

RS HOLDING, INC.

c/o Reuter-Stokes, Inc.
18530 South Miles Parkway
Cleveland, Ohio 44128

May 26, 1978

Radioisotopes Licensing Branch
Division of Fuel Cycle and Material Safety
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Attention: Mr. Nathan Bassin

Subject: By-Product Material License No. 34-08311-01

Gentlemen:

Enclosed is RS Holding, Inc.'s application for by-product material license to stand in place of Reuter-Stokes' renewal application for License No. 34-08311-01, which renewal application was submitted to you on March 23, 1978.

RS Holding, Inc. is a corporation formed for the purpose of purchasing the assets of Reuter-Stokes, Inc. It is expected that this asset purchase will be closed during the last half of June, 1978 and it is requested that this license be issued effective the date of such closing. You will promptly be notified by telex on the day of such closing.

Promptly after the asset purchase closing, RS Holding, Inc. will change its name to Reuter-Stokes, Inc. and proceed with the business, management, personnel and facilities being operated by the present Reuter-Stokes, Inc.

This application is being made along the lines of a discussion of May 23d among the NRC's Mr. Nathan Bassin and Mr. James Jones, and RS Holding's Mr. Reid White and Mr. R. A. Kempe. Kempe also is currently President of Reuter-Stokes, Inc.

Currently this license is in effect by virtue of Reuter-Stokes' renewal application submitted March 23, 1978 in accordance with Part 37 (b) of 10-CFR-30 which states to the effect that license shall not expire until final determination on renewal application by the Commission. This application is made with the understanding that it will in no way interfere with the status which now exists by virtue of that renewal application.

Following is a brief description of the transaction related to this application:

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RS Holding, Inc. was incorporated on March 23, 1978 under the laws of Delaware and has conducted no business to date. Assuming approval of this application, certain other government approvals, and finalization of banking arrangements, RS Holding, Inc. will acquire substantially all of the assets of Reuter-Stokes, Inc., a California corporation, which is a wholly owned subsidiary of Reuter-Stokes, Inc., a Delaware corporation. Included in these assets will be the inventories and equipment which includes those materials involved in subject licenses. Upon consummation of this acquisition, Reuter-Stokes, Inc., a California corporation, will change its name to a name dissimilar to "Reuter-Stokes, Inc." and the now existing Reuter-Stokes, Inc., a Delaware corporation, will change its name to a name dissimilar to Reuter-Stokes, Inc., and RS Holding, Inc. will succeed to the business of Reuter-Stokes, Inc. and will change its name to Reuter-Stokes, Inc. The principal investors in RS Holding, Inc. are Quidnet Company, MorAmerica Capital Corporation, Narragansett Capital Corporation, along with several private individual investors which include key members of present management.

After the closing of the asset purchase, all the present officers and other responsible managers of Reuter-Stokes, Inc. will succeed to the identical positions in RS Holding, Inc. (in effect, the new Reuter-Stokes, Inc.).

Regarding operations particularly as they relate to safety and radiation safety, there will be no change from the current practices which are in accordance with the current License 34-08311-01 and its renewal application. Current practices in this regard will include, but not be limited to the following:

- (a) There will be no change in the place at which the activity is being performed and the general plan for carrying out the activity.
- (b) There will be no change in the name, amount, and specifications of the special nuclear materials used.
- (c) The Radiation Safety Committee and other people responsible for or involved in radiation safety and/or special nuclear material accountability, will be the identical people now carrying and executing such responsibilities for the present Reuter-Stokes, Inc.
- (d) The equipment and facilities presently used to protect health and minimize danger to life or property will be identical to that available to and used by Reuter-Stokes, Inc.
- (e) The procedures to protect health and minimize danger to life or property will be identical to the procedures currently employed under No. 34-08311-01 by Reuter-Stokes, Inc.

RS HOLDING, INC.

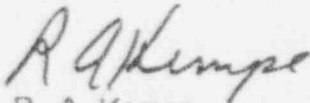
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Any communications regarding this application should be directed to R. A. Kempe, President, RS Holding, Inc., c/o Reuter-Stokes, Inc., 18530 South Miles Parkway, Cleveland, Ohio 44128, Telephone (216) 475-3434.

Sincerely,

RS HOLDING, INC.

A handwritten signature in dark ink, appearing to read "R. A. Kempe". The signature is written in a cursive, flowing style.

R. A. Kempe
President

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