

**SAFETY EVALUATION REPORT
PROPOSED CHANGE OF CONTROL FOR BYPRODUCT MATERIALS LICENSE
NUMBER 24-01381-01, ST. ALEXIUS HOSPITAL**

DATE: 12/02/2014
DOCKET NO.: 030-02303
LICENSE NO.: 24-01381-01
LICENSEE: St. Alexius Hospital

TECHNICAL REVIEWER: Toye L. Simmons

SUMMARY AND CONCLUSIONS

St. Alexius Hospital is authorized by NRC License 24-01381-01 for the possession and use of byproduct material for purposes of uptake, dilution, excretion, imaging and localization studies. The U.S. Nuclear Regulatory Commission (NRC) staff reviewed a request for consent to an indirect grandparent level ownership change. Previously, the ultimate two entities in the ownership chain for the Hospital were Founding Partners Designee, LLC, and its sole member Founding Partners Stable-Value Fund, L.P. Neither of these entities had owners or a traditional ownership interest in the Hospital. Instead, both of these entities were controlled by Daniel Newman, as a court-appointed Receiver pending resolution of a claims settlement process. This claims settlement process will soon be completed, with Mr. Newman stepping down as Receiver and with the ultimate ownership in Founding Partners Designee, LLC will shift over to 200 court-approved members. The Federal District Court for the Middle District of Florida approved the recommendations of the Receiver for the distribution of the membership interests of Founding Partners Designee, LLC by order dated July 3, 2014. The order will go into effect, with the membership interests distributed on or about October 30, 2014. In light of the upcoming distribution, St. Alexis Hospital hereby notifies the NRC of the anticipated changes in its indirect ownership structure as follows:

- (1) Founding Partners Stable-Value Fund, L.P. will be removed as an indirect owner of the Hospital;
- (2) Daniel Newman will be removed as the court-appointed Receiver; and
- (3) The membership interest of Founding Partners Designee, LLC will be held by over 200 members in accordance with the July 3rd court order.

The request for consent was reviewed by NRC staff for an indirect change in control of a 10 CFR Part 30 license using the guidance in NUREG 1556, Volume 15, "Consolidated Guidance About Materials Licenses - Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses," dated November 2000. The NRC staff finds that the information submitted by Lashly & Baer, P.C. on behalf of St. Alexius Hospital sufficiently describes and documents the transaction and commitments made by Founding Partners Designee, LLC and St. Alexius Hospital.

As required by 10 CFR 30.34 and section 184 of the Atomic Energy Act of 1954, as amended (the Act), NRC staff has reviewed the application and finds that the proposed change in control is in accordance with the Act. The staff finds that, after the change of control, St. Alexius

Hospital will remain qualified to use byproduct material for the purpose requested, and will continue to have the equipment, facilities, and procedures needed to protect public health and safety, and promotes the security of licensed material.

SAFETY AND SECURITY REVIEW

According to data obtained from the NRC's Web Based Licensing Tracking System, St. Alexius Hospital has been an NRC licensee since November 8, 1956. The NRC conducted a main office inspection of St. Alexius Hospital on July 9, 2013 and no violations were identified during this inspection. The commitments made by Founding Partners Designee, LLC and St. Alexius Hospital state that St. Alexius Hospital (License No. 24-01381-01):

- A. will not change the radiation safety officer listed in the NRC license;
- B. will not change the personnel involved in licensed activities;
- C. will not change the locations, facilities, and equipment authorized in the NRC license;
- D. will not change the radiation safety program authorized in the NRC license;
- E. will not change the organization's name listed in the NRC license; and
- F. will keep regulatory required surveillance records and decommissioning records.

Founding Partners Designee, LLC will not directly manage the activities of St. Alexis Hospital. Therefore, for security purposes no changes will be made regarding the basis for confidence that radioactive materials will be used as specified on the license and that the indirect transfer of control of licensed activities would result in licensed material being used for its intended purpose and not for malevolent use.

St. Alexius Hospital is not required to have decommissioning financial assurance based on the types and amount of material authorized in License No. 24-01381-01.

REGULATORY FRAMEWORK

St. Alexius Hospital's License No. 24-01381-01 was issued under 10 CFR Part 30, Rules of General Applicability to Domestic Licensing of Byproduct Material. The Commission is required by 10 CFR 30.34 to determine if the change of control is in accordance with the provisions of the Act and give its consent in writing.

10 CFR 30.34(b) states: "No license issued or granted pursuant to the regulations in this part and parts 31 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."

As previously indicated, the staff evaluation is based on guidance in NUREG-1556, Volume 15. As discussed in NUREG-1556, Volume 15, NRC is generally using the term "change of control" rather than the statutory term "transfer" to describe the variety of events that could

require prior notification and written consent of the NRC. The central issue is whether the authority over the license has changed. St. Alexius Hospital's request for consent describes an indirect change of control and, as such, the transfer requires NRC consent.

DESCRIPTION OF TRANSACTION

The transaction is described in ADAMS accession number ML14279A240. After completion of the transfer of control, St. Alexius Hospital will continue as the licensee and remain in control of all licensed activities under Materials License No. 24-01381-01. The NRC staff finds that the request for consent adequately provides a complete and clear description of the transaction, and is consistent with the guidance provided in Appendix F of NUREG-1556, Volume 15.

TRANSFeree'S COMMITMENT TO ABIDE BY THE TRANSFEROR'S COMMITMENTS

The NRC staff finds that the information submitted by St. Alexius Hospital sufficiently describes and documents the commitments made by Founding Partners Designee, LLC and St. Alexius Hospital, and is consistent with the guidance in NUREG-1556, Volume 15.

ENVIRONMENTAL REVIEW

An environmental assessment for this action is not required since this action is categorically excluded under 10 CFR 51.22(c)(14)(xi).

CONCLUSION

The staff has reviewed the request for consent submitted by both parties with regard to an indirect change of control of byproduct materials license No. 24-01381-01 and approves the application pursuant to 10 CFR 30.34(b).

The submitted information sufficiently describes the transaction; documents the understanding of the license and commitments; demonstrates that personnel have the experience and training to properly implement and maintain the license and that they will maintain the existing records; And, in the future, will abide by all existing commitments to the license, consistent with the guidance in NUREG-1556, Volume 15.

Therefore, the staff concludes that the proposed change in control will not alter the previous findings, made under 10 CFR Part 30, that licensed operations will not be inimical to the common defense and security, or to the health and safety of the public.