



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION IV
1600 E. LAMAR BLVD.
ARLINGTON, TX 76011-4511

May 10, 2016

Mr. Max W. Robertson
Lumondi, Inc.
dba Luminox Watch Company
2301 Kerner Blvd., Suite A
San Rafael, CA 94901

SUBJECT: NRC INSPECTION REPORT 030-37460/2016-001 AND NOTICE OF VIOLATION

Dear Mr. Robertson:

This refers to the routine, announced inspection conducted on March 7, 2016, at your facility in San Rafael, California. The inspection continued with in-office reviews until May 5, 2016. The inspection was an examination of activities conducted under exempt distribution license 04-23929-01E as they relate to compliance with the U.S. Nuclear Regulatory Commission's (NRC) rules and regulations and with the conditions of the license. Within these areas, the inspection consisted of observations of exempt products for distribution, selected examination of procedures and representative records, and interviews with personnel. The preliminary inspection findings were discussed with you at the conclusion of the onsite portion of the inspection. A final telephonic exit briefing was conducted with you on May 10, 2016.

Based on the results of this inspection, the NRC has determined that one violation of NRC requirements occurred. The violation was evaluated in accordance with the NRC Enforcement Policy, which can be found at the NRC's Web site at www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html. The violation is cited and described in the enclosed Notice of Violation (Notice). The violation is being cited in the Notice because it was identified by the NRC during the inspection. The violation involved the failure to limit the distribution of self-luminous timepieces to only the series specified in the NRC license.

You are required to respond to this letter and must follow the instructions specified in the enclosed Notice when preparing your response. The guidance in NRC Information Notice 96-28, "Suggested Guidance Relating to Development and Implementation of Corrective Action," may be helpful. You can find the Information Notice on the NRC Web site at <http://www.nrc.gov/reading-rm/doc-collections/gen-comm/info-notices/1996/in96028.html>. Information regarding the reason for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence, and the date when full compliance will be (was) achieved should be addressed. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter, its enclosure, and your response, will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide

Documents Access and Management System (ADAMS), accessible from the NRC's Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction.

Should you have any questions concerning this inspection, please contact Dr. Janine F. Katanic, CHP, at (817) 200-1151 or the undersigned at (817) 200-1191.

Sincerely,

/RA/

Ray L. Kellar, P.E., Chief
Nuclear Materials Safety Branch A
Division of Nuclear Materials Safety

Docket No: 030-37460
License No: 04-23929-01E

Enclosure:
Notice of Violation (Notice)

cc: California Radiation Control Program Director

Documents Access and Management System (ADAMS), accessible from the NRC's Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction.

Should you have any questions concerning this inspection, please contact Dr. Janine F. Katanic, CHP, at (817) 200-1151 or the undersigned at (817) 200-1191.

Sincerely,

/RA/

Ray L. Kellar, P.E., Chief
Nuclear Materials Safety Branch A
Division of Nuclear Materials Safety

Docket No: 030-37460
License No: 04-23929-01E

Enclosure:
Notice of Violation (Notice)

cc: California Radiation Control Program Director

DISTRIBUTION:

K. Kennedy, DRA:RIV
M. Shaffer, D:DNMS
L. Howell, DD:DNMS
R4DNMS_MS-A
R4DNMS_MS-B
S. Xu, NMSS
H. Gonzales, NMSS

ADAMS ACCESSION NUMBER: ML16131A787

<input checked="" type="checkbox"/> SUNSI Review By: JFK		ADAMS <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Publicly Available <input type="checkbox"/> Non-Publicly Available	<input checked="" type="checkbox"/> Non-Sensitive <input type="checkbox"/> Sensitive	Keyword:
OFFICE	RIV:DNMS/NMSB-A	C:NMSB-A			
NAME	JFKatanic	RLKellar			
SIGNATURE	/RA/	/RA/			
DATE	05/10/16	05/10/16			

OFFICIAL RECORD COPY

NOTICE OF VIOLATION

Lumondi, Inc. dba Luminox Watch Company
San Rafael, California

Docket No: 030-37460
License No: 04-23929-01E

During the U.S. Nuclear Regulatory Commission (NRC) inspection conducted on March 7, 2016, with continued in-office review through May 5, 2016, one violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

License Condition 10 of NRC License 04-23929-01E, Amendment No. 1, dated December 10, 2015, requires that the licensee is authorized to distribute the self-luminous timepieces series specified in letter dated November 24, 2015. License Condition 10 further specifies that the licensee shall request an amendment to the license if it intends to distribute any additional timepiece series not authorized by the license or if it intends to distribute any timepieces with hydrogen-3 activity exceeding the activity authorized in 10 CFR 30.15(a)(1).

Contrary to the above, between December 10, 2015, and March 7, 2016, the licensee failed to limit its distribution to only the self-luminous timepieces series specified in letter dated November 24, 2015, and failed to request an amendment to the license if it intended to distribute any additional timepiece series not authorized by the license. Specifically, the licensee distributed discontinued self-luminous timepieces (3400 series, 8150 series, and 8400 series) and new model self-luminous timepieces (3020 series and 9240 series) that were not specified in letter dated November 24, 2015, and failed to request an amendment to the license to distribute these self-luminous timepieces.

This is a Severity Level IV violation (Section 6.3.d).

Pursuant to the provisions of 10 CFR 2.201, Lumondi, Inc. dba Luminox Watch Company, is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001, with a copy to the Regional Administrator, Region IV, 1600 E. Lamar Blvd., Arlington, Texas, 76011, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation or severity level, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

Enclosure

If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information).

In accordance with 10 CFR 19.11(a)(4), you may be required to post this Notice within two working days.

Dated this 10th day of May 2016