# sec news digest

Issue 93-187

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U.S. SECURITIES EXCHANGE COMMISSION

September 28, 1993

# COMMISSION ANNOUNCEMENTS

#### COMMISSIONER SCHAPIRO TO TESTIFY

Commissioner Mary Schapiro is scheduled to testify before the House Committee on Banking, Finance and Urban Affairs on September 28, 1993, at 10:00 a.m., in the Room 2128 of the Rayburn House Office Building. The subject matter is concerning the securities aspects of the North American Free Trade Agreement.

## ADMINISTRATIVE PROCEEDINGS

COMMISSION SUSTAINS NASD ACTION AGAINST JOHN HARMANN, SHIRLEY GARRITY, DAVID GREEN, GENE HOCHEVAR AND GUY LABONE

The Commission has sustained NASD disciplinary action taken against John G. Harmann, formerly a compliance officer of R.B. Marich, Inc., a former NASD member firm, and Shirley A. Garrity, David C. Green, Gene A. Hochevar, and Guy R. LaBone, former salespeople at R.B. Marich. The NASD censured Harmann, suspended him for 90 days, and required him to requalify by examination as a principal following the suspension. The NASD censured Garrity, Green, Hochevar, and LaBone, fined each \$5,000, and suspended each for 5 days, with the requirement that each requalify by examination following the suspension.

The Commission found that Harmann was responsible for the firm's fraudulent markups in the sales of two penny stocks in which the firm controlled the markets. The Commission found that the salespeople charged customers unfair prices in those stocks. The Commission found that the salespeople had adequate indications that the prices they were charging were too high. Among other things, the gross commissions on the sales in question represented large percentages of the total price paid by customers. (Rel. 34-32932)

COMMISSION MODIFIES NASD FINDINGS OF VIOLATION AGAINST FIRST HONOLULU SECURITIES, INC. AND CHARLES JACOBSON

The Commission has modified the NASD's finding of violation against First Honolulu Securities, Inc. of Honolulu, Hawaii, and Charles Jacobson, its former chairman and chief executive officer. The NASD had found that First Honolulu, through Jacobson, had charged excessive markups in the sale of corporate debt instruments and municipal

securities, in violation of Article III, Sections 1 and 4 of the NASD's Rules of Fair Practice and Section G-30 of the Municipal Securities Rulemaking Board's Rules. The NASD had censured Jacobson and First Honolulu and fined them \$12,900, jointly and severally. The Commission sustained findings of violation for markups above five percent. While the Commission noted that markups below even four percent may be excessive, it set aside the NASD's findings of violation for the markups at issue in this proceeding that were below five percent, since it may not have been clear in 1990, when the violative transactions occurred, that such markups might have been excessive. It consequently reduced the fine to \$7,400 and sustained the orders of censure. (Rel. 34-32933)

## CIVIL PROCEEDINGS

#### COMPLAINT FILED AGAINST NANCY BRANDSTATTER

The Commission announced that on September 14 a complaint was filed in the Northern District of California seeking injunctive relief against Nancy Brandstatter (Brandstatter), formerly a registered representative of a registered securities broker dealer.

The complaint alleges that from September 1990 through March 1992 Brandstatter engaged in a scheme to defraud seven of her customers of approximately \$136,557. Brandstatter's conduct with respect to two of her customers consisted of obtaining their approval to have checks issued to her from their account, representing to them that she would use the proceeds to invest in securities. Instead of purchasing the securities, Brandstatter converted the funds to her own use. With respect to the other five customers, Brandstatter executed unauthorized sales of mutual funds in their securities accounts, obtained possession of the checks from such sales, and altered such checks to make them payable to herself without the knowledge or consent of the customers.

Simultaneous with the filing of the complaint and without admitting or denying the Commission's allegations, Brandstatter consented to the entry of a permanent injunction prohibiting future violations of Section 17(a) of the Securities Act of 1933 [15 U.S.C. Section 77q(a)], and Section 10(b) of the Securities Exchange Act of 1934 [15 U.S.C. Section 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. Section 240.10b-5]. [SEC v. Nancy Brandstatter, Civil Action No. C-93-3413, TEH, N.D. Cal.] (LR-13801)

#### HOLDING COMPANY ACT RELEASES

#### GENERAL PUBLIC UTILITIES CORPORATION

An order has been issued authorizing a proposal by General Public Utilities Corporation (GPU), a registered holding company. GPU proposes to issue and sell for cash from time to time through December 31, 1996 up to four million additional shares of its common stock, par value \$2.50 per share. (Rel. 35-25889)

## ALLEGHENY POWER SYSTEM, INC.

A notice has been issued giving interested persons until October 18, 1993 to request a hearing on a proposal by Allegheny Power System, Inc. (Allegheny), a registered holding company. Allegheny proposes to amend (Amendment) its corporate charter in order to reclassify each share of its common stock, \$2.50 par value per share, into two shares of common stock, \$1.25 par value per share. In order to effect, through December 31, 1994, a proposed two-for-one stock split, Allegheny also requests authority to increase the number of shares it has authority to issue from 130 million shares (\$2.50 par value per share) to 260 million shares (\$1.25 par value per share). Allegheny proposes to submit the Amendment for consideration and action by its stockholders at a special meeting to be held on or about November 3, 1993. Consequently, and as provided in Rule 62(d), Allegheny requests that it be allowed to solicit proxies for voting on the proposed Amendment by its stockholders. It may do so. (Rel. 35-25890)

#### NORTHEAST UTILITIES

An order has been issued authorizing Northeast Utilities (Northeast), a registered holding company, to invest up to \$7 million in Charter Oak Energy, Inc. (Charter Oak) and COE Development Corporation, nonutility subsidiaries of Northeast, for the acquisition by Charter Oak of interests in two nonutility subsidiaries that will own an interest in a foreign utility company. (Rel. 35-25891; International Series Rel. 585)

#### FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

A notice has been issued giving interested persons until October 18, 1993 to request a hearing on a proposal by Fitchburg Gas and Electric Light Company, a subsidiary of Unitil Corporation, a registered holding company, to issue and sell its debentures in an aggregate principal amount not exceeding \$19 million, prior to December 31, 1993. (Rel. 35-25892)

## GEORGIA POWER COMPANY

A supplemental order has been issued authorizing Georgia Power Company (Georgia), a subsidiary of The Southern Company, a registered holding company, to refinance facilities at the Plant Vogtle Project and the Plant Scherer Project. Georgia has been granted authority to enter transactions in connection with the issuance and sale of \$71.935 million aggregate principal amount of pollution control revenue bonds. The Commission has reserved jurisdiction over the issuance of up to \$362.2 million of additional principal amounts of revenue bonds. (Rel. 35-25893)

## **GULF POWER COMPANY**

An order has been issued authorizing a proposal by Gulf Power Company (Gulf Power), a wholly owned electric public-utility subsidiary company of The Southern Company, a registered holding company. Gulf proposes to issue from time to time or at any time on or before December 31, 1996 one or more series of its first mortgage bonds (Bonds) and/or its preferred stock (Preferred) in an aggregate principal amount (or par value,

as the case may be) of up to \$265.5 million. The Bonds and/or the Preferred will be sold under the competitive bidding procedures of Rule 50 as modified by the Commission's Statement of Policy dated September 2, 1982 (Alternative Bidding Procedures). The Commission reserves jurisdiction over: (i) any of the remaining \$134.5 million in aggregate principal amount (or stated par value, as the case may be) of the Bonds and/or the Preferred that will be sold pursuant to Alternative Bidding Procedures, (ii) any of the Bonds and/or the Preferred that will be sold pursuant to an exception from the competitive bidding requirements of Rule 50 under subsection (a)(5) thereunder; and (iii) all transactions, including the issuance of other bonds, in connection with the issuance and sale by one or more public instrumentalities of one or more series of pollution control revenue bonds (Revenue Bonds) in an aggregate principal amount of up to \$200 million. (Rel. 35-25894)

# LISTING, DELISTING AND UNLISTED TRADING ACTIONS

#### UNLISTED TRADING PRIVILEGES SOUGHT

Notices have been issued giving interested persons until October 18, 1993 to comment on the applications of four exchanges for unlisted trading privileges in issues which are listed and registered on one or more other national securities exchange and are reported in the consolidated transaction reporting system. The exchanges and number of issues are as follows: Pacific Stock Exchange - 5 issues (Rel. 34-32960); Chicago Stock Exchange - 13 issue. (Rel. 34-32962); Philadelphia Stock Exchange - 14 issues (Rel. 34-32963); and Cincinnati Stock Exchange - 6 issues (Rel. 34-32964).

## UNLISTED TRADING PRIVILEGES GRANTED

An order has been issued granting the application of the <u>Cincinnati Stock Exchange</u> for unlisted trading privileges in 12 issues which are listed and registered on one or more other national securities exchange and are reported in the consolidated transaction reporting system. (Rel. 34-32961)

## SELF-REGULATORY ORGANIZATIONS

## APPROVAL OF PROPOSED RULE CHANGE

The Commission approved a proposed rule change filed by the New York Stock Exchange (SR-NYSE-93-09) relating to the Content Outline for the Compliance Official for Specialist Firm (Series 14A) Qualification Examination. (Rel. 34-32955)

## PROPOSED RULE CHANGE

The Depository Trust Company filed a proposed rule change (SR-DTC-93-9) relating to implementation of a Deposit Automated Management service. Publication of the proposal is expected in the <u>Federal Register</u> during the week of September 27. (Rel. 34-32957)

## IMMEDIATE EFFECTIVENESS OF PROPOSED RULE CHANGE

A proposed rule change filed by the <u>Chicago Stock Exchange</u> (SR-CHX-93-21) to publish to its members an existing policy concerning transfers of specialists' books has become effective upon filing with the Commission. Publication of the proposal is expected in the <u>Federal Register</u> during the week of September 27. (Rel. 34-32959)

## SECURITIES ACT REGISTRATIONS

The following registration statements have been filed with the SEC under the Securities Act of 1933. The reported information appears as follows: Form, Name, Address and Phone Number (if available) of the issuer of the security; Title and the number and/or face amount of the securities being offered; Name of the managing underwriter or depositor (if applicable); File number and date filed; Assigned Branch; and a designation if the statement is a New Issue.

- S-6 MUNICIPAL INVT TR FD INTERN TERN SER 217 DEFINED ASSET FDS,
  450 LEXINGTON AVENUE, C/O DAVIS POLK & WARDWELL, NEW YORK, NY 10017
  (NUL) L - INDEFINITE SHARES. (FILE 33-50343 SEP. 21) (NEW ISSUE)
- S-6 MUNICIPAL INVT TR FD MULTISTATE SERIES 50 DEFINED ASSET FDS,
  450 LEXINGTON AVE, C/O DAVIS POLK & WARDWELL, NEW YORK, NY 10017
  (212) 450-4500 INDEFINITE SHARES. (FILE 33-50345 SEP. 21) (BR. 22
   NEW ISSUE)
- S-6 CORPORATE INCOME FUND NON PYNT SER 316 DEFINED ASSET FDS,
  450 LEXINGTON AVENUE, C/O DAVIS POLK & WARDWELL, NEW YORK, NY 10017
  (NUL) L INDEFINITE SHARES. (FILE 33-50347 SEP. 21) (BR. 22
   NEW ISSUE)
- S-3 HOUSEHOLD INTERNATIONAL INC, 2700 SANDERS RD, PROSPECT NEIGHTS, IL 60070 (708) 564-5000 1,000,000 (\$1,000,000) STRAIGHT BONDS. (FILE 33-50351 SEP. 21) (BR. 11)
- S-6 KENPER DEFINED FUNDS SERIES 7, 77 W WACKER DRIVE, CHICAGO, IL 60601 (312) 574-6725 INDEFINITE SHARES. (FILE 33-50353 SEP. 21) (BR. 22 NEW ISSUE)
- S-3 SERVICE MERCHANDISE CO INC, 7100 SERVICE MERCHANDISE DR, 7100 SERVICE MERCHANDISE DR, BRENTWOOD, TN 37027 (615) 660-6000 100,000,000 (\$100,000,000) STRAIGHT BONDS. (FILE 33-50355 SEP. 22) (BR. 1)
- S-1 SEVEN HILLS FINANCIAL CORP, 1440 MAIN ST, CINCINNATI, OH 45210 (513) 621-9143 564,707 (\$5,647,070) COMMON STOCK. UNDERWRITER: WEBB CHARLES & CO. (FILE 33-69026 SEP. 20) (BR. 2 NEW ISSUE)
- s-3 IBM CREDIT RECEIVABLES LP, 290 NARBOR DR, STAMFORD, CT 02043 (203) 973-5100 1,000,000 (\$1,000,000) EQUIPMENT TRUST CERTIFICATES. UNDERWRITER: CS FIRST BOSTON. (FILE 33-69028 SEP. 20) (BR. 12 NEW ISSUE)
- S-8 HANDLEMAN CD /NI/, 500 KIRTS BLVD, PO BOX 7045, TROY, NI 48084 (313) 362-4400 - 900,000 (\$10,125,000) COMMON STOCK. (FILE 33-69030 -SEP. 20) (BR. 7)

- S-8 CEC INDUSTRIES CORP, NO 15 EAST 100 SOUTH STE 600, PO BOX 747, SALT LAKE CITY, UT 84111 (801) 521-0250 - 250,000 (\$406,250) COMMON STOCK. (FILE 33-69032 - SEP. 20) (BR. 12)
- S-3 UNITED ASSET MANAGEMENT CORP, ONE INTERNATIONAL PL, BOSTON, MA 02110 (617) 330-8900 2,034,398 (\$92,687,172.88) COMMON STOCK. (FILE 33-69034 SEP. 20) (BR. 11)
- S-8 NORTHWEST TELEPRODUCTIONS INC, 4455 W 77TH ST, MINNEAPOLIS, NN 55435 (612) 835-4455 80,000 (\$300,000) COMMON STOCK. (FILE 33-69036 SEP. 20) (BR. 12)
- S-8 POLYPHASE CORP, 4230 LBJ FREEWAY STE 404, DALLAS, TX 75244 (214) 490-4214 500,000 (\$1,250,000) COMMON STOCK. (FILE 33-69038 SEP. 20) (BR. 3)
- S-8 PITTSTON CO, 100 FIRST STANFORD PLACE, PO BOX 120070, STANFORD, CT 06912 (203) 978-5200 1,175,000 (\$23,049,750) COMMON STOCK. (FILE 33-69040 SEP. 20) (BR. 3)
- S-8 SCHULMAN A INC, 3550 W MARKET ST, AKRON, OH 44333 (216) 666-3751 2,050,095 (\$56,903,844) COMMON STOCK. (FILE 33-69042 SEP. 20) (BR. 1)
- S-8 VISX INC, 3400 CENTRAL EXPRINY, SANTA CLARA, CA 95051 (408) 733-2020 1,500,000 (\$21,843,750) COMMON STOCK. (FILE 33-69044 SEP. 20) (BR. 8)
- S-3 EVEREST MEDICAL CORPORATION, 13755 1ST AVENUE N STE 500, NINNEAPOLIS, NN 55441 (612) 473-6262 290,909 (\$782,545.21) CONNON STOCK. (FILE 33-69046 SEP. 20) (BR. 8)
- N-1A FRANKLIN REAL ESTATE SECURITIES TRUST, 777 MARINERS ISLAND BLVD, SAN MATEO, CA 94404 (415) 312-2000 INDEFINITE SHARES. (FILE 33-69048 SEP. 20) (BR. 17 NEV ISSUE)
- S-4 NATIONAL CITY BANCSHARES INC, 227 MAIN ST, EVANSVILLE, IN 47705 (812) 464-9800 - 1,316,667 (\$23,636,000.18) COMMON STOCK. (FILE 33-69050 - SEP. 20) (BR. 2)
- S-1 TALBOTS INC, 175 BEAL ST, HINGHAM, NA 02043 (617) 749-7600 12,650,000 (\$215,050,000) COMMON STOCK. UNDERWRITER: GOLDMAN SACHS & CO, MERRILL LYNCH & CO, MORGAN STANLEY & CO. (FILE 33-69082 SEP. 20) (BR. 7 NEW ISSUE)
- S-11 RESOURCE MORTGAGE PLUS INVESTORS LP, 1609 MALMUT S, PHILADELPHIA, PA 19103 (215) 557-8454 - 1,830,000 (\$18,300,000) LIMITED PARTNERSHIP CERTIFICATE. UNDERWRITER: FAHNESTOCK & CO INC. (FILE 33-69092 - SEP. 20) (BR. 11 - NEW ISSUE)
- S-1 LOUIS DREYFUS NATURAL GAS CORP, 14000 QUAIL SPRINGS PICHY, STE 600, OKLAHOMA CITY, OK 73134 (405) 749-1300 8,050,000 (\$144,900,000) COMMON STOCK. UNDERWRITER: DONALDSON LUFKIN & JENRETTE SECURITIES C, MORGAN STANLEY & CO INC, PAINEWEBBER INC. (FILE 33-69102 SEP. 20) (BR. 3 NEW ISSUE)
- S-8 INTERNATIONAL NUREX TECHNOLOGIES CORP, 3075 NORTHWOODS CIRCLE, MORCROSS, GA 30071 (404) 662-0660 100,000 (\$544,000) COMMON STOCK. (FILE 33-69116 SEP. 14) (BR. 4)

## REGISTRATIONS CONTINUED

- GART SPORTS CO, 1000 BROADMAY, DENVER, CO 80203 (303) 861-1122 -1,480,000 (\$11,840,000) COMMON STOCK. UNDERWRITER: DAIN MOSMORTH INC. (FILE 33-69118 - SEP. 20) (NR. 1 - NEW ISSUE)
- LDDS CONNENICATIONS INC /GA/, 515 EAST AMITE ST, 945 E PACES FERRY NO ME, JACKSON, NS 39201 (601) 360-8600 - 2,000,000 (\$105,052,640) PREFERRED STOCK. (FILE 33-69122 - SEP. 20) (MR. 7)
- LIUSKI INTERNATIONAL INC /DE, 10 NUB DR, NELVILLE, NY 11747 (516) 454-8220 - 100,500 (\$527,625) COMMON STOCK. (FILE 33-69126 -SEP. 20) (BR. 9)
- ASIA PACIFIC FUND INC, ONE SEAPORT PLAZA, NEW YORK, NY 10292 (212) 214-3334 - 2,788,000 (\$50,358,250) COMMON STOCK. (FILE 33-69128 -
- BLOCKBUSTER ENTERTAINMENT CORP, ONE BLOCKBUSTER PLZ, FT LAUDERDALE, FL 33301 (305) 832-3000 - 3,652,542 (\$98,837,786.52) COMMON STOCK. (FILE 33-69130 - SEP. 20) (BR. 11)

#### RECENT SK FILINGS

Form 8-K is used by companies to file current reports on the following events:

- Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3.
- Bankruptcy or Receivership. Changes in Registrant's Certifying Accountant. Item 4.
- Item 5. Other Materially Important Events.
- Item 6. Resignations of Registrant's Directors.
- Item 7. Financial Statements and Exhibits.
- Item 8. Change in Fiscal Year.

The companies listed below have filed 8-K reports for the date indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form Copies of the reports may be purchased from the Commission's Public Reference Room (when ordering, please give the date of the report). An invoice will be included with the requested material when mailed.

NAME OF ISSUER		8K ITEM II 1 2 3 4 5		DATE COMMENT		
TECHNOLOGY SOLUTIONS COMPANY	DE		X	09/21/93		
TEJAS GAS CORP	DE	X	X	09/15/93		
TRANSAMERICA FINANCE CORP	DE		X	09/22/93		
UNICOMP INC	$\infty$		X	06/03/93AMEND		
UNICOMP INC	$\infty$	x	×	10/08/93AMEND		
USAIR GROUP INC	DE	X	X	09/23/93		

	STATE	8K ITEM NO.			
NAME OF ISSUER	CODE	123456	78	DATE	COMMENT
USAIR INC /NEW/	DE	x	X	09/23/9	
VALLEY BANCORPORATION	u	X	X	09/19/93	
WHEELABRATOR TECHNOLOGIES INC /DE/	DE	X		09/21/9	
WINCO PETROLEUM CORP	CO	X	X	09/13/9	
MORLD ONNI 1993-A GRANTOR TRUST	FL	X		08/15/9	
MYMAN GORDON CO	MA	X	X	09/16/9	
ZEMEX CORP	DE	X X	X	09/07/9	
ZENITH ELECTRONICS CORP	DE	X	X	09/21/9	
ZIONS FIRST NATIONAL BANK ZIONS AUTO TRU		X	X	09/15/9	
ALAMAR BIOSCIENCES INC	CA	X	X	09/16/9	_
ALLTEL CORP	DE	X		09/24/9	
AUTOTOTE CORP	DE	X	X	09/23/9	
BANKERS TRUST NEW YORK CORP	NY		X	09/24/9	
BEAR STEARNS MORT SEC INC MORT PAS THR C		X	X	08/25/9	_
BRAUVIN HIGH YIELD FUND L P II	DE	X	X	08/04/9	
BROCK EXPLORATION CORP	DE		X		_
CACHE INC	FL	X	X	09/15/9	
CENTRAL LOUISIANA ELECTRIC CO INC	LA	, X	X	09/03/9	3
CHAMPION INDUSTRIES INC	: W	X		09/22/9	3
CONTROL CHIEF HOLDINGS INC	NY	X	X	09/20/9	3
DIGITRAN SYSTEMS INC /DE	DE	X		09/15/9	3
FILTERTEK DE PUERTO RICO INC	DE	NO ITEMS		09/22/9	3
FILTERTEK INC/DE	DE	X	X	09/22/9	3
FREMONT FUNDING INC VARIABLE RATE ASSET		x	X	06/15/9	3
FSA CAPITAL INC	DE	` X	•	09/20/9	3
GE CAPITAL MOR SERV INC REMIC MUL CL PA		X		08/30/9	3
GOVERNMENT EXPORT TRUST SERIES 1993-1	NY	X	X	09/15/93	5
HILLS DEPARTMENT STORES INC /DE/	DE	X	X	09/10/9	5
KERR GROUP INC	DE	X	X	09/21/93	5
LEHMAN PASS THRO SEC INC LB MORT TR MU P		X	X	09/25/97	2
MARGATE INDUSTRIES INC	DE	X		09/22/93	5
MBNA MASTER CREDIT CARD TRUST SERIES 199		x		09/14/93	5
MORTH LILY MINING CO	UT	X	X	09/23/93	5
PACIFIC ENTERPRISES INC	CA	X		09/13/93	5
PILLOWTEX CORP	TX	X	X	09/23/93	5
RCM TECHNOLOGIES INC	NV	x		09/20/93	5
ROBERTS PHARMACEUTICAL CORP	NJ	X		08/31/93	5
RUST INTERNATIONAL INC		X		09/21/93	5
SCHULT HOMES CORP	IN	X		09/15/93	5
SEABOARD OIL CO	DE	X		09/16/93	3
SECURED INCOME L P	DE	X		09/22/93	5
SIMTEK CORP	$\infty$	NO ITEMS		09/20/93	3
SINTEK CORP	œ	NO ITEMS		09/22/93	3
SIMULA INC	AZ	NO ITEMS		09/17/93	3
SOLAR FINANCIAL SERVICES INC	MJ	x	X	09/21/93	3
SORICON CORP/DE/	DE		X	12/30/97	AMEND
SOUTHWESTERN PUBLIC SERVICE CO	1004	x	X	09/09/93	3
STARCRAFT AUTOMOTIVE CORP	IN	x		09/16/93	3
STERLING RESOURCES CORP	UT	X X	X	09/08/93	3
STRUCTURED ASSET SEC CORP COLL MOR PA TH		x	X	08/25/93	3
SUNRISE ENERGY SERVICES INC	DE	х 、	X	09/18/93	3
SUPERIOR BANK FSB		X	X	09/20/93	}
TECHNOLOGY SOLUTIONS COMPANY	DE	x		09/20/93	;
TELEPHONE & DATA SYSTEMS INC	IA		X	09/22/93	
TRANSAMERICA OCCIDENTAL LIFE INSURANCE C	CA	NO ITEMS		09/23/93	
UNITED STATES CELLULAR CORP	DE		X	09/22/93	
UNITED MATER RESOURCES INC	MI			09/16/93	
MATER CHEF INC	DE	NO ITEMS		09/08/93	
WHOLE FOODS MARKET INC	TX		x	09/10/93	
YUBA WESTGOLD INC	DE		X	09/21/93	
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