received notice of this adverse decision by letter dated June 23, 2022. Pursuant to Section 9.8(b)(1) of the *Rules*, the Panel voted to **DENY** the institution's appeal and affirm the adverse decision of the Commission. The reasons for the Panel's decision are set forth on **Attachment A** hereto. Therefore, as of **November 10, 2022**, the adverse action became final, all appeal rights exhausted, and the institution shall be removed from the list of institutions accredited by NACCAS.

In accordance with Section 8.14 of NACCAS' *Rules*, you must take the following steps immediately upon receipt of this notice:

1. Inform all students enrolled in the institution and those seeking admission that accreditation by NACCAS has been withdrawn. However, you may inform current students that if they complete the program in which they are enrolled according to the usual schedule, they shall be considered graduates of an accredited institution.
2. Cease advertising accredited status in any way. You must remove from public view all certificates, decals, signs, emblems, and other evidence of accreditation. You must cease using printed materials or advertising indicating in any way that the institution is, or has been, accredited by NACCAS.

The institution may re-apply for candidate status at any time it meets the general eligibility requirements listed in Section 1.2 of the *Rules* and has paid any outstanding fees that were due NACCAS at the time of final withdrawal. However, the institution must wait one year before seeking initial accreditation.

If any comments on this final adverse decision are submitted to NACCAS by the official representative of the institution within sixty (60) days, they shall be made available to the public. Comments should be submitted in writing (in hard copy, sent by traceable means) and must be accompanied by an executed copy of NACCAS' Comment Disclosure Acknowledgement (See **Attachment B** hereto).

If there are any questions regarding the appeals process, Eddie Broomfield may be contacted at (703) 600-7600, extension 101. Please use the NACCAS reference number of the institution in all communications with NACCAS.

  
Darin M. Wainace, Esq.  
Executive Director

cc: E. Broomfield; S. Goldstein

## ATTACHMENT A

### Reasons for Denial of Appeal

#### The Commission's Decision

At its May 2022 meeting, NACCAS' Board of Commissioners (the "Commission") acted to withdraw the accreditation of Michael's School of Hair Design & Esthetics in Bedford, NH ("Michael's") for failure to demonstrate compliance with Standard VII, Criterion 1(a)-(c) (Financial Stability) by April 30, 2022 (the compliance deadline established by the Commission under Section 8.18 of the NACCAS *Rules of Practice and Procedure*). Specifically, the school's audited financial statements for Fiscal Year Ended March 31, 2021 did not show compliance with Standard VII, Criterion 1(a)-(c). This action was made official by letter dated June 23, 2022 (**Michael's-A**)

#### The School's Arguments on Appeal

NACCAS received Michael's Notice of Intent to Appeal on July 13, 2022, in which Michael's reserved the right to file a Documentary Appeal pursuant to Section 9.3(b)(2) of the NACCAS *Rules of Practice and Procedure*. (**Michael's-B**) Therefore, as the Commission's action was based on Standard VII, Criterion 1, Michael's reserved the right to submit new financial information for consideration by the Appeal Review Panel at any time prior to the meeting of the Panel in accordance with Section 9.5 of the *Rules*. However, as of the date of the Panel's meeting, NACCAS had not received new audited financial statements for consideration by the Panel. In a phone conversation held October 3, 2022 (one day prior to the Panel's meeting), Mr. Michael Kapos informed NACCAS staff that Michael's did not intend to submit new audited financial statements as the school would be unable to demonstrate compliance with Standard VII, Criterion 1(a)-(c).

#### Decision of the Panel

As Michael's did not submit new audited financial statements that bear materially on the financial deficiencies identified by the Commission in its decision to withdraw Michael's accreditation, the Panel, acting pursuant to Section 9.8(b)(1) of the NACCAS *Rules of Practice and Procedure*, hereby **DENIES** the school's appeal.

**COMMENT DISCLOSURE ACKNOWLEDGEMENT**

This Comment Disclosure Acknowledgement is submitted this \_\_\_\_ day of \_\_\_\_\_, 2022, by an authorized signatory of the institution named below (the "School").

The undersigned person ("I") hereby certifies to the National Accrediting Commission of Career Arts & Sciences, Inc. ("NACCAS") that s/he is authorized by the School to execute this Comment Disclosure Acknowledgement, and make the acknowledgements and agreements herein, on behalf of the School.

By letter dated June 23, 2022, NACCAS notified the School that NACCAS' Board of Commissioners had withdrawn the School's accreditation, with the right to appeal (the "Commission Action"). The School exercised its right to appeal in accordance with Part 9 of NACCAS' *Rules of Practice and Procedure* (the "Rules"). By letter dated November 10, 2022, NACCAS notified the School that its appeal had been denied by NACCAS' Appeal Review Panel and that, in accordance with NACCAS' *Rules*, the Commission Action described above had become final and no longer subject to appeal.

I understand and agree that, pursuant to Section 11.6 of NACCAS' *Rules*, NACCAS will make available to the public a summary of the reasons for the Commission Action described above, together with any comments submitted by the School. I understand and agree that the attached comments constitute the School's public comments on the Commission Action. 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 public comments must be in summary format, professional in tone, and free of profanity and of slanderous or defamatory comments. I acknowledge that any comments which do not meet these requirements will not be made available to the public.

I understand and agree that, pursuant to Section 11.6 of NACCAS's *Rules*, the School's written comments will not be added to NACCAS' summary disclosure of the Commission Action if this Comment Disclosure Acknowledgement and the School's comments are not submitted in the required format on or before January 9, 2023.

I understand and agree that NACCAS has no responsibility for how the School's comments may be used or interpreted by others when made publicly available.

**MICHAEL'S SCHOOL OF HAIR DESIGN & ESTHETICS**  
**NACCAS REF. #039006-00**

By: \_\_\_\_\_  
School's Owner or Authorized Signatory

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name (Clearly)

\_\_\_\_\_  
Title

Michael's School of Hair Design & Esthetics  
NACCAS Ref. #039006-00  
November 10, 2022  
Page 4 of 5

## **EXHIBIT Michael's-A**



**NATIONAL ACCREDITING COMMISSION OF CAREER ARTS & SCIENCES**

3015 Colvin Street, Alexandria, VA 22314

PHONE (703) 600-7600 • [www.naccas.org](http://www.naccas.org)

June 23, 2022

VIA UPS

Mr. Michael G. Kapos  
Coiffires by Michael, Inc.  
The Bedford Mall  
79-6 South River Road  
Bedford, NH 03110

CONFIDENTIAL  
Withdraw  
Continue on Probation

Re: Michael's School of Hair Design & Esthetics  
The Bedford Mall  
79-6 South River Road  
Bedford, NH 03110

Ref. # 039006-00

**Process: Financial Monitoring – Financial Reporting Requirements**

Dear Mr. Kapos:

At a meeting held on May 25, 2022 the Board of Commissioners of the National Accrediting Commission of Career Arts & Sciences, Inc. (NACCAS) reviewed the record of the above referenced institution regarding compliance with Standard VII, Criterion 1(a)-(c) (Standard of Financial Practices and Management). It is with regret that I inform you that the Commission acted to Withdraw your institution's accreditation (with the right to appeal) for the reasons given in the enclosed Attachment A.

During the withdrawal processing period, which includes your right to appeal, your institution's accreditation status with NACCAS shall continue as "Accreditation on Probation."

The institution may appeal the adverse decision to withdraw the institution's accreditation in accordance with the procedures set out in Part 9 of NACCAS' *Rules of Practice and Procedure*. In order to initiate an appeal process, within twenty (20) days after receipt of this notification, NACCAS must receive a written statement of the intention to appeal, together with the appropriate appeal fee. The attached "Instructions for Appeals" provides information on the appeal process, fees, and document submission requirements.

If the institution elects to appeal its withdrawal, each reason the Commission has given for this adverse decision must be addressed in the institution's appeal documents. Unless otherwise provided under Section 9.5 of the *Rules of Practice and Procedure*, the institution's appeal documents must be received by NACCAS within forty-five (45) days after receipt of this notification. Please refer to the attached "Instructions for Appeals" for further information on the types of documents the institution may submit in support of its appeal. Throughout the appeal process, the institution shall continue in an accredited status, which will be "Accreditation on Probation."

If there is no appeal, this adverse action of Withdrawal shall become final, in accordance with Section 8.1(b) of the *Rules*. Additionally, in accordance with Section 8.14(b) of the *Rules*, you will be required to remove from public view all certificates, decals, signs, emblems, and other evidence of accreditation at the school and cease using printed materials or advertising indicating in any way that the school is, or has been, accredited by NACCAS.

In accordance with Section 4.12(a)(3)(i) of the NACCAS *Rules*, this action qualifies as a Teach-Out Event. Accordingly, the institution must submit a Teach-Out Plan and, if practicable, a Teach-Out Agreement(s) for approval by the Commission.

Within fifteen (15) days of receipt of this letter, please submit a Teach-Out Plan, prepared in accordance with Policy IV.05 of the NACCAS Handbook. If a Teach-Out Agreement has been entered into with another institution, please submit a copy of that Agreement. If your Teach-Out Plan contemplates entering into a Teach-Out Agreement with another institution, but your institution has not yet done so, please submit a list of NACCAS-accredited institutions which meet the requirements of a "teach-out institution" set out in Policy IV.05 and which your institution could request to take part in a Teach-Out Agreement. Please note that if your institution does enter into a Teach-Out Agreement in the future, that Agreement must be submitted to NACCAS for approval by the deadline(s) set out in Section 4.12(a) and Policy IV.05.

The Commission's action constitutes an adverse action. The institution is reminded that, pursuant to Section 8.17(b) of NACCAS' *Rules of Practice and Procedure*, the institution must disclose this Commission action to all current and prospective students.

An institution whose accreditation is withdrawn may apply for candidate status at any time, and may reapply for accreditation after one year, but only if any outstanding fees owed to NACCAS at the time of withdrawal are paid in full.

If there are any questions regarding the appeal process, Mr. Eddie Broomfield, Associate Executive Director, may be contacted at (703) 600-7600 ext. 101 or via email at [ebroomfield@naccas.org](mailto:ebroomfield@naccas.org). Please use the NACCAS reference number of the institution in all communications with NACCAS.

Sincerely,



Darin M. Wallace, Esq.  
Executive Director

Cc: EB/SG

Enclosures: Attachment A (Reasons for Withdrawal), Instructions for Appeal

**Attachment A**

**Reasons for Withdrawal**

1. The institution failed to demonstrate compliance with Standard VII, Criterion 1(a)-(c) before the Section 8.18 deadline of April 30, 2022 (see below for further information).

Each year, the Board of Commissioners of the National Accrediting Commission of Career Arts and Sciences, Inc. (NACCAS) monitors institutions' compliance with standards of financial practices and management (Standard VII) based on financial statements which institutions must submit within six months following fiscal year's end. At its May 25, 2022 meeting, the Commission reviewed your institution's financial statements for the fiscal year ended March 31, 2022, which were the most recent submitted to NACCAS by the institution's Section 8.18 deadline. For the reasons set forth below, those financial statements failed to show compliance with the requirements of Standard VII, Criterion 1(a)-(c).

<b>NACCAS Requirement: Standard VII – Criterion 1(a)-(c)</b>	<b>FY 2022 Financial Statement Shows:</b>	<b>Meets the requirement?</b>
Have a composite score of 1.5 or higher; OR	Composite Score of (0.7)	No
Have a current ratio of current assets to current liabilities of 1:1 or greater; and	Current Ratio of 1.12:1	Yes
Have a positive tangible net worth; and	Tangible Net Worth of \$(73,618)	No
Have a profit in the most recent accounting year	Profit/(Loss) of \$(29,344)	No

**Section 8.18 of NACCAS' Rules of Practice and Procedure** establishes timeframes for an institution to bring itself into compliance with all accreditation requirements. These timeframes are based on the longest program offered (in calendar weeks) by the institution.

The school was first placed on Financial Reporting Requirements by the letter dated April 13, 2021 with a deadline to come into compliance by April 30, 2022. The deadline was based on the length of the longest program reported in the institution's then most recent Annual Report, which at that time was 47 weeks. However, the institution did not meet NACCAS' requirements as outlined in Standard VII, Criterion 1(a)-(c) by the deadline. As a result of this, the Commission has taken adverse action and withdrawn the school's accreditation, which can impact the school's ability to qualify for Title IV funding. The school has the right to appeal this decision in accordance with the timeline in this letter and the attached "Instructions for Appeals".

**National Accrediting Commission of Career Arts & Sciences, Inc. (NACCAS)  
 INSTRUCTIONS FOR APPEALS**

**PART 1: GENERAL INFORMATION**

Appeals of Appealable Actions taken by NACCAS' Board of Commissioners are governed by Part 9 of NACCAS' *Rules of Practice and Procedure* (available on NACCAS' website at <http://naecas.org/naecas/rules-of-practice-procedure>). The Commission **strongly recommends** that any institution considering filing an appeal of a Commission action carefully review Part 9 to acquaint itself with its rights and responsibilities on appeal. Questions concerning the NACCAS appeal process should be directed to the Director of NACCAS' Government Relations and Legal Department.<sup>1</sup>

In order to initiate an appeal of the Appealable Action taken by Commission described in the attached letter, the institution **must**:

1. Submit a complete and fully-executed **Notice of Intent to Appeal a Commission Decision** (available on NACCAS' website at <http://naccas.org/naecas/appeal-process>); and
2. Pay the appropriate **appeal fee** (see Part 2 below).

Both the Notice and the Appeal Fee must be received by NACCAS **not later than twenty (20) days** following the institution's receipt of the letter to which these Instructions are attached. The Commission's decision becomes final (and non-appealable) if the Notice and/or Appeal Fee have not been received by NACCAS by this deadline.

If the institution elects to file an **Administrative Appeal**, the institution **must** submit its proof of compliance **not later than twenty (20) days** following the institution's receipt of the letter to which these Instructions are attached (i.e., not later than submission of its Notice and Appeal Fee).

If the institution elects to file a Documentary or Personal Appearance Appeal, the institution **may** also file an Appeal Document (see PART 3 below), which must be received by NACCAS **not later than forty-five (45) days** following the institution's receipt of the letter to which these Instructions are attached.

**PART 2: PAYMENT OF APPEAL FEES**

NACCAS' *Schedule of Fees* sets out three categories of appeals, and the Appeal Fee that applies to each.

<b><u>Type of Appeal</u></b>	<b><u>Appeal Fee</u></b>	<b><u>When This Fee Applies</u></b>
Administrative Appeal	\$750.00	This fee applies <b>only if</b> (1) the <b>sole</b> reason for the Commission's appealable action was the school's failure to pay a fee or submit a document <b>and</b> (ii) the school's appeal will consist <b>only</b> of submitting proof that the missing document was timely received by NACCAS (e.g., proof of delivery) or that the fee was timely paid (e.g., a cancelled check).
Documentary Appeal	\$3,000.00	This fee applies to <b>all other appeals except</b> a Personal Appearance Appeal (see below).

<sup>1</sup> A brief and non-comprehensive "Introduction to the NACCAS Appeal Process" is available on NACCAS' website at <http://naccas.org/naecas/appeal-process>). This document is a brief summary **for introductory purposes only**. Institutions on appeal or considering appeal should familiarize themselves with Part 9 of the *Rules*.

Personal Appearance Appeal	\$15,000.00 <sup>2</sup>	This fee applies <u>only if</u> the school states in its notice of intent to appeal that it wishes to have a representative or counsel appear before an Appeal Review Panel at a hearing.
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If the institution is uncertain which Appeal Fee applies to the type of appeal it intends to make, it should contact NACCAS as soon as possible to request clarification. Payment in full of the applicable Appeal Fee on or before the twentieth (20<sup>th</sup>) day following receipt of notice of the Commission's action is the responsibility of the institution.

**NOTE:** When a main campus and its additional locations are withdrawn solely for the following reason(s) – (1) failure to submit a document submitted jointly or common to all such campuses (e.g., financial statements) and/or (2) failure to comply with the requirements of Standard I, Criteria 3, 4 and/or 5 and/or (3) failure of the institutions' financial statements to meet the requirements of Standard VII, Criterion I – the institutions may pay a single Appeal Fee.

Appeal Fees must be paid in the form of a cashier's check, certified check or money order. Personal checks and credit cards will not be accepted for appeals.

### **PART 3: SUBMISSION OF APPEAL DOCUMENT**

#### **Submission of Documents to the Commission (Section 1.6 of NACCAS' Rules of Practice and Procedure)**

All submission of documents to NACCAS shall be prepared and submitted in accordance with the Commission's Requirements for Organization of Document Submissions to NACCAS as well as with specific instructions issued by the Commission, and shall, in all cases, be submitted in an organized manner. The information contained therein shall be typewritten and in English, and any photographs included in the submission shall be originals or clear copies.

The "Requirements for Organization of Document Submissions to NACCAS" can be found on NACCAS' website at [www.naccas.org/naccas/Other-Key-Documents](http://www.naccas.org/naccas/Other-Key-Documents).

The institution must submit three (3) copies of its Appeal Document in hard-copy format and one (1) copy in electronic (WORD or PDF) format (which may be delivered electronically to NACCAS or on a flash drive or other portable data storage device).

All Appeal Documents should be submitted to:

**Executive Director  
Attention: Government Relations & Legal Dept.  
NACCAS  
3015 Colvin Street  
Alexandria, VA 22314**

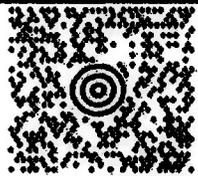
<sup>2</sup> Includes (i) a non-refundable \$4,000.00 application fee and (ii) an \$11,000.00 expense deposit for NACCAS' outside counsel legal fees. The balance of the deposit (if any) will be refunded.

NACCAS STAFF  
7036087600  
NACCAS  
3015 COLVIN STREET  
ALEXANDRIA VA 22314

1 LBS

1 OF 1

SHIP TO:  
MR. MICHAEL G. KAPOS  
79 - 6 SOUTH RIVER ROAD  
BEDFORD NH 03110

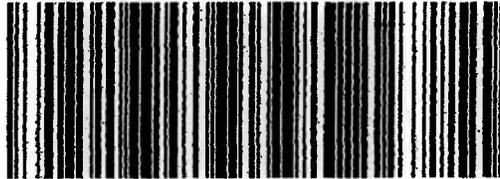


NH 031 9-02



**UPS GROUND**

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BILLING: P/P

Reference No.1: MICHAEL'S SCHOOL OF HAIR DESIGN  
Reference No.2: 039006-00



XOL 22.00.15 NV45 20.0A 09/2022



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Michael's School of Hair Design & Esthetics  
NACCAS Ref. #039006-00  
November 10, 2022  
Page 5 of 5

## **EXHIBIT Michael's-B**

# **NOTICE OF INTENT TO APPEAL A COMMISSION DECISION**

National Accrediting Commission of Career Arts and Sciences (NACCAS)

**Instructions to Appellants:** This Notice of Intent to Appeal a Commission Decision must be completed in full and received by NACCAS (accompanied by the applicable appeal fee) not later than the deadline established by Section 9.3 of NACCAS' *Rules of Practice and Procedure* (the "Rules"). No separate cover letter or statement of grounds for appeal is required, although you may attach one if you choose.

Name of Institution: Michael's School of Hair Design & Esthetics NACCAS Reference Number: 039006-00 <sup>1111</sup> 1 3 2022

Address: The Bedford Mall, 79-6 South River Road

City: Bedford State: NH Zip Code: 03110

Telephone Number: (603) 668-4300 Fax Number: (603) 668-6620

E-Mail Address: Michael@MichaelsSchool.com Web Site Address: www.michaelschool.com

**Commission Action Subject to Appeal:** Please indicate the Appealable Action the institution is Appealing.

- Removal from Candidate Status
- Denial of Initial Accreditation
- Denial of Approval of a Substantive Change
- Withdrawal of Accreditation

**Date of Commission Letter Notifying Institution of the Appealable Action:** 06/23/2022 received 06/27/2022

**Type of Appeal:**

Please indicate whether the institution is filing an Administrative, Documentary or Personal Appearance Appeal (*see Part 2 of NACCAS' Instructions for Appeal*).

- Administrative Appeal  \$750.00 Appeal Fee and Proof of Compliance Enclosed<sup>1</sup>
- Documentary Appeal  \$3000.00 Appeal Fee Enclosed
- Personal Appearance Appeal  \$15,000.00 Appeal Fee Enclosed<sup>2</sup>

If filing a Documentary or Personal Appearance Appeal, please confirm you have read and understand the following restrictions on the submission of **Appeal Documents** by checking **ALL** boxes below:

- The institution acknowledges that its Appeal Document must be organized in accordance with the Commission's Requirements for Organization of Document Submissions to NACCAS, available on the NACCAS website ([www.naccas.org](http://www.naccas.org)) under the "Applications & Forms" menu.
- The institution acknowledges that its Appeal Document may not contain or refer to information or documentation not in the record at the time the Commission took the Appealable Action being appealed (other than New Financial Information as defined in Section 9.5 of NACCAS' Rules) and that the Appeal Review Panel cannot review or take into account any such new information or documentation.
- The institution acknowledges that its Appeal Document must be received by NACCAS by the deadline set out in Section 9.4(e) of NACCAS' Rules, and that the Appeal Review Panel cannot accept or review Appeal Documents that are not timely submitted.

<sup>1</sup> Appeal fees must be paid in the form of a cashier's check, certified check or money order. Personal checks and/or credit card payments will not be accepted for appeals.

<sup>2</sup> Includes (i) a non-refundable \$4000.00 application fee and (ii) an \$11,000.00 expense deposit for NACCAS' outside counsel legal fees. The balance of the deposit (if any) will be refunded.

**Joint Appeal:**

Please indicate whether the institution is filing a Joint Appeal with another institution under the same ownership.<sup>3</sup>

- N/A
- Joint Appeal

If filing a Joint Appeal, list the NACCAS Reference Numbers of all other campuses joining in this appeal:

N/A

**Basis for Appeal:**

Briefly summarize below the factual basis of the institution's appeal.<sup>4</sup> If the space below is not adequate, you may refer to an attached letter or statement. (Except in the case of an Administrative Appeal, the institution will have an opportunity to provide a more detailed explanation in its Appeal Document.)

The institution is appealing the Commission's decision to withdraw the institution's accreditation for failure to demonstrate compliance with NACCAS Standard VII, Criterion 1 (a)-(c). On appeal, the institution will demonstrate its compliance with the NACCAS standards of financial practices and management as required by NACCAS Standard VII, Criterion 1 (a)-(c).

**Financial Appeal:**

Please indicate whether the institution is appealing (i) a determination by the Commission that the institution does not meet the requirements set out in NACCAS' Standard VII, Criterion 1 or (ii) if appealing a denial of a Change of Control, a determination that the institution's same day balance sheet as of the effective date of the Change of Control does not meet the requirements of Appendix #9, Requirements General to Categories 2 and 3, #1(f).

- N/A
- Financial Appeal (either type described above)

If filing a Financial Appeal, please confirm you have read and understand the following restrictions on Financial Appeals by checking all boxes below:

- The institution acknowledges that if it elects to appeal by showing compliance with Standard VII, Criteria 1(a), 1(b), 1(d), 1(e), 1(f) and/or 1(g), it must submit 12-month audited financial statements, covering a period more recent than the statements last reviewed by the Commission, prior to the meeting of the Appeal Review Panel at which its appeal will be heard. (The 12-month period covered by the audit need not be the institution's regular fiscal year.)
- The institution acknowledges that if it elects to appeal by showing compliance with Standard VII, Criterion 1(c), it will bear the burden on appeal of satisfying all of the requirements of Standard VII, Criterion 1(c) prior to the meeting of the Appeal Review Panel at which its appeal will be heard.
- The institution acknowledges that if it elects to appeal a denial of an application for approval of a Change of Control by showing compliance with Appendix #9, Requirements General to Categories 2 and 3, #1(f), it must submit, prior to the meeting of the Appeal Review Panel at which its appeal will be heard, an audited same day balance sheet for the institution as of the effective date of the Change of Control, audited by an independent certified public accountant on an accrual basis of accounting according to GAAP, demonstrating that the institution has an Acid Test Ratio of 1:1 or greater and a positive tangible net worth.
- The institution acknowledges that if it elects to make any arguments in support of its Financial Appeal other than by showing current compliance with Standard VII, Criterion 1 by submitting New Financial information (as

<sup>3</sup> Joint Appeals are permitted only when a main campus and its additional location(s) are withdrawn solely for: (1) failure to submit a document submitted jointly or common to all such campuses (e.g., financial statements); and/or (2) failure to comply with the requirements of Standard I, Criteria 3, 4 and/or 5; and/or (3) failure of the institutions' financial statements to meet the requirements of Standard VII, Criterion 1. Institutions filing a Joint Appeal may pay a single appeal fee.

<sup>4</sup> The institution's "Basis of Appeal" summary should state, in general terms, the facts it intends to prove on appeal. (E.g., "On appeal, the institution will show that its catalog meets the requirements of NACCAS' Policy IV.04.") It is not necessary to state that the institution intends to show that the Commission's decision was "clearly erroneous, arbitrary and capricious, etc."

described above) or if it is also appealing Commission decisions not related to Standard VII, Criterion 1, those arguments must be advanced and supporting by submission of an Appeal Document, as to which the submission requirements and deadline described on page 1 of this Notice apply.<sup>5</sup>

**Certification:**

**I certify that the information provided herein and/or attached hereto is true and correct to the best of my knowledge and belief. I further understand that knowingly providing false or misleading information to NACCAS may result in the Commission taking adverse action against the institution.**

Name: Michael G. Kapos

Title: Owner



1/2022

**SUBMIT TO: Executive Director  
Attention: Director of Government Relations and Legal  
National Accrediting Commission of Career Arts and Sciences  
3015 Colvin Street  
Alexandria, Virginia 22314**

<sup>5</sup> These options are not mutually exclusive. The institution may submit New Financial Information to show current compliance, while also making other arguments in support of its appeal by submitting an Appeal Document.