



May 1, 2025
U.S Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-0001

SUBJECT: HMH-LLC dba HMH ENGINEERING dba HOLMAN CONSULTING ENGINEERS- NRC
INSPECTION REPORT NO. 030-38911/2024-002; REPLY TO A NOTICE OF VIOLATION

Dear Michelle Simmons, Acting Branch Chief

This letter is in response to the notification of violation we received dated April 22, 2025, due to an improperly executed Change of Control.

In August 2024, discussions began between Chris Holman and HMH, LLC regarding Chris Holman's retirement and sale of his company. Following repeated negotiations, a Letter of Intent was agreed on and signed September 20, 2024. The agreement consisted of the sale of real estate to a separate company with a lease agreement to HMH, LLC and full sale of the assets of Holman Consulting Engineers. The agreement did not constitute a merger or acquisition sale of Holman Consulting Engineers but simply a sale of current assets.

The inventory of portable nuclear gauges under the terms of the Holman Consulting Engineers license was included in the asset sale agreement. Holman Consulting Engineers provided requested information to HMH, LLC including current license, leak test reports, Maintenance and calibration records, and storage location information on October 2, 2024.

At the time of the final negotiations, October 1, 2024, HMH, LLC did not have the capacity under its current license to possess them in inventory. A request for amendment of the HMH, LLC license was requested on October 2, 2024, to increase the licensed material quantity and permanent storage location to include the asset purchase and storage location.

On October 21, 2024, the asset sale was completed and as an agreement to the sale, Holman Consulting Engineers would maintain their current license and portable gauges until such time HMH, LLC received the amended license allowing us to possess and store the gauges.

HMH, LLC received an amended license on December 6, 2024, increasing the possession limits and adding the storage location needed for the Holman Consulting Engineers' inventory. Chris Holman notified the NRC of the transfer and requested a termination of his license on December 11, 2024.

Following the request for termination, additional information was requested by the NRC on the transfer of gauges and asset sale agreement. Based on this correspondence and additional information, it was determined that a Change of Control had occurred between Holman Consulting Engineers and HMH, LLC. In examining NUREG-1556, Volume 15, Revision 1, and evaluating the sum of all of the parts of the agreement (the asset sale, employment of Holman Consultant Engineers staff, and maintaining the

location) a Change of Control had occurred. Due to this determination, HMH, LLC had violated 10 CFR 30.34(b)(1) by not obtaining prior approval and consent in writing of the Change of Control.

The root cause of the violation was a lack of understanding of the requirements of Change of Control versus an asset purchase. The lack of understanding lead us to believe our actions were valid in that the gauges existed under a current license and could be transferred once our license allowed for the possession limits and storage location. Even though we considered this merely a purchase of assets, no consideration was given to the employment of the staff and maintaining the status quo operationally of Holman Consulting Engineers. It was through the review of NUREG-1556, Volume 15 Revision 1 and consultation with NRC staff that the violation was confirmed.

Our corrective action plan has included the education of ownership on the requirements of a Change of Control. In addition, any future acquisitional activities involving portable gauges will follow the guidelines below.

1. On the onset of an acquisition or asset sale consideration, any licensed materials will be identified as being included or excluded from the consideration.
2. If licensed materials are being included in the negotiations, current license, leak test, calibration, and storage location information will be requested.
3. RSO will be notified, and our current license will be evaluated for possession limits in regard to the additional licensed materials.
4. If the asset sale is only the transfer of one or more Portable Gauges, the NRC will be notified of our intention with supporting details including sellers license information, gauge model, and serial number. The execution of the sale will follow any requirements determined by the NRC.
5. If the asset sale includes any other consideration including but not limited to, employee retention, control of the storage location, oversight of selling licensees management personnel, oversight and management of any existing day-to-day operations, the NRC will be notified. This notification will include the anticipated details of the sale and the operational plan following the sale. If it is determined that the sale will constitute a Change of Control, an application for a Change of Control and all supporting documentation required will be submitted for review. Execution of the agreement will be scheduled following the written approval of the NRC.

Please contact me if you have any questions or require additional information.

Sincerely,

Alexander M. Hall

Alexander M. Hall, RSO
HMH Engineering