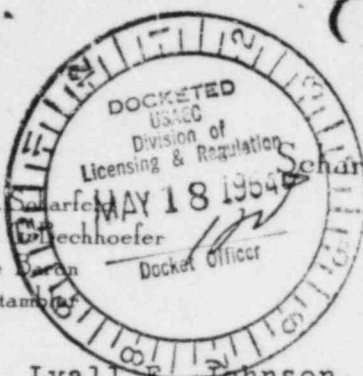


Arthur W. Scharfeld
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Theodore Baron
Arthur Stambler



Law Offices
Scharfeld, Bechhoefer, Baron & Stambler
5th Floor, 1710 H Street, N.W.
Washington 6, D.C.
May 15, 1964



Mr. Lyall E. Johnson, Acting Director
Division of Materials' Licensing
United States Atomic Energy Commission
Washington, D. C. 20545

Re: Docket No. 50-201

formal
File Copy

Dear Mr. Johnson:

As set forth in the application herein for construction permit and licenses, the American Machine & Foundry Company as a partial consideration for the stock of Nuclear Fuel Services, Inc., allotted to it, transferred to Nuclear Fuel Services, Inc., all the issued and outstanding stock of AMF-Atomics Canada, Ltd., an Ontario corporation which owned and operated a fuel fabrication plant at Port Hope, Ontario, Canada.

On April 2, 1964, substantially all the fixed assets and a portion of the quick assets pertaining to the fuel fabrication facility at Port Hope were sold and transferred by Nuclear Fuel Services, Inc., to Canadian Westinghouse Company, Limited, a Canadian corporation. The proceeds from this sale amounted to approximately \$437,000.00 (subject to adjustment, plus or minus, not exceeding \$10,000.00), and are payable in cash. In addition, Nuclear Fuel Services, Inc., retains cash and marketable securities of a value of \$226,000.00 which were not sold by AMF-Atomics Canada, Ltd., to Canadian Westinghouse Company, Ltd.

In the application herein it is stated, "The applicant will have two principal stockholders, Grace owning approximately seventy eight (78) percent and AMF owning approximately twenty-two (22) percent." Under existing arrangements the applicant will issue 1,000 shares of stock:- 800 shares to be issued to W. R. Grace and Company, 160 shares to American Machine & Foundry Company and 40 shares to AMF-Canada, Ltd., a Canadian Corporation, all the stock of which is owned by American Machine & Foundry Company.

We had contemplated including this material in the semi-annual report which the applicant filed covering the period from October 1, 1963, through March 31, 1964. However, this was not possible since the transactions were not completed until after the close of the period. We thought that this transaction should be brought to your attention at this time since it was completed so soon after the previous semi-annual report.

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Very truly yours,

Bernhard G. Bechhoefer
Bernhard G. Bechhoefer 2682
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