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February 26, 1991

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COMMISSION

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Ms. Patty Pelke
United States Nuclear
Regulatory Commission
Materials Licensing Division
799 Roosevelt Road
Glen Ellyn, Illinois 60137

Re: Research Medical Center, License No. 24-18625-01;
Baptist Medical Center, License No. 24-06806-01

Dear Ms. Pelke:

On January 15, 1991, I spoke to you regarding whether a proposed transaction between the holding companies of Research Medical Center (RMC) and Baptist Medical Center (BMC) constituted a transfer of control of NRC licensed operations thereby requiring NRC approval of the transaction. The form of the transaction has changed since the date of our discussion. The present form of transaction, described below, is similar to the transaction entered into by the holding companies of RMC and Trinity Lutheran Hospital on January 31, 1990. Upon receipt of notice of that transaction, you advised me that neither hospital needed to obtain NRC approval since the transaction did not result in any changes in the name, location, facilities, equipment, personnel or procedures of either licensee. Because the proposed transaction will not result in any such changes to RMC or BMC, it is my understanding that neither of them needs to obtain NRC approval of the transaction. However, for our records, please confirm in writing that neither hospital needs to take any action regarding its NRC license as a result of the transaction described herein.

The parties involved in this transaction are: (1) RMC, a not-for-profit hospital licensed by the NRC; (2) Research Health Services (RHS), the holding company of RMC; (3) BMC, a not-for-profit hospital licensed by the NRC; and (4) Baptist Health Services (BHS), the holding company of BMC. On November 6, 1990, the holding companies, RHS and BHS, entered into a Memorandum of Understanding which contemplated certain changes in the

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organization of RHS and BHS. As a result of subsequent discussions, the agreement between the parties now provides for the following changes in the corporate structure, membership and directorship of the above referenced parties upon the successful closing of a definitive agreement:

(a) BHS will merge into BMC with BMC surviving the merger.

(b) The RHS board of directors will be expanded to include representation by BMC. Upon closing of this transaction, the board of directors of RHS shall consist of forty (40) members, the thirty-one (31) current directors and nine (9) additional directors nominated by BMC. Seventeen (17) of the current directors will be designated as RMC representatives. Additionally, RHS will amend its articles of incorporation to change its name to a name mutually agreed upon by RHS and BMC.

(c) The reorganized and renamed RHS will become the sole member of BMC which, under the terms of the agreement, will entitle the reorganized and renamed RHS to elect the board of directors of BMC. Even though the reorganized and renamed RHS will be entitled to elect the entire BMC board, only three (3) of the thirty-four (34) nominees for election will be made by this parent. The remaining thirty-one (31) nominees for election shall be made by the non-parent directors of BMC.

(d) The board of directors of RMC will continue to be elected by RHS. However, only three (3) of the thirty (30) nominees for election will be made by this parent. The remaining twenty-seven (27) nominees for election shall be made by the non-parent directors of RMC.

Additionally, the transaction will not result in any changes in:

- (a) the name of either hospital;
- (b) the personnel named in the license of either hospital;
- (c) the assets owned by either hospital;

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(d) the location, facilities, equipment, procedures,
or personnel of either hospital; or

(e) the use, possession or storage of licensed
materials at either hospital.

The same individuals are responsible for management, oversight,
control and radiological safety of the licensed materials at each
hospital and each hospital agrees to continue to abide by all
commitments and representation, it previously made to the NRC.

It is my understanding that because there are no changes in
the above described matters, the transaction did not result in
the transfer of control of either NRC license. Further, because
there was no transfer of the licensed operations of either RMC or
BMC, it is also my understanding that neither hospital needs to
obtain NRC approval of this transaction. Please send me a letter
acknowledging that based on these facts neither RMC nor BMC needs
to take any action regarding its license as a result of this
transaction.

If you have any questions or comments or require additional
information regarding either of the transactions described in
this letter, please contact me.

Sincerely,
SEIGFREID, BINGHAM, LEVY,
SELZER & GEE, P.C.

By Lori A. Beam
Lori A. Beam

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