

10182

RELATED CORRESPONDENCE

SHAW, PITTMAN, POTTS & TROWBRIDGE
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

2300 N STREET, N. W.
WASHINGTON, D. C. 20037

TELEX/CABLE
59-2693 (SHAWLAW WSH)
TELEPHONE
(202) 662-8488

90 APR -2 P6:39

VIRGINIA OFFICE
1501 FARM CREDIT DRIVE
MCLEAN, VIRGINIA 22102
(703) 790-7900
TELECOPIER
(202) 663-6007

OFFICE OF SECRETARY
DOCKETING & SERVICE
BRANCH

March 29, 1990

CHRISTINE M. NICOLAIDES

HAND-DELIVERED

Robert M. Weisman, Esq.
Office of General Counsel
United States Nuclear
Regulatory Commission
Washington, D.C. 20555

Re: In re the Matter of Safety Light Corporation,
et al., Docket Nos. 30-05980, et al. -DM

Dear Mr. Weisman:

As we agreed in our telephone conversations on March 9 and March 12, 1990, we are hereby submitting a listing of the individual assets owned by each of the USR companies, including the encumbrances thereon. These were formally requested in your letter of March 19, 1990.

Attachment A hereto is a complete list of the assets and encumbrances thereon for USR Industries, Inc., USR Lighting, Inc., and USR Metals, Inc., as of September 31, 1989. It should be noted that the figures in Attachment A are unaudited and the separate company figures do not reflect the effects of consolidation. Accordingly, they cannot be understood on a separate stand alone basis. USR Chemicals, Inc. and U.S. Natural Resources, Inc. are both currently inactive corporations and have no assets. Included with Attachment A is Form 10-Q filed with the Securities and Exchange Commission for the quarter ended September 30, 1989. We will provide you with December 31, 1989 data, when it becomes available soon after April 2, 1990, when the Annual Report on Form 10-K is scheduled to be filed. Preparation and auditing of such report, which will reflect the contrary negative impact of extraordinary legal and remedial costs, are nearing completion.

Attachment B hereto sets forth a listing of certain insurance policies, and the issuing carriers, who have been notified of the NRC actions with respect to the Bloomsburg site. Proceeds from these policies may be applicable to remediation of the Bloomsburg site. In addition to the policies enumerated in Attachment B, the Hannotch Weisman law firm has recently notified us that, in the last ten days, it has located certain U.S. Radium Corporation ledger sheets which suggest there may be certain

9004060201 900329
NMSS LIC30
37-00030-02 PDR

DS03

SHAW, PITTMAN, POTTS & TROWBRIDGE

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

Robert M. Weisman, Esq.

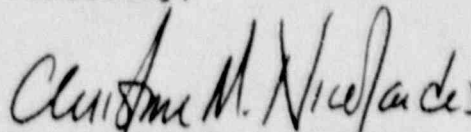
March 29, 1990

Page Two

additional primary and/or excess insurance that was purchased between 1946 and 1970 by that entity. The policies are not now available and we do not know the full scope of the coverage obtained in those policies. The Hannotch Weisman law firm intends to amend its complaint in the New Jersey action to include the new list of recently-discovered insurers and to obtain copies of the policies. We will keep you informed of the progress of this development.

The information set forth in Attachment A hereto, together with the income statements over many years, show that with the extraordinary additional legal and other remedial costs being imposed, USR Industries, Inc. and its subsidiaries own barely sufficient net assets to maintain themselves in a viable form. Nevertheless, USR Industries, Inc. (with consent of Safety Light Corporation) proposes to grant to a Shaw, Pittman, Potts & Trowbridge escrow account a security interest in the amount of \$100,000. Such funds, which are expected to be received next month, have been obtained following extensive negotiation regarding settlement of the claims that USR Industries and/or Safety Light Corporation may have against INA for the Bloomsburg site. The \$100,000 escrow fund will be maintained by Shaw Pittman for the purposes set forth in the Licensing Board Order of February 8, 1990, pending ultimate determination of the issues presently pending before the NRC tribunals unless otherwise disposed of pursuant to any settlement, interim or otherwise, entered into by USR Industries, Inc. and the NRC Staff.

Sincerely,



Christine M. Nicolaides

cc: Service List with enclosures

ATTACHMENT A

Statement of Assets, Certain Liabilities and Encumbrances
at September 30, 1989

(Unaudited)

I. USR Industries, Inc.

ASSETS

Cash and cash equivalents	\$ 850
Accounts receivable	50,154
Prepaid expenses and other current assets	95,461
Common stock ownership - Pinnacle Petroleum, Inc. (adjusted cost basis)	388,465(1)
Investment (cost basis, equity method) in a separate limited partnership, which owns a building located at 550 Post Oak Blvd., Houston, Texas.	277,192(2)
Machinery equipment (cost less accumulated depreciation)	10,734
Other noncurrent assets	500

LIABILITIES

Notes payable	\$ 127,954
Accounts payable	253,249
Accrued expenses	122,734

Contingencies

-
- (1) All encumbered as collateral for a note to a commercial bank in the amount of \$127,954.
- (2) All encumbered as collateral for a first mortgage to an insurance company of \$1,800,000.

NOTE: The above presentation of unconsolidated assets and related encumbrances is limited by and should be read in conjunction with the attached Shaw, Pittman letter dated March 28, 1990 and the attached verification thereof.

(Continued)

ATTACHMENT A

Statement of Assets, Certain Liabilities and Encumbrances
at September 30, 1989

(Unaudited)

II. USR Metals, Inc./MultiMetal Products Corporation

ASSETS

Cash and cash equivalents	\$ 52,957
Accounts receivable	224,280(1)
Inventories	17,968(1)
Prepaid expenses and other current assets	17,849
Machinery and equipment (cost less accumulated depreciation)	49,856(1)

LIABILITIES

Notes payable	\$ 57,576
Accounts payable	106,419
Accrued expenses	14,824

Contingencies

-
- (1) Receivables and fixed assets of \$170,526 are encumbered by a note and lien payable to a commercial bank in amount of \$57,576.

NOTE: The above presentation of unconsolidated assets and related encumbrances is limited by and should be read in conjunction with the attached Shaw, Pittman letter dated March 28, 1990 and the attached verification thereof.

(Continued)

ATTACHMENT A

Statement of Assets, Certain Liabilities and Encumbrances
at September 30, 1989

(Unaudited)

III. USR Lighting, Inc.

ASSETS

Cash and cash equivalents	\$ 1,509
Accounts receivable	50,187
Prepaid expenses and other current assets	443
Note receivable	423,119(1)
Property, plant and equipment (at cost less accumulated depreciation)-primarily building under long-term capital lease and leasehold improvements	343,121
Other noncurrent assets	63,482

LIABILITIES

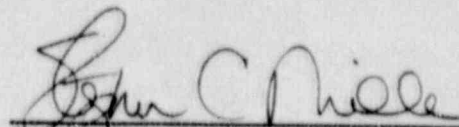
Accounts payable	\$ 13,366
Other noncurrent liabilities	17,300
Long term capital lease	61,483

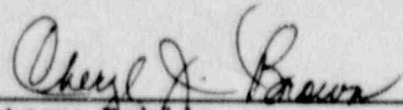
Contingencies

-
- (1) Subordinate to a note of a commercial bank in the amount of approximately \$168,000.

NOTE: The above presentation of unconsolidated assets and related encumbrances is limited by and should be read in conjunction with the attached Shaw, Pittman letter dated March 28, 1990 and the attached verification thereof.

The foregoing Statements of Assets, Certain Liabilities and Encumbrances of USR Industries, Inc., USR Metals, Inc./MultiMetal Products Corporation and USR Lighting, Inc., as limited by and read in conjunction with the attached letter of Shaw, Pittman dated March 28, 1990 are subscribed and sworn to before me this 28th day of March, 1990.


Stephen C. Miller, Treasurer
USR Industries, Inc.


Notary Public

My commission expires 8-29-93.

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the quarter ended September 30, 1989

Commission file No. 1-8040

USR INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

22-2303184

(I.R.S. Employer
Identification No.)

550 Post Oak Boulevard, Suite 545, Houston, Texas

(Address of principal executive offices)

77027

(Zip Code)

Registrant's telephone number, including area code:

(713) 622-9171

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES XXXX NO

As of November 1, 1989 the Registrant had outstanding 994,655 shares of common stock, par value \$1.00 per share, which is the Registrant's only class of common stock outstanding.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

- Consolidated Balance Sheets.....	3
- Consolidated Statements of Operations.....	5
- Consolidated Statements of Cash Flows.....	7
- Notes to Consolidated Financial Statements.....	11

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.....	13
--	----

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.....	16
Item 6. Exhibits and Reports on Form 8-k.....	23

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

OUR INDUSTRIES, INC.

Consolidated Balance Sheets

	<u>September 30,</u> <u>1989</u> (Unaudited)	<u>December 31,</u> <u>1988</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 55,316	13,418
Accounts receivable	324,621	140,903
Inventories	17,968	25,066
Notes receivable-current portion	14,741	12,063
Common stock held for sale (rights offering)	114,852	200,000
Prepaid expenses and other	<u>113,753</u>	<u>1,331</u>
Total current assets	<u>641,251</u>	<u>392,781</u>
Ownership of common stock-Pinnacle Petroleum, Inc.	273,613	580,476
Investment in and advances to/from Houston-Phoenix Co., Ltd.	277,192	607,272
Notes receivable	408,378	486,887
Property, plant and equipment, at cost	1,712,974	1,650,881
	<u>(1,309,263)</u>	<u>(1,245,700)</u>
	<u>403,711</u>	<u>405,181</u>
Other assets, net	<u>63,982</u>	<u>63,982</u>
	<u>\$2,068,127</u>	<u>2,536,579</u>

- Continued -

USR INDUSTRIES, INC.

Consolidated Balance Sheets (Continued)

	September 30, 1989 (Unaudited)	December 31, 1988
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities:		
Notes payable and current maturities of long-term debt	\$ 185,530	147,954
Accounts payable	373,034	436,730
Accrued expenses	<u>137,558</u>	<u>129,157</u>
Total current liabilities	<u>696,122</u>	<u>713,841</u>
Long-term obligations under capital lease and other	78,783	78,778
Commitments and contingencies		
Stockholders' equity:		
Common stock, par value \$1; 3,500,000 shares authorized; issued and outstanding 994,655 shares at September 30, 1989 and December 31, 1988	994,655	994,655
Additional paid-in capital	365,461	365,461
Retained earnings (deficit)	<u>(66,894)</u>	<u>383,844</u>
Total stockholders' equity	<u>1,293,222</u>	<u>1,743,960</u>
	<u>\$2,068,127</u>	<u>2,536,579</u>

See Notes to Consolidated Financial Statements.

USA INDUSTRIES, INC.

Consolidated Statements of Operations
(Unaudited)

	Three Months Ended September 30,	
	1989	1988
Revenues:		
Net sales	\$ 256,699	131,709
Rental income, net	23,296	23,283
Interest income	15,562	13,666
Other income	4,603	3,981
Total revenues	<u>300,150</u>	<u>172,639</u>
Costs and expenses:		
Cost of sales	130,638	48,142
Selling, general and administrative expenses	312,796	99,174
Depreciation and amortization	24,763	16,618
Interest expense	<u>6,172</u>	<u>3,156</u>
Total costs and expenses	<u>474,369</u>	<u>167,090</u>
Equity in net earnings (loss) of Pinnacle Petroleum, Inc.	(51,275)	(109,575)
Equity in net earnings (loss) of Houston-Phoenix Co., Ltd.	<u>(1,498)</u>	<u>(17,880)</u>
Net earnings (loss)	<u>\$ (226,982)</u>	<u>(121,906)</u>
Net earnings (loss) per common share	<u>\$ (.23)</u>	<u>(.12)</u>
Weighted average number of common shares outstanding	<u>994,655</u>	<u>994,655</u>

See Notes to Consolidated Financial Statements.

OUR INDUSTRIES, INC.

Consolidated Statements of Operations
(Unaudited)

	Nine Months Ended September 30,	
	1999	1998
Revenues:		
Net sales	\$ 723,160	372,854
Rental income	69,877	69,838
Interest income	46,154	41,131
Other income	11,735	5,316
Total revenues	850,926	489,139
Costs and expenses:		
Cost of sales	331,607	149,183
Selling, general and administrative expenses	685,027	318,907
Depreciation and amortization	63,563	51,057
Interest expense	20,537	12,402
Total costs and expenses	1,100,734	531,549
Market value writedown of common stock	-	(40,000)
Equity in net earnings (loss) of Pinnacle Petroleum, Inc.	(171,863)	(305,952)
Equity in net earnings (loss) of Houston-Phoenix Co., Ltd.	(29,067)	(47,168)
Net earnings (loss)	\$ (450,738)	(435,530)
Net earnings (loss) per common share	\$ (.45)	(.44)
Weighted average number of common shares outstanding	994,655	994,655

See Notes to Consolidated Financial Statements.

OUR NEWSPAPERS, INC.

Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended September 30,	
	<u>1989</u>	<u>1988</u>
Cash flows from operating activities:		
Net earnings (loss)	\$ (226,982)	(121,906)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	24,763	16,618
Accretion of discount on notes receivable	(4,019)	(6,047)
Equity in net loss of Pinnacle Petroleum, Inc.	51,275	109,575
Equity in net loss of Houston-Phoenix Co., Ltd.	1,498	17,880
(Increase) decrease in other assets, net	-	354
Increase (decrease) in long-term obligations	(2)	12
(Increase) decrease in accounts receivable	(41,712)	(47,356)
(Increase) decrease in inventories	8,575	(5,374)
(Increase) decrease in prepaid expenses and other	(81,078)	(18,281)
Increase (decrease) in accounts payable	(5,466)	(62,749)
Increase (decrease) in accrued expenses	(39,024)	8,117
Net cash provided by (used) in operating activities	<u>\$ (312,172)</u>	<u>(109,157)</u>

- Continued -

OUR INDUSTRIES, INC.

Consolidated Statements of Cash Flows (Continued)
(Unaudited)

	Three Months Ended September 30.	
	<u>1989</u>	<u>1988</u>
Cash flows from investing activities:		
Decrease in ownership of Pinnacle Petroleum, Inc.	\$ (26)	110,016
(Increase) decrease in investment in and advances to/from Houston-Phoenix Co., Ltd.	356,364	(23,041)
Principal receipts of note receivable	4,572	2,238
Additions to property, plant and equipment	<u>(17,702)</u>	<u>(5,069)</u>
Net cash provided by (used in) investing activities	<u>343,208</u>	<u>84,144</u>
Cash flows from financing activities:		
Increase (decrease) in notes payable	<u>(9,501)</u>	<u>(1,046)</u>
Net cash provided by (used in) financing activities	<u>(9,501)</u>	<u>(1,046)</u>
Net increase (decrease) in cash and cash equivalents	21,535	(26,059)
Cash and cash equivalents at beginning of year	<u>33,781</u>	<u>39,935</u>
Cash and cash equivalents at end of year	<u>\$ 55,316</u>	<u>13,876</u>

Supplemental Schedule of Noncash Investing and Financing Activities:

See Notes to Consolidated Financial Statements.

ORR INDUSTRIES, INC.

Consolidated Statements of Cash Flow
(Unaudited)

	Nine Months Ended September 30,	
	<u>1989</u>	<u>1988</u>
Cash flows from operating activities:		
Net earnings (loss)	\$ (450,738)	(435,530)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	63,563	51,057
Accretion of discount on notes receivable	(12,340)	(18,141)
Market value writedown of common stock	-	40,000
Equity in net loss of Pinnacle Petroleum, Inc.	171,863	305,952
Equity in net loss of Houston-Phoenix Co., Ltd.	29,067	47,168
(Increase) decrease in other assets, net	-	1,061
Increase (decrease) in long-term obligations	5	47
(Increase) decrease in accounts receivable	(183,718)	(83,794)
(Increase) decrease in inventories	7,098	(793)
(Increase) decrease in prepaid expenses and other	(112,422)	(28,180)
Increase (decrease) in accounts payable	(63,696)	31,796
Increase (decrease) in accrued expenses	<u>8,401</u>	<u>9,635</u>
Net cash provided by (used in) operating activities	<u>\$ (542,917)</u>	<u>(79,722)</u>

- Continued -

OMR INDUSTRIES, INC.

Consolidated Statements of Cash Flow (Continued)
(Unaudited)

	Nine Months Ended	
	September 30,	
	<u>1989</u>	<u>1988</u>
Cash flows from investing activities:		
Decrease in ownership of Pinnacle Petroleum, Inc.	\$ 220,148	110,016
(Increase) decrease in investment in and advances to/from Houston-Phoenix Co., Ltd.	301,013	(52,201)
Principal receipts of note receivable	9,271	6,579
Increase (decrease) in note receivable	78,900	-
Additions to property, plant and equipment	(17,702)	(5,069)
Increase in assets and liabilities resulting from consolidation of subsidiary:		
Accounts receivable	128,017	-
Inventories	718	-
Prepaid expenses and other	33,026	-
Accounts payable	(114,398)	-
Accrued expenses	(28,017)	-
Notes payable	<u>(64,578)</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>546,398</u>	<u>59,325</u>
Cash flows from financing activities:		
Increase (decrease) in notes payable	<u>37,576</u>	<u>(26,046)</u>
Net cash provided by (used in) financing activities	<u>37,576</u>	<u>(26,046)</u>
Net increase (decrease) in cash and cash equivalents	41,057	(46,443)
Cash and cash equivalents at beginning of year	13,418	60,319
Cash acquired through consolidation of subsidiary	<u>841</u>	<u>-</u>
Cash and cash equivalents at end of year	<u>\$ 55,316</u>	<u>13,876</u>

Supplemental Schedule of Noncash Investing and Financing Activities:

During the nine months ended September 30, 1989, the Company paid current and accrued directors fees of \$135,000 with shares of Pinnacle Common Stock owned by the Company.

See Notes to Consolidated Financial Statements.

USR INDUSTRIES, INC.

Notes to Consolidated Financial Statements

(1) Summary of Significant Accounting Principles

For a summary of significant accounting principles see Notes to Consolidated Financial Statements and Note 1 thereof contained in the Annual Report on Form 10-K of USR Industries, Inc. (the "Company") for the year ended December 31, 1988, which is incorporated herein by reference. The Company follows the same accounting policies during interim periods as it does for annual reporting purposes.

The accompanying consolidated financial statements are condensed and unaudited. In the opinion of management, the unaudited interim financial statements furnished reflect all adjustments of a normal recurring nature which are necessary to a fair statement of the results for the interim periods presented.

(2) Houston-Phoenix Co., Ltd.

The Company accounts for its investment in Houston-Phoenix Co., Ltd. (the "Partnership"), a Texas limited partnership, under the equity method of accounting. Use of the equity method, which is required by generally accepted accounting principles, reflects a change in the Company's reporting entity during 1989. During prior years, the accounts of the Partnership were included in the Company's consolidated financial statements. The financial statements for the year ended December 31, 1988 and applicable interim periods have been restated to reflect the changed reporting entity. As the results of operations of the Partnership have been included in the Company's financial statements under the caption "Equity in net earnings (loss) of Houston-Phoenix Co., Ltd.," there is no effect on the earnings or loss of the Company as previously reported.

Below is shown condensed income statement information as to the statement of operations of the Partnership, as of September 30, 1989 based on the Partnership's most current available financial information.

Condensed Statement of Operations For Nine Months Ended September 30, 1989 (Unaudited)

Total revenues	\$ 444,210
General and administrative expenses	245,635
Depreciation and amortization	101,338
Interest expense	<u>152,732</u>
Total costs and expenses	<u>499,705</u>
Net earnings (loss)	<u>\$ (55,495)</u>

USR INDUSTRIES, INC.

(3) Pinnacle Petroleum, Inc.

Below is shown condensed income statement information as to the consolidated statement of operations of Pinnacle Petroleum, Inc. ("Pinnacle") as of September 30, 1989 based on Pinnacle's most current available financial information. Pinnacle is a public company subject to the reporting requirements of the securities acts.

Condensed Consolidated Statement of Operations
For Nine Months Ended September 30, 1989
(Unaudited)

Revenues	\$ 617,133
Costs and expenses	<u>1,229,922</u>
Earnings (loss) from operations	(612,789)
Equity in net earnings (loss) of Golden Oil Company	(96,851)
Minority interest in net loss of Regal Petroleum, Ltd.	<u>144,200</u>
Net earnings (loss)	<u>\$ (565,440)</u>

(4) MultiMetal Products Corporation

Results of operations of the Company for the three and nine months ended September 30, 1989 include revenues and expenses for MultiMetal Products Corporation ("MPC"), a wholly owned subsidiary of USR Metals, Inc. Pursuant to that certain 1985 Asset Purchase Agreement (the "Agreement") as approved and ratified by Company stockholders at a Meeting held during March 7, 1986, certain net assets of the Company's metal fabrication line in Bloomsburg, Pennsylvania were purchased, subject to rescission under certain conditions, by the purchasing corporation. The asset purchase transaction was subject to conditions subsequent, including the right of the purchasing corporation to rescind the transaction and to repay the purchase price in full in the event that the purchasing corporation was advised that there was any question whether the assets were purchased "free and clear" of claims against the Company or its subsidiaries. Subsequently, the purchasing corporation was advised that, in view of the assertions against the Company in the ongoing environmental litigation described more particularly in the Notes to Consolidated Financial Statements included in the Annual Report on Form 10-K at footnote 10 and in Part II, Item 1 hereof, claims were being asserted that the net assets purchased were subject to claims against the Company or its subsidiaries. Accordingly, pursuant to the Agreement, the purchasing corporation notified the Company of its election to rescind the transaction effective at the beginning of the second quarterly period. Accordingly, the Company's financial statements for the three and nine months ended September 30, 1989 include the results of operations of MPC on a fully consolidated basis.

UEN INDUSTRIES, INC.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Financial Condition

To date the Company has funded its internal cash needs from operations; collection of accounts receivable and other current assets; asset sales; issuance of Common Stock; and bank borrowings from time to time. Because of the very substantial legal fees and other costs associated with its environmental litigation, the Company's current liquidity requirements can not be met from current operations. The Company must sell assets to meet its immediate need for liquidity.

At September 30, 1989, the Company's working capital deficit was \$54,871 and the current ratio of current assets to current liabilities was .92:1 as compared to a working capital deficit of \$321,060 and current ratio of .55:1 at December 31, 1988. To obtain necessary liquidity, the Company may sell assets, offer additional securities or incur additional indebtedness.

During the quarter ended September 30, 1989, the Company converted certain advances which had been made to the Partnership into partners equity and transferred limited partner interests in the Partnership to creditors in order to satisfy certain outstanding amounts owed. As a result, the Company's ownership interest in the Partnership decreased below 50 percent and currently is accounted for under the equity method, which is required by generally accepted accounting principles to reflect a change in the Company's reporting entity.

Results of Operations

Comparison of the Three Months Ended September 30, 1989 and 1988

Net sales from manufacturing totaled \$256,699 for the three months ended September 30, 1989 compared to \$131,709 for the corresponding period in 1988. The increase of \$124,990 is primarily attributable to consolidation of the results of operations of MPC. Rental income of \$23,296 for the three months ended September 30, 1989 was consistent with the corresponding period in 1988. Interest income totaled \$15,562 for the three months ended September 30, 1989 compared to \$13,666 for the year earlier period. Interest income reflects the accretion of the discount and interest attributable to notes receivable from certain net asset sales.

Cost of sales for the three months ended September 30, 1989 was \$130,638 compared to \$48,142 for the year earlier period. The increase of \$82,496 is due primarily to the consolidation of results of operations of MPC. Selling, general and administrative expenses for the three months ended September 30, 1989 increased to \$302,796 compared to \$99,174 for the corresponding period in 1988 primarily as a result of increased legal fees concerning the environmental litigation as more fully described in Part II, Item 1 hereof, and the consolidation of the results of operations of MPC. Interest expense for the current period ended September 30, 1989 increased to \$6,172 compared to \$3,156 for the year earlier period. The increase in interest expense is attributed primarily to the increase in notes payable from consolidation of the results of operations of MPC.

USA INDUSTRIES, INC.

The Company's equity in the net loss of Pinnacle Petroleum, Inc. totaled \$51,275 for the three months ended September 30, 1989 compared to \$109,575 for the comparable year earlier period. Such amounts reflect the Company's pro-rata share of Pinnacle's consolidated net loss of \$234,091 for the three months ended September 30, 1989. The Company's equity in the net loss of Houston-Phoenix Co., Ltd. totaled \$1,498 for the three months ended September 30, 1989 compared to \$17,880 for the comparable quarter in 1988. Such amounts reflect the Company's pro-rata share of the Partnership's net loss of \$5,871 for the three months ended September 30, 1989.

As a result of the foregoing, for the quarter ended September 30, 1989 the Company reported a net loss of \$226,982 compared to a net loss of \$121,906 for the comparable quarter in 1988.

Comparison of the Nine Months Ended September 30, 1989 and 1988

Net sales from manufacturing totaled \$723,160 for the nine months ended September 30, 1989 compared to \$372,854 for the corresponding period in 1988. The increase of \$350,306 is primarily attributable to increased unit sales volume generated from new and existing customers and consolidation of the results of operations of MPC. Rental income of \$69,877 for the nine months ended September 30, 1989 was consistent with rental income of \$69,838 for the corresponding period in 1988. Interest income totaled \$46,154 for the nine months ended September 30, 1989 compared to \$41,131 for the year earlier period. Interest income reflects the accretion of the discount and interest attributable to notes receivable from certain net asset sales.

Cost of sales for the nine months ended September 30, 1989 was \$331,607 compared to \$149,183 for the year earlier period. The increase of \$184,424 is due primarily to a corresponding increase in net sales and consolidation of the results of operations of MPC. Selling, general and administrative expenses for the nine months ended September 30, 1989 increased to \$685,027 compared to \$318,907 for the corresponding period in 1988 primarily as a result of increased legal fees concerning the environmental litigation as more fully described in Part II, Item 1 hereof, and consolidation of the results of operations of MPC. Interest expense for the current period ended September 30, 1989 increased to \$20,537 compared to \$12,402 for the year earlier period. The increase of \$8,135 in interest expense is attributed primarily to the increase in notes payable upon the consolidation of the results of operations of MPC.

The Company's equity in the net loss of Pinnacle Petroleum, Inc. totaled \$171,363 for the nine months ended September 30, 1989 compared to \$305,952 for the comparable year earlier period. Such amounts reflect the Company's pro-rata share of Pinnacle's consolidated net loss of \$565,440 for the nine months ended September 30, 1989. The Company's equity in the net loss of Houston-Phoenix Co., Ltd. totaled \$29,067 for the nine months ended September 30, 1989 compared to \$47,168 for the comparable year earlier period. Such amounts reflect the Company's pro-rata share of the Partnership's net loss of \$55,495 for the nine months ended September 30, 1989.

UNIT INSURANCE, INC.

As a result of the foregoing, for the nine months ended September 30, 1989 the Company reported a net loss of \$450,738 compared to a net loss of \$435,530 for the comparable period in 1988.

OUR INDUSTRIES, INC.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

(a) On April 2, 1981 an action was commenced in the Superior Court of New Jersey, Essex County, by T & E Industries, Inc. naming y USRC, the corporate predecessor to Safety Light Corporation ("SLC"), as a defendant and alleging, inter alia, that property in Orange, New Jersey owned by the plaintiff suffers from contamination from certain radioactive materials allegedly deposited thereon by USRC during prior years. The litigation arises from operations conducted by USRC at the site during the years 1917 to 1926. Subsequent to the commencement of this action the complaint was amended to include the Company and certain of its subsidiaries alleged to be corporate successors to the former USRC. The plaintiff seeks to compel remedial action as to alleged improper condition of the site and damages in unspecified amounts in compensation for injury to its property and business as well as punitive damages.

During December 1983 plaintiffs amended such complaint to include as additional defendants GAF Corporation, Mitsubishi Chemical Industries, Inc. ("MCI") and MCI's subsidiary in New Jersey, USR Optonix, Inc., which was alleged to be a corporate successor to the former USRC. The additional defendants were claimed to be liable under the product line exception to the general theory that a third party purchaser of assets is not liable as a successor. The additional defendants answered denying liability and demanded that the previously named defendants defend the action on their behalf and indemnify them against costs and any potential liability in connection therewith. In 1984 the additional defendants were successful on a motion for summary judgment against the plaintiffs and, accordingly, the claims of the additional defendants against the Company and its subsidiaries have been dismissed.

In early 1985 the Company prevailed against a motion for summary judgment by the plaintiff seeking judgment that the Company is the successor to USRC.

In September 1985 five primary insurance carriers of the Company and SLC assumed the defense of the Company, certain of the Company's subsidiaries and SLC, pursuant to a Defense Agreement. While the insurance carriers are assisting in the defense of certain actions their defense is made subject to an absolute reservation of rights to deny liability on any of the underlying claims.

On February 3, 1986, this matter was tried before a jury in front of the Honorable Stanley G. Bedford. This trial was only with respect to the liability, if any, of SLC. Prior to trial, the Court bifurcated the count asserting liability against the Company and certain of the Company's subsidiaries and on November 18, 1985 ordered that all claims against the Company would be severed and separately tried, if at all, in the event plaintiff obtains a judgment against SLC.

During trial the Court granted a directed verdict in favor of SLC dismissing all of plaintiff's strict liability claims, all negligence based

USR INDUSTRIES, INC.

claims relating to the conduct of USRC between 1917-1926, and all claims based upon fraud, recklessness and intentional conduct. The only remaining claims against SLC were an alleged negligent failure to warn when the premises were sold in 1943 and a negligence theory which allegedly placed upon USRC a continuing duty to warn prospective purchasers up through the time plaintiff purchased the property in 1974, thirty-one years later. The Court also reduced plaintiff's damage claim from \$2.8 million to under \$400,000.

On March 11, 1986, the jury returned a verdict, finding that USRC was not negligent in 1943 when it failed to warn its immediate purchaser that the presence of radioactive tailings on the premises constituted a potential risk to health or property. The jury did find that USRC was negligent for not warning plaintiff before its purchase of the property thirty-one years later, in 1974, that the same potential risk to health or property existed on the premises. Damages were assessed against SLC in the amount of \$372,100.62.

On April 25, 1986, Judge Bedford granted SLC's motion for judgment in its favor notwithstanding the jury's verdict of March 11, 1986. The Court also denied plaintiff's application for indemnification by SLC of all cleanup costs assessed against plaintiff as a result of any future government efforts to decontaminate the property. Final judgment was thereafter entered in favor of SLC, the Company and certain of the Company's subsidiaries on May 29, 1986 and awarded on June 20, 1986, dismissing all of plaintiff's claims in their entirety.

On July 9, 1986, plaintiff filed a Notice of Appeal from the June 20, 1986 judgment. On February 24, 1988 oral argument on plaintiff's appeal was heard by the Appellate Division of the State of New Jersey. On August 11, 1988 the Appellate Division reversed the lower court's decision, entered judgment in favor of plaintiff based on plaintiff's absolute liability claim and remanded the case to the trial court for a new trial on the issue of damages. By order dated September 19, 1988 Safety Light's motion for re-consideration was denied by the Appellate Division. A petition for certification to the Supreme Court of New Jersey has been filed and remains pending before that Court.

Since plaintiff's claims against the Company and certain of the Company's subsidiary companies will only be litigated in the event plaintiff is ultimately successful in its appeal against SLC, it is unclear at this time when, if at all, such claims will be tried. If a trial against the Company and certain of its subsidiaries does occur there remains to be resolved the outstanding issues of indemnification by SLC and crossclaims between it and the Company.

Claims also were made by T & E Industries in an action brought in the U.S. District Court for the District of New Jersey, allegedly pursuant to the Comprehensive Environmental Response, Compensation Liability Act of 1980 ("CERCLA") seeking a declaration that defendants are liable for all costs of cleanup and decontamination, consistent with the National Contingency Plan, of the site presently known as 422 Alden Street, Orange, New Jersey and seeking a judgment for "response costs" already incurred and injunctive relief for enforcing such remedy. Defendants made a motion to dismiss and plaintiffs made a cross-motion for partial summary judgment against SLC. The motions were heard on February 10, 1988. The Court,

USR INDUSTRIES, INC.

through Judge Wolin, found against the defendants' motion to dismiss based on New Jersey's "entire controversy doctrine" and granted T & E's application that SLC is liable under CERCLA for all necessary costs of response incurred by T & E which are consistent with the National Contingency Plan. The Court, however, limited T & E's alleged damages and determined, inter alia, that T & E's claim for attorney's fees are not recoverable response costs under CERCLA. Defendants are considering filing a petition with the Federal District Court to have the issue involving the entire controversy doctrine certified to the Third Circuit. No such petition has been filed to date.

At this time, neither counsel nor management can predict the outcome of the litigation.

(b) On December 6, 1982 an action was commenced in the Superior Court of New Jersey, Essex County, by Leslie Zwain et al. naming as defendants SLC, the Company and certain of the Company's subsidiaries alleged to be corporate successors to the former USRC and claiming, inter alia, that because of alleged contamination of the site in Orange, New Jersey, described in (a) above, the plaintiffs have suffered business interruption, diminution of property values, mental anguish and loss of consortium. The plaintiffs seek compensatory and punitive damages in amounts to be established at trial.

On August 5, 1985, the Court dismissed plaintiffs' personal injury claims based upon plaintiffs' failure to institute legal action within the applicable statute of limitations period. On February 25, 1986 the Appellate Court reversed this dismissal and remanded the matter for further proceedings. Defendants' application for leave to appeal this issue to the New Jersey Supreme Court was subsequently denied.

On November 30, 1987 the foregoing action was settled.

As in the T & E Industries litigation, the same five primary insurance carriers of the Company and SLC have assumed the defense of the Company, certain of the Company's subsidiaries and SLC, with a complete reservation of their rights to deny liability on the underlying claims.

(c) During 1984 and 1985 SLC, the Company and its two manufacturing subsidiaries, USR Lighting, Inc. and USR Metals, Inc., were named as defendants in five actions commenced in Superior Court, Essex County, New Jersey. These actions were brought on behalf of certain residents in the Townships of Montclair, Glen Ridge and West Orange, New Jersey and claim, inter alia, damages to land and personal injury in amounts to be proved at trial as well as punitive damages. Such alleged damages are claimed to have been caused by actual or threatened exposure of the property and persons of plaintiffs to levels of radon gas, a radioactive decay product of uranium or radium bearing ores, at levels above background levels naturally occurring and in excess of permissible levels established by the government for members of the public. Plaintiffs allege that such radon gas is a product of landfill obtained from the former USRC site in Orange, New Jersey.

By notice of motion returnable on July 18, 1986, the Company, certain of the Company's subsidiaries and SLC moved for summary judgment dismissing plaintiffs' claims based upon the continued lack of a factual nexus between their activities and the presence of radon in plaintiffs'

USC INDUSTRIES, INC.

homes. The motion was also based upon the inapplicability of the legal theories advanced by plaintiffs to these matters. By order dated August 22, 1986, the Court granted in part and denied in part the motion for summary judgment, ruling that there remained factual issues preventing the dismissal of certain claims which could not be resolved without a full plenary hearing. The Court dismissed all causes of action based upon manufacture of a defective product, breach of an express or implied warranty, battery and trespass. By the same order, the Court also consolidated these matters for discovery and trial purposes.

By order dated January 16, 1987, the Court granted the motion filed by the Company, certain of the Company's subsidiaries and SLC for severance and separate trial of certain liability and damage issues. The Court directed that these matters be tried in three separate phases: (1) a Phase I trial relating solely to plaintiffs' claims that the allegedly contaminated soil around plaintiffs' homes originated at the former USRC site in Orange, New Jersey; (2) if plaintiffs are successful in the Phase I trial, a second trial would follow encompassing all remaining liability issues; and (3) if plaintiffs are successful again in the Phase II trial, a third trial would follow relating to plaintiffs' personal injury and property damage claims.

On November 19 and 20, 1987 the defendants' motion for partial summary judgment regarding the absence of contaminated soil originating from the Orange site of the former USRC on plaintiffs' property was argued before the Superior Court of New Jersey, Law Division, Essex County. By letter opinion dated January 28, 1988, as supplemented by Judge Yanoff's letter of February 4, 1988, the Court granted-in-part and denied-in-part defendants' application. The Court adjudicated as a fact that there is no contaminated fill originating from the Orange site on six of the properties claiming to be contaminated and directed a hearing, with further expert testimony, regarding the alleged presence of contaminated sub-surface material on 14 properties as well as 30 remaining properties where certain bore hole sampling results were relied upon. On March 18, 1988, the Court denied plaintiffs' request for a rehearing on defendants' motion, as well as plaintiffs' request for leave to perform additional bore hole sampling and analysis to oppose defendants' application. That hearing has been scheduled for April 10 and 11, 1988.

Based upon the current state of the law and the absence of evidence indicating that the activities of the Company or its subsidiaries are in any way related to the alleged presence of radon in and around plaintiffs' homes, there exist numerous defenses going to the merits in these actions.

As in the T & E Industries and Zwain matters, the same five primary insurance carriers of the Company and SLC have assumed the defense of the Company, certain of the Company's subsidiaries and SLC, with a complete reservation of rights.

At this time neither counsel nor management can predict the outcome of the litigation.

(d) On May 15, 1986, an action was commenced in the Superior Court of New Jersey, Essex County, by the Estate of Alexander F. Masson, et al. naming as defendants SLC, the Company and its two former manufacturing

USR INDUSTRIES, INC.

subsidiaries, USR Lighting, Inc. and USR Metals, Inc. This action is brought on behalf of the estate of a deceased resident of the Township of Montclair and the deceased plaintiff's brother who allege that the defendants are responsible for the presence of radon gas which was discovered in and around the deceased plaintiff's home. As with the actions identified in (c) above, plaintiffs allege that such radon gas is a product of landfill obtained from the former USRC site in Orange, New Jersey. Plaintiffs allege that the radon gas was the contributing and/or sole cause of the deceased plaintiff contracting lung cancer. Plaintiffs have also named four tobacco companies alleging that cigarettes manufactured by those defendants and smoked by the deceased plaintiff were also the contributing and/or sole cause of the deceased plaintiff contracting cancer. This case has been consolidated for discovery and trial purposes with the case identified in (c) above.

Based upon the current state of the law and the absence of evidence indicating that the activities of the Company or its subsidiaries are in any way related to the alleged presence of radon in and around plaintiffs' homes, there exists numerous defenses going to the merits of this action.

As in the matters identified in (a), (b) and (c) above, the same five primary insurance carriers of the Company and SLC have assumed the defense of the Company, certain of the Company's subsidiaries and SLC, with a complete reservation of rights.

At this time neither counsel nor management can predict the outcome of the litigation.

(e) U.S. Environmental Protection Agency Proceedings

The U.S. Environmental Protection Agency ("EPA") has included the Orange, New Jersey site and the Montclair, Glen Ridge and West Orange sites on the national priorities list of the Comprehensive Environmental Response Compensation Liability Act of 1980, 42USC9601 et seq. and has notified the Company that it may be a potentially responsible party under that Act. The Company has provided requested information to the EPA. In view of the decision of Judge Wolin of the U.S. Federal District Court declaring SLC a liable party under CERCLA for the remediation and cleanup for the Orange site the defendants are contacting the EPA to inquire whether the defendants' participation in the remediation study of the Orange site being conducted by the EPA is a feasible alternative. To further facilitate these discussions, defendants have agreed to erect a security fence around the site. An Administrative Consent Order allowing for same is currently being negotiated with the EPA.

The same five primary insurance carriers of the Company and SLC have assumed the bulk and possibly all of the costs associated with construction of the aforesaid security fence, depending upon the ultimate costs incurred.

(f) Proceedings Against Certain Insurers

During 1984 the Company notified its insurance carriers as to the pendency of certain of the above described actions and requested that such carriers defend and indemnify the Company as a named insured under various primary insurance policies as well as excess coverage or umbrella policies.

USA DEFENDERS, INC.

All such carriers answered denying liability and denying any obligation to defend the Company against the claims asserted. Thereupon on August 20, 1984 the Company commenced an action in Superior Court of New Jersey, Essex County, naming as defendants all of the Company primary and excess coverage insurers and seeking judicial determination as to such carriers' duty to defend and to indemnify the Company and its subsidiaries and seeking reimbursement of costs expended by the Company for its defense, assumption of such defense on an ongoing basis, damages for wrongful declination to defend and punitive damages and counsel fees for willful failure to defend and indemnify the Company in each of the foregoing actions.

In September 1985, five primary insurance carriers of the Company and SLC assumed the defense of the Company and certain of its subsidiaries alleged to be successors in certain of the underlying actions described above, while reserving their right to disclaim liability. As a result of that Agreement, this action had, until recently, been stayed except with respect to applications by plaintiffs to require other primary insurance carriers not party to the Defense Agreement to provide for a defense indemnification of the Company, certain of the Company's subsidiaries and SLC. By case management order dated March 21, 1989, the case has been re-activated to the extent that discovery will be taken concerning the existence, placement, negotiation and terms of insurance contracts potentially applicable to the underlying matters referred to in the Amended Complaint. Further discovery will be discussed at the next case management conference scheduled on September 27, 1989.

While there can of course be no assurance as to the outcome of this action the Company has been advised that it has meritorious claims to support its actions for defense and indemnification.

Because of the uncertainties associated with the litigation described in (a) through (e) above, the liability of the Company and its subsidiaries alleged to be corporate successors to the former USRC cannot reasonably be estimated at this time, nor can an estimate of any ultimate liability or any insurance proceeds be made with any degree of certainty. Therefore, no such liability has been recorded in the financial statements.

(g) Blanchard Litigation

(i) Following several years of disputes and litigation involving one William C. Blanchard, a principal in an entity styled as Blanchard Securities Co. and the owner of 100 shares of Common Stock of the Company (together herein "Blanchard"), on May 22, 1986 the Company filed a lawsuit in New Jersey Superior Court, Law Division, naming Blanchard as a defendant. The action sought judicial declaration as to the status of a lease covering a small office premises in Morristown, New Jersey owned by Blanchard and subject to a long term lease entered into by Blanchard in 1955 (the "1955 Lease").

The 1955 Lease was one of several long term "credit leases" entered by Blanchard in order to utilize the credit of long term tenants to obtain construction financing for itself. As such the 1955 Lease provides for an initial term of 20 years through 1975 with four optional renewals of ten years each through 2015. After repeated demands by the Company's counsel, during 1980 Blanchard consented in writing to the sublease of the subject

UEB INDUSTRIES, INC.

premises and, after further demands, during 1982 Blanchard consented to assignment of the 1955 Lease to Lighting.

In connection with the sale of the business and net assets of Lighting effective February 13, 1985 it was anticipated that the 1955 Lease would be assigned to the Purchasing Corporation. However, when Blanchard's consent to that assignment was requested, Blanchard claimed the 1955 Lease had been violated by an "unauthorized assignment" allegedly completed without Blanchard's approval and advised that Blanchard considered the 1955 Lease "terminated" and that Blanchard considered itself entitled to reenter and assume control over the premises.

In answering the litigation filed against it in Superior Court, Blanchard denied the Company's claims and interposed counterclaims alleging, inter alia, that an unauthorized assignment of the 1955 Lease had occurred and that such assignment was fraudulent, in violation of Blanchard's rights as a shareholder of the Company, in violation of fiduciary duties, securities laws, the Racketeer Influenced and Corrupt Organization Act and other related claims. The Company denied Blanchard's claims and thereupon filed a motion for summary judgment against Blanchard on one count.

On December 19, 1986 the Superior Court granted the Company's motion for summary judgment. In granting summary relief to the Company the Court held that the 1955 Lease had not been assigned as a matter of law, and remained in effect.

Blanchard took an appeal from the Superior Court decision. During late 1987 the Appellate Division affirmed the action of the Superior Court in granting summary judgment in favor of the Company. The opinion of the Appellate Division was unanimous.

Blanchard then petitioned the Supreme Court of the State of New Jersey seeking review by the Supreme Court of the unanimous Appellate Division ruling against Blanchard. By order dated March 10, 1988 the Supreme Court denied Blanchard's petition.

(ii) In a separate action begun by Blanchard in U.S. District Court for the District of New Jersey, Blanchard repeated the claims asserted in the Superior Court action discussed above, alleging fraud, breach of fiduciary duties, violations of the Racketeer Influenced and Corrupt Organization Act, securities fraud and related claims, and named as defendants the Company Lighting, the Purchasing Corporation and certain directors of the Company. The Company and other defendants in this action have moved to dismiss Blanchard's claims but the action has been stayed pending the outcome of the litigation begun in New Jersey Superior Court.

The Company believes that the Federal Court will give preclusive effect to the State Court judgments and that the likelihood of any material recovery against the defendants is remote.

(h) U.S. Nuclear Regulatory Commission Proceeding. During the first quarter of 1989 the Company received from the U.S. Nuclear Regulatory Commission ("NRC") an order dated March 16, 1989 modifying certain operating licenses of SLC and demanding information respecting the Bloomsburg, Pennsylvania site of SLC. The order, which alleges that the

ORR DEFENSES, INC.

Company is liable as a "corporate successor" of SLC, requires certain activities including the preparation and implementation of a plan for site characterization and decontamination of the Bloomsburg facility, and makes demand for certain information.

While at this initial stage it is too early to predict the ultimate outcome of this matter or whether the Company has any liability, management intends to cooperate with the NRC to assist in providing information.

(i) 1985 Defense Agreement. The Company is party to a Defense Agreement executed in 1985 with certain primary insurers under which such insurers are providing certain defense costs on behalf of their insureds. All of the insurance companies are participating in the 1985 Defense Agreement under "reservation of right" to disclaim the Agreement, deny coverage on the underlying claims and attempt to recover their respective costs to date. Recently the Company has been advised that certain primary insurance companies under the 1985 Defense Agreement intend to withdraw from the Agreement and will refuse to assist the Company in its defense unless compelled to do so by judicial decision.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits.

None.

(b) Reports on Form 8-K.

None.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

USR INDUSTRIES, INC.

Date: November 17, 1989

/s/ Stephen C. Miller

Stephen C. Miller
Principal Accounting Officer

ATTACHMENT B

To date, the following insurance carriers have been notified of the NRC action:

<u>Insurance Carrier</u>	<u>Policy Number</u>
AETNA Life Insurance Company of America	023543
New Jersey Property Liability Insurance Guaranty Association	GL191092 GL702941 GL710491
Fireman's Fund Insurance Company	XL-34970 XLX130-17-09 MXF 4176777
First State Insurance Company	950504
Hartford Insurance Group	OLT104390 61-C-HC5707
Lexington Insurance Company	500-0857
Puritan Insurance Company	GA-64-46-15 GA-64-46-71
Royal Indemnity Company	REB-102401
St. Paul Fire and Marine Insurance Company	590LB3937 529UN8835
Southern American Insurance Company	SU-017502
Travelers Companies	650-451F075-06-TIA CUP-451-F086-1
Chubb & Sons, Inc.	GLL64636 MCL15842 MCL5387233 5391036 MCL5393365 MCL5402142 C5406274 C5412021 MCL5412652 MCL5425275 GLPL5422239 GLP5438703

	MCL5440898
	FXL778010-74
California Union Insurance Company	ZCU000705
Commercial Union Insurance Company	0-281397
	0-268733
	0-268741
	0-269978
Insurance Company of North America	9LG31537
	9LB16637
	9LB19633
	9LG409701
	9LG441191
	9LG446665
	9LG462857
	9LG479794
	9LB927116
	9LG497127
	9LG509606
	9LB31133
	9LG527124
	9LG540758
	9LB32808
	9LG556352
	LG567272
	9LB34391
	LB34896
	LB621647
	LB38743
	ALB43950
	ALB4-43-63
	GLP40-65-60
	GLP64-12-39
	GLP70-83-03
Integrity Insurance Company	ISX-109-961
National Union Five Insurance Company	1225286
	9872461

(End of Attachment B)

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING APPEAL BOARD

In the Matter of:)

Safety Light Corporation)

United States Radium Corporation)

USR Industries, Inc.)

USR Lighting, Inc.)

USR Chemical, Inc.)

USR Metals, Inc.)

U.S. Natural Resources, Inc.)

Lime Ridge Industries, Inc.)

Metreal, Inc.)

(Bloomsburg Site Decontamination))

Docket Nos. 030-05980

030-05982

030-05981

030-08335

030-08444

(ASLBP No. 89-690-01-0M)

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing letter have been served on the following by hand or by deposit in the United States mail, first class, this 29th day of March, 1990:

Christine N. Kohl
Administrative Law Judge
Atomic Safety and Licensing
Appeal Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555
(Hand Delivered)

Alan S. Rosenthal
Administrative Law Judge
Atomic Safety and Licensing
Appeal Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555
(Hand Delivered)

Dr. W. Reed Johnson
Administrative Law Judge
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

and

115 Falcon Drive, Colthurst
Charlottesville, Virginia 22901

Marshall A. Miller
Administrative Judge
1920 South Creek Boulevard
Spruce Creek Fly-In
Daytona Beach, Florida 32124

Dr. Oscar H. Paris
Administrative Judge
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555
(Hand Delivered)

Frederick J. Shon, Esq.
Administrative Judge
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555
(Hand Delivered)

James H. Carpenter
Administrative Judge
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Robert M. Weisman, Esq.
Counsel
U.S. Nuclear Regulatory Commission
11555 Rockville Pike
Rockville, Maryland 20852
(Hand Delivered)

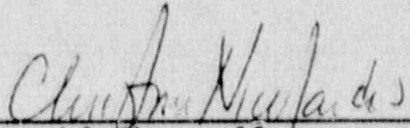
Atomic Safety and Licensing Board
Panel (1)
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Atomic Safety and Licensing Appeal
Board Panel (6)
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Adjudicatory File (2)
Atomic Safety and Licensing Board
Panel
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Docketing and Service Section (3)
Office of the Secretary
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Mr. William T. Russell
Regional Administrator
U.S. Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, PA 19406



Gerald Charnoff
Howard K. Shapar
Christine M. Nicolaides

N:118CMN5440.90