

MATERIALS LICENSE

Amendment No. 02

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and Title 10, Code of Federal Regulations, Chapter I, Parts 30, 31, 32, 33, 34, 35, 36, 39, 40, and 70, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below; to use such material for the purpose(s) and at the place(s) designated below; to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations, and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

301552

<p>Licensee</p> <p>1. Lansing Cardiovascular Institute, Inc.</p> <p>2. 5848 Executive Drive Lansing, MI 48911</p>	<p>In accordance with letters dated June 25, 1996, and July 22, 1996</p> <p>3. License Number 21-26498-01 is amended in its entirety to read as follows:</p> <p>4. Expiration Date June 30, 2003</p> <p>5. Docket or Reference No. 030-33183</p>
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<p>6. Byproduct, Source, and/or Special Nuclear Material</p> <p>A. Any byproduct material identified in 10 CFR 35.200</p>	<p>7. Chemical and/or Physical Form</p> <p>A. Any radiopharmaceutical identified in 10 CFR 35.200 limited to cardiovascular clinical procedures (excluding generators)</p>	<p>8. Maximum Amount that Licensee May Possess at Any One Time Under This License</p> <p>A. As needed</p>
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9. Authorized Use:

A. Medical use described in 10 CFR 35.200 limited to cardiovascular clinical procedures (excluding generators).

CONDITIONS

10. Licensed material shall be used only at the licensee's facilities located at 5848 Executive Drive, Lansing, Michigan.
11. Radiation Safety Officer: Jwala Prasad, M.D.
12. Licensed material listed in Item 6 above is only authorized for use by, or under the supervision of, the following individuals for the materials and uses indicated:

Authorized Users

Material and Use

Jashu R. Patel, M.D.

10 CFR 35.200 limited to cardiovascular clinical procedures (excluding generators).

Jwala Prasad, M.D.

10 CFR 35.200 limited to cardiovascular clinical procedures (excluding generators).

270093

9611270292 961101
PDR ADOCK 03033183
C PDR

COPY ML3 JAW 2

**MATERIALS LICENSE
SUPPLEMENTARY SHEET**

License Number
21-26498-01

Docket or Reference Number
030-33183

Amendment No. 02

13. The licensee shall maintain records of information related to decommissioning at the location listed in Item 2. of this license as specified in 10 CFR 30.35(g) until this license is terminated by the Commission.
14. The licensee may not possess and use materials authorized in Items 6, 7, and 8 until:
 - A. The licensee has constructed the facilities and obtained the equipment described in the application and supporting documentation; and
 - B. The U. S. Nuclear Regulatory Commission, Region III, ATTN: Chief, Materials Licensing Branch, 801 Warrenville Road, Lisle, IL 60532-4351 has been notified that activities authorized by the license will be initiated.
15. Within 30 days of the date of a decision not to complete the facility, acquire equipment, or possess and use authorized material, the licensee must notify the Commission in writing, of the decision.
16. Except as specifically provided otherwise in this license, the licensee shall conduct its program in accordance with the statements, representations, and procedures contained in the documents, including any enclosures, listed below, except for minor changes in the medical use radiation safety procedures as provided in 10 CFR 35.31. The U.S. Nuclear Regulatory Commission's regulations shall govern unless the statements, representations, and procedures in the licensee's application and correspondence are more restrictive than the regulations.
 - A. Application dated May 10, 1993; and
 - B. Letter dated January 14, 1995.

FOR THE U.S. NUCLEAR REGULATORY COMMISSION

Date 11/1/96

By James Mulhoney
Nuclear Materials Licensing Branch, Region III

COPY

BETWEEN:

LICENSE FEE MANAGEMENT BRANCH, ARM
AND
REGIONAL LICENSING SECTIONS

(FOR LFMS USE)
INFORMATION FROM LTS

PROGRAM CODE: 02201
STATUS CODE: 0
FEE CATEGORY: 7C
EXP. DATE: 20030630
FEE COMMENTS:
DECOM FIN ASSUR RECD? N

RECEIVED

JUL 22 1996

REGION III

R4

LICENSE FEE TRANSMITTAL

A. REGION

1. APPLICATION ATTACHED
APPLICANT/LICENSEE: LANSING CARDIOVASCULAR INSTIT., INC
RECEIVED DATE: 960702
DOCKET NO: 3033183
CONTROL NO.: 301552
LICENSE NO.: 21-26498-01
ACTION TYPE: AMENDMENT

2. FEE ATTACHED
AMOUNT: 500
CHECK NO.: 10710

3. COMMENTS

SIGNED
DATE

D. Hersey
7-5-96

B. LICENSE FEE MANAGEMENT BRANCH (CHECK WHEN MILESTONE 03 IS ENTERED ☒)

1. FEE CATEGORY AND AMOUNT: 7C \$440
2. CORRECT FEE PAID ☒ APPLICATION MAY BE PROCESSED FOR:
AMENDMENT
RENEWAL
LICENSE

3. OTHER

SIGNED
DATE

SC
7/9/96

Log	Jul 7 711
Remitter	Cardiology Consultants
Check No.	10710
Amount	1500 (\$440)
Fee Category	7C
Type of Fee	AMD
Date Check Rec'd	7/8/96
Date Completed	7/9/96
By	SC

Refund
\$460

CARDIOLOGY CONSULTANTS, PC.
JWALA PRASAD, M.D.
5848, EXECUTIVE DRIVE,
LANSING, MI. 48911
PH: 517-882-8222. FAX: 517-882-5345

DATE: JUN 25, 96

Chief, Materials Licensing Section,
United States Nuclear Regulatory Commission
REGION III
801 Warrenville Road,
Lisle, IL. 60532-4351

REG: License # 21-26498-01

Dear Sir/ Madam,

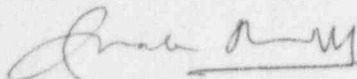
Please ammend our License #21-26498-01 to reflect the following change:

Change the name of the licensee to:

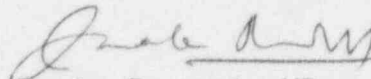
LANSING CARDIOVASCULAR INSTITUTE, Inc.
5848 Executive Drive,
Lansing, MI. 48911
Ph: 517-882-8222 Fax: 517-882-5345

All other conditions of this license will remain unchanged.
A check for the Ammendment fee of \$500.00 is attached.

Sincerely,



Jwala Prasad, MD
President,
Cardiology Consultants PC
LICENSEE



Jwala Prasad, MD
President,
Lansing Cardiovascular
Institute Inc.

38-3239510

RECEIVED

JUL 02 1996

REGION III

301552

FTD ADDRESS CHANGE

Employer Identification Number (EIN)

OMB No. 1545-0257

An address change here changes your
address on the FTD coupons only.

38-3239510 180112 3 2

|||||

17

LANSING CARDIO-VASCULAR INSTITUTE

5848 EXECUTIVE DR

LANSING

MI 48911-5303

New
Address _____

City _____

State _____ Zip _____

Telephone Number () _____

Do not write beyond this line

INTERNAL REVENUE SERVICE CENTER

CINCINNATI, OH 45999

Send FTD Address Change and correspondence to the IRS address above.

DIVISION OF ACCOUNTING AND FINANCE REQUEST FOR REFUND TO EMPLOYEE/VENDOR

THE EMPLOYEE/VENDOR IDENTIFIED BELOW HAS OVERPAID THE NUCLEAR REGULATORY COMMISSION FOR GOODS AND/OR SERVICES PROVIDED AND IS DUE A REFUND

EMPLOYEE/VENDOR/PAYEE CODE:

NAME: Lansing Cardiology Consultants

ADDRESS: Attn: Dr. Swala Prasad

ADDRESS: 5848 Executive Drive

CITY: Lansing STATE: MI ZIP: 48911

TRANS CODE: PX

TRANS TYPE: FE FUND: X5280 JOB CODE: _____ AMOUNT: \$60⁰⁰

TRANS TYPE: IR FUND: R1435 JOB CODE: INTR AMOUNT:

TRANS TYPE: IR FUND: R1099 JOB CODE: ADCH AMOUNT:

TRANS TYPE: IR FUND: R1099 JOB CODE: FINE AMOUNT:

TOTAL REFUND AMOUNT: \$60⁰⁰

COMMENTS: Lic 21-26498-01/CK 10710/Rfnd

6/25/96 Reg.

(Limit comments to 40 characters, including spaces)

PREPARED BY: Shirley Crutchfield DATE: 7/9/96

AUTHORIZED BY: Shadia Finkler DATE: 7/11/96

ORIGINAL INV. NO: _____ DATE PAID: 0 AMOUNT: _____

REFUND ENTERED INTO COLLECT BY:

REFUND DETERMINED BY: _____ DATE: _____

Jul 7 ^{III}
7C AMD \$500 CK 10710
\$440 netd 6/26/96

PLEASE ATTACH APPROPRIATE SUPPORTING DOCUMENTATION

301552

NOV 08 1996

Jwala Prasad, M.D.
Radiation Safety Officer
Lansing Cardiovascular
Institute, Inc.
5848 Executive Drive
Lansing, MI 48911

Dear Dr. Prasad:

Enclosed is Amendment No. 02 to your NRC Material License No. 21-26498-01 in accordance with your request.

Please review the enclosed document carefully and be sure that you understand all conditions. If there are any errors or questions, please notify the U.S. Nuclear Regulatory Commission, Region III office at (630) 829-9887 so that we can provide appropriate corrections and answers.

Please also note that the expiration date on your NRC license was extended five years in accordance with 10 CFR 30.36(2).

Please be advised that your license expires at the end of the day, in the month, and year stated in the license. Unless your license has been terminated, you must conduct your program involving byproduct materials in accordance with the conditions of your NRC license, representations made in your license application, and NRC regulations. In particular, note that you must:

1. Operate in accordance with NRC regulations 10 CFR Part 19, "Notices, Instructions and Reports to Workers; Inspections," 10 CFR Part 20, "Standards for Protection Against Radiation," and other applicable regulations.
2. Notify NRC, in writing, within 30 days:
 - a. When an authorized user or Radiation Safety Officer permanently discontinues performance of duties under the license or has a name change; or
 - b. When the licensee's mailing address changes (no fee is required if the location of byproduct material remains the same).
3. In accordance with 10 CFR 30.36(b) and/or license condition, notify NRC, promptly, in writing, and request termination of the license when you decide to terminate all activities involving materials authorized under the license.

301552

4. Request and obtain a license amendment before you:
 - a. Receive or use byproduct material for a clinical procedure permitted under Part 35 but not permitted by your license issued pursuant to this Part;
 - b. Permit anyone, except individuals described in 10 CFR 35.13(b), to work as an authorized user under the license;
 - c. Change Radiation Safety Officers;
 - d. Order byproduct material in excess of the amount, or radionuclide, or form different than authorized on the license;
 - e. Add or change the areas of use or address or addresses of use identified in the license application or on the license; or
 - f. Change ownership of your organization.
5. Submit a complete renewal application with proper fee or termination request at least 30 days before the expiration date of your license. You will receive a reminder notice approximately 90 days before the expiration date. Possession of byproduct material after your license expires is a violation of NRC regulations. A license will not normally be renewed, except on a case-by-case basis, in instances where licensed material has never been possessed or used.

In addition, please note that NRC Form 313 requires the applicant, by his/her signature, to verify that the applicant understands that all statements contained in the application are true and correct to the best of the applicant's knowledge. The signatory for the application should be the licensee or certifying official rather than a consultant.

You will be periodically inspected by NRC. Failure to conduct your program in accordance with NRC regulations, license conditions, and representations made in your license application and supplemental correspondence with NRC will result in enforcement action against you. This could include issuance of a notice of violation, or imposition of a civil penalty, or an order suspending, modifying or revoking your license as specified in the General Policy and Procedures for NRC Enforcement Actions. Since serious consequences to employees and the public can result from failure to comply with NRC requirements,

J. Prasad

-3-

prompt and vigorous enforcement action will be taken when dealing with licensees who do not achieve the necessary meticulous attention to detail and the high standard of compliance which NRC expects of its licensees.

Sincerely,

Original Signed By
James R. Mullauer, M.H.S.
Health Physicist
Nuclear Materials Licensing Branch

License No.: 21-26498-01
Docket No.: 030-33183

Enclosure: Amendment No. 02

DOCUMENT NAME: M:\03033183.CL6

To receive a copy of this document, indicate in the box: "C" = Copy without attachment/enclosure "E" = Copy with attachment/enclosure "N" = No copy

OFFICE	DNMS/PH								
NAME	JMULLAUER:jaw								
DATE	11/1/96								

OFFICIAL RECORD COPY

CARDIOLOGY CONSULTANTS, PC.
JWALA PRASAD, M.D.
5848, EXECUTIVE DRIVE,
LANSING, MI. 48911
PH: 517-882-8222. FAX: 517-882-5345

DATE: OCT 22, 1996

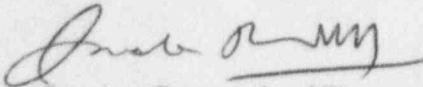
James Mullauer
United States Nuclear Regulatory Commission
REGION III
801 Warrenville Road,
Lisle, IL. 60532-4351

REG: License # 21-26498-01 Amendment filed 6/25/96

Dear Mr. Mullauer,

As I had mentioned to you on the phone on OCT 16, 1996 I had sent a response to your faxed letter; a copy of which is attached herewith. I would appreciate it if you could contact me as soon as possible if you have any additional concerns.

Sincerely,



Jwala Prasad, MD
RSO and President
Cardiology Consultants PC
and
Lansing Cardiovascular Institute, Inc.

RECEIVED
NOV 05 1996
REGION III

pm: 10-29-96

NOV 05 1996

CARDIOLOGY CONSULTANTS, PC.
JWALA PRASAD, M.D.
5848. EXECUTIVE DRIVE.
LANSING, MI. 48911
PH: 517-882-8222. FAX: 517-882-5345

DATE: JUL 22, 1996

James Mullauer
United States Nuclear Regulatory Commission
REGION III
801 Warrenville Road,
Lisle, IL. 60532-4351

REG: License # 21-26498-01 Ammendment filed 6/25/96

Dear Mr. Mullauer,

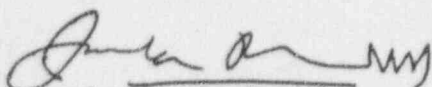
This is in response to your request for additional information with regards to the above ammendment. As I had stated on the phone the current licensee Cardiology Consultants PC is 100% owned by me and so is the Lansing Cardiovascular Institute. The reason for request of transfer of license is due to the fact that I will be taking additional partners or shareholders in Cardiology Consultants PC in the near future. By transferring the license to Lansing Cardiovascular Institute I would prevent unauthorized use or control of the current Cardiac/Nuclear testing lab or facility. The building (facility) and the equipment are owned by me and leased back to the corporation except for licensed materials which are owned by the licensee, which will be appropriately transferred if this ammendment is accepted by NRC.

There will be no change in the location, possession, use or storage of the licensed materials nor any changes in the personnel. Essentially except for the change of name there will be no changes at all. I am currently the RSO and will continue to be so.

Cardiology Consultants PC and Lansing Cardiovascular Institute hereby agree to follow all the guidelines as outlined on NRC form IN 89-75.

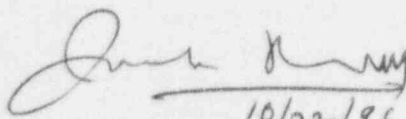
The transfer is only on paper without any financial deal. I have responded to the issues on the IN 89-75 form the best I could, but if you still have any questions or concerns please contact me as soon as possible.

Sincerely,



Jwala Prasad, MD

RSO and President Cardiology Consultants PC
President Lansing Cardiovascular Institute, Inc.



10/22/96

CARDIOLOGY CONSULTANTS, PC.
JWALA PRASAD, M.D.
5848, EXECUTIVE DRIVE,
LANSING, MI. 48911
PH: 517-882-8222. FAX: 517-882-5345

DATE: JUL 22, 1996

James Mullauer
United States Nuclear Regulatory Commission
REGION III
801 Warrenville Road,
Lisle, IL. 60532-4351

REG: License # 21-26498-01 Ammendment filed 6/25/96

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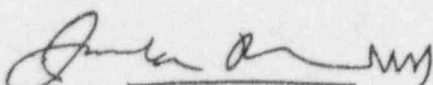
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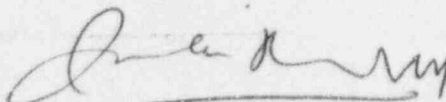
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Sincerely,



Jwala Prasad, MD

RSO and President Cardiology Consultants PC
President Lansing Cardiovascular Institute, Inc.



10/22/96

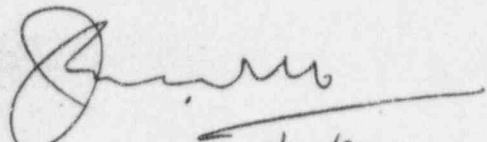
INFORMATION NEEDED FOR CHANGE OF OWNERSHIP APPLICATION

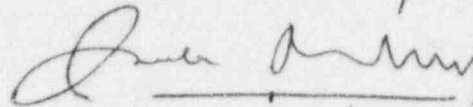
The applicant should provide the following information concerning changes of ownership or control by the applicant (transferor and/or transferee, as appropriate):

1. The new name of the licensed organization. If there is no change, the licensee should so state. *(SEE AMENDMENT)*
2. The new licensee contact and telephone number(s) to facilitate communications. *(SEE AMENDMENT)*
3. Any changes in personnel having control over licensed activities (e.g., officers of a corporation) and any changes in personnel named in the license such as radiation safety officer, authorized users, or any other persons identified in previous license applications as responsible for radiation safety or use of licensed material. The licensee should include information concerning the qualifications, training, and responsibilities of new individuals. *(SEE LETTER ATTACHED 7/22/96)*
4. An indication of whether the transferor will remain in non-licensed business without the license. *NO [Signature] (SEE LETTER 7/22/96)*
5. A complete, clear description of the transaction, including any transfer of stocks or assets, mergers, etc., so that legal counsel is able, when necessary, to differentiate between name changes and changes of ownership. *SEE LETTER 7-22-96*
6. A complete description of any planned changes in organization, location, facility, equipment, or procedures (i.e., changes in operating or emergency procedures). *SEE LETTER 7/22/96*
7. A detailed description of any changes in the use, possession, location or storage of the licensed materials. *SEE LETTER 7/22/96*
8. Any changes in organization, location, facilities, equipment, procedures or personnel that would require a license amendment even without the change of ownership. *SEE LETTER 7/22/96*
9. An indication of whether all surveillance items and records (e.g., calibrations, leak tests, surveys, inventories, and accountability requirements) will be current at the time of transfer. A description of the status of all surveillance requirements and records should also be provided. *SEE LETTER 7/22/96*

10. Confirmation that all records concerning the safe and effective decommissioning of the facility, pursuant to 10 CFR 30.35(g); 40.36(f), 70.25(g), and 72.30(d); public dose; and waste disposal by release to sewers, incineration, radioactive material spills, and on-site burials, have been transferred to the new licensee, if licensed activities will continue at the same location, or to the NRC for license terminations. *N/A*
11. A description of the status of the facility. Specifically, the presence or absence of contamination should be documented. If contamination is present, will decontamination occur before transfer? If not, does the successor company agree to assume full liability for the decontamination of the facility or site? *N/A*
12. A description of any decontamination plans, including financial assurance arrangements of the transferee, as specified in 10 CFR 30.35, 40.36, and 70.25. This should include information about how the transferee and transferor propose to divide the transferor's assets, and responsibility for any cleanup needed at the time of transfer. *N/A*
13. Confirmation that the transferee agrees to abide by all commitments and representations previously made to NRC by the transferor. These include, but are not limited to: maintaining decommissioning records required by 10 CFR 30.35(g); implementing decontamination activities and decommissioning of the site; and completing corrective actions for open inspection items and enforcement actions. *See LOTION 7/22/96*
- With regard to contamination of facilities and equipment, the transferee should confirm, in writing, that it accepts full liability for the site, and should provide evidence of adequate resources to fund decommissioning; or the transferor should provide a commitment to decontaminate the facility before change of control or ownership. *N/A See LOTION 7/22/96*
- With regard to open inspection items, etc., the transferee should confirm, in writing, that it accepts full responsibility for open inspection items and/or any resulting enforcement actions; or the transferee proposes alternative measures for meeting the requirements; or the transferor provides a commitment to close out all such actions with NRC before license transfer. *See LOTION 7/22/96*
14. Documentation that the transferor and transferee agree to the change in ownership or control of the licensed material and activity, and the conditions of transfer; and the transferee is made aware of all open inspection items and its responsibility for possible resulting enforcement actions. *See LOTION 7/22/96*

15. A commitment by the transferee to abide by all constraints, conditions, requirements, representations, and commitments identified in the existing license. If not, the transferee must provide a description of its program, to ensure compliance with the license and regulations. *See letter 7/21/96*


7/21/96


10/21/96

CARDIOLOGY CONSULTANTS, PC.
JWALA PRASAD, M.D.
5848, EXECUTIVE DRIVE,
LANSING, MI. 48911
PH: 517-882-8222. FAX: 517-882-5345

DATE: JUN 25, 96

Chief, Materials Licensing Section,
United States Nuclear Regulatory Commission
REGION III
801 Warrenville Road,
Lisle, IL. 60532-4351

REG: License # 21-26498-01

Dear Sir/ Madam,

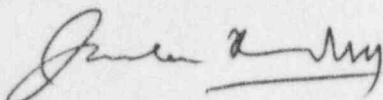
Please ammend our License #21-26498-01 to reflect the
following change:

Change the name of the licensee to:

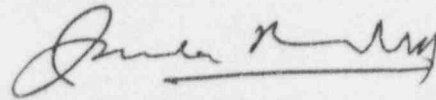
LANSING CARDIOVASCULAR INSTITUTE, Inc.
5848 Executive Drive,
Lansing, MI. 48911
Ph: 517-882-8222 Fax: 517-882-5345

All other conditions of this license will remain unchanged.
A check for the Ammendment fee of \$500.00 is attached.

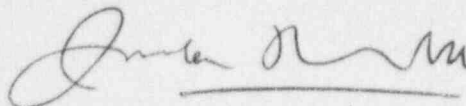
Sincerely,



Jwala Prasad, MD
President,
Cardiology Consultants PC
LICENSEE



Jwala Prasad, MD
President,
Lansing Cardiovascular
Institute Inc.


10/22/06

A
030-33183

CARDIOLOGY CONSULTANTS, PC.
JWALA PRASAD, M.D.
5848, EXECUTIVE DRIVE,
LANSING, MI. 48911
PH: 517-882-8222. FAX: 517-882-5345

DATE: JUN 25, 96

Chief, Materials Licensing Section,
United States Nuclear Regulatory Commission
REGION III
801 Warrenville Road,
Lisle, IL. 60532-4351

REG: License # 21-26498-01

Dear Sir/ Madam,

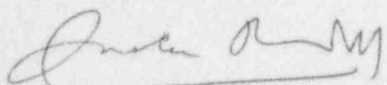
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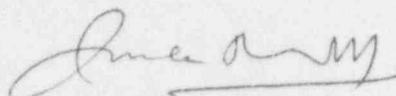
LANSING CARDIOVASCULAR INSTITUTE, Inc.
5848 Executive Drive,
Lansing, MI. 48911
Ph: 517-882-8222 Fax: 517-882-5345

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Sincerely,



Jwala Prasad, MD
President,
Cardiology Consultants PC
LICENSEE



Jwala Prasad, MD
President,
Lansing Cardiovascular
Institute Inc.

#38-3239510

RECEIVED
JUL 02 1996
REGION III

301552

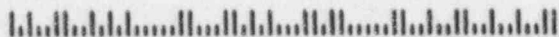
FTD ADDRESS CHANGE

Employer Identification Number (EIN)

OMB No. 1545-0257

An address change here changes your
address on the FTD coupons only.

38-3239510 180112 3 2



17

LANSING CARDIO-VASCULAR INSTITUTE
5848 EXECUTIVE DR
LANSING MI 48911-5303

New
Address _____

City _____

State _____ Zip _____

Telephone Number () _____

Do not write beyond this line

INTERNAL REVENUE SERVICE CENTER
CINCINNATI, OH 45999

Send FTD Address Change and correspondence to the IRS address above.



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION III
801 WARRENVILLE ROAD
LISLE, ILLINOIS 60532-4351

July 5, 1996

Wala Prasad, M.D.
Radiation Safety Officer
Lansing Cardiovascular Institute, Inc.
5848 Executive Drive
Lansing, MI 48911

SUBJECT: ACKNOWLEDGEMENT OF CORRESPONDENCE
(Letter Dated 06/25/96)

Dear Licensee:

In response to your request, we have completed the initial processing, which is an administrative review of your application for a(n):

☐ New License ☒ Amendment ☐ Renewal
☐ Termination ☐ Auth User (Amendment not required) ☐ QMP Revision
☐ Other _____

No administrative deficiencies were identified during this initial review. However, it should be noted that a technical review may identify omissions in the submitted information, technical issues that require additional information, or policy/technical issues that require coordination with headquarters or other NRC regional offices.

It appears that your request is routine (see 1-3 below, as applicable) and complete.

1. New and amendment actions are normally processed within 90 days, unless we find major deficiencies, or policy issues requiring central program office assistance.
2. Renewal actions are normally processed within 180 days, however, under timely filing (before expiration), you may continue to operate under your existing license.
3. Termination actions are normally processed within 90 days, unless confirmatory surveys following decontamination/decommissioning activities are involved.

A copy of your correspondence has been forwarded to our Licensing Fee and Debt Collection Branch (301/415-6097) for approval of the fee category and amount.

If you have a compelling safety or business-related reason for requesting expedited review, please contact the Materials Licensing Branch at (708) 829-9887. We will try to complete your request as soon as practicable. Any correspondence about this request should reference the control number.

Nuclear Materials Support Branch

Mail Control No. 301552
License No. 21-26498-01

UNITED STATES
NUCLEAR REGULATORY COMMISSION
OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS
WASHINGTON, D.C. 20555

December 7, 1994

NRC INFORMATION NOTICE 89-25, REV. 1: UNAUTHORIZED TRANSFER OF OWNERSHIP
OR CONTROL OF LICENSED ACTIVITIES

Addressees

All fuel cycle and material licensees.

Purpose

NRC is issuing this revised information notice to clarify previous guidance concerning the information to be submitted to NRC, prior to a change of ownership or control. The notice also incorporates recent information from NRC's Office of the General Counsel (OGC) concerning the transferee's liability for open inspection issues and potential enforcement actions from past violations; and responsibility for decontamination activities and decommissioning of the site. It is expected that recipients will review this notice, distribute it to responsible staff, and consider actions as appropriate, to ensure compliance with NRC requirements concerning the transfer of control of licensed activities. However, suggestions contained in this notice are not new NRC requirements; therefore, no written response is required.

Background

This information notice was originally issued to inform licensees of their responsibility to provide timely notification to NRC before the planned transfer of ownership or control of licensed activities and obtain prior written consent to such action from NRC, as specified in Title 10 of the Code of Federal Regulations, 10 CFR 30.34(b), 40.46, and 70.36. Specific guidance was also provided outlining the information to be submitted by licensees concerning changes of ownership or control resulting from mergers, buy-outs, or majority stock transfers.

Discussion

Section 30.34(b) states: "No license issued or granted pursuant to the regulations in this part, Parts 31 through 36, and 39, nor any right under a license shall be transferred, assigned or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of

control of any license to any person, unless the Commission shall, after securing full information, find that the transfer is in accordance with the provisions of the Act and shall give its consent in writing." Similar regulations are contained in 10 CFR 40.46 and 70.36. Thus, the regulations are very clear that control of licenses cannot be transferred without prior written permission from the Commission.

Although it is not NRC's intent to interfere with the business decisions of licensees, it is necessary for licensees to provide timely notification to NRC whenever such decisions could involve changes in the corporate structure responsible for management oversight, control, or radiological safety of licensed materials. Full information on changes of ownership or control of licensed activities should be submitted to the appropriate NRC regional or Headquarters office, 90 days prior to the proposed action. The purpose of such notification is to allow NRC to assure that: (1) radioactive materials are possessed, used, owned, or controlled only by persons who have valid NRC licenses; (2) materials are properly handled and secured; (3) persons using such materials are capable, competent, and committed to implement appropriate radiological controls; (4) licensees provide adequate financial assurance for compliance with NRC requirements; and (5) public health and safety are not compromised by the use of such materials. Although the burden of notification is on the existing licensee, it may still be necessary for the transferee¹ to provide supporting information or to independently coordinate the change in ownership or control with the appropriate NRC office.

NRC licensees planning to transfer ownership, to change the corporate status, or to change control of licensed activities are required to provide sufficient prior notice and full information about the change to NRC, and to obtain written consent from the Commission before the transfer. Failure to comply with this requirement may adversely affect the public health and safety and interfere with NRC's ability to inspect licensed activities. Cases where change of ownership or control has occurred without prior written consent from NRC will be treated as noncompliance with the provisions of 10 CFR 30.34 (or the similar provisions of 10 CFR 40.46, and 70.36), and will be referred to the inspection staff and/or Office of Investigations, as appropriate. The failure to receive required NRC approval prior to a change in ownership or control of licensed activities is considered to be a Severity Level III violation and may warrant escalated enforcement action, to include civil penalties and orders.

¹A Transferee is an organization proposing purchase or otherwise gaining control of an NRC-licensed operation.

if indicated by the circumstances, against one or both of the parties involved. Willful failure to obtain prior NRC approval of the transfer may result in referrals to the Department of Justice for consideration of criminal prosecution.

Licensees should note that a license cannot be sold or transferred by itself to a transferee. In situations where a licensed company is purchased in its entirety, and the transferor² will not continue in business as a separate entity, the purchase can be approved if the license is amended to reflect any name changes, compliance with financial assurance requirements, personnel changes, or any other change that would normally require an amendment. If there are no changes, an amendment may not be necessary and the transferee and transferor will be notified by letter that NRC has no objection to the sale, based on written statements from the transferee/transferor confirming that no changes in the licensed operation will occur as a result of the sale.

In cases where a licensed operation is purchased from a transferor, who continues in business as a separate entity (without the license), the transferee must submit an application for an amendment to the license to reflect the change in identity of the licensee, compliance with financial assurance requirements, and any other pertinent changes in the operation. The transferee can use the transferor's docketed documents as a basis for preparing the license amendment application. Usually a new license will not be issued. However, the transferee can always apply for a new license by providing a complete application. If a new license is issued, the transferor must request termination of its license as a separate action.

In order to maintain their availability, records important to the safe and effective decommissioning of the facility and all records concerning public dose and waste disposal need to be transferred to the new licensee or to NRC in cases of terminations. Therefore, no transfers or changes of ownership or license terminations will be authorized until all information or records concerning decommissioning of the facility, radiation doses to the public and waste disposal, such as releases to sewers, incineration, radioactive spills, and on-site burials, have been transferred to the new licensee, if licensed activities will continue at the same location, or to NRC for license terminations.

²A Transferor is an NRC licensee selling or otherwise giving up control of a licensed operation.

Attachment 1 outlines the information needed by the NRC to approve changes of ownership or control. This information notice requires no specific action nor written response. If you have any questions about the information in this notice, please contact the technical contact listed below or the appropriate regional office.



Carl J. Paperiello, Director
Division of Industrial and
Medical Nuclear Safety
Office of Nuclear Material Safety
and Safeguards

Technical contact: Susan L. Greene, NMSS
(301) 415-7843

Attachments:

1. Information Needed for Change of Ownership
2. List of Recently Issued NMSS Information Notices
3. List of Recently Issued NRC Information Notices

INFORMATION NEEDED FOR CHANGE OF OWNERSHIP APPLICATION

The applicant should provide the following information concerning changes of ownership or control by the applicant (transferor and/or transferee, as appropriate):

1. The new name of the licensed organization. If there is no change, the licensee should so state.
2. The new licensee contact and telephone number(s) to facilitate communications.
3. Any changes in personnel having control over licensed activities (e.g., officers of a corporation) and any changes in personnel named in the license such as radiation safety officer, authorized users, or any other persons identified in previous license applications as responsible for radiation safety or use of licensed material. The licensee should include information concerning the qualifications, training, and responsibilities of new individuals.
4. An indication of whether the transferor will remain in non-licensed business without the license.
5. A complete, clear description of the transaction, including any transfer of stocks or assets, mergers, etc., so that legal counsel is able, when necessary, to differentiate between name changes and changes of ownership.
6. A complete description of any planned changes in organization, location, facility, equipment, or procedures (i.e., changes in operating or emergency procedures).
7. A detailed description of any changes in the use, possession, location or storage of the licensed materials.
8. Any changes in organization, location, facilities, equipment, procedures, or personnel that would require a license amendment even without the change of ownership.
9. An indication of whether all surveillance items and records (e.g., calibrations, leak tests, surveys; inventories, and accountability requirements) will be current at the time of transfer. A description of the status of all surveillance requirements and records should also be provided.

10. Confirmation that all records concerning the safe and effective decommissioning of the facility, pursuant to 10 CFR 30.35(g), 40.36(f), 70.25(g), and 72.30(d); public dose; and waste disposal by release to sewers, incineration, radioactive material spills, and on-site burials, have been transferred to the new licensee, if licensed activities will continue at the same location, or to the NRC for license terminations.
11. A description of the status of the facility. Specifically, the presence or absence of contamination should be documented. If contamination is present, will decontamination occur before transfer? If not, does the successor company agree to assume full liability for the decontamination of the facility or site?
12. A description of any decontamination plans, including financial assurance arrangements of the transferee, as specified in 10 CFR 30.35, 40.36, and 70.25. This should include information about how the transferee and transferor propose to divide the transferor's assets, and responsibility for any cleanup needed at the time of transfer.
13. Confirmation that the transferee agrees to abide by all commitments and representations previously made to NRC by the transferor. These include, but are not limited to: maintaining decommissioning records required by 10 CFR 30.35(g); implementing decontamination activities and decommissioning of the site; and completing corrective actions for open inspection items and enforcement actions.

With regard to contamination of facilities and equipment, the transferee should confirm, in writing, that it accepts full liability for the site, and should provide evidence of adequate resources to fund decommissioning; or the transferor should provide a commitment to decontaminate the facility before change of control or ownership.

With regard to open inspection items, etc., the transferee should confirm, in writing, that it accepts full responsibility for open inspection items and/or any resulting enforcement actions; or the transferee proposes alternative measures for meeting the requirements; or the transferor provides a commitment to close out all such actions with NRC before license transfer.
14. Documentation that the transferor and transferee agree to the change in ownership or control of the licensed material and activity, and the conditions of transfer; and the transferee is made aware of all open inspection items and its responsibility for possible resulting enforcement actions.

15. A commitment by the transferee to abide by all constraints, conditions, requirements, representations, and commitments identified in the existing license. If not, the transferee must provide a description of its program, to ensure compliance with the license and regulations.