

FCMS:RLB:FAS
(22-13585-02G)

12/6/76

Nite-Site, Inc.
ATTN: Elliel Krutser
President
P.O. Box 0
Rosemount, Minnesota 55068

Gentlemen:

Enclosed is a renewal of your Byproduct Material License No. 22-13585-02G which expired on July 31, 1976.

We note that in your previous correspondence you indicate that the Model 70-S and Model 70-H gunsight contain the 3M Model 1E2X radioluminescent element. However, in your application dated June 13, 1976, you make reference to 3M Model 1ERX radioluminescent elements. As in our letter to you dated October 3, 1975, we are assuming that the 3M Model 1ERX is a typographical error. If this is not the case, you should request an amendment to your Byproduct Material License No. 22-13585-03 and 22-13585-02G to include the use of the 3M Model 1ERX radioluminescent element and include a complete description of the element with your request.

Any references to U.S. Atomic Energy Commission (AEC) used in your labels or instructions should now refer to U.S. Nuclear Regulatory Commission (NRC).

Sincerely,

Francis A. St. Mary
Radioisotopes Licensing Branch
Division of Fuel Cycle and
Material Safety

Enclosure:
License No. 22-13585-02G

CRESS:MNB

RLB

MLR

FAST. Mary:mlr

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DANNA HENNINGS, GILSDORF & JOHNSON

ATTORNEYS AT LAW

510 NORTHWESTERN NATIONAL BANK BUILDING

55 EAST FIFTH STREET

SAINT PAUL, MINNESOTA 55101

612-224-7473

May 29, 1973

ANTHONY A. DANNA
ROGER C. HENNINGS
JOHN F. GILSDORF
CHARLES A. JOHNSON
STEVEN L. HANDEVILT

2419 NO. MARGARET STREET
NO. ST. PAUL, MINN. 55109
612-777-1344

*Witnessed discovery
inspection conducted
on 6/13/74 J. N. Doyle*

Caswell Equipment Company, Inc.
1215 Second Avenue North
Minneapolis, Minnesota 55405

Attention: Mr. Clint Shaw, President

Re: Nite-Site, Inc.
Our File No.: 1097

Dear Clint:

In recent conversations you have raised certain questions as to what Caswell Equipment Company, Inc. can do pursuant to the Distribution Agreement that exists between your Company and Nite-Site, Inc. We have pursued this topic on several occasions, and I have again discussed the matter with Mr. Richard Walz. As far as the AEC License is concerned, it is our position that the following situation exists:

1. It is necessary to procure filled sights from 3M Company in the name of Nite-Site, Inc.;
2. The transfer of ownership for individual sights must be from Nite-Site, Inc. to the end-user;
3. Nite-Site, Inc. must maintain records of all transactions for reporting to the AEC;
4. Caswell Equipment Company, Inc. can procure sales on behalf of Nite-Site, Inc. as its exclusive sales distributor;
5. Caswell Equipment Company, Inc. can advertise to secure sales as it sees fit, it being suggested that care be taken to avoid any indication that Caswell Equipment Company, Inc. is licensed by the AEC;
6. Installation of sights must be by those authorized in the Nite-Site, Inc. license of the AEC (it being recognized that additional installers and demonstrators can easily be acquired by letter modification approved by the AEC, as was done in the case of Clint Shaw and Ted Bush);

Caswell Equipment Company, Inc.
May 29, 1973
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7. With the advent of the change of address to your location for Nite-Site, Inc., delivery of filled sights from 3M Company can be made to the possession of Nite-Site, Inc., and installation can either be accomplished at that location, or in the field by a properly licensed installer;

8. Billing and payment can be carried forward by Caswell Equipment Company, Inc. on behalf of Nite-Site, Inc., so long as it is clear that title never resides in Caswell Equipment Company, Inc.; and

9. Molds and tools necessary for the production of sights can be owned by Caswell Equipment Company, Inc.

I believe that the foregoing fairly well summarizes the situation as we have discussed it at various times in the past.

Again, the foregoing is directed to operation pursuant to the AEC License of Nite-Site, Inc., and to no other considerations.

A considerable time has gone by since we initially discussed the manner of operation pursuant to the License, and it appears that many sales have been lost or held in abeyance during that period. It is our position that the Contract that was signed, and never modified, is still in full force and effect, and it is not understood why there has been no attempt to move forward to supply sights pursuant to our agreement and in accordance with the AEC License. While there have been tentative negotiations relative to altering the terms of this agreement, none of the negotiations have ever resulted in a modification of the agreement. We have been most patient in waiting for some results, both as it would relate to sales of sights and as it would relate to payments required under the agreement. Since there appears to be no reason why sales operations cannot now proceed and could have proceeded all along, we must ask for a prompt commitment from you as to what your plans relative to this product will be. Absent some specific plans and detailed indications of intention to proceed to actively market the sights, we will be forced to seek another mode of distribution, and to seek redress for payments due under our Distribution Agreement.

We of course hope that this will not be necessary, and continue ready, willing and able to work with you in any way that we can to proceed to get these sights on the market for our mutual benefit.

I'm sure that you will be hearing from Mr. Steve Knutsen in the very near future as to your intentions, and I would appreciate being kept advised as to the course of these discussions. I will look forward

Caswell Equipment Company, Inc.
May 29, 1973
Page Three

to hearing from you within the week

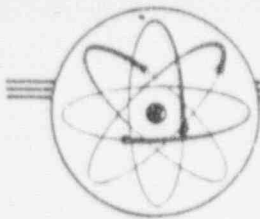
Very truly yours,

DANNA, HENNINGS, GILSDORF & JOHNSON


Charles A. Johnson

CAJ:se

- CC: Steve Knutsen
1253 Robin Lane
New Brighton, Minnesota 55112
- CC: Nite-Site, Inc.
P. O. Box 0
Rosemount, Minnesota 55068
- CC: Mr. Richard N. Walz, Sr.
3900 Highland Avenue
White Bear Lake, Minnesota 55110

**§ 20.102 Reports of theft or loss of licensed material.**

(a) Each licensee shall report by telephone and telegraph to the Director of the appropriate Atomic Energy Commission Regional Compliance Office listed in Appendix D, immediately after its occurrence becomes known to the licensee, any loss or theft of licensed material in such quantities and under such circumstances that it appears to the licensee that a substantial hazard may result to persons in unrestricted areas.

(b) Each licensee who is required to make a telephonic and telegraphic report pursuant to paragraph (a) of this section shall, within 30 days after he learns of the loss or theft, make a report in writing to the Director, Division of Compliance, U.S. Atomic Energy Commission, Washington, D.C. 20545, with a copy to the Director of the appropriate Atomic Energy Commission Regional Compliance Office listed in Appendix D, setting forth the following information:

(1) A description of the licensed material involved, including kind, quantity, chemical, and physical form;

(2) A description of the circumstances under which the loss or theft occurred;

(3) A statement of disposition or probable disposition of the licensed material involved;

(4) Radiation exposures to individuals, circumstances under which the exposures occurred, and the extent of possible hazard to persons in unrestricted areas;

(5) Actions which have been taken, or will be taken, to recover the material; and

(6) Procedures or measures which have been or will be adopted to prevent a recurrence of the loss or theft of licensed material.

(c) Subsequent to filing the written report the licensee shall also report any substantive additional information on the loss or theft which becomes available to the licensee, within 30 days after he learns of such information.

(d) Any report filed with the Commission pursuant to this section shall be so prepared that names of individuals who may have received exposure to radiation are stated in a separate part of the report.

§ 20.103 Notifications of incidents.

(a) *Immediate notification.* Each licensee shall immediately notify the Director of the appropriate Atomic Energy Commission Regional Compliance Office shown in Appendix D by telephone and telegraph of any incident involving byproduct, source or special nuclear material possessed by him and which may have caused or threatens to cause:

(1) Exposure of the whole body of any individual to 25 rems or more of radiation; exposure of the skin of the whole body of any individual of 150 rems or more of radiation; or exposure of the feet, ankles, hands or forearms of any individual to 375 rems or more of radiation; or

(2) The release of radioactive material in concentrations which, if averaged over a period of 24 hours, would exceed 5,000 times the limits specified for such materials in Appendix B, Table II; or

(3) A loss of one working week or more of the operation of any facilities affected; or

(4) Damage to property in excess of \$100,000.

(b) *Twenty-four hour notification.* Each licensee shall within 24 hours notify the Director of the appropriate Atomic Energy Commission Regional Compliance Office listed in Appendix D by telephone and telegraph of any incident involving licensed material possessed by him and which may have caused or threatens to cause:

(1) Exposure of the whole body of any individual to 5 rems or more of radiation; exposure of the skin of the whole body of any individual to 30 rems or more of radiation; or exposure of the feet, ankles, hands, or forearms to 75 rems or more of radiation; or

(2) The release of radioactive material in concentrations which, if averaged over a period of 24 hours, would exceed 500 times the limits specified for such materials in Appendix B, Table II; or

(3) A loss of one day or more of the operation of any facilities affected; or

(4) Damage to property in excess of \$1,000.

~~For any report filed with the Commission pursuant to this section shall be prepared so that names of individuals who have received exposure to radiation are stated in a separate part of the report.~~

§ 20.54 Terms and conditions of licenses.

(a) Each license issued pursuant to the regulations in this part and the regulations in Parts 31-36 shall be subject to all the provisions of the Act, now or hereafter in effect, and to all valid rules, regulations and orders of the Commission.

(b) No license issued or granted pursuant to the regulations in this part and Parts 31-36, nor any right under a license shall be transferred, assigned or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of any license to any person, unless the Commission shall, after securing full information, find that the transfer is in accordance with the provisions of the Act and shall give its consent in writing.

(c) Each person licensed by the Commission pursuant to the regulations in this part and Parts 31-36 shall confine his possession and use of the byproduct material to the locations and purposes authorized in the license. Except as otherwise provided in the license, a licensee issued pursuant to the regulations in this part and Parts 31-36 shall carry with it the right to receive, acquire, own, possess and import byproduct material and to transfer such material to other licensees within the United States authorized to receive such material.

(d) Each license issued pursuant to the regulations in this part and Parts 31-36 shall be deemed to contain the provisions set forth in section 183b-d., inclusive, of the Act, whether or not these provisions are expressly set forth in the license.

(e) The Commission may incorporate, in any license issued pursuant to the regulations in this part and Parts 31-36, at the time of issuance, or thereafter by appropriate rule, regulation or order, such additional requirements and conditions with respect to the licensee's receipt, possession, use and transfer of byproduct material as it deems appropriate or necessary in order to:

(1) Promote the common defense and security;

(2) Protect health or to minimize danger to life or property;

(3) Protect restricted data;

(4) Require such reports and the keeping of such records, and to provide for such inspections of activities under the license as may be necessary or appropriate to effectuate the purposes of the Act and regulations thereunder.

RECORDS, INSPECTIONS AND TESTS**§ 30.51 Records.**

Each person who receives byproduct material pursuant to a license issued pursuant to the regulations in this part and Parts 31-36 shall keep records showing the receipt, transfer, export and disposal of such byproduct material.

§ 30.52 Inspections.

(a) Each licensee shall afford to the Commission at all reasonable times opportunity to inspect byproduct material and the premises and facilities wherein byproduct material is used or stored.

(b) Each licensee shall make available to the Commission for inspection, upon reasonable notice, records kept by him pursuant to the regulations in this chapter.

§ 30.53 Tests.

Each licensee shall perform, or permit the Commission to perform, such tests as the Commission deems appropriate or necessary for the administration of the regulations in this part and Parts 31-36, including tests of:

(a) Byproduct material;

(b) Facilities wherein byproduct material is utilized or stored;

(c) Radiation detection and monitoring instruments; and

(d) Other equipment and devices used in connection with the utilization or storage of byproduct material.

ENFORCEMENT**§ 30.61 Modification and revocation of license.**

(a) The terms and conditions of each license issued pursuant to the regulations in this part and Parts 31-36 shall be subject to amendment, revision or modification by reason of amendments to the Act, or by reason of rules, regulations and orders issued in accordance with the terms of the Act.

(b) Any license may be revoked, suspended or modified, in whole or in part, for any material false statement in the application or any statement of fact required under section 182 of the Act, or because of conditions revealed by such application or statement of fact or any report, record or inspection or other means which would warrant the Commission to refuse to grant a license on an original application, or for violation of, or failure to observe any of the terms and provisions of the Act or of any rule, regulation or order of the Commission.

(c) Except in cases of willfulness, those in which the public health, interest or safety requires otherwise, no license shall be modified, suspended or revoked unless, prior to the institution of proceedings therefor, facts or conduct which may warrant such action shall have been called to the attention of the licensee in writing and the licensee shall have been accorded an opportunity to demonstrate or achieve compliance with all lawful requirements.

§ 30.62 Right to withhold or recall by-product material.

The Commission may withhold, recall or order the withholding or recall of by-product material from any licensee who is not equipped to observe or fails to observe such safety standards to protect health as may be established by the Commission, or who uses such materials in violation of law or regulation of the Commission, or in a manner other than as disclosed in the application therefor or approved by the Commission.

§ 30.63 Violations.

An injunction or other court order may be obtained prohibiting any violation of any provision of the Act or any regulation or order issued thereunder. Any person who willfully violates any provision of the Act or any regulation or order issued thereunder may be guilty of a crime and, upon conviction, may be punished by fine or imprisonment or both, as provided by law.

§ 30.64 Certain measuring, gauging or controlling devices.

(a) Subject to the provisions of this section, a general license is hereby issued to any person who receives, acquires, possesses and uses byproduct material when contained in a device designed and manufactured for the purpose of detecting, measuring, gauging or controlling thickness, density, level, surface location, radiation, leakage, or qualitative or quantitative chemical composition, or for producing light or an ionized atmosphere.

(b) The general license contained in this section applies only to devices which have a label.

(1) Manufactured in accordance with the specifications contained in a specific license issued by the Commission to the manufacturer of the device pursuant to § 31.51 of this chapter, or in accordance with the specifications contained in a specific license issued to the manufacturer by an agreement State which authorizes the manufacture of the device for distribution to persons generally licensed by the agreement State; and

(2) Installed on the premises of the general licensee by a person authorized to install such devices under a specific license issued to the installer by the Commission pursuant to Parts 30 and 32 of this chapter or by an agreement State, if a label affixed to the device at the time of receipt states that installation by a specific licensee is required. The requirement of this subparagraph (2) does not apply while devices are held in storage in the original shipping container pending installation by a specific licensee.

(c) The general license contained in this section applies only to devices which (1) are labeled in accordance with the provisions of the specific license which authorizes the distribution of the device to general licensees, and (2) bear a label containing the following or a substantially similar statement which contains the information called for in the following statement:

The receipt, possession, use, and transfer of this device (Model _____, Serial No. _____) are subject to a general license or the equivalent and the regulations of the U.S. AEC or of a State with which the AEC has entered into an agreement for the exercise of regulatory authority. Removal of this label is prohibited.

CAUTION-RADIOACTIVE MATERIAL

(Name of supplier)*

*The model, serial number, and name of supplier may be omitted from this label provided they are elsewhere specified in labeling affixed to the device.

(d) Persons who own, receive, acquire, possess or use a device pursuant to the general license contained in this section:

(1) Shall not transfer, abandon or dispose of the device except by transfer to a person authorized by a specific license from the Commission or an agreement State to receive such device and shall furnish to the Director of the appropriate Atomic Energy Commission Regional Compliance Office listed in Appendix "D" of Part 20 of this chapter, "Standards for Protection Against Radiation", within 30 days after any transfer, a report containing the name of the manufacturer of the device, the type of device, the manufacturer's serial number of the device, and the name and address of the person receiving the device.

(2) Shall assure that all labels affixed to the device at the time of receipt and bearing a statement that removal of the label is prohibited are maintained thereon and shall comply with all instructions contained in such labels.

(3) Shall have the device tested for leakage of radioactive material and proper operation of the on-off mechanism and indicator, if any, at the time of installation of the device or replacement of the byproduct material on the premises of the general licensee and thereafter at no longer than six-month intervals or at such longer intervals not to exceed three years as are specified in the label required by § 31.5(c), provided that devices containing only krypton need not be tested for leakage, and devices containing only tritium need not be tested for any purpose;

(4) Shall have the tests required by subparagraph (3) of this paragraph and all other services involving the radioactive material, its shielding and containment, performed by the supplier or other person holding a specific license from the Commission or an agreement State to manufacture, install or service such devices;

(5) Shall, within 30 days after the occurrence of a failure of or damage to the shielding of the radioactive material or the on-off mechanism or indicator or upon the detection of 0.005 microcurie or more of removable radioactive material, furnish to the Director of the appropriate Atomic Energy Commission Regional Compliance Office listed in Appendix "D" of Part 20 of this chapter, "Standards for Protection Against Radiation", a report containing the name of the manufacturer of the device, the type of device, the manufacturer's serial number of the device and a brief description of the event and the remedial action taken; and shall maintain records of all tests performed on the device as required under this section, including the dates and results of the tests and the names of the persons conducting the tests;

(6) Upon the occurrence of a failure of or damage to, or any indication of a possible failure of or damage to, the shielding or containment of the radioactive material or the on-off mechanism

indicator, shall immediately suspend operation of the device until it has been repaired by the supplier or other person holding a specific license from the Commission or an agreement State to manufacture, install or service such devices, or disposed of by transfer to a person authorized to receive the byproduct material contained in the device; and

(7) Shall be exempt from the requirements of Part 20 of this chapter, except that such persons shall comply with the provisions of §§ 20.403 and 20.403 of this chapter.

(c) Persons who possess byproduct material pursuant to this general license shall not export such byproduct material without a specific license from the Commission authorizing such export.

APPENDIX D

UNITED STATES ATOMIC ENERGY COMMISSION COMPLIANCE OFFICES

Region
I
Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.
II
Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Paragana Canal Zone, Puerto Rico, South Carolina, Tennessee, Virginia, Virgin Islands, and West Virginia.
III
Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Ohio, and Wisconsin.
IV
Colorado, Idaho, Kansas, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Utah, and Wyoming.
V
Alaska, Arizona, California, Hawaii, Nevada, Oregon, Washington, and U.S. territories and possessions in the Pacific.

Address	Telephone	
	Daytime	Night and holidays
Region I, Division of Compliance, USAEC, 970 Broad St., Newark, N.J. 07102	201-646-4000	212-680-1000
Region II, Division of Compliance, USAEC, Suite 818, 220 Peachtree St. NW., Atlanta, Ga. 30303	404-636-4437	404-636-4437
Region III, Division of Compliance, USAEC, 790 Roosevelt Road, Glen Ellyn, Ill. 60137	815-665-2060	815-665-2060
Region IV, Division of Compliance, USAEC, 10306 West Colfax Ave., Denver, Colo. 80235	303-297-4211	303-237-5006
Region V, Division of Compliance, USAEC, 2111 Bancroft Way, Berkeley, Calif. 94704	415-841-6121 Ext. 861	415-841-8264

Note: The record keeping and reporting requirements contained in this part have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.