



BURT C. PROOM, CPCU
President

Dokey + F

April 30, 1981



Mr. Jerome Saltzman, Deputy Chief
Office of Antitrust & Indemnity
Directorate of Licensing
U. S. Nuclear Regulatory Commission
Washington, D.C. 20555

Subject: Claim Abstract #80
The Babcock and Wilcox Company, NF-83
Suit -- Matthew Chobanian and Yvonne Chobanian,
His Wife, Plaintiffs v. Babcock and Wilcox
Company, Defendants
U. S. District Court for the Western District
of Pennsylvania, Civil Action Number 80-400
D/O: November 30, 1966

Dear Mr. Saltzman:

We have received a notice of the suit in caption and have enclosed a copy of the complaint for your file.

Babcock and Wilcox's involvement in this suit comes about as a result of their subsequent purchase of the Nuclear Materials and Equipment Corporation (NUMEC) facility in Parks Township, Pennsylvania where Mr. Chobanian was employed.

To our knowledge, Babcock and Wilcox Company had no involvement with or relationship with Mr. Chobanian at the time he was injured in 1966 while employed by NUMEC and they apparently have now been sued because they eventually bought the business and "stand in the shoes of" the employer or may have contractually assumed some responsibility for this incident, which Mr. Chobanian seeks to reach in this action.

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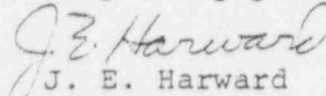
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We feel there is a serious coverage issue in this case inasmuch as our policy does not afford coverage for claims by employees against their employer nor for liability assumed by contract.

In any event, our investigation has commenced in an attempt to obtain facts necessary to resolve the coverage issue and our position will be communicated to Babcock and Wilcox as soon as the requisite information is developed.

Very truly yours,


J. E. Harward
Claim Manager

JEH/pbs
Enclosure