

PUBLIC

34-16907-02

030-29410

MAR 14 1994

QUAL-X, Incorporated  
ATTN: Arthur F. Mahon  
President  
P.O. Box 236  
Powell, Ohio 43065

Dear Mr. Mahon:

This refers to your letter and survey report dated January 18, 1994, regarding the transfer of assets from Mr. Ronald Stone to ACI Technologies, Inc., in which you are a partner. It is our understanding that this transfer of assets increases the holdings which ACI Technologies, Inc. possesses in QUAL-X, Inc. and does not constitute a significant transfer of ownership.

Based upon statements submitted in your letter regarding this change, NRC has no objection to the transfer of assets.

In addition, we have determined that the transaction as described in your letter does not require an amendment to the QUAL-X, Inc. license no. 34-16907-08.

If you have any questions or require clarification on any of the information stated above, you may contact us at (708) 829-9887.

Sincerely,

Colleen C. Casey  
Nuclear Materials Licensing  
Section

RIII  
CCe  
Casey  
03/11/94

9403250054 940314  
PDR ADOCK 03029410  
C FDR

210141

11 mL  
3P DT



QUAL-X, Incorporated  
P.O. BOX 236, Powell, Ohio 43065  
Phone: (614) 881-5543

January 18, 1994

Mrs. Coleen Casey  
U.S. NRC-Region II  
801 Warrenville Rd.  
Lisle, IL 60532-4351

Re: License No. 34-16907-08

Dear Mrs. Casey:

Pursuant to the enclosed original (faxed to Region III on 12-28-93) and our subsequent telephone conversation, please find attached additional information on the Qual-X, Inc. change of ownership per USNRC IN89-29.

The license amendment application at your office naming Mr. Kenneth B. Cole as the Radiation Safety Officer for Qual-X, Inc. is hereby withdrawn. We would note that Kenneth B. Cole provided a very able and competent over-sight on the Qual-X, Inc. equipment and monitoring during the undersigned short leave of absence.

Thank you for your help and assistance on this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read 'A.F. Mahon', is written over the typed name.

A.F. Mahon  
President & RSO

RECEIVED

JAN 20 1994

REGION III

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C. Casey/USNRC  
1-18-94

Additional Information  
Region III

PER IN89-25, pages 3,4

1. Per attached document signed by A.F. Mahon and R.D. Stone, Mr. Stone's ownership interest was assumed by ACI Technologies, Inc. an equal partnership between A.F. Mahon (50%) and Ralph Paglieri, Peter Lukesch, and Scott Fisher (50%). ACI Technologies, Inc. owns 85% of the Qual-X, Inc. stock. The remaining 15% ownership is retained by the same previous stockholders.
  - 2a. The name of the organization has not changed.
  - 2b. A.F. Mahon has been reinstated as President and Radiation Safety Officer (RSO). Mr. Kenneth B. Cole has withdrawn as RSO.
  - 2c. The seller, R.D. Stone, will not remain in the business.
  - 2d. The seller, R.D. Stone, sold all of his Qual-X, Inc. stock (52%) to ACI Technologies, Inc.
  - 2e. There are no planned changes in the organization, location, facilities, equipment or procedures. Personnel changes are:

President - R.D. Stone is replaced by A.F. Mahon  
Radiation Safety Officer - Kenneth B. Cole is replaced by  
A.F. Mahon.
  - 2f. There are no planned changes in the use, possession or storage of the licensed material.
  - 2g. All surveillance items and records including radioactive material inventory and accountability requirements are current at the time of transfer. All meter calibrations are current, surveys and leak tests have been maintained as appropriate and area surveys and film badging are being maintained.
  - 2h. The entire facility was monitored and the absence of any contamination was documented per the attached report.
  - 2i. Existing financial assurance arrangements (Certificate of Deposit at the Huntington National Bank) has been retained. Funds can only be released at the direction of the USNRC, Region III.

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1-18-94

- 2j. See attached letter dated December 23, 1993.
- 2k. The undersigned below (as transferee) agrees to abide by all constraints, conditons, requirements, representations and ccmmitments identified in the existing license for Qual-X, Inc.



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A.F. Mahon, President



QUAL-X, Incorporated  
P.O. BOX 236, Powell, Ohio 43065  
Phone: (614) 881-5543

December 23, 1993

Mrs. Coleen Casey  
U.S. Nuclear Regulatory Commission-Region III  
801 Warrenville Road  
Office of Nuclear Material Safety and Safeguards  
Lisle, IL 60532-4351

RE: LICENSE NO. 34-16907-08

Dear Mrs. Casey:

Qual-X, Inc. respectfully requests permission to resume licensed operations at 3039 Home Road, Powell, Ohio per all conditions, terms, representations and commitments identified in License # 34-16907-02. The basis for this request is that A.F. Mahon, the former only authorized user of the Qual-X equipment involving radioactive material, has returned to Qual-X, Inc. as President and Radiation Safety Officer. Mr. Mahon's qualifications are per the original application (1976) and all subsequent renewals including 1992.

Control of the licensed material and activities has been assumed by Mr. Mahon for Qual-X, Inc. from R.D. Stone (Transferor). Mr. Stone is transferring all ownership interest in Qual-X, Inc. and is resigning as President of Qual-X. By signature affixed below, Mr. Stone acknowledges this change in ownership and control per NRC information notice IN89-29 paragraph j. Mr. Stone wishes to pursue other business interests and will not remain with Qual-X, Inc.

Mr. Mahon has no plans to change location, facilities, equipment, surveillance or record accountability requirements or in any way change terms, representatives or commitments per the above paragraph one.

Thank you for your consideration. If appropriate, we would be happy to come to Lisle to facilitate this request.

Sincerely yours,

A.F. Mahon

R.D. Stone

REPORT ON RADIATION SURVEY OF  
QUAL-X INCORPORATED PREMISES  
CONDUCTED DECEMBER 21, 1993

1. Purpose and Scope. On December 21, 1993, Arthur F. Mahon and Kenneth B. Cole (the "Team") conducted a radiation survey upon the equipment, buildings and land owned or operated by QUAL-X INCORPORATED located at 3039 Howe Road, Powell, Ohio ("the Facility"). The purpose of the survey was to investigate the entire Facility and to determine the location(s) and extent to which, if any, radiation existed at the Facility on that date at levels above, and/or resulted from substances other than, naturally occurring background ("Excess Radiation"). The Team did not expect to find any Excess Radiation; the survey was intended to confirm the absence of radiation. No survey was conducted of radiation known to exist inside of 68 marked and numbered drums of krypton and radium bromide tubes located at the Facility that await shipment to licensed disposal facilities, but the extent of radiation on the outside of, under or escaping from those drums was surveyed. This survey was conducted in conjunction with the performance of Paragraph 9.1 of a Settlement Agreement and Mutual Release dated December 21, 1993, executed by Arthur Mahon among others to resolve and terminate a lawsuit pending in the Common Pleas Court of Franklin County, Ohio, styled ACI Technologies Ltd., v. Ronald P. Stone, et al. and bearing Case Number 93CVH10-7120.

2. Equipment. The Team used the following equipment in their survey of the Facility:

- a. Indian Mod. 12, calibrated 10/27/93, for the determination of Beta / Gamma radiation.
- b. Victoreen Mod. 490, calibrated 05/27/93, for the determination of Beta / Gamma radiation.
- c. \_\_\_\_\_, calibrated \_\_\_\_/\_\_\_\_/93, for determination of \_\_\_\_\_ radiation.

3. Survey Activities. The Team arrived at the Facility at 9:00 a.m. in the QUAL-X INCORPORATED lobby. Each attached a radiation film badge to his outer clothing. Each inspected the equipment listed in paragraph 2 and determined that each piece was in good working order. The Team together, utilizing that equipment, then surveyed all of the floors, carpets, floor drains, walls, doors, ceilings, (excluding the area above the ceiling tiles), furniture, equipment of all kinds, files, personal effects, clothing, storage containers, and other places and property inside those portions of the main building

occupied by QUAL-X INCORPORATED, including the entrance hallway and inside the 2 outbuilding(s) at the facility. The Team, utilizing that equipment, then examined the outside walls, windows, gutters, downspouts, soffits and roofs of that portion of the main building occupied by QUAL-X INCORPORATED, that portion of the main building immediately accessible from the parking lot in front of QUAL-X INCORPORATED, and the outbuildings. Finally, the Team, utilizing that equipment, examined the parking lot and grass, stormwater swales, ditches and drains, trash containers and other areas outside the buildings up to a distance of 100 feet from each building or to the property line, whichever distance was shorter. As the survey progressed, the Team filled out a detailed Log of all observations made during the survey, which Log is attached hereto and incorporated herein as Exhibit A. Attached hereto and incorporated herein as Exhibit B (B1-\_\_\_, inclusive) are layouts or schematics of the Facility for all areas inside and outside of the facility. The Team has marked on Exhibit B the location and nature of all Excess Radiation found during the survey. The survey was completed at 4:00 p.m. on December 28, 1993 when the Team inspected their shoes and clothing for Excess Radiation, turned in their film badges for processing, and then left the Facility.

4. Excess Radiation. By signing this document the Team, together and individually, certify that no Excess Radiation was found at the Facility during the survey other than as follows:

a. NONE.

b. [Or, if Excess Radiation were to be found, a complete written description of the exact location of each point of Excess Radiation, its strength, and nature, and what actions were taken by the Team to secure the area (such as covering it with tape, and other acceptable methods.)]

5. Recommended Responses. The Team, together and individually, recommends to QUAL-X INCORPORATED that the following actions be taken in response to the Excess Radiation discovered during the survey and reported in paragraph 4a-\_\_\_, inclusive:

a. NONE, because no Excess Radiation was detected.

b. [NONE, although Excess Radiation was detected, because no point of detection disclosed unacceptable contamination as defined by applicable Nuclear Regulatory Commission ("NRC") or Ohio Department of Health ("ODH") guidelines as identified on Exhibit C.]

5. [Or, if Excess Radiation constituting contamination were reported in 4, a complete written description of whether, for each area of Excess Radiation detected, the detected radiation should be considered contamination or not contamination pursuant to Exhibit C. For areas considered contaminated, the Report shall recommend decontamination actions, including reporting requirements, decontamination techniques, decontamination confirmation procedures, and storage, transportation and disposal techniques and requirements for each discovered contaminated point.)

6. The submission of this Report terminates all responsibilities of the Team, and each of them, toward QUAL-X INCORPORATED because of their having conducted this survey, and neither shall be held liable by QUAL-X INCORPORATED, or any other person, for the contents of or omissions from this Report.

*Arthur F. Mahon*

Arthur F. Mahon

12/29/93

State of Ohio  
Franklin County, ss:

*Kenneth B. Cole*

Kenneth B. Cole

12/29/93

This Report was sworn to before me and subscribed in my presence by Arthur F. Mahon this \_\_\_ day of December, 1993.

\_\_\_\_\_  
Notary Public

State of Ohio  
Franklin County, ss:

This Report was sworn to before me and subscribed in my presence by Kenneth B. Cole this \_\_\_ day of December, 1993.

\_\_\_\_\_  
Notary Public



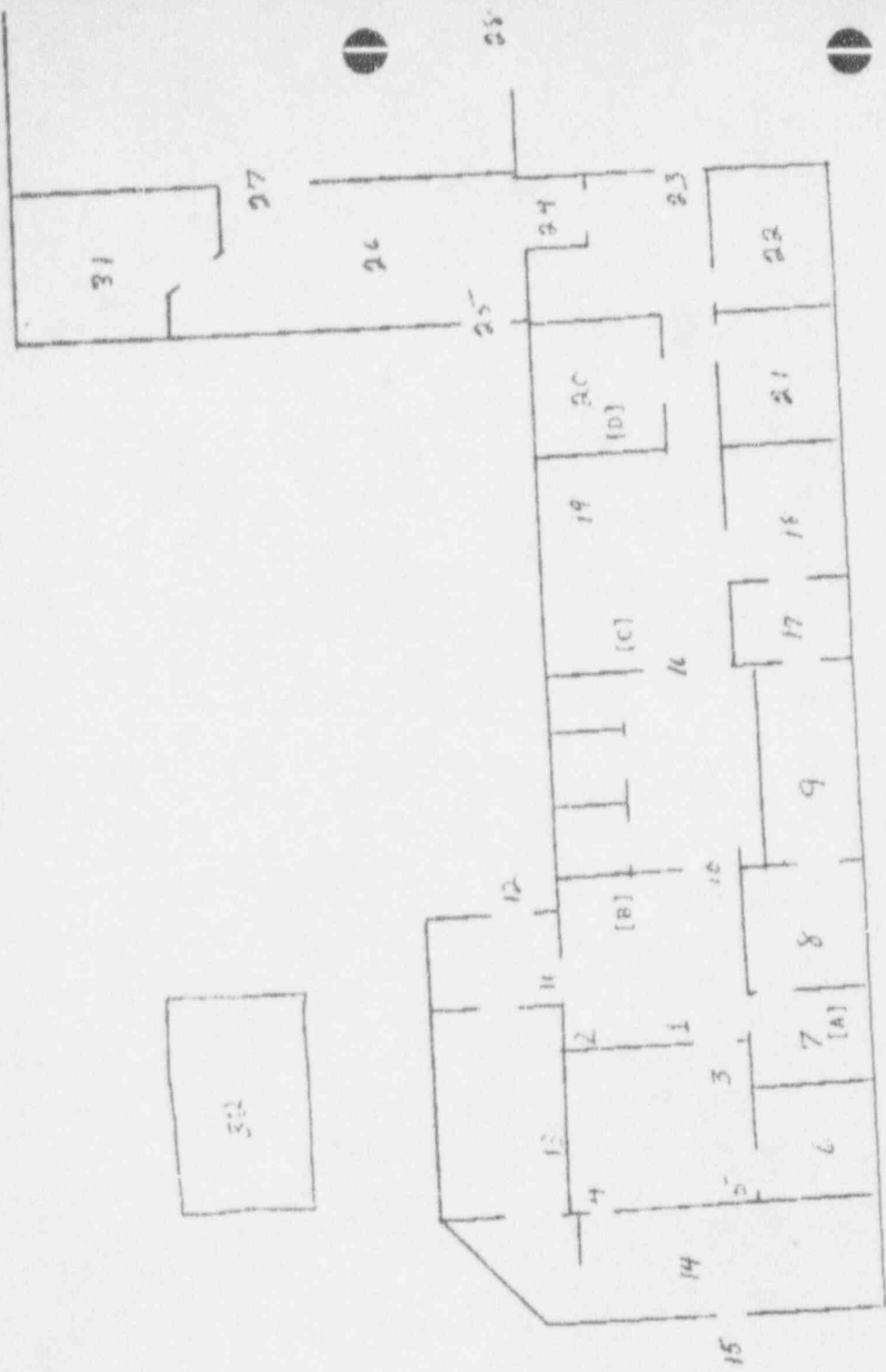
EXHIBIT A (Outside)

Location	QX	ANS
Point 1	<.02	<.02
Point 2	<.02	<.02
Point 3	<.02	<.02
Point 4	<.03	<.02
Point 5	<.02	<.01
Point 6	<.02	<.02
Point 7	<.02	<.02
Point 8	<.02	<.02
Point 9	<.02	<.02
Point 10	<.02	<.02
Point 11	.03	<.02
Point 12	.02	<.02
Point 13	.02	.03
Point 14	.02	<.02
Point 15	.02	.02
Point 16	.02	.02
BKGD.	<.02	<.02

## EXHIBIT "A" CONT. (Inside)

Location	QX	ANS
Point 1	1.0	0.7
Point 2	0.6	0.5
Point 3	4.0	4.0
Point 4	5.0	5.0
Point 5	2.0	2.0
Point 6	4.0	5.0
Point 7	0.6	0.5
Point 8	0.3	0.5
Point 9	0.3	0.4
Point 10	0.4	0.3
Point 11	0.2	0.3
Point 12	0.1	0.1
Point 13	0.5	0.4
Point 14	1.1	1.1
Point 15	0.2	0.2
Point 16	0.06	0.05
Point 17	0.06	0.03
Point 18	0.03	0.03
Point 19	0.04	0.02
Point 20	0.02	0.02
Point 21	0.04	0.02
Point 22	0.02	0.01
Point 23	0.03	0.01
Point 24	0.02	0.02
Point 25	0.02	0.02

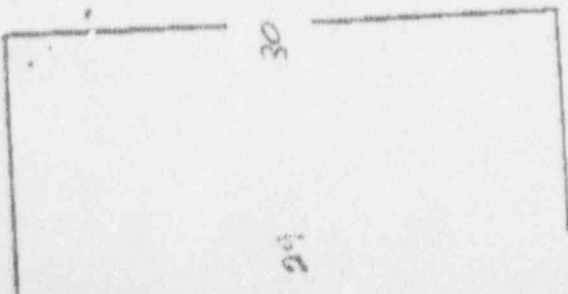
Location	QX	ANS
Point 26	0.02	0.02
Point 27	0.03	0.02
Point 28	0.02	0.02
Point 29	0.06	0.05
Point 30	0.04	0.04
Point 31	0.04	0.04
Point 32	<0.20	<0.20
Point 33	0.90	1.10
BKGD.	<0.02	<0.02



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EXHIBIT B (Inside)



R.R.

Point 16  
X

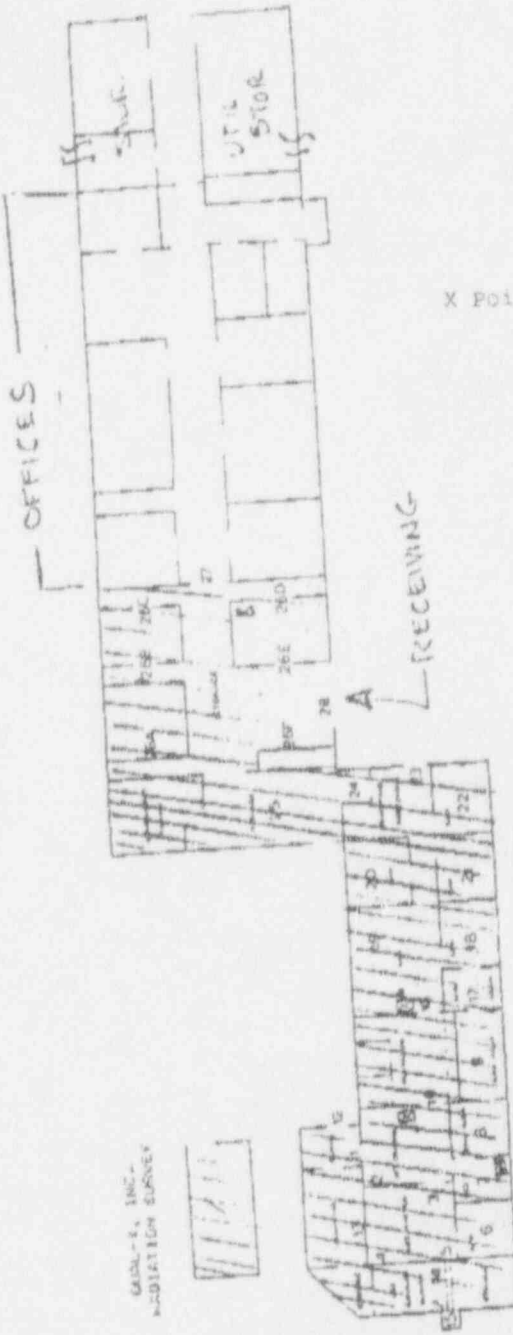
Point 15  
X

Point 14  
X

Point 13  
X

Point 12  
X

X Point 9



X Point 1

X Point 2

X Point 3

RESTRICTED AREA  
X Point

X Point 5

X Point

X Point 7

X Point 8

EXHIBIT B (Outside)