



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
2443 WARRENVILLE ROAD, SUITE 210
LISLE, ILLINOIS 60532-4352

Laura Speer Smith, M.S.
Radiation Safety Officer
Cats Radio - Iodine Treatment Centers
6650 Highland Road
STE 116
Waterford, MI 48327

MAY 10 2019

Dear Ms. Smith:

This refers to the application dated March 13, 2019, ("the application") received in our offices on March 18, 2019, and which reached me on or about March 25, 2019. The application was signed by Steven J. Bailey, DVM, which requested a change of mailing address, that Dr. Bailey stated NRC had been notified of previously on 2/2/19; and two corrections to the license.

We completed Amendment No. 26 incorporating the changes requested above but we did not address the change of ownership and control issue. That is now being reviewed under control no. 611959.

This also refers to the letter dated August 24, 2018, signed by Dan H. Marshall, DVM and received in our offices on February 4, 2019. This letter states that it is a "notification" of intent to sell the nuclear business covered by this license.

In fact, the business covered by this license was sold to Dr. Bailey on October 31, 2018, and "notification" to us was not required. Obtaining NRC's prior written consent to the change of ownership was, and is, required by 10 CFR 30.34(b)(1) and 30.34(b)(2).

On February 4, 2019, our Licensing Assistant, Tammy Tomczak, sent an email to you, Ms. Smith, as follows:

From: Tomczak, Tammy
Sent: Monday, February 04, 2019 5:25 PM
To: 'lsphysics@att.net' <lsphysics@att.net>
Subject: Amendment Request for Cats Radio-Iodine Treatment Centers (License No. 21-26539-01)

Good afternoon, Ms. Smith,

We have received an amendment request for Cats Radio-Iodine Treatment Centers, dated August 24, 2018, which appears to be requesting a change of control. Please clarify whether or not there was a change or transfer of control or ownership in your organization. Please refer to the guidance included in this link: <https://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1556/v15/>

Refer to Appendix D for questions to determine whether or not a change of control or ownership has occurred and if "yes" please provide the information outlined in Appendix E.

If you have any questions, or require any additional information, please do not hesitate to contact me.

Thank you,

Tammy Tomczak
Materials Licensing Assistant
(630) 829-9564"

Ms. Tomczak never received a response to this message.

In her message to you, Ms. Tomczak directed "Please refer to the guidance included in this link: <https://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1556/v15/>

Refer to Appendix D for questions to determine whether or not a change of control or ownership has occurred and if "yes" please provide the information outlined in Appendix E."

In your letter to us dated April 15, 2019, you still have not provided the information outlined in Appendix E to NUREG 1556, Vol. 15, Rev. 1:

In my request for additional information (RFAI) letter dated April 10, 2019, it was not my intention to communicate that you could limit the information we needed from you to only what was excerpted in the body of that letter. Maybe there was a misunderstanding of some sort.

In the subsequent telephone call on April 11, 2019, between you, Ray Carlson, Dr. Bailey and me, I emphasized the specific information we needed, since the change of ownership had already occurred without NRC's prior written consent.

It was, and is, my intention now to more clearly communicate that you must provide the information outlined in Appendix E to NUREG 1556, Vol. 15, Rev. 1, including, but not necessarily limited to, just this Appendix.

Dr. Marshall, Dr. Bailey and you will need to thoroughly review Appendix D's questions as well, and Appendices A, B and C.

The information in Sections 1 through 5 in the front of this document are also essential for you, Dr. Bailey and Dr. Marshall to read thoroughly and understand in preparing an appropriate response.

Dr. Marshall, as the transferor, and Dr. Bailey, as the transferee, must each sign the response, clearly and legibly.

You need to determine and state clearly whether the transfer of ownership and control was "indirect" or "direct." The NUREG 1556 Vol. 15, Rev. 1 can help you make that determination.

Then we can consider your request for the change of ownership and control of this license. We are unable to do so based upon the information we have so far in the letters dated August 24, 2018, and April 15, 2019.

Your letter dated April 15, 2019, indicates that you believe that you should be held accountable for this situation, not Dr. Bailey.

Please note that NRC licenses are issued to the senior management and ownership of the applicant. This has always been the case. Dr. Marshall is the licensee and the responsibility for this license is his.

When Dr. Bailey bought the practice from Dr. Marshall, without NRC's prior written consent, it appears that they share the licensee management responsibilities until the transfer of ownership and control process is concluded with NRC.

You, as a consultant RSO appointed by Dr. Marshall to safely conduct the licensed activities and oversee them, etc. do not have these management responsibilities with respect to the license.

Any future or further determinations as to enforcement regarding this situation will be made by our Materials Inspection Branch. It is inappropriate to discuss this matter further in the course of this license review. The goal now should be to restore this license to a state of compliance as soon as possible.

I strongly recommend that Dr. Marshall, Dr. Bailey and you carefully review Section 3, "Management Responsibility" in each document, NUREG 1556 Vol. 7, Rev. 1 and NUREG 1556 Vol. 15, Rev.1.

Please prepare a currently dated, legibly signed, written response to my attention at the above address no later than close of business on May 24, 2019, which is 2 weeks from the date of this document.

Please do not send documents that have already been provided to us before unless the information in them has changed. Please do not send us extraneous documents. Please focus on "answering the question," and providing only the information we have asked for.

Please address your response as "additional information to Control no. is 611959." This is a different control number than what you have used before.

The fastest and most reliable way to transmit the response is to fax only one completed, currently dated and signed copy to (630) 515-1078.

Please do not email it to me and/or send it via regular mail. Never send us more than one response by any means of transmission as this practice introduces unnecessary errors and delays in processing.

The response must contain only publicly releasable information as we will have to post your response for comment on our public website for 30 days.

In preparing your response, please also be reminded of the provisions in 10 CFR 30.9(a), "Completeness and accuracy of information,"..."(a) Information provided to the Commission by an applicant for a license or by a licensee or information required by statute or by the Commission's regulations, orders, or license conditions to be maintained by the applicant or the licensee shall be complete and accurate in all material respects."

If you have any questions or comments please contact me at either (800) 829-9500, ext. 9841 or (630) 829-9841. My fax number is (630) 515-1078. My email address is colleen.casey@nrc.gov.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Sincerely,



Colleen Carol Casey
Materials Licensing Branch

License No. 21-26539-01
Docket No. 030-33367

Control No. 611959

Cc: Steven J. Bailey, DVM
Same address as above