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*"Innovative Therapies for Cancer and Other Diseases"*

March 15, 2006

Docket No. 03034903

License No.

3-30489-01

US Nuclear Regulatory Commission  
ATTN: Document Control Desk  
Washington, DC 20555

SUBJECT: Reply to Notice of Violation

AVAX Technologies, Inc. recognizes the need for full compliance with NRC requirements and regulations. We take seriously the findings of the inspector and have taken action to correct those findings cited herein.

- A. In violation of 10 CFR 30.36(d)(3) the company failed to notify the agency with-in 60 days that we had entered a period of no principle activity. This condition had existed for a period of more than 24 months at the time of the inspection in September 2005. This violation occurred because the company did not have any individual that was sufficiently familiar with the regulations under 10 CFR that govern the possession, handling, storage and use of nuclear materials to realize we were out of compliance. Since the inspection in September of 2005, I have taken responsibility for our radiation safety program. I am studying the regulations as they apply to Avax Technologies and our license, and I am in the process of bringing our facility into complete compliance with the current regulations. This letter, the January 23, 2006 amendment request letter, and my March 1, 2006 intent to comply (re: Section B) letter are all evidence of the changes that have been implemented. The actual violation was addressed and corrected in the January 23 letter to your office. The corrective action plan is to work with the agency to amend the license, change the RSO named on the license to Henry Schea and to ensure compliance going forward through an understanding and knowledge of the current regulations and any changes as they are published.
- B. In violation of 10 CFR 20.1101(c) the company failed to conduct an annual review of the radiation safety and employee protection program. This program is a written documented program at Avax and I have undertaken the review and updating of the program. The update will make the program compliant with current regulations, including the changes required under section B, and be adapted to reflect the current state at the company. This review is taking place now and will be completed concurrent with the company's compliance with Section B. This means that full compliance will be achieved no later than June 20<sup>th</sup>, 2006. As part of the review and revision of the current radiation safety program, the revised program will require an annual review of the program.

Sincerely,

Henry E. Schea III  
Director, Global Quality and Regulatory Affairs

Cc: Regional Administrator, Region I  
Richard P. Rainey

JE07