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June 29, 2020

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06/29/2020

Mail Control Number: 621335

Docket Number : 3038754

License Number : 15-29301-02

Licensee Name : DBI, Inc.

ML20182A604

Materials Inspection Branch
Division of Nuclear Materials Safety
US NRC Region IV
Arlington, TX 76011

Attention: Carol Hill

Re: Possible Change of Name / Control
Docket: 030-38754
License: 15-29301-02

Dear Ms. Hill,

In accordance with Section 5 of NUREG-1556; Vol. 15, Rev. 1, DBI, Inc., a Nebraska corporation, is contemplating a change of name and possible change of control requiring review and response from the NRC.

The responses to the information needed document provided under the above referenced notice follow:

1. The new name of the licensed organization. If there is no change, the license should so state.

DBI, LLC

2. The new licensee contact, telephone number(s), and email address to facilitate communications.

Matt Slaymaker, RSO:

(913) 238-2429

mslaymaker@dbindt.com

Jeff Hilfiker:

(for business related matters)

(402) 613-7892

jhilfiker@dbindt.com

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 applicant should include information concerning the qualifications, training and responsibilities of new individuals.

Officers of the current licensee will remain as officers in new company. Matt Slaymaker, (current Radiation Safety Officer), will remain as new company Radiation Safety Officer. Mr. Slaymaker will continue to report to Jeff Hilfiker under proposed organizational structure.

4. An indication of whether the transferor will remain in non-licensed business activities without the license.

Timing of change of control contingent on transferring license to new company.

Lenexa, Kansas
15440 W. 109th St.
Lenexa, KS 66219
Phone: (913) 888-2321
Fax: (913) 888-2351

Lincoln, Nebraska
5330 N. 57th St.
Lincoln, NE 68507
Phone: (402) 467-1818
Fax: (913) 888-2351

Wichita, Kansas
2559 S. Sheridan St.
Wichita, KS 67217
Phone: (316) 831-9323
Fax: (913) 888-2351

Cushing, Oklahoma
600 N Euclaw Valley Rd
Cushing, OK 74023
Phone: (407) 707-7557
Fax: (913) 888-2351

Tulsa, Oklahoma
8282 S. Regency Dr.
Tulsa, OK 74131
Phone: (918) 248-2339
Fax: (913) 888-2351

Denver, Colorado
3777 Puritan Way, Unit D
Frederick, CO 80516
Phone: (720) 408-8438
Fax: (913) 888-2351

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.

DBI, Inc. is currently in negotiations with a ERI Holdings, LLC whereby DBI would (a) convert into a Nebraska limited liability company, (b) change its name to DBI, LLC and then (c) its owners would sell a majority of the outstanding equity interest in DBI. After the proposed transaction, the current officers of DBI would continue to be the officers of the new entity. Attached as Exhibit "A", please find a pre- and post-transaction organizational chart showing the entity structure of DBI, Inc./DBI, LLC. In addition, attached as Exhibit "B", please find a copy of the audited financial statements of ERI Holdings, LLC for 2018 and 2019.

6. A complete description of any planned changes in organization, location, facility, equipment, or procedures (i.e., changes in operating or emergency procedures).

There are no planned changes to facilities, locations, storage, equipment, licensed materials or operating procedures.

7. A detailed description of any changes in the use, possession, location, or storage of the licensed materials.

No planned 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.

No planned 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.

All equipment maintenance and records of such are up to date and will be current at the time of transfer. All records will remain in possession of the new entity moving forward.

10. Confirmation that all records concerning the safe and effective decommissioning of the facility; public dose; and waste disposal by release to sewers, incineration, radioactive material spill, and on-site burials, have been transferred to the new license, if licensed activities will continue at the same location.

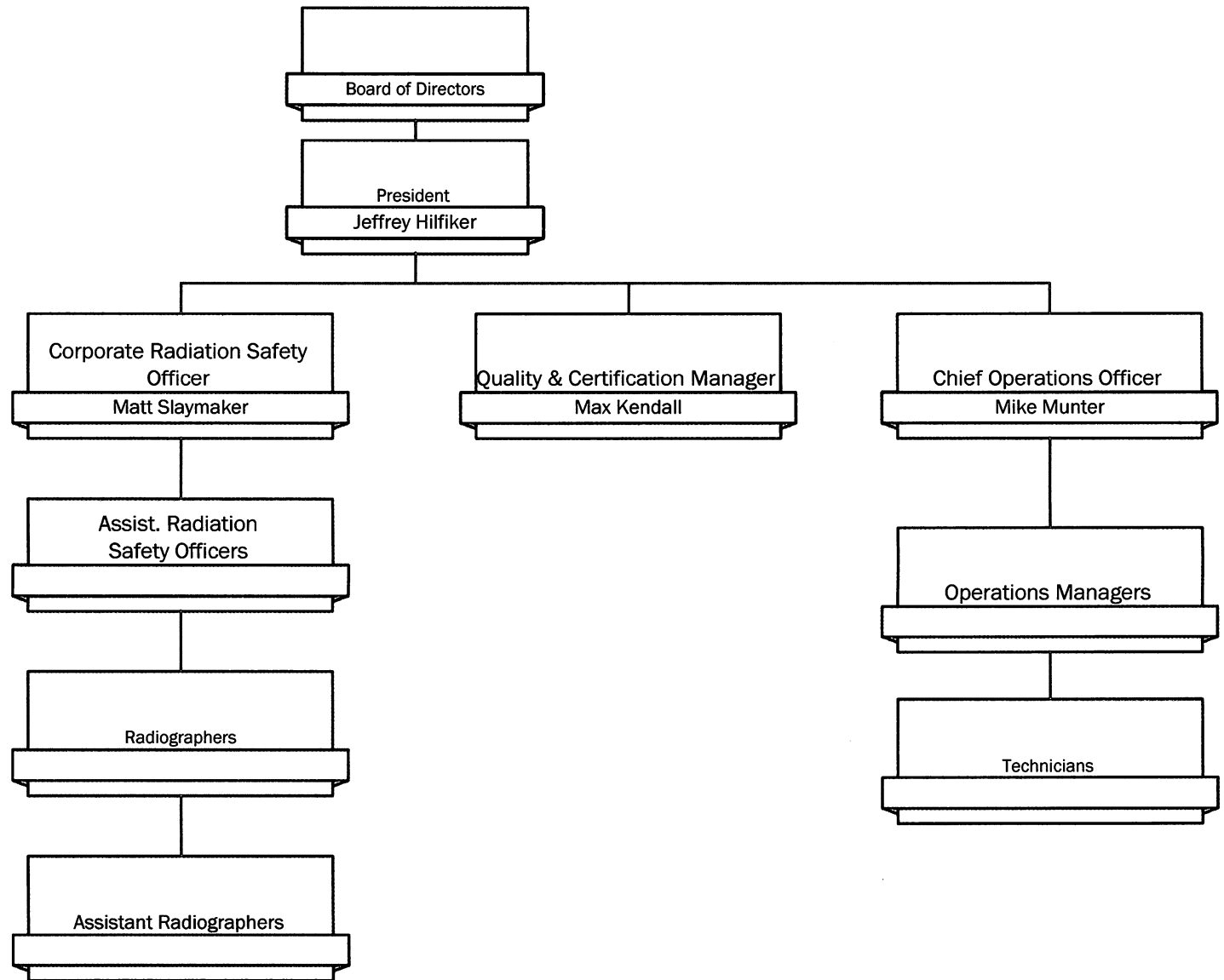
Licensed activities will continue at the same locations.

If you have any questions regarding this matter, please do not hesitate to contact me, Jeff Hilfker, at (402) 613-7892, as I will be the Senior Vice President, Operations of DBI, LLC post-closing.

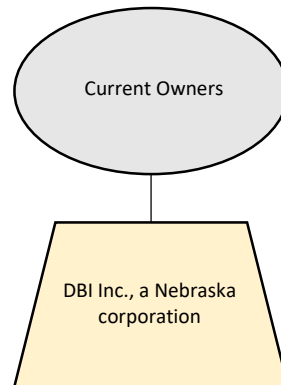
Sincerely,


Jeffrey D. Hilfker

Current Corporate Organizational Chart




DRAFT Work not completed | Subject to review and change



Legend

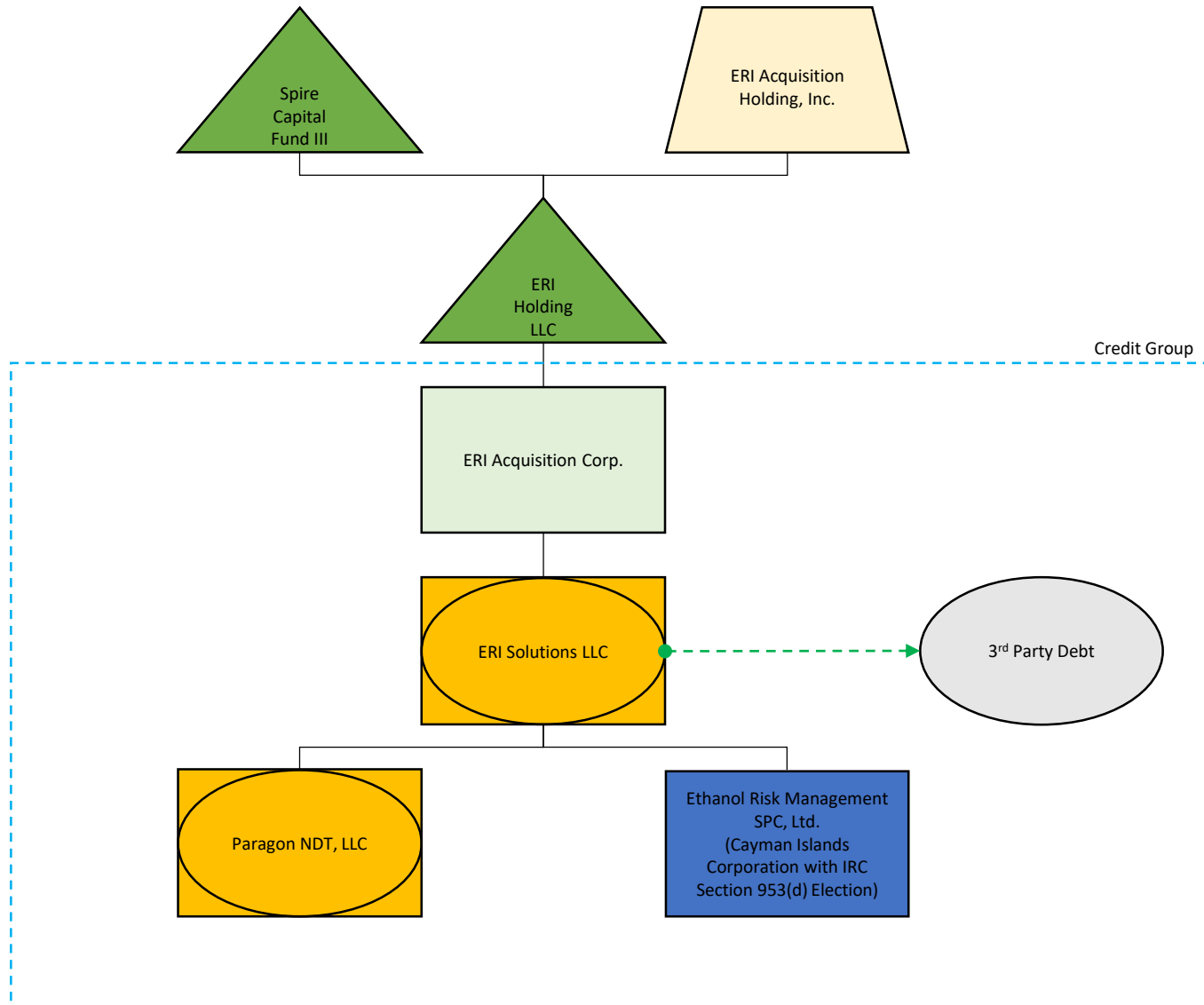
(Classification for US Tax Purposes)

-  Foreign Corporation
-  Individual/Other
-  C Corporation
-  S Corporation
-  Partnership
-  Disregarded Entity
-  Hybrid Entity (Partnership for US purposes / corporation for foreign purposes)

Debtor Creditor

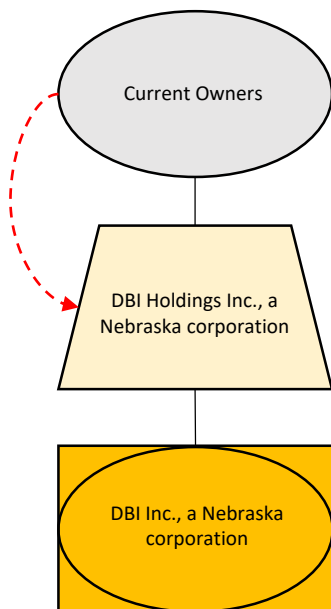
Buyer Structure

DRAFT Work not completed | Subject to review and change



LLC Dropdown

DRAFT Work not completed | Subject to review and change



Proposed Step 1:

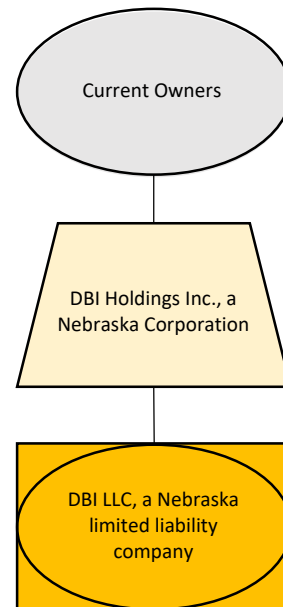
- Sellers incorporate a new corporation, DBI Holdings, Inc. ("DBI Holdings") and contribute the stock of DBI Inc. ("DBI") to it. DBI Holdings makes a protective S corporation election.
- DBI Holdings elects to classify DBI as a qualified subchapter S subsidiary ("QSub") for federal income tax purposes, effective the same date as the contribution.

US Federal Income Tax Discussion:

- Pursuant to Revenue Ruling 2008-18, the contribution and subsequent election to classify DBI as a QSub should be characterized as a Section 368(a)(1)(F) reorganization.
- DBI's tax year will not terminate. DBI Holdings will need to obtain a new employer identification number and report DBI's activity on its federal income tax return going forward.

LLC Conversion

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Proposed Step 2:

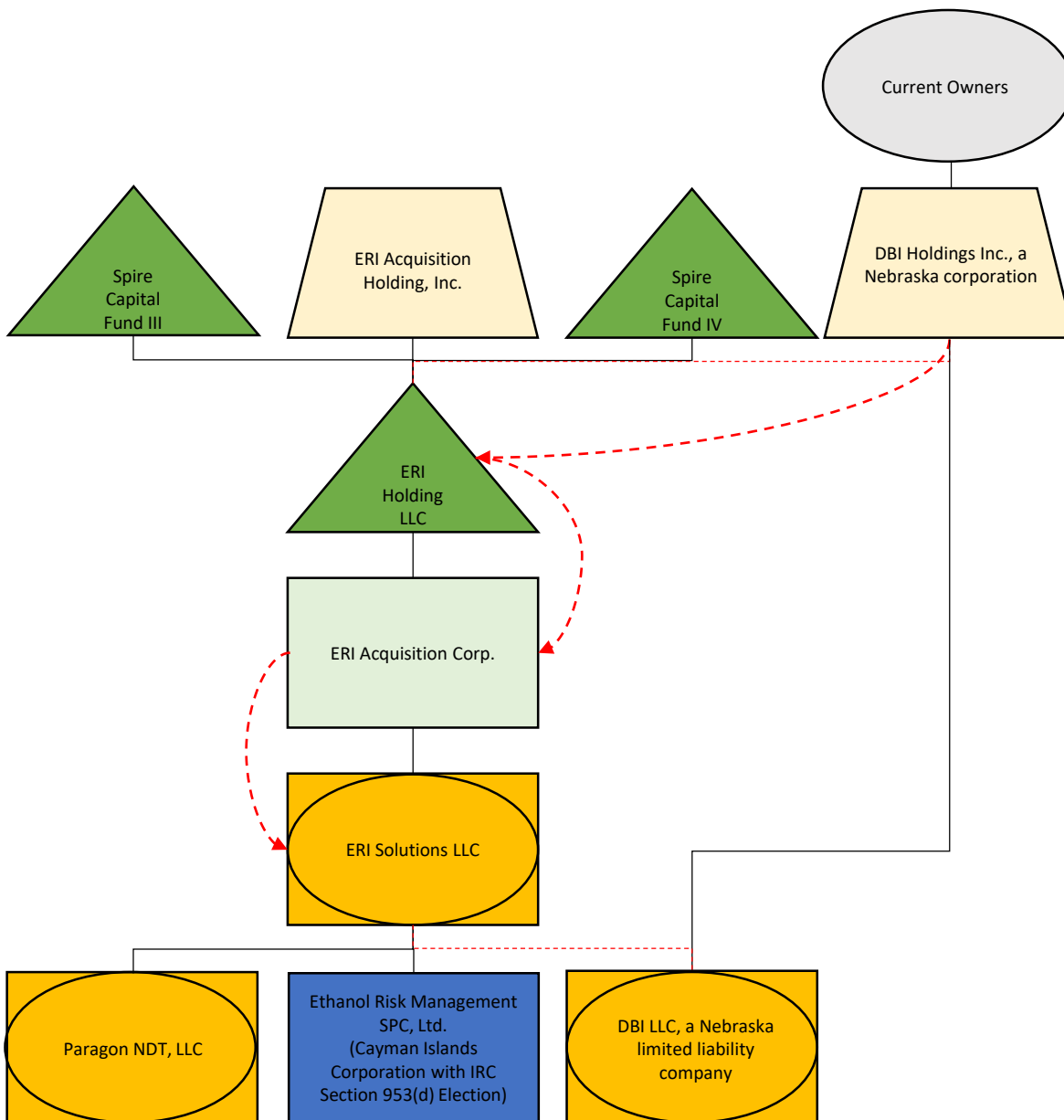
- DBI converts to an LLC pursuant to state law ("DBI LLC").

US Federal Income Tax Discussion:

- None

Tax-Deferred Rollover

DRAFT Work not completed | Subject to review and change



Proposed Step 4:

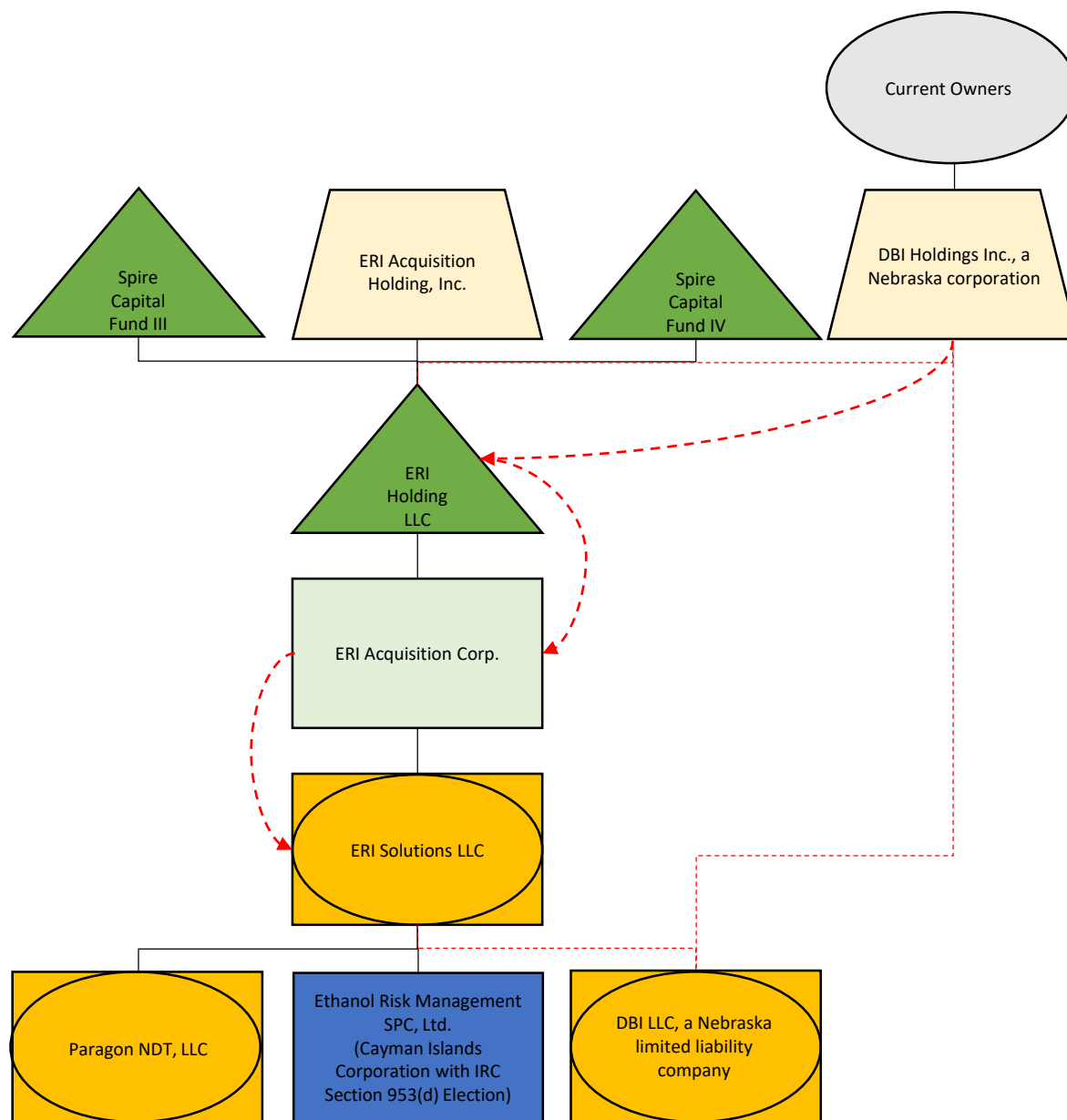
- DBI Holdings contributes **[21.4%]** of the membership interests of DBI LLC to ERI Holdings, which are then contributed down to ERI Solutions.

US Federal Income Tax Discussion:

- The contribution of the DBI LLC membership interests should be nontaxable.

Acquisition of DBI LLC

DRAFT Work not completed | Subject to review and change



Proposed Step 5:

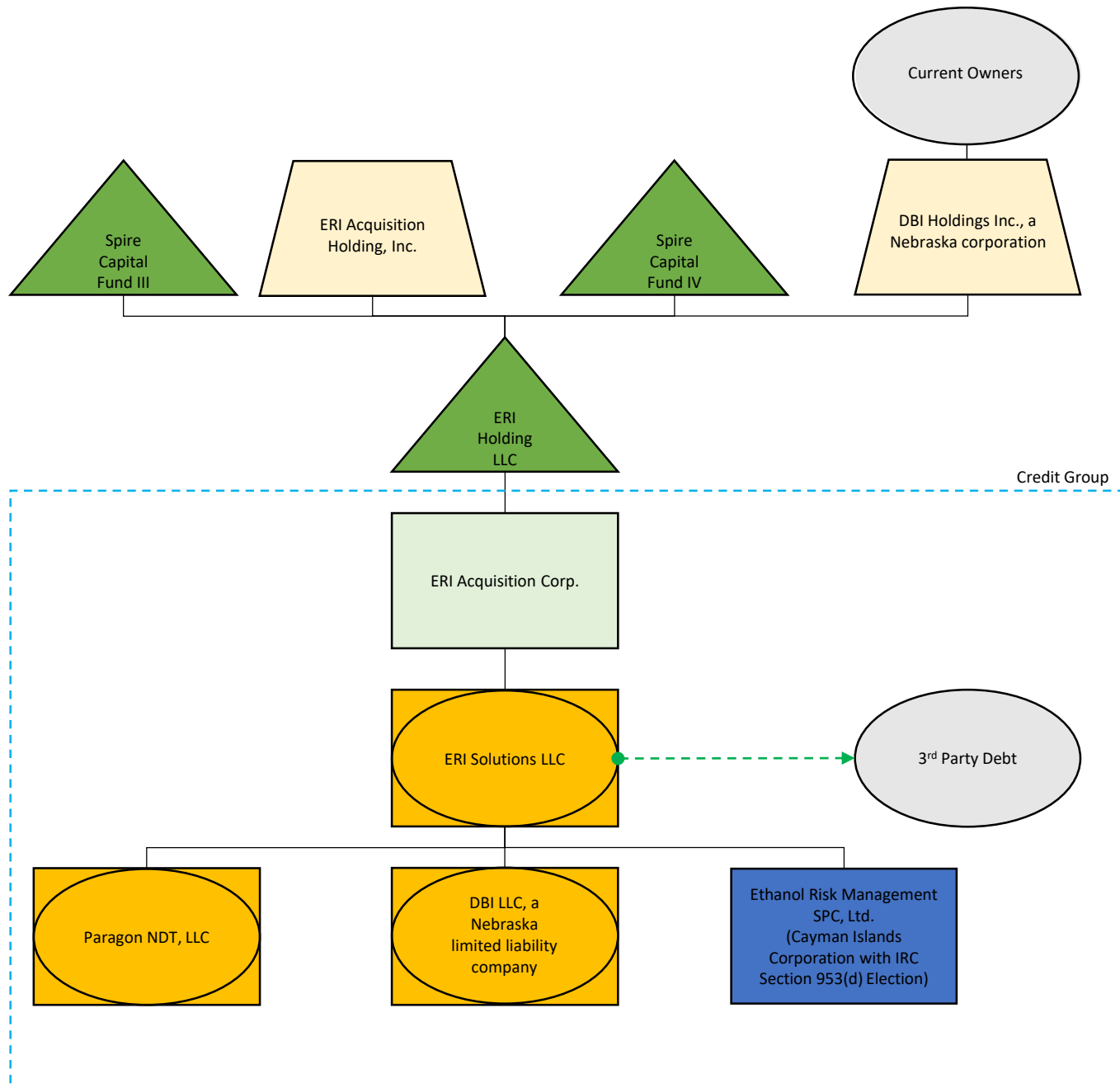
- ERI Solutions purchases the remaining **[78.6%]** of the membership interests of DBI LLC from DBI Holdings for **[\$X]**.

US Federal Income Tax Discussion:

- The purchase by ERI Solutions of **[78.6%]** of the membership interests of DBI LLC should be characterized as a purchase of **[78.6%]** of each asset of DBI LLC.

Final Structure

DRAFT Work not completed | Subject to review and change



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5G5D`hc`fYgc`j Y`WUub[Y`cZVebhfc`hja]b[`
ei Ygh]cbg``Hn Ub_gz`7Ufc```

From: [Jeff Hilfiker](#)
To: [Hill, Carol](#); [Gersey, Linda](#)
Subject: [External_Sender] DBI, Inc – License: 15-29301-02; Docket 030-38754
Date: Monday, June 29, 2020 1:52:53 PM
Attachments: [2020-06-29 NRC - Change Notification \(License 15-29301-02\).pdf](#)

Carol,

Please see the attached information regarding a contemplated change of name/change of control event for DBI, Inc. (Reference License No.: 15-29301-02; Docket: 030-38754)

This contemplated event is tentatively scheduled to close on or before July 8, 2020 with appropriate permissions from all applicable regulatory agencies.

Please advise on permissions to close as noted, or next steps required for the noted license. Please indicate whether the next steps must be completed in advance of closing or if they may be completed post-closing.

Regards,

Jeffrey D. Hilfiker, CWI, ASNT NDT Level III
President



DBI INCORPORATED

Quality Inspections and Consulting Services

15440 W. 109th St. | Lenexa, Kansas 66219

P: 913.888.2321 | F: 913.888.2351 | M: 402.613.7892

jhilfiker@dbindt.com | www.dbindt.com