



UNITED STATES
 NUCLEAR REGULATORY COMMISSION
 REGION IV
 611 RYAN PLAZA DRIVE, SUITE 1000
 ARLINGTON, TEXAS 76011

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 4-2027
 PDR/LPDR

APR 26 1991

MEMORANDUM FOR: *MA* Charles J. Haughney, Chief
 Fuel Cycle Safety Branch, NMSS

FROM: William L. Brown
 Regional Counsel

SUBJECT: INCOMPLETE AND INACCURATE INFORMATION IN
 FINANCIAL STATEMENTS SUBMITTED BY SFC

As a follow-up to our telecon on April 25, I have been informed by Merri Horn of your staff that some of the information furnished the NRC in the recently submitted financial statements prepared for Sequoyah Fuels by Price Waterhouse is incomplete and inaccurate. Specifically, the reports state that Sequoyah Fuels International Corporation (SFIC) is the licensee. However, Ms. Horn informed me that Sequoyah Fuels Corporation (SFC) received approval for a license transfer to a newly incorporated subsidiary corporation which was given the same name in late 1989. The parent company, the former licensee, then changed its name to SFIC. The financial statements are clearly in error.

Since the licensee is responsible for providing complete and accurate information pursuant to 10 CFR 30.9, I recommend that they be required to have their financial statements appropriately revised. This will certainly prevent confusion by future reviewers of the statements. In addition to the inaccuracy of their narrative sections, I noted that the report for SFIC was a consolidated report for both SFIC and SFC making it impossible to tell the true financial condition of the licensee which would seem to greatly diminish the value of the report to the NRC.

W.L. Brown
 William L. Brown
 Regional Counsel

cc: R. Martin

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