

TO: Mr. John Janouch 301-415-5369
FROM: Sue Engelhardt, Engelhardt & Assoc.



IMS Systems Inc.
10521 Perry Highway
Suite 310, 3rd Floor
Wexford, PA 15090
Main: (724) 940-7160
Fax: (724) 940-7179

John - Here is
the letter you
requested.

*Sue
Engelhardt*

FAX COVER SHEET

To	From
Company Engelhardt & Associates, Inc.	IMS Systems Inc.
Name Sue Engelhardt	Vickie Allen
Department	Administrative Asst.
Phone	724-940-7168
Fax	724-940-7179
E-Mail	Vickie.Allen@IMSSystemInc.com
Reference	
Pages 3	Date 15.08.00

Hello Sue,

Per John, he want this letter forward to you. Talk to you soon.

Best regards,

Vickie Allen

Date: 8 August, 2000

Mr. Randy Skagen, Nucor Steel, Hertford

Nucor Steel
216 North Street
Ahoskie, NC 27910

Dear Mr. Skagen,

Thank you for your telephone conversation last Tuesday, 1 August, 2000. We appreciate your frankness, and understand your concerns. Please allow me to take the opportunity to respond to several of your concerns and statements.

Firstly, IMS certainly understands that Nucor, Hertford feels as though it has been "abandoned" and "that little consideration was given to Nucor" before it ended the distributorship agreement with IMS Measuring Systems Inc. Nothing could be further from the facts. According to IMS GmbH (our parent company), Nucor, Hertford was the single most discussed customer pending this decision. It is understood that Nucor, Hertford, as with many IMS customers, does not know all of the facts. Of course, IMS is not at liberty to discuss these facts at this time, but felt strongly that there was more than sufficient reason to end the relationship when it did. The actions by the previous distributor of IMS GmbH made no other decision possible.

When IMS Systems Inc. was created as a wholly owned subsidiary of IMS GmbH, the very first order of business was to travel to the State of Georgia, and the Nuclear Regulatory Commission. All authorities were receptive to our requests to expedite amendment to the Federally approved device registrations and our application for license to service and distribute our equipment. IMS can state categorically that at this time, the device registrations at NRC, Washington D.C. are being amended. We received information from NRC Washington today that the review of the device registrations will be completed by the end of this week. The device registration number NR-375-D-102-S has been expedited for the amendment adding IMS Systems Inc. as a licensed distributor. Our license to service and distribute these devices is under review at NRC Region 1. At the moment, Region 1 is waiting for the device registration amendment from Washington D.C. Therefore, based upon all available information from the NRC, IMS has confidence that all required licensing will be completed in time to have the sources on site in a timely fashion.

Secondly, neither IMS GmbH nor any of its subsidiaries will enter into any agreement of any type with IMS Measuring Systems Inc. related to any facet of this project. We will not debate the validity of the IMS Measuring Systems Inc. proposal.

Finally, on behalf of IMS GmbH and IMS Systems Inc., I personally apologize for the position in which Nucor has been placed and any inconvenience that Nucor may have encountered to date. I recognize that this apology is of little consolation, but merely wish to assure you that IMS GmbH and IMS Systems Inc. are doing all that is possible to improve the situation of delivery, installation supervision, and start-up.

In the meantime, could you please forward to IMS Systems Inc. a copy of the site license from the State of North Carolina for the possession of our 5245 device (NRC device registration number NR-375-D-102-S)? With this in hand, we will be one step closer when our service and distribution license is issued.

Thank you for understanding.

Very Best Regards,

John Buckman
General Manager and RSO
IMS Systems Inc.

Copy: Tony Gamboni, Nucor Nertford
Hendrik Schultes, IMS GmbH
Petra Klein, IMS GmbH
Rainer Fackert, IMS GmbH
Frank Festa, IMS Systems Inc.
Martin Schulte im Walde, IMS GmbH
Martina Matthews, IMS Systems Inc.
Patrick Kronenwetter, Gerhard Kelter