



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

February 23, 2010

Docket No. 03034047
Control No. 144377

License No. 06-30271-01

Ivan King
Vice President of Research and Development
Vion Pharmaceuticals, Inc
Four Science Park
New Haven, CT 06511

SUBJECT: VION PHARMACEUTICALS, INC., CHAPTER 11 IN THE U.S. BANKRUPTCY COURT, CONTROL NO. 144377

Dear Mr. King:

This acknowledges the bankruptcy notification dated January 14, 2010 and press release dated December 17, 2009 informing the NRC of the bankruptcy filing for the subject license. The press release indicated that information concerning Vion Pharmaceuticals, Inc. filing for bankruptcy could be found on the website <http://www.delclaims.com>. In review of the website it was determined that the bankruptcy filing occurred on December 17, 2009. We note that 10 CFR 30.34(h)(1) requires licensees that are the subject of a bankruptcy filing to immediately notify the appropriate NRC Regional Administrator in writing of the filing. The purpose of the regulation is to ensure that public health and safety is adequately protected and that all licensed material is properly controlled.

Although Vion Pharmaceuticals, Inc. is involved in bankruptcy proceedings, the NRC licenses continue to remain in full effect (and beyond their stated expiration date) until terminated in writing by the NRC. If the licensee no longer exists as an entity, the person with legal control of licensed material, contaminated equipment, or property transferred by the licensee is obligated to control all licensed material. This includes the responsibility to decontaminate and decommission the facilities or equipment, and to comply with applicable NRC requirements.

The bankruptcy filing does not relieve Vion Pharmaceuticals, Inc. of its responsibilities to comply with NRC requirements, including those relating to security and control of licensed material; decontamination and decommissioning of contaminated facilities, and retention of personnel required by the license conditions. NRC regulation in 10 CFR 30.34(b) requires that the licensee request and receive written consent of the NRC prior to transferring the license to another entity.

You should ensure that your legal staff and any trustee involved in the bankruptcy proceedings are aware of these obligations and the related NRC or applicable Agreement State requirements. Pursuant to Section 184 of the Atomic Energy Act, a reorganized entity emerging from Chapter 11 bankruptcy is required to receive written NRC approval prior to its assumption of control over licensed activities.

I. King

2

Please notify this office immediately, in writing if you are unable to meet any of these requirements or conditions. Also, please notify the NRC or appropriate Agreement State regulatory office: (1) of any changes to your licensed activities that the bankruptcy court may require, (2) when the bankruptcy proceeding is completed, or (3) if Vion Pharmaceuticals, Inc. emerges out of bankruptcy.

The regulations cited above require each licensee to provide the required notification, therefore we request your assistance in providing to us the names, addresses, and telephone numbers of any other entities that may be affected by the bankruptcy, i.e., other daughter companies of a bankrupt parent company, where the daughter has an NRC or Agreement State license. We will continue to monitor your activities to ensure that either all licensed material is properly disposed of, or the company is able to exit bankruptcy and operate normally. Should you have any questions regarding this matter, please contact me at (610) 337-5303.

Sincerely,

Original signed by Thomas K. Thompson

Thomas K. Thompson
Senior Health Physicist
Commercial and R&D Branch
Division of Nuclear Materials Safety

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SUNSI Review Complete: TThompson

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