

November 7, 2005

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington DC 20555

Reply to a Notice of Violation

Docket No. 03028619 - License No. 37-23527-01G – Inspection 03028619/2005001

Dear Sir or Madam,

We hereby respond to your Notice of Violation which resulted from your inspection of September 7, 2005 as follows:

A. Violation - HAZMAT training not updated within the required 3 year interval.

Reason for Violation – A failure of administrative oversight.

Corrective Steps – One employee successfully completed the Department of Transportation's Hazardous Materials Transportation Training Modules 2002 along with the HAZMAT Transportation Security Awareness Training Module on October 13, 2005. Based on this experience, we have determined that this training is significantly more comprehensive and detailed than required for our specialized needs. Therefore, this employee is currently developing a HAZMAT Training Program specifically designed for our particular requirements, editing and simplifying this complex subject in order to insure that our employees fully understand what is required of them and what hazards they can expect to come in contact with under our license. This program will be based on the aforementioned training material as well as information from JJ Keller & Associates *HAZMAT Training Basics*.

Our HAZMAT Training Program will be completed in sufficient time for all employees to be trained and tested by November 30, 2005.

Corrective Steps to Avoid Further Violation – Recurrent training as required by 49CFR172.704 shall take place at least once every three years.

B1. Violation – Possession of an experimental model luminous device.

Reason for Violation – The device in question is a prototype produced by Shield Source, a Canadian manufacturer, for an export customer. The sample was in our possession for review and evaluation.

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Corrective Steps –The device will be shipped back to Shield Source by November 10, 2005.

Corrective Steps to Avoid Further Violation - We will not accept any devices for which there is no device registration.

- B2. Violation – Possession of licensed devices at locations other than 31 Waterloo Avenue.

Reason for Violation – Like most lighting manufacturers, our signs are marketed and sold by independent manufacturers' representatives specializing in lighting products. To empower their sales efforts, we provide training that includes not only the product features and advantages of self-luminous signs, but also information concerning the regulatory requirements associated with the sale and use of this product. These training sessions take place at our rep's office with their sales staff and include showing them product samples.

As these sales samples are generally licensed products and they are not being stored at these sales demonstration locations, we did not realize that this would be interpreted as a violation of our license.

Corrective Steps – Sales training and demonstration of the product is a necessary ingredient to our business. We are not storing product at offsite locations, but rather we are temporarily using these generally licensed devices at offsite locations to educate our sales representatives. As mentioned above, this includes educating them on the regulatory issues related to the product.

Therefore, to correct this violation, we will request an amendment to our license to allow us to possess generally licensed devices at offsite locations for sales demonstration purposes.

- B3. Violation – Physical inventories were not conducted every six months.

Reason for Violation –The only generally licensed devices at this location are those affixed to the walls to comply with fire code regulations and a small number of sales samples. We do have an inventory of these devices.

Corrective Steps: We will maintain our perpetual physical inventory as we do now and will conduct physical inventories twice a year – on June 30th and December 31st.

Corrective Steps to Avoid Further Violation – Our Controller and Chief Financial Officer have been made aware of this requirement and will oversee the required inventory counting. Additionally, I have marked my calendar to insure our compliance.

- B4. Violation – Radiation Safety Training not updated at required interval.

Reason for Violation – A failure of administrative oversight.

Corrective Steps – On September 22, 2005, all employees at 31 Waterloo Avenue were given the required Radiation Safety Training and tested for comprehension. A copy of the Training Manual and the individual tests are on file.

Corrective Steps to Avoid Further Violation – Annual training will comply with the requirements of 10CFR20.1101.

C. Violation – Failure to Submit Quarterly Reports

Reason for Violation – A failure of administrative oversight.

Corrective Steps – Quarterly Reports for 2004 and Quarters 1 through 3, 2005 were submitted in October 2005. The reports for the Second Quarter of 1999 through 2003 will be submitted by the end of November 2005.

Corrective Steps to Avoid Further Violation – The required Quarterly Reports will be filed in a timely manner.

Please contact me if you have any questions concerning the responses above.

Sincerely,


William E. Lynch Jr.
President

Cc: US NRC Regional Administrator, Region 1