



nordion
SCIENCE ADVANCING HEALTH

Br. 1 & Br. 2

March 30, 2015

VIA E-MAIL (RidsRgn1MailCenter.Resource@nrc.gov and Blake.Welling@nrc.gov)

Blake D. Welling, Branch Chief
Commercial, Industrial, R&D and Academic Branch
Division of Nuclear Materials Safety
U.S. Nuclear Regulatory Commission, Region I
2100 Renaissance Blvd, Suite 100
King of Prussia, PA 19406-2713

SUBJECT: Application for Approval of Indirect Transfer of Control of Licenses:
1) License No. 54-28275-01 (Docket No. 03030788),
2) License No. 54-28275-02MD (Docket No. 03030793)

Dear Mr. Welling,

Nordion (Canada) Inc. ("Nordion" or "the Licensee") and Sterigenics-Nordion Holdings, LLC ("SNH"), a Delaware limited liability company, hereby request written consent by the U.S. Nuclear Regulatory Commission ("NRC") of the proposed indirect transfer of control of the above-listed NRC byproduct material licenses. Attachments 1 and 2 provide the basis for this request. The closing for the stock purchase transaction precipitating this indirect transfer is set to take place on May 15, 2015. Accordingly, Nordion and SNH respectfully request the NRC's expedited review and written approval of this application no later than May 8, 2015, if possible, in order to permit the companies to take the necessary steps to close on schedule.

The Licensee, a Canadian company headquartered in Ottawa, Ontario, is a leading global provider of gamma technologies and medical isotopes. The Licensee's gamma technologies business focuses on the prevention of disease through sterilizing medical products and devices, as well as food and consumer products. The Licensee produces and installs Cobalt-60 ("Co-60") radiation sources for gamma sterilization systems. It also designs, constructs, installs, and maintains commercial gamma sterilization systems (referred to as production irradiators). Separately, its medical isotopes products are widely used by pharmaceutical and biotechnology companies, medical-device manufacturers, hospitals, clinics, and research laboratories. The Licensee's medical isotopes business focuses on products used in the diagnosis and treatment of disease, including cardiac and neurological conditions, and several types of cancer. It sells a variety of isotopes, including those that its customers incorporate into products that are used in medical procedures.

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The Canadian Nuclear Safety Commission (“CNSC”) regulates Nordion’s licensed radioactive materials activities in Canada. For activities in the U.S., Nordion holds two NRC-issued byproduct materials licenses.¹ Under NRC Materials License No. 54-28275-01, Nordion is authorized to distribute Co-60 in sealed sources, to possess Co-60 in sealed sources at the Licensee’s temporary job sites in the United States, to install and/or remove Co-60 in sealed sources from irradiators, to install and service Co-60 irradiators, and to provide training for operating irradiators.² Nordion is authorized by NRC Materials License No. 54-28275-02MD to distribute byproduct material from various locations in Canada to specific licensees in the United States.³

Nordion is an indirect, wholly-owned subsidiary of STHI Holdings, Inc. (“STHI”), a Delaware corporation.⁴ As explained further in Attachment 1, and described briefly below, the proposed indirect transfer of control would result from the upstream acquisition of all of the outstanding shares of STHI by SNH, a newly formed holding company. Specifically, on March 20, 2015, STHI Parent Company, LLC (“STHI Parent”, as Seller) and STHI entered into a definitive stock purchase agreement (the “Stock Purchase Agreement”) with SNH (as Purchaser). Under the Stock Purchase Agreement, STHI Parent agreed to sell, and SNH agreed to acquire, all of the issued and outstanding shares of STHI. As a result of the proposed transaction, SNH will indirectly acquire Nordion. See Attachment 2, “Pre- and Post- Transaction Simplified Organizations.”

As shown in Attachment 2, STHI Parent and its various subsidiaries (including NRC licensees Sterigenics International, LLC and Nordion) are portfolio companies of the Chicago-based private equity firm GTCR, LLC (including its affiliates, “GTCR”). As a result of the proposed transaction, U.S.-based private equity firm Warburg Pincus LLC (“Warburg Pincus”) will acquire indirectly, through certain of its affiliated investment funds and newly formed holding companies, a majority, controlling interest in SNH, the proposed new indirect parent company of the Licensee. A new investment fund affiliated with GTCR will continue GTCR’s equity

¹ The Licensee also holds NRC Export License No. PXB3.07-R (Docket No. 110061113), and is seeking NRC consent to the indirect transfer of control of that license via a separate application filed with the NRC’s Office of International Programs.

² Nordion timely filed an application for renewal of License No. 54-28275-01 on May 14, 2014. The NRC issued the renewed license on November 10, 2014.

³ Nordion timely filed an application for renewal of License No. 54-28275-02MD on September 23, 2014. Nordion received an e-mail earlier this month from the NRC indicating that the NRC planned to sign and issue the renewed license in the near future.

⁴ STHI Holdings, Inc. also is the indirect parent company of Sterigenics U.S., LLC, a global leader in contract sterilization services headquartered in Oak Brook, Illinois. See Attachment 2, “Pre- and Post- Transaction Simplified Organizations.” Sterigenics U.S., LLC, a Nordion sister company and customer, conducts gamma radiation activities in the U.S. pursuant to byproduct materials licenses issued by NRC Agreement States (to which the NRC has transferred regulatory authority over specified categories of nuclear material pursuant to Section 274 of the Atomic Energy Act of 1954, as amended (“AEA”), 42 U.S.C. § 2021). Sterigenics U.S., LLC separately is coordinating with each affected Agreement State regarding the proposed transaction. Its direct parent company, Sterigenics International, LLC, holds NRC exempt distribution License No. 32-31005-01E, authorizing the distribution of processed gemstones containing less than the 10 C.F.R. § 30.70 exempt concentrations of radioactive material to persons exempt from the regulations. Sterigenics International, LLC is separately seeking NRC consent of the proposed indirect transfer of control of that license.

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investment through a minority, non-controlling equity interest in SNH. Attachment 1 (Section 5.1, "Description of Transaction") contains further details concerning the proposed transaction and associated corporate restructuring.

Importantly, the proposed indirect transfer of control does not involve any amendment to Nordion's existing NRC byproduct material licenses and would not result in any changes to Nordion's name, organization, NRC-licensed activities, or personnel responsible for such licensed activities. Thus, the indirect change of control will not impact how Nordion will manage the use of byproduct material for the purposes requested, and Nordion will continue to have the same equipment, facilities, personnel, and procedures needed to protect public health and safety, and secure the licensed material. Accordingly, Nordion requests that the NRC consent to the proposed indirect transfer of control as being in accordance with Section 184 of the AEA and 10 C.F.R. § 30.34(b).

For informational purposes only, Nordion notes that it holds four NRC-issued National Sealed Source and Device Registry ("NSSDR") certificates,⁵ and an NRC Quality Assurance Program Approval for Radioactive Material Packages (Approval No. 0703, Rev. 10) issued pursuant to 10 C.F.R. Part 71. Transfers of control involving the NSSDR certificates and Quality Assurance Program Approval are not subject to the consent requirements of AEA Section 184 or related NRC regulations, which apply specifically to NRC licenses. Nonetheless, for notification purposes, Nordion also is submitting copies of this submittal to the NRC's Division of Material Safety, State, Tribal, and Rulemaking Programs and to the NRC's Division of Spent Fuel Management, Office of Nuclear Material Safety and Safeguards.⁶

The closing of the proposed transaction could occur as early as May 15, 2015, but depends upon the receipt of certain government, regulatory and/or anti-trust approvals. Accordingly, we respectfully request that the NRC review and issue its consent to this indirect transfer in an expedited manner in order to permit the parties to the proposed transaction to take the necessary steps to close pursuant to timing stipulated in the Stock Purchase Agreement.

If you have any questions or comments, please contact me at 613-592-3400, ext. 2730 or Jackie.Kavanagh@nordion.com.

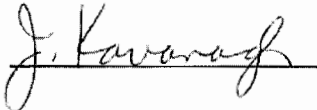
⁵ The four NSSDR certificates are NR-0220-S-103-S, NR-0220-S-120-S, NR-0220-S-126-S, and NR-0220-D-131-S.

⁶ The proposed indirect transfer of control does not involve any amendment to Nordion's four NSSDR certificates; *i.e.*, no information on the face of the NSSDR certificates will change as a result of the proposed transaction. Moreover, there will be no new information or changes to any products, records, service arrangements, labeling, prior commitments, or quality assurance program associated with the NSSDR certificates. The NSSDR certificates thus do not need to be amended in any event due to the proposed transaction. Similarly, the proposed indirect transfer of control does not involve any changes to the existing Quality Assurance Program or amendments to the NRC approval.

I declare under penalty of perjury under the laws of the United States of America that the Application for Approval of Indirect Transfer of Control of Licenses, for License Nos. 54-28275-01 and 54-28275-02MD, is true and correct.

Executed on March 27, 2015.

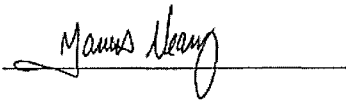
Sincerely,

A handwritten signature in cursive script that reads "J. Kavanagh". The signature is written in black ink and is positioned above a horizontal line.

Jackie Kavanagh
Senior Manager
EHS Compliance, Facility & Transportation Licensing
Nordion (Canada) Inc.
447 March Road
Ottawa, Ontario, Canada K2K1X8
613592-3400, ext. 2730
Jackie.Kavanagh@nordion.com

I declare under penalty of perjury under the laws of the United States of America that the Application for Approval of Indirect Transfer of Control of Licenses, for License Nos. 54-28275-01 and 54-28275-02MD, is true and correct.

Executed on March 27, 2015.

A handwritten signature in cursive script, reading "James Neary", is written over a horizontal line.

James Neary
Managing Director
Industrial and Business Services
Warburg Pincus LLC
450 Lexington Ave.
New York, NY 10017
212-878-0600
jim.neary@warburgpincus.com

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Enclosures: Attachment 1, Application for Consent of Transfer of Control of Licenses
Attachment 2, Pre- and Post-Transaction Simplified Organizations

cc: J. Neary, Warburg Pincus LLC
NRC, OIP
NRC, NMSS
A. Polonsky, Morgan Lewis & Bockius, LLP
A. Roma, Hogan Lovells

Attachment 1

**Application for Consent to
Transfer of Control of Licenses**

Nordion License Nos. 54-28275-01 and 54-28275-02MD

Application for Consent of Transfer of Control of Licenses
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This information is submitted consistent with NUREG-1556, Vol. 15, *Consolidated Guidance About Materials Licenses: Program-Specific Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses*, at Section 5.1 through 5.6.

SECTION 5.1. DESCRIPTION OF TRANSACTION

1. *A complete clear description of the transaction, including any transfer of stocks or assets, mergers, etc., so that legal counsel is able, when necessary, to differentiate between name changes and changes of ownership.*

The proposed transaction will occur in a series of steps that will all occur substantially simultaneously. Please refer to Attachment 2, “Pre- and Post-Transaction Simplified Organizations” for simplified diagrams of the chain of ownership before and after the proposed transaction.

Nordion (Canada) Inc. (“Nordion” or “the Licensee”), a Canadian corporation, is an indirect, wholly-owned subsidiary of STHI Holdings, Inc. (“STHI”), a Delaware corporation. The proposed indirect transfer of control would result from the upstream acquisition of all of the outstanding shares of STHI by a newly created special purpose acquisition vehicle, Sterigenics-Nordion Holdings, LLC (“SNH”), a Delaware limited liability company and a newly formed holding company. Specifically, on March 20, 2015, STHI Parent Company, LLC (“STHI Parent”, as Seller) and STHI entered into a definitive stock purchase agreement (the “Stock Purchase Agreement”) with SNH (as Purchaser). Under the Stock Purchase Agreement, STHI Parent agreed to sell, and SNH agreed to acquire, all of the issued and outstanding shares of STHI. As a result of the proposed transaction, SNH will indirectly acquire Nordion.

Currently, STHI Parent, together with its various subsidiaries (including STHI and NRC licensee Nordion), is a portfolio company of the Chicago-based private equity firm GTCR LLC (“GTCR”). While GTCR and its co-investors own STHI Parent through several funds, GTCR exercises control of STHI Parent and its various subsidiaries.

Under the proposed transaction, a newly created special purpose acquisition vehicle, Sterigenics-Nordion Topco, LLC (“SNT”), a Delaware limited liability company, will indirectly acquire all of the outstanding shares of STHI through its wholly owned subsidiary, SNH. Warburg Pincus LLC (“Warburg Pincus”), a New York-based private equity firm, through various affiliated investment funds and vehicles which it controls, will hold a 60% majority and controlling interest in SNT.¹ Investment funds controlled by GTCR will hold approximately 40% of the

¹ Any investment vehicle would ultimately be controlled by Warburg Pincus. While the vehicle may have co-

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equity interests in SNT, but no longer will exercise majority control over STHI and its various subsidiaries. Management co-investors also will own interests in the profits of SNT, but will not exercise control over SNT.

The Parties expect to amalgamate the immediate upstream intermediate parent of Nordion into a new Canadian company yet to be named (referred to as "Amalco" on Figure 2). After this step in the transaction, Amalco will own 100% of the voting shares of Nordion and Amalco will be owned (up to 50%) by new upstream intermediate parent SNH.²

The proposed indirect transfer of control does not involve any amendment to NRC License Nos. 54-28275-01 or 54-28275-02MD ("the Licenses"), or any changes to the Licensee's name, organization, or personnel responsible for licensed activities. Thus, the Licenses do not need to be amended as a result of the proposed transaction.

2. *The new name of the licensed organization. If there is no change, the licensee should so state.*

There will be no change in the name of the Licensee in connection with the proposed transaction.

3. *The new licensee contact and telephone number(s) to facilitate communications.*

The Licensee contact and telephone information will remain the same. The contact information is as follows:

Luc Desgagne, Senior Licensing Coordinator
Nordion (Canada) Inc.
447 March Road
Ottawa, Ontario, Canada K2K 1X8
Phone: (613) 592-3400 ext. 2108
E-mail: luc.desgagne@nordion.com

investors other than Warburg Pincus and GTCR, their participation would be purely passive. Any equity participation of co-investor funds in SNT will be capped at 12%.

² If the parties elect not to undertake this amalgamation, the direct upstream intermediate parent of Nordion, 8921903 Canada, Inc., will remain unchanged, leaving the existing corporate structure under STHI unchanged, including STHI Holding Corp.'s ownership of Nordion through 8921903 Canada, Inc. Nordion will inform the NRC promptly upon final determination of this amalgamation. Nordion is including this possibility in this application and informing the NRC here to avoid the possibility of a potentially material change to the application during NRC's review.

SECTION 5.2. CHANGES OF PERSONNEL

1. *Any changes in personnel having control over licensed activities (e.g., officers of a corporation and any changes in personnel named in the license such as radiation safety officer, authorized users, or any other persons identified in previous license applications as responsible for radiation safety or use of licensed material). The licensee should include information concerning the qualifications, training and responsibilities of new individuals.*

For the reasons explained in Section 5.1, following the proposed transaction, there are no planned changes in personnel having control over licensed activities.

2. *An indication of whether the transferor will remain in non-licensed business without the license.*

GTCR is the effective transferor in the proposed transaction. An investment fund affiliated with GTCR will remain an equity participant, albeit a minority one, in the ultimate parent company of the Licensee, but will not exert control over the Licensee.

SECTION 5.3. CHANGES OF LOCATION, EQUIPMENT & PROCEDURES

1. *A complete description of any planned changes in organization, location, facility, equipment, or procedures (i.e., changes in operating or emergency procedures).*

There are no planned changes in the organization, location, facility, equipment, or procedures in connection with the proposed transaction.

2. *A detailed description of any changes in the use, possession, location or storage of the licensed materials.*

There are no planned changes in the use, possession, location or storage of the radioactive materials to occur in connection with the transaction.

3. *Any changes in organization, location, facilities, equipment, procedures, or personnel that would require a license amendment even without the change of ownership.*

There are no planned changes in the organization, facilities, equipment, procedures, or personnel

that would require a license amendment even without the change of ownership.

SECTION 5.4. SURVEILLANCE RECORDS

1. *An indication of whether all surveillance items and records (e.g., calibrations, leak tests, surveys, inventories, and accountability requirements) will be current at the time of transfer. A description of the status of all surveillance requirements and records should also be provided.*

To the extent such records are required to be maintained under the Licenses, the proposed transaction will have no effect on the surveillance records. All licensed activities and related records are current and will continue on an ongoing basis without interruption as required under the Licenses. Such records will continue to be maintained in their existing state and in accordance with applicable requirements.

SECTION 5.5 DECOMMISSIONING AND RELATED RECORDS TRANSFERS

1. *Confirmation that all records concerning the safe and effective decommissioning/closure of the facility; public dose and waste disposal by release to sewers, incineration, radioactive material spills, and on-site burials, have been transferred to the new licensee if licensed activities will continue at the same location.*

Nordion does not own or operate any facilities in the United States. Therefore, Nordion is not subject to any NRC decommissioning-related recordkeeping requirements. The Licensee's facilities are in Canada and are regulated by the Canadian Nuclear Safety Commission ("CNSC"). All of the records applicable to the safe and effective decommissioning and closure of Nordion's Canadian facilities will remain in the same physical location.

2. *A description of the status of the facility. Specifically, the presence or absence of contamination should be documented. If contamination is present, will decontamination occur before transfer? If not, is the transferee knowledgeable of the extent and levels of contamination and applicable decommissioning requirements, and does the transferee agree to assume full liability for the decontamination of the facility or site?*

Nordion does not own or operate any facilities in the United States. The status of the Licensee's Canadian facilities will remain unchanged after the transaction closes, and the liability for any decommissioning or decontamination activities for the Licensee's facilities in Canada will remain with the Licensee.

3. *A description of any decontamination plans, including financial surety arrangements of the transferee. This should include information about how the transferee and transferor propose to divide the transferor's assets and responsibility for any cleanup needed at the time of transfer.*

Nordion does not own or operate any facilities in the United States. Nor is it required to have decommissioning financial assurance based on the types and amount of material authorized in NRC Materials License Nos. 54-28275-01 and 54-28275-02MD. Therefore, Nordion is not subject to any NRC decommissioning funding financial assurance requirements. The proposed transaction would have no effect on the Licensee's obligations or ability to meet the requirements of its decommissioning responsibilities for its facilities in Canada.

SECTION 5.6. TRANSFEREE'S COMMITMENT TO ABIDE BY THE TRANSFEROR'S COMMITMENTS

Confirmation that the transferee agrees to abide by all commitments and representations previously made by the transferor. These include, but are not limited to: maintaining decommissioning records; implementing decontamination activities and decommissioning of the site; and completing corrective actions for open inspection items and enforcement actions.

With regard to contamination of facilities and equipment, the transferee should confirm, in writing, that it accepts full liability for the site, and should provide evidence of adequate resources to fund decommissioning; or the transferor should provide a commitment to decontaminate the facility before the change of control or ownership.

With regard to open inspection items, etc., the transferee should confirm, in writing, that it accepts full responsibility for open inspection items and/or any resulting enforcement actions; or the transferee proposes alternative measures for meeting the requirements; or the transferor provides a commitment to close out all such actions with NRC before license transfer.

The indirect change in control resulting from the proposed transaction would not create a new licensee and would not change the Licensee's existing commitments under the Licenses.

Following the proposed transaction, the Licensee agrees to continue to abide by all constraints,

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license conditions, requirements, representations and commitments identified in and attributed to the existing Licenses, including any decommissioning and decommissioning funding obligations. The Licensee agrees to continue to accept full responsibility for open inspection items and any resulting enforcement action. The proposed change in the Licensee's ultimate parent company will not affect these commitments and representations.

1. *Documentation that the transferor and transferee agree to the change in ownership or control of the licensed material and activity, and the conditions of the transfer; and the transferee is made aware of all open inspection items and its responsibility for possible resulting enforcement actions.*

The proposed transaction would not create a new licensee and would not change the Licensee's existing commitments under the Licenses. The Licensee is aware of and will continue to be responsible for all open inspection items and the Licensee will remain responsible for any possible resulting enforcement actions.

2. *A commitment by the transferee to abide by all constraints, conditions, requirements, representations, commitments identified in the existing licenses. If not, the transferee must provide a description of its program to ensure compliance with the license and regulations.*

The indirect change in control resulting from the transaction would not create a new licensee and would not change the Licensee's existing commitments under the Licenses. Following the transaction, the Licensee agrees to continue to abide by all constraints, conditions, requirements, representations, and commitments identified in the existing licenses.

Attachment 2

PRE- AND POST-TRANSACTION SIMPLIFIED ORGANIZATIONS

FIGURE 1: PRE-TRANSACTION SIMPLIFIED ORGANIZATION

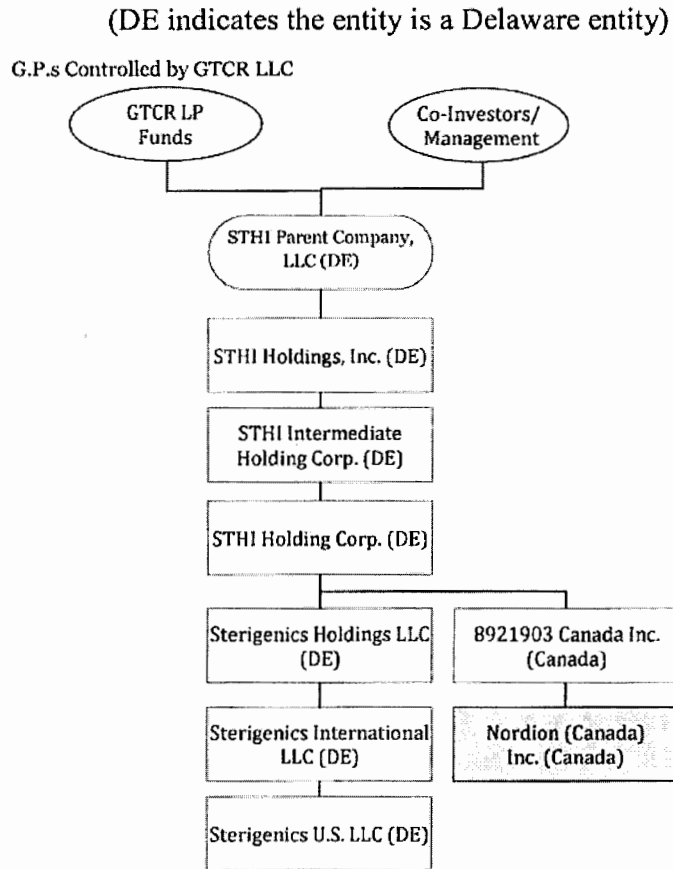
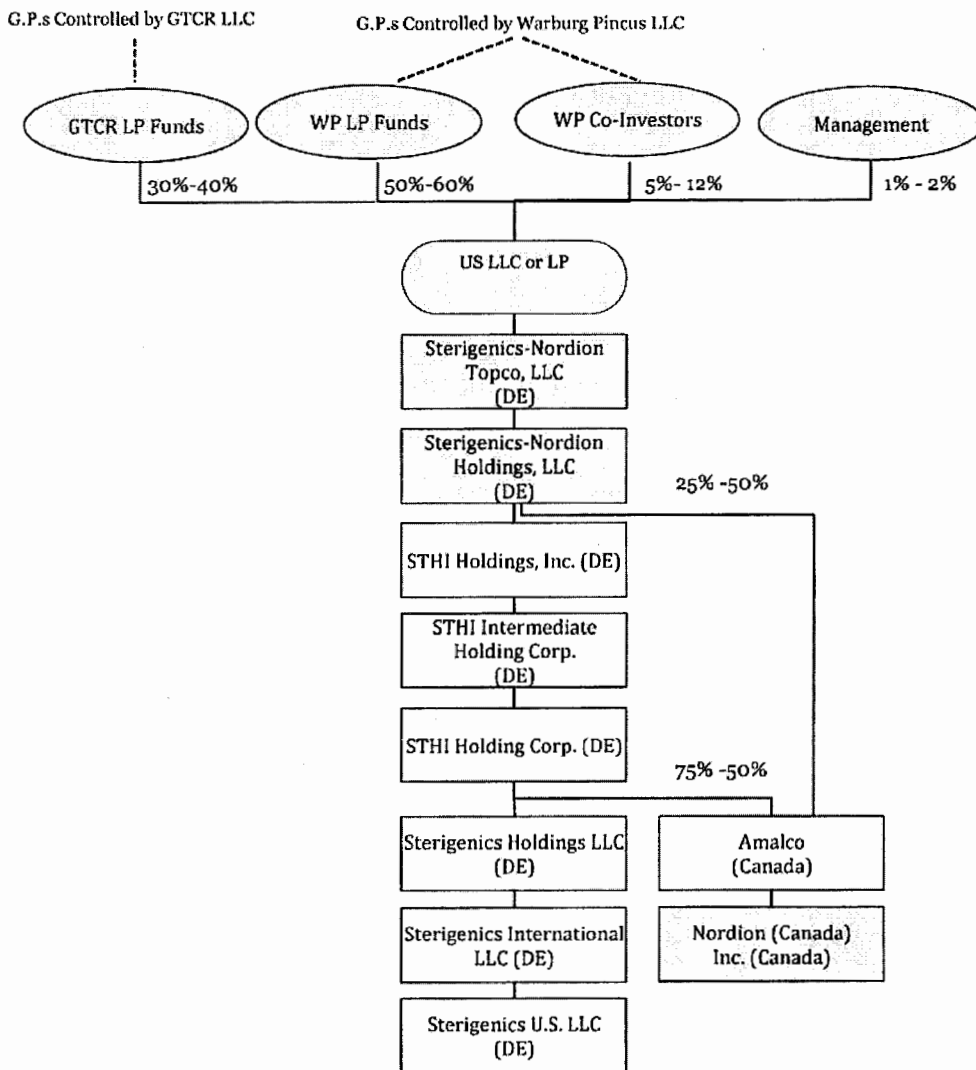


FIGURE 2: POST-TRANSACTION SIMPLIFIED ORGANIZATION



This is to acknowledge the receipt of your letter/application dated

03/30/2015, and to inform you that the initial processing which includes an administrative review has been performed.

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^{54-28275-02 mod} amendment
There were no administrative omissions. Your application was assigned to a technical reviewer. Please note that the technical review may identify additional omissions or require additional information.

Please provide to this office within 30 days of your receipt of this card

A copy of your action has been forwarded to our License Fee & Accounts Receivable Branch, who will contact you separately if there is a fee issue involved.

Your action has been assigned Mail Control Number 586 393
586 394
When calling to inquire about this action, please refer to this control number. You may call us on (610) 337-5398, or 337-5260.