



Corporate Office
5775 Wayzata Blvd. Suite 400
Minneapolis, MN 55416
Tel: 952-543-6500
Fax: 952-847-1152

February 6, 2019

VIA OVERNIGHT MAIL

U.S. Nuclear Regulatory Commission
Region III
2443 Warrenville Road, Suite 210
Lisle, IL 60532-4352
Attention: Materials Licensing Branch

Re: Insight Health Corp.'s Request for a Determination Regarding a Transaction Involving its Indirect Parent with respect to NRC Radioactive Materials License Number 22-29403-01.

Dear Sir or Madam:

InSight Health Corp. ("Licensee" or "InSight") holds U.S. Nuclear Regulatory Commission ("NRC") Radioactive Materials License Number 22-29403-01 ("License"). InSight requests a determination that a planned merger involving its indirect parent, Diagnostic Services Holding, Inc. ("Diagnostic Services") does not constitute a transfer of control of the License or, alternatively, if the NRC determines that the planned merger does constitute a transfer of control of the License, InSight requests the written approval of the NRC pursuant to 10 CFR § 50.80.

Diagnostic Services has entered into an Agreement and Plan of Merger by and among Diagnostic Services, BD Diagnostic Shareholder Rep LLC, DSH Intermediate Holdings Inc. ("Acquiror"), and DSH Merger Sub Inc. ("Merger Sub"), dated February 5, 2019 (the "Merger Agreement").

Under Merger Agreement, Merger Sub shall be merged with and into Diagnostic Services, with Diagnostic Services continuing as the surviving company and as a wholly owned subsidiary of the Acquiror (the "Merger").

InSight's direct parent is InSight Health Services Corp., which is in turn owned by InSight Health Services Holding Corp., which is owned by Diagnostic Services. The Merger, therefore, involves the change of ownership at several corporate levels above the Licensee. For your convenience, an organizational chart before and after the Merger is included as Exhibit A to this letter.

To assist the NRC's review of the Merger, Exhibit B contains the information required under NUREG-1556 Vol. 15, *Consolidated Guidance About Materials Licenses, Program-Specific Guidance About Changes of Control and Bankruptcy Involving Byproduct, Source or Special Nuclear Materials Licenses*.

As explained further in this letter and the enclosed information, we emphasize

(00015842)

RECEIVED FEB 07 2019

- Licensee requests a determination that the Merger does not constitute a direct or indirect transfer of control of the License or, alternatively, for the NRC's consent to any change of control regarding the License that will result from the Merger.
- The Merger will only involve a change in ownership several corporate levels above the Licensee.
- The Licensee will not change as a result of the Merger. The Licensee's Federal Employer Identification Number, address, name, and contact information will not change as a result of the Merger. There will be no changes to the personnel associated with the License (including the Radiation Safety Officer), the Licensee's safety program, or the terms of the License.
- Licensee will continue to be wholly owned by InSight Health Services Corp., which will continue to be wholly owned by InSight Health Services Holding Corp., which itself will continue to be wholly owned by Diagnostic Services.
- Diagnostic Services and the Acquiror hope to close the Merger by March 1, 2019 and ask that you review our request for a determination or, alternatively, for consent to any transfer on an expedited basis. **Licensee requests approval of the Application no later than February 25, 2019.**

As noted above, the Merger will not result in any change to Licensee's corporate identity or structure, key operating personnel or licensed activities. Upon completion of the Merger, the Licensee will remain a U.S. company, will continue to be headquartered at the same location, and will continue to be the holder of the License. Moreover, Licensee will remain technically and financially qualified as the Licensee and will continue to fulfill all Licensee responsibilities as required under applicable regulations. Current Licensee employees responsible for the licensed materials and activities under the License will continue to be responsible for such materials and activities upon consummation of the Merger.

The Merger will not affect the organizational or operational structure described in the License. Further, there will be no change in Licensee's operating organizations, locations, facilities, equipment or procedures associated with licensed activities; and there will be no change in the use, possession, locations or storage of the licensed materials as a result of the Merger. Activities under the License will continue in their current form without interruption of any kind resulting from the Merger. No amendments to the License will be necessary in connection with the Merger and the request made by the Application.

Should you have any questions, please feel free to contact me.

Sincerely,



Anh Kremer
Chief Administrative Officer

Exhibit A:

Simplified Corporate Structure

Exhibit A-1: Simplified Corporate Structure (Current)

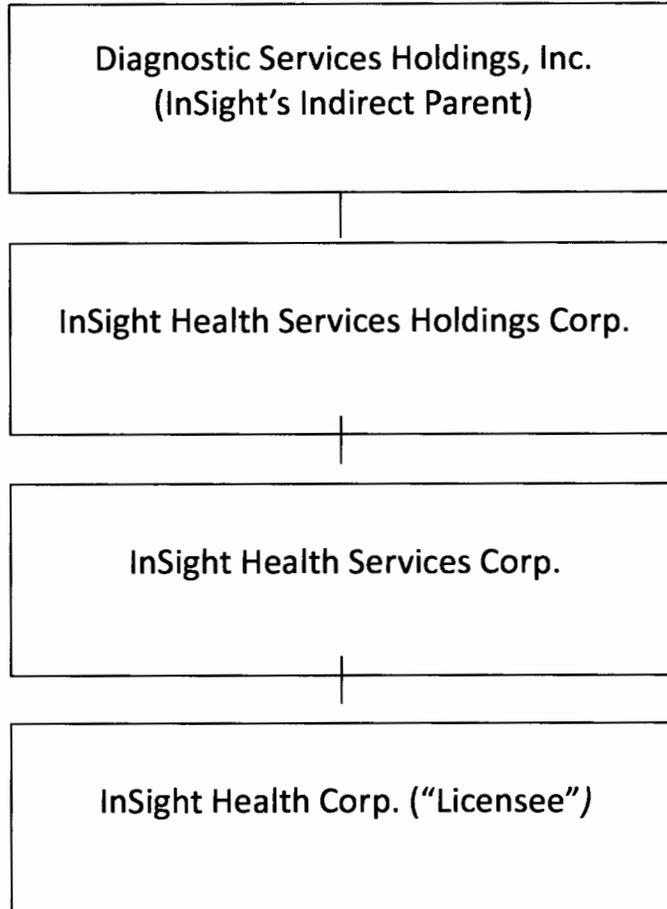


Exhibit A-2: Simplified Corporate Structure (Post-Merger)

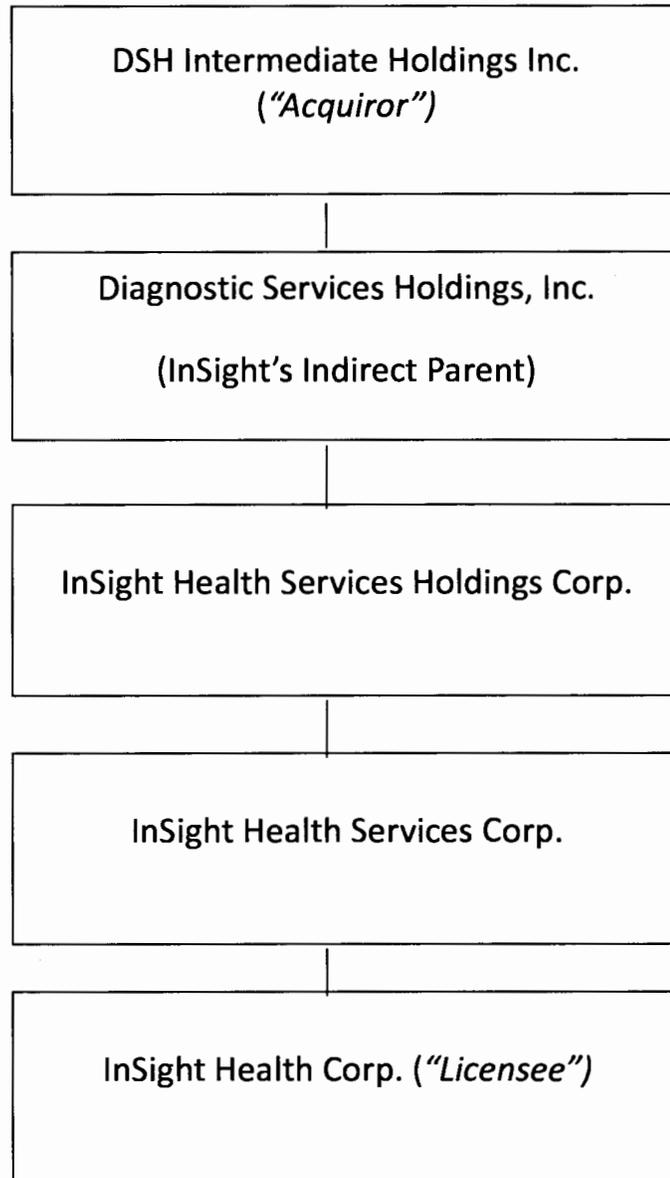


Exhibit B

Information required under NUREG-1556 Vol. 15, *Consolidated Guidance About Materials Licenses, Program-Specific Guidance About Changes of Control and Bankruptcy Involving Byproduct, Source or Special Nuclear Materials Licenses*.

INTRODUCTION

InSight Health Corp. ("Licensee" or "InSight") holds U.S. Nuclear Regulatory Commission ("NRC") Radioactive Materials License Number 22-29403-01, Docket No. 030-38590 ("License"). InSight is a leading independent provider of outpatient diagnostic imaging services that it provides to physicians, hospitals, clinics, radiology groups and healthcare providers. The License covers certain radioactive materials that are used in connection with the Licensee's operation of positron emission tomography /computed tomography (PET/CT) machines. The License was issued by NRC Region 3.

InSight is owned by InSight Health Services Corp., which is a wholly owned subsidiary of InSight Health Services Holding Corp. which, in turn, is wholly owned by Diagnostic Services Holdings, Inc. ("Diagnostic Services"). InSight and its direct and indirect parents are all Delaware corporations.

DSH Intermediate Holdings Inc. ("Acquiror") is a Delaware corporation that was formed solely for this transaction. Acquiror and its board will not exercise day-to-day operational control over the licensed entity.

1. DESCRIPTION OF THE TRANSACTION

Pursuant to the Agreement and Plan of Merger by and among Diagnostic Services, BD Diagnostic Shareholder Rep LLC, Acquiror, and Merger Sub dated February 5, 2019 (the "Merger Agreement"), Merger Sub shall be merged with and into Diagnostic Services, with Diagnostic Services continuing as the surviving company and as a wholly owned subsidiary of Acquiror (the "Merger").

Following the Merger, Licensee will continue to be a wholly owned subsidiary of InSight Health Services Corp., its current parent corporation. Furthermore, from and after the Merger, Licensee will continue to be the holder of the License. The Licensee is the organization that exercises control over

License and the activities conducted under it. There are no planned changes in the organization of the Licensee, including as relates to its stock ownership and its Board of Directors as a result of the Merger. As such, the Merger will not result in any changes to the organization exercising control over the licensed program.

2. CHANGES OF PERSONNEL

The Merger will not result in any changes to Licensee's personnel or management having operational responsibility for, and control of, the licensed activities. The current employees responsible for licensed materials and activities will continue to be responsible for such matters after the Merger. Furthermore, there will be no changes in personnel who are listed on the License, or referred to in the supporting documentation, as a result of the Merger.

After the Merger, the Licensee's name, mailing address and contact information will remain the same, as noted below:

InSight Health Corp.
5775 Wayzata Blvd STE. 400
Minneapolis, MN 55416
Contact Name – Tony Sikorski
Contact Number – (724) 935-5557

3. CHANGES IN LOCATION, EQUIPMENT & PROCEDURES

The Merger will not result in changes to Licensee's operations, location, facilities, equipment, waste management or procedures related to the Licensee. There will not be any changes in the use, possession, location or storage of any licensed material as a result of the Merger.

4. SURVEILLANCE RECORDS

To the extent that any surveillance records are required to be maintained under the License, the Merger will have no effect on such records. All licensed activities and any required records of Licensee, including but not limited to those relating to leak tests and physical inventories, are current and will continue on an ongoing basis without interruption in each case as required under the License.

The Licensee's facilities, equipment, radiation program and all related records required under the License are current and will continue to be maintained in their existing state and in accordance with applicable requirements after the Merger.

5. DECOMMISSIONING AND RELATED RECORDS TRANSFERS

Any drawings and records important to decommissioning under the License will be maintained in their current form on an ongoing basis after the Merger. The Merger will have no effect on any such records and will not involve the relocation or transfer of any records. Any required calibrations, leak tests, area surveys, wipe tests, training, quality control, and related records are current and will be current at the time of the transfer of control. All such items and records related to the License will be maintained at the same location by the Licensee. The Licensee will continue to comply any applicable requirements of 10 CFR 30.35 after the Merger.

There is no known contamination associated with the licensed materials. Accordingly there is no plan to perform any decontamination prior to the Merger. The Licensee accepts full liability for the decontamination of licensed materials after the Merger.

The Licensee is not required to maintain any decommissioning funding plans or other financial assurance.

6. COMMITMENT TO ABIDE BY LICENSEE'S COMMITMENTS

As noted above, the licensed material will continue to be directly owned, and the licensed activity performed, by the Licensee after the Merger. Licensee, as the holder of the License both before and after the Merger, will continue to abide by constraints, conditions, requirements, representations, and commitments previously made to the United States Nuclear Regulatory Commission set forth in the License.

There are no known open radioactive materials inspection items or enforcement actions. The Licensee will be responsible for any future inspection items.

Finally, the Acquiror consents to the Licensee submitting this application and undertaking the commitments made herein. Under Section 6.2(a) of the Merger Agreement, Acquiror and Diagnostic Services agree to use their reasonable best efforts to obtain all necessary consents, approvals and authorizations from governmental authorities and to make all necessary registrations and filings to obtain such consents, approvals and authorizations. This application by the Licensee for a determination that the Merger is not a transfer or, alternatively, for approval of any direct or indirect transfer of control is part of those efforts.

7. CONCLUSION

As explained above, the Merger will not result in any changes to the organization, personnel, location, procedures, records or operations with respect to the License. The Licensee will continue to hold the License and operate in the same manner it did prior to the Merger. The only change is that its indirect parent, Diagnostic Services, which sits several layers above the Licensee in the corporate organizational chart, will have a new owner. Licensee therefore requests that the NRC issue a determination that the Merger does not constitute a transfer of control of the License, or alternatively, that the NRC approve any transfer of control with respect to the License arising from the Merger.

ORIGIN ID:GPZA (952) 738-4643
AMY HODGES
CDI
5775 WAYZATA BOULEVARD
SUITE 400
MINNEAPOLIS, MN 55416
UNITED STATES US

SHIP DATE: 05FEB19
ACTWGT: 0.50 LB
CAD: 106057545/NET4100

BILL SENDER

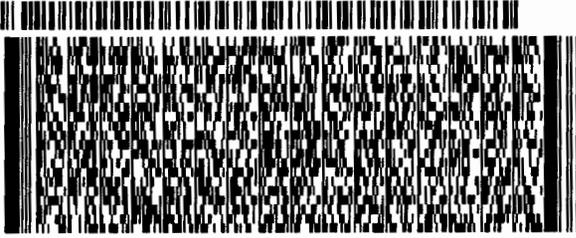
TO MATERIALS LICENSING BRANCH
U.S. NUCLEAR REGULATORY COMMISSION
2443 WARRENVILLE ROAD
SUITE 210
LISLE IL 60532

565L20E3DZ3AD

(630) 829-9500
INV.
PO:

REF: DSH

DEPT:

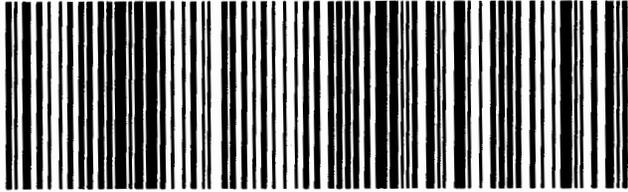


WED - 06 FEB 10:30A
PRIORITY OVERNIGHT

TRK# 7743 9335 3010
0201

XH ENLA

60532
IL-US ORD



After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number. Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our ServiceGuide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

RECEIVED FEB 07 2019