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FINE & DECORATIVE ARTS
ESTATE JEWELRY • DIAMONDS
ANTIQUES

HESSFINEART.COM
1131 4TH STREET NORTH
ST. PETERSBURG, FL 33701

REPLY TO A NOTICE OF VIOLATION

JEFFREY P. HESS, CEO
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May 20, 2006

United States Nuclear Regulatory Commission
Region 1
475 Allendale Road
King of Prussia, PA 19406-1415

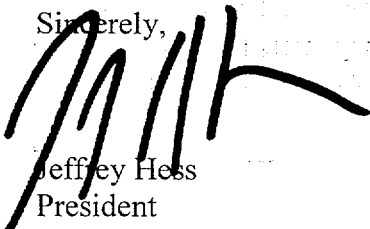
ATTN: George Pangburn, Director
Division of Nuclear Materials Safety

RE: Docket No. 03036971 / License No. 09-23920-01E
2005001

Dear Mr. Pangburn:

1. The reason Hess Fine Art (HFA) distributed watches with byproduct material prior to obtaining a valid NRC license is that the manufacturer informed us that HFA could distribute the product as long as we had a license application in progress. Additionally, HFA was not aware that certain timepieces contained more than 25 milliCuries each. HFA does not contest the Notice of Violation.
2. The corrective actions taken are (a) obtaining our NRC distribution license on September 27, 2005 which now allows HFA to transfer, receive, acquire, own, possess, or use watches containing byproduct material and (b) returning to the manufacturer 24 of the 37 watches containing more than 25 milliCuries each.
3. The corrective steps taken to avoid further violations are (a) maintaining a valid NRC distribution license and (b) procedures requiring the manufacturer to certify that the watches imported by HFA do not exceed the maximum allowed milliCurie limitation.
4. Full compliance with the obtaining of a valid NRC license occurred on September 27, 2005. Full compliance with the possession of watches containing more than 25 milliCuries each occurred on October 31, 2005.

Sincerely,



Jeffrey Hess
President

NMSS/RGNI MATERIALS-004