



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION I
2100 RENAISSANCE BLVD.
KING OF PRUSSIA, PA 19406-2713

April 18, 2022

Lon P. Wilson, President
CDL Nuclear Technologies, LLC
6400 Brooktree Court, Suite 320
Wexford, PA 15090

**SUBJECT: CDL NUCLEAR TECHNOLOGIES, LLC, ACCEPTANCE OF NOTIFICATION OF
CHANGE OF CONTROL, MAIL CONTROL NO. 628688**

Dear Mr. Wilson:

By letter dated September 23, 2021 [Agencywide Documents Access and Management System (ADAMS) Accession Number ML21270A220], CDL Nuclear Technologies, Inc. ("CDL") submitted to the U.S. Nuclear Regulatory Commission (NRC) a request for written consent to an indirect transfer of control of NRC Materials License number 37-30120-01. In accordance with Section 184 of the Atomic Energy Act of 1954, as amended (AEA), and 10 CFR 30.34, the NRC consents to the transfer.

CDL Nuclear Technologies, Inc. is authorized by the NRC for the possession and use of byproduct material under Part 30. By letter dated September 23, 2021, CDL Nuclear Technologies, Inc. requested written consent to the indirect transfer of control of its license from the NRC. Because the license was issued under 10 CFR Part 30, "Rules of General Applicability to Domestic Licensing of Byproduct Material," the NRC must find that the transfer is in accordance with the provisions of the AEA and, if so, must give its consent in writing prior to the transfer, in accordance with Section 184 of the AEA and 10 CFR 30.34(b). Additionally, the NRC staff reviewed the indirect transfer of control request using the guidance in NUREG-1556, Volume 15, Revision 1, "Consolidated Guidance About Materials Licenses – Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses," dated June 2016.

10 CFR 30.34(b) states:

- (1) No license issued or granted pursuant to the regulations in parts 30 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.
- (2) An application for transfer of license must include:
 - (i) The identity, technical and financial qualifications of the proposed transferee; and
 - (ii) Financial assurance for decommissioning information required by [10 CFR] 30.35.

As described in ADAMS package accession number ML21270A197, the indirect transfer of control will result from a planned transaction under which the current stockholders of the Licensee will transfer their interests in the Licensee indirectly to CDL Holding Company, LLC ("CDL Holding"), a newly formed company created to support the Transaction. Excellere Capital Management II, LLC ("Excellere") will own a combined interest of roughly 56% in CDL Holding. The other shareholders of CDL Holding will be The Halifax Group (approximately 28%), and rollover equity holders consisting of one of the Licensee's current owners (Keith Loiselle) and members of the Licensee's current executive management team (approximately 16%).

The request for an indirect transfer of ownership was posted for public comment on the NRC website for 30 days in accordance with 10 CFR Part 2, Subpart M and as described in NRC's Regulatory Issue Summary 2014-08, Revision 1. No comments were received from members of the public.

In the request for a direct transfer of ownership, CDL Nuclear Technologies, Inc. provided information regarding its current decommissioning funding plans. Based on the information provided, CDL Nuclear Technologies, Inc. is not required to have financial assurance for decommissioning because of the types and amount of material authorized in its license.

Further, the NRC conducted an inspection of CDL Nuclear Technologies, Inc. on 08/10/2021 at 1 Healthy Way, Berkely Springs, West Virginia and virtually reviewed records maintained at the Pennsylvania site. Pennsylvania is an Agreement State and, therefore, all inspections of the Pennsylvania site are performed by the PA Department of Environmental Protection. The NRC identified no violations.

Additionally, as described in its request, Excellere commits that it:

- A. will not change the radiation safety officer listed in the NRC license;
- B. will not change the locations, facilities, and equipment authorized in the NRC license;
- C. will not change the radiation safety program authorized in the NRC license;
- D. will keep regulatory required surveillance records and decommissioning records;
- E. will change the name to CDL Nuclear Technologies, LLC;

Based on these commitments, the NRC staff finds that the licensee request adequately documents the constraints, license conditions, requirements, representations, and commitments made by the transferee, consistent with 10 CFR 30.34(b) and Chapter 5 and Appendix E of NUREG-1556, Vol. 15, Rev. 1.

Excellere is a private equity investment firm based in Denver, Colorado since its founding in 2006. Excellere, through a newly formed company created to facilitate the transaction, will acquire a collective majority ownership and controlling interest in the licensee. As part of the request for written consent to the transfer of control, the NRC staff engaged in discussions with representatives of Excellere. During these discussions, and subsequent correspondence, Excellere provide additional information about several subsidiaries that have various federal and state licenses or registrations where Excellere is the majority owner. For example, SePRO Corporation currently possesses 93 U.S. Environmental Protection Agency pesticide registrations, SCA Pharmaceuticals holds non-resident state permits allowing the shipment of pharmaceutical products and a U.S. Food and Drug Administration registered facility, and AIS Healthcare holds various licenses and permits from the U.S. Drug Enforcement Administration

and states. Based on the information Excellere's representatives provided in discussions and correspondence, the NRC has reasonable assurance that the licensed material and licensed activities will be used for its intended purpose and not for malevolent use. Therefore the NRC does not need to perform a pre-licensing visit.

An environmental assessment for this action is not required because this action is categorically excluded under 10 CFR 51.22(c)(21).

The staff has reviewed the request for an indirect transfer of control of 37-30120-01. The NRC staff finds that the indirect transfer of control is in accordance with Section 184 of the AEA and 10 CFR 30.34(b) and consents to the transfer. Please note that you will need to notify us promptly, in writing, after the transaction has been finalized and include a signed copy of the sales agreement confirming completion of the transaction. If this planned sale has not been consummated within 30 days of the date of this letter, please notify us in writing.

Future changes in the licensee's name, licensed use, licensed materials, licensed location, persons responsible for licensed material, or other changes to the corporate organizational structure require submission of a request to amend the license or a request to transfer the license. NRC approval must be received prior to implementation of any such proposed change.

In accordance with 10 CFR 2.390, a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC website at <https://www.nrc.gov/reading-rm/adams.html>. If you have any questions regarding this letter, please contact Robert Gallagher at (610) 337-5182 or via electronic mail at Robert.gallagher@nrc.gov.

Thank you for your cooperation in this matter.

Sincerely,

Robert Gallagher, Health Physicist
Medical and Licensing Assistance Branch
Division of Nuclear Materials Safety
Region I

License No.	37-30120-01
Docket No.	03033422
Mail Control No.	628688

CDL NUCLEAR TECHNOLOGIES, LLC., ACCEPTANCE OF NOTIFICATION OF CHANGE
OF CONTROL, MAIL CONTROL NO. 628688 DATED APRIL 18, 2022

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DATE	4/18/2022	4/18/2022						

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