



OAKTREE

system|one

December 9, 2020

Division of Nuclear Materials Safety
U.S. Nuclear Regulatory Commission, Region I
2100 Renaissance Blvd, Suite 100
King of Prussia, Pennsylvania 19406

**SUBJECT: Application for Approval of Indirect Transfer of Control
License No. 37-27891-02 (Docket No. 030-37788)
Expedited Review Requested (by or before January 15, 2021)**

Oaktree Capital Group LLC (“Oaktree”) and Thomas H. Lee Partners, L.P. (“Thomas H. Lee Partners”) (collectively, the “Applicants”) request written approval by the U.S. Nuclear Regulatory Commission (“NRC”) for the proposed indirect transfer of control of Radioactive Materials License No. 37-27891-02 (the “License”). The License is held by System One Holdings, LLC (“System One” or the “Licensee”). System One is a subsidiary of funds managed by Thomas H. Lee Partners.

For pressing business reasons, the Applicants request expedited review and approval of this application by January 15, 2021, or sooner, if possible, and prompt posting of this application to the NRC website for the 30-day comment period.

The indirect transfer of control would occur upon the closing of a planned transaction (the “Closing”) under which funds managed by Oaktree would indirectly acquire all of the equity of the Licensee from the funds managed by Thomas H. Lee Partners. Post-Closing, the Licensee would still hold the License, with all the same employees, equipment, facilities, personnel and procedures in place related to licensed activities. The Licensee’s EIN number would also remain the same. The only material change is that the Licensee would now be indirectly controlled by Oaktree instead of Thomas H. Lee Partners.¹ Attachment 1 provides the license transfer application, with more information about the planned transaction. Attachment 2 presents a simplified pre- and post-Closing organizational chart.

The ultimate buyer, Oaktree (<https://www.oaktreecapital.com>) is a global alternative investment management firm with a diversified mix of global investment strategies in credit, private equity, real assets, and listed equities, including in the energy sector. The majority of Oaktree’s owned assets are located in the United States. Oaktree is headquartered in Los Angeles. Brookfield Asset Management Inc. (“Brookfield”) is a significant indirect participant in Oaktree, holding among other things an approximate 14% voting interest in Oaktree, rights to select a portion of the

¹ Certain members of System One’s management and co-investors will also obtain a minority indirect interest in System One as part of the transaction.

Oaktree board of directors, and certain economic interests in the Oaktree funds acquiring System One.²

Oaktree is a known entity to the NRC, as it is an investor in SHINE Medical Technologies, LLC, which holds NRC nuclear reactor construction permit CPMIF-001.³ NRC Region I has previously determined that minority investments in NRC licensees satisfy the NRC “known entity” review.⁴ Brookfield is also a known entity to the NRC, as it is the controlling shareholder of Westinghouse, a significant NRC licensee and operator of the Columbia, South Carolina nuclear fuel fabrication facility under NRC License SNM-1107.⁵

The Licensee, System One (<https://www.systemoneservices.com>) provides outsourced and technical services as well as recruiting and other workforce solutions for a wide variety of clients. System One has five significant end markets: engineering and technical solutions, government and IT services, digital and creative, legal, and clinical and scientific. Nuclear energy staffing and services are a core part of System One’s business, supporting the full nuclear generation lifecycle from licensing and construction to operations and maintenance. System One is headquartered in Pittsburgh and has over 50 locations across the United States. System One’s current controlling parent, Thomas H. Lee Partners, is a U.S. private equity firm headquartered in Boston. It specializes in middle-market growth companies in the financial services, healthcare, and technology and business solutions industries.

The Applicants expect the transaction to close upon receipt of regulatory approvals. The Applicants therefore respectfully request the NRC’s expedited review and written approval of this planned license transfer by January 15, 2021, or sooner, if possible, to support the closing schedule. The Applicants further request that the NRC promptly post this application to its website for the 30-day comment period.

If you have any questions or comments pertaining to this transaction, please contact Oaktree’s counsel for nuclear regulatory matters, Amy Roma, at Hogan Lovells US LLP (202-637-6831/amy.roma@hoganlovells.com).

Enclosures: Attachment 1, License Transfer Application
 Attachment 2, Simplified Organizational Chart Describing the Transaction

cc: Amy Roma, Hogan Lovells US LLP
 John O’Loughlin, Weil, Gotshal & Manges LLP
 Licensee’s Radiation Safety Officer

² Apart from Brookfield, no individual investor holds a significant interest in Oaktree or its funds.

³ See SHINE Medical Technologies, LLC Application for an Operating License, Response to Environmental Requests for Additional Information, at 25 (Mar. 13, 2020) (ADAMS Accession No. ML20073E880) (noting an affiliate of Oaktree’s substantial \$50M investment into SHINE Medical Technologies, LLC).

⁴ See, e.g., Goodrich Corporation License Transfer, Safety Evaluation Report, at 2 (June 15, 2020) (ADAMS Accession No. ML20169A274).

⁵ See Safety Evaluation Report, Transfer of Control of Westinghouse NRC Licenses to Brookfield-Led Consortium (June 28, 2018) (ADAMS Accession No. ML18162A243).

I declare under penalty of perjury under the laws of the United States of America that to the best of my knowledge the information contained in the license transfer application pertaining to Oaktree Capital Group LLC and its affiliates is true and correct.

Executed on December 8, 2020

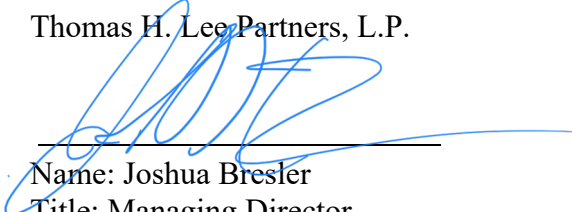
A handwritten signature in black ink, appearing to read 'H. Orren', followed by a horizontal line.

Henry Orren
Vice President
Oaktree Capital Group LLC
333 South Grand Ave., 28th Floor
Los Angeles, CA 90071

I declare under penalty of perjury under the laws of the United States of America that to the best of my knowledge the information contained in the license transfer application pertaining to Thomas H. Lee Partners, L.P. and its affiliates, and System One Holdings, LLC is true and correct.

Executed on December 9, 2020

Thomas H. Lee Partners, L.P.



Name: Joshua Bresler

Title: Managing Director
c/o Thomas H. Lee Partners, L.P.
100 Federal Street, 35th Floor
Boston, Massachusetts 20110

Attachment 1

License Transfer Application

This information is submitted consistent with Chapter 5 (Change of Control) and Appendix E (Information Needed for Transfer of Control Application) of the U.S. Nuclear Regulatory Commission's guidance document NUREG-1556, Vol. 15, Rev. 1, *Consolidated Guidance About Materials Licenses: Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses*.

1. Describe any planned changes in the organization, including but not limited to, transfer of stocks or assets and mergers, change in members on Board of Directors, etc. Provide the new licensee name, mailing address, and contact information, including phone numbers. Clearly identify when the amendment request is due to a name change only.

System One Holdings, LLC ("System One" or the "Licensee") holds NRC Radioactive Materials License No. 37-27891-02 (the "License"). System One is owned by funds managed by Thomas H. Lee Partners, L.P. ("Thomas H. Lee Partners"). Pursuant to a planned transaction between Thomas H. Lee Partners and Oaktree Capital Group LLC ("Oaktree," and together with Thomas H. Lee Partners the "Applicants"), Oaktree plans to indirectly acquire all of the equity of the Licensee from the Thomas H. Lee Partners funds. Attachment 2 to this transmittal presents a simplified pre- and post-Closing organizational chart.

The planned transaction will not impact the day-to-day operation of the Licensee. Following the Closing, the Licensee will still hold the License, with all the same employees, equipment, facilities, personnel and procedures related to licensed activities. The Licensee will remain in business at the same addresses, with the same name and EIN number, and with the same Radiation Safety Officer listed in the License. The only material change is that the Licensee would now be indirectly controlled by Oaktree.¹ There are no other changes expected from this transaction.

2. Describe any changes in personnel or duties that relate to the licensed programs. Include training and experience for new personnel and any changes in the training program.

There are no planned changes in personnel or duties that relate to the licensed programs.

3. Describe any changes in the location, facilities, equipment, radiation safety programs, use, possession, waste management, or other procedures that relate to the licensed program.

There are no such changes planned in connection with the transaction.

¹ Certain members of System One's management and co-investors will also obtain a minority indirect interest in System One as part of the transaction. In addition, as discussed in the cover letter to this application, Brookfield is a significant participant in Oaktree and the Oaktree funds.

4. Describe the status of the licensee's facilities, equipment, and radiation safety program, including any known contamination and whether decontamination will occur prior to transfer. Include the status of calibrations, leak tests, area surveys, wipe tests, training, quality control, and related records.

The status of the Licensee's regulated equipment and radiation safety programs will not change in connection with the transaction. There is no known contamination. All calibrations, leak tests, area surveys, wipe tests, training, quality control, and related records are current.

5. If current decommissioning funding plans (DFP) will be changed as a result of the transfer, the revised DFP should be submitted. If other financial assurance documents will be changed as a result of the transfer, confirm that all financial assurance instruments associated with the license will be held in the transferee's name before the license is transferred, and as required by 10 CFR 30.35(f), the licensee must, within 30 days, submit financial instruments reflecting such changes.

DFP or financial assurance instruments are not required under the License.

6. Confirm that all records concerning the safe and effective decommissioning of the facility will be transferred to the transferee or to the regulator, as appropriate. These records include documentation of surveys of ambient radiation levels and fixed and/or removable contamination, including methods and sensitivity.

The Applicants confirm that such records will remain with the Licensee, that they are current, and that they will be current at the time of the transfer.

7. Confirm that both transferor and transferee agree to transferring control of the licensed material and activity, and the conditions of transfer, and that the transferee has been made aware of any open inspection items and its responsibility for possible resulting enforcement actions.

The Applicants confirm that they have agreed to the change in control over the Licensee. There are no open inspection items pertaining to the License.

8. Confirm that the transferee will abide by all constraints, conditions, requirements, representations, and commitments of the transferor or that the transferee will submit a complete description of the proposed licensed program.

The transferee confirms that the NRC Licensee, and to the extent necessary, the transferee, will continue to abide by all constraints, conditions, requirements, representations and commitments identified in and attributed to the existing License post-Closing.

9. The transferee, in the case of fuel cycle facilities, shall provide documentation showing that it is financially qualified to conduct normal operations. The information can be in the form of income statements and balance sheet forecasts.

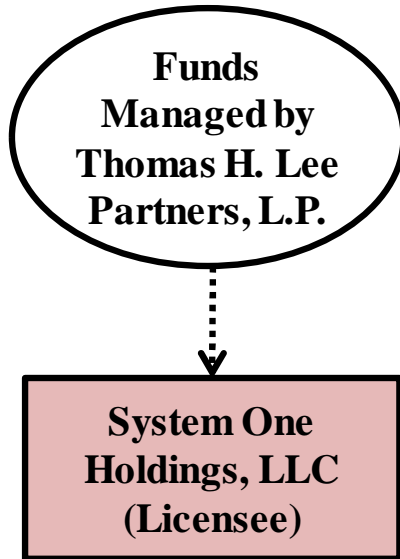
This question is not applicable for this License.

Attachment 2

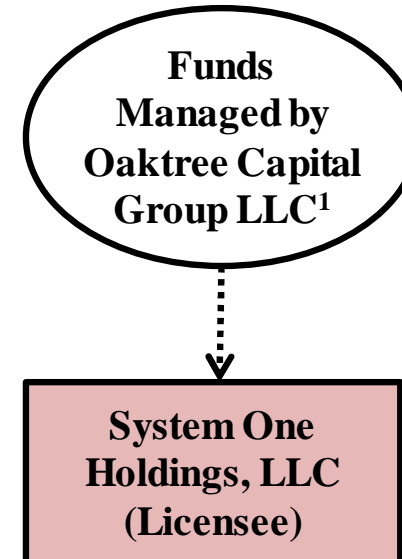
Simplified Organizational Chart Describing the Transaction

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PRE-CLOSING



POST-CLOSING



.....➤ *Indirect control*

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