

## DESCRIPTION OF THE TRANSACTION

The instant application is one of several simultaneously filed applications (collectively, the “*FCC Long Form Applications*”) seeking consent of the Federal Communications Commission (“*FCC*” or “*Commission*”), pursuant to the Chapter 11 Joint Plan of Reorganization, as modified (“*Chapter 11 Plan*” or “*Plan*”), filed by Citadel Broadcasting Corporation (“*Citadel*”) together with other Debtors (as hereafter defined) with the United States Bankruptcy Court of the Southern District of New York (“*Bankruptcy Court*”), to the transfer of control of the subsidiaries of Citadel that hold broadcast licenses listed on Attachment A hereto (“*Citadel Licensee Subsidiaries*” and together with Citadel, the “*Debtors*”) from the shareholders of Citadel Broadcasting Corporation, Debtor-In-Possession, to the shareholders of Citadel Broadcasting Corporation, as reorganized (the surviving company after the reorganization described in the Plan and below) (“*Reorganized Citadel*”).

### I. Background

On December 20, 2009, the Debtors filed voluntary petitions (“*Petitions*”) in the Bankruptcy Court seeking relief under the provisions of chapter 11 of the Bankruptcy Code to effectuate a pre-negotiated restructuring of the debt obligations of the Debtors.<sup>1</sup> Accordingly, the Debtors are now operating as debtors-in-possession under the Bankruptcy Court’s oversight. Following this filing, on December 22, 2009, the Citadel Licensee Subsidiaries filed applications seeking the FCC’s consent to the *pro forma* assignment of the Citadel Licensee Subsidiaries’ FCC licenses from the Citadel Licensee Subsidiaries to the Citadel Licensee Subsidiaries as “debtors-in-possession” under chapter 11. The FCC granted these applications on December 30, 2009. See FCC File No. BAL-20091222ABU-AJX, BAL-20091222AJZ-AKB, BALH-20091222AKI-AKJ, BALH-20091222AKK-AKO, BAL-20091222AKP-AKR, BALH-20091222AKS, BAL-20091222AKT, BAL-20091222AKY-ALA, BAL-20091222ALC-ALD, BALH-20091222ALH, BAL-20091222ALI, BAL-20091222ALM and BALH-20091222ALN.

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<sup>1</sup> See *In re Citadel Broadcasting Corporation, et al.*, Case No. 09-17422 (Bankr. S.D.N.Y.).

## **II. The Reorganization Plan.**

On February 3, 2010, the Debtors filed the Chapter 11 Plan with the Bankruptcy Court.<sup>2</sup> The Plan, as modified, contemplates that, on and after the effective date of the Plan, the Debtors will cease to be debtors-in-possession and will be reorganized in accordance with the applicable bankruptcy law. Pursuant to the Chapter 11 Plan, on the Debtors' emergence from bankruptcy, all of the currently outstanding equity interests of the Debtors will be cancelled and extinguished. On the effective date, Reorganized Citadel will emerge from bankruptcy and new common stock and special warrants in Reorganized Citadel shall be issued. The ownership of Reorganized Citadel following the restructuring is described below. Upon the restructuring, Alphabet Acquisition Corp., the indirect parent of certain of the Citadel Licensee Subsidiaries, shall be wholly-owned by Citadel Broadcasting Company, which is wholly-owned by Reorganized Citadel. In addition, a new limited liability company, which shall be wholly-owned by Reorganized Citadel, shall be established to hold the FCC licenses currently held by Citadel Broadcasting Company, as debtor-in-possession ("*Radio License Holding CBC, LLC*"). On May 4, 2010, the Debtors filed (i) *pro forma* assignment applications requesting consent to assign the FCC licenses held by Citadel Licensee Subsidiaries, as debtors-in-possession, to the Citadel Licensee Subsidiaries, as reorganized following emergence from bankruptcy, and (ii) a *pro forma* assignment application requesting consent to assign the licenses of Citadel Broadcasting Company, as debtor-in-possession, to Radio License Holding CBC, LLC. Each of the Citadel Licensee Subsidiaries and Radio License Holding CBC, LLC shall continue to exist after the effective date as a separate entity.

## **III. Ownership and Control of Reorganized Citadel (following reorganization)**

Pursuant to the Plan, upon the consummation of the reorganization, the entities that hold secured claims pursuant to debt issued under Citadel's senior credit agreement with J.P. Morgan Chase Bank, N.A. as administrative agent, and other financial institutions and lenders and related credit facilities ("*Senior Claim Holders*") collectively will be eligible to receive 90 percent of the new common stock of Reorganized Citadel (subject to dilution on account of a management and/or director's equity incentive program) and holders of general unsecured claims ("*Unsecured Claim Holders*"), including the deficiency claims of the Senior Claim

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<sup>2</sup> On March 15, 2010, the Debtors filed a First Modified Joint Plan of Reorganization and a First Modified Disclosure Statement for the Joint Plan of Reorganization. A Second Modified Joint Plan of Reorganization is submitted with this Amendment.

Holders, will collectively be eligible to receive up to 10 percent of the new common stock of Reorganized Citadel and a pro rata share of \$36 million in cash.

As of May 3, 2010 (the “*Record Date*”), Citadel estimates that there are approximately 234 Senior Claim Holders and up to 148 Unsecured Claim Holders (not including the deficiency claims of Senior Claim Holders) entitled to receive an allocation of new common stock of Reorganized Citadel. Citadel has adopted an equity allocation mechanism intended to ensure Reorganized Citadel’s compliance with the alien ownership restrictions contained in Section 310(b) of the Communications Act of 1934, as amended, and the FCC’s media ownership and attribution rules. Initially, each Senior Claim Holder and each Unsecured Claim Holder that elects to receive new common stock will receive special warrants. Warrant holders shall have no voting rights. Warrant holders shall be entitled to receive distributions, if applicable, unless a FCC ruling prohibits distributions to warrant holders or Citadel is advised by counsel that such a distribution is reasonably likely to cause Citadel to violate applicable FCC rules and regulations.

Prospective shareholders will be required to provide certifications to Citadel that at least 80% of the indirect and direct voting and ownership interests in such holders, as calculated in accordance with FCC rules, are held by U.S. citizens or U.S. entities. Senior Claim Holders and Unsecured Claim Holders that cannot provide this certification will retain the warrants and will only be eligible to receive new common stock in the event that Citadel has determined that following the initial distribution of new common stock to Senior Claim Holders and Unsecured Claim Holders, the aggregate percentage of new common stock owned or voted by non U.S. citizens or entities is less than 80%, in which case, all holders of special warrants that have provided an ownership certification to Citadel shall be deemed to exercise their special warrants on a pro rata basis among all such eligible holders, to receive new common stock up to the number of shares that causes the aggregate percentage of new common stock owned or voted by aliens to equal 20%. Reorganized Citadel shall issue two classes of new common stock. Holders of Class B stock shall not have the right to vote on matters effecting the day to day operations and ordinary course business of Reorganized Citadel and its subsidiaries. Holders of Class B stock shall have the right to vote on decisions that are outside of the ordinary course of business of the type previously approved by the Commission as minority investor protections.<sup>3</sup> Holders of Class A stock shall have full voting rights.

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<sup>3</sup> Holders of Class B Common Stock shall only be entitled to vote on the same basis as holders of Class A Common Stock with respect to the following matters: (i) the retention or dismissal of outside auditors; (ii) any distributions to stockholders; (iii) material asset sales, recapitalization, merger, business combination, consolidation, exchange or other similar reorganization involving the Company or any of its subsidiaries, including a drag-along transaction;

To ensure compliance with the FCC's media ownership and attribution rules, upon consummation of the reorganization, no holder of new common stock shall receive more than 4.99 percent of Class A common stock at the effective date.<sup>4</sup> In determining whether any holder would hold more than 4.99% of the outstanding Class A common stock, such holder will be attributed with any stock held by another holder under common management with such holder or that otherwise would be aggregated under the FCC's ownership attribution rules. Thus, upon consummation of the reorganization, no individual or entity will have an attributable interest in Reorganized Citadel through stock ownership.

Reorganized Citadel will have a Board of Directors comprised of seven individuals. All board members have been selected and are listed in the Amendment to this Application. Information with respect to the persons who will serve as officers of Reorganized Citadel is provided at Exhibit 15. Because Reorganized Citadel will be a public company, certain decisions that are outside of the ordinary course of business will require approval of the shareholders.

#### **IV. Agreements**

Copies of the Chapter 11 Plan (the *First Modified Joint Plan of Reorganization of Citadel Broadcasting Corporation and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code*, filed with the Bankruptcy Court on March 15, 2010) and the Disclosure Statement (the *First Modified Disclosure Statement for the Joint Plan of Reorganization of Citadel Broadcasting Corporation and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code*, filed with the Bankruptcy Court on March 15, 2010) were included as attachments to Exhibit 6 of the original application. A copy of the *Second Modified Joint Plan of Reorganization of Citadel Broadcasting Corporation and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* ("Second Modified Plan") is being submitted at Exhibit 6 to

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(iv) the adoption of any new or amended certificate of incorporation of Reorganized Citadel or any of its subsidiaries, other than any amendment that is ministerial in nature; (v) other than in connection with a management equity plan or similar plan, any authorization or issuance of equity interests, or any security or instrument convertible into or exchangeable for equity interests, in Reorganized Citadel or any of its subsidiaries; and (vi) the liquidation of Reorganized Citadel or any of its subsidiaries.

<sup>4</sup> To the extent that any Senior Claim Holder or Unsecured Claim Holder receives warrants in lieu of shares of new common stock, shares of new common stock that would have otherwise been issued shall remain authorized but unissued shares until such time as the warrants are exercised.

this Amendment. The applicants have submitted the Chapter 11 Plan, the Second Modified Plan and the Disclosure Statement to the Bankruptcy Court. The Bankruptcy Court approved the Disclosure Statement on March 15, 2010. The Second Modified Plan was confirmed by the Bankruptcy Court on May 17, 2010, and a Confirmation Order was entered May 19, 2010. The FCC Long Form Applications are being amended to include the Confirmation Order and the Second Modified Plan. The parties did not file the following exhibits to the Disclosure Statement: Exhibit B (Declaration of Randy L. Taylor pursuant to Rule 1007-2 of the Local Bankruptcy Rules for the Southern District of New York in Support of the First-Day Pleadings); Exhibit E (Financial Projections); Exhibit F (Valuation Analysis); and Exhibit G (Liquidation Analysis). The parties also did not file the Plan Supplement and exhibits thereto. The omitted material is voluminous, available to the public through the Bankruptcy Court, and not germane to the Commission's evaluation of this application and therefore, consistent with FCC precedent, need not be produced. Information contained in the omitted materials will be provided to the Commission upon request.

Attachment A

**Licensee: Citadel Broadcasting Company, Debtor-in-Possession:**

<b>Station</b>	<b>Community of License</b>	<b>Fac. ID No.</b>
WAPI(AM)	Birmingham, AL	16900
WBEI(FM)	Reform, AL	67577
WDGM(FM)	Greensboro, AL	86803
WFFN(FM)	Coaling, AL	54797
WJOX-FM	Birmingham, AL	16901
WJOX(AM)	Birmingham, AL	16897
WTSK(AM)	Tuscaloosa, AL	54795
WTUG-FM	Northport, AL	54796
WUHT(FM)	Birmingham, AL	6401
WAPI-FM	Helena, AL	70914
WZRR(FM)	Birmingham, AL	16899
KAAY(AM)	Little Rock, AR	33253
KARN(AM)	Little Rock, AR	60703
KARN-FM	Sheridan, AR	24151
KIPR(FM)	Pine Bluff, AR	13925
KLAL(FM)	Wrightsville, AR	47880
KPZK(AM)	Little Rock, AR	24150
KURB(FM)	Little Rock, AR	19559
KCUB(AM)	Tucson, AZ	56051
KHYT(FM)	Tucson, AZ	56053
KIIM-FM	Tucson, AZ	56052
KSZR(FM)	Oro Valley, AZ	39734
KTUC(AM)	Tucson, AZ	35684
KATM(FM)	Modesto, CA	11239
KDJK(FM)	Mariposa, CA	11241
KESP(AM)	Modesto, CA	11233
KHKK(FM)	Modesto, CA	11240
KHOP(FM)	Oakdale, CA	52528
KJOY(FM)	Stockton, CA	32215
KWIN(FM)	Lodi, CA	60425
KWNN(FM)	Turlock, CA	60427
KWYL(FM)	South Lake Tahoe, CA	67816
K285EE	Canon City, CO	52583
KATC-FM	Colorado Springs, CO	66249
KCSF(AM)	Colorado Springs, CO	62039
KKFM(FM)	Colorado Springs, CO	11237
KKMG(FM)	Pueblo, CO	11229

Station	Community of License	Fac. ID No.
KKPK(FM)	Colorado Springs, CO	62038
KVOR(AM)	Colorado Springs, CO	35869
WMOS(FM)	Stonington, CT	60251
WQGN-FM	Groton, CT	10455
WSUB(AM)	Groton, CT	10454
KBGG(AM)	Des Moines, IA	87105
KGGO(FM)	Des Moines, IA	12965
KHKI(FM)	Des Moines, IA	12966
KJJY(FM)	West Des Moines, IA	22882
KWQW(FM)	Boone, IA	30116
KBOI(AM)	Boise, ID	51211
KIZN(FM)	Boise, ID	70626
KKGL(FM)	Nampa, ID	51212
KQFC(FM)	Boise, ID	51217
KTIK(AM)	Nampa, ID	16854
KZMG(FM)	New Plymouth, ID	39609
WMDH(AM)	New Castle, IN	43435
WMDH-FM	New Castle, IN	74092
WWKI(FM)	Kokomo, IN	60133
KKND(FM)	Belle Chasse, LA	12157
KMEZ(FM)	Port Sulphur, LA	58395
KNEK(AM)	Washington, LA	15801
KNEK-FM	Washington, LA	16370
KQXL-FM	New Roads, LA	11607
KRRQ(FM)	Lafayette, LA	36227
KSMB(FM)	Lafayette, LA	41057
KXKC(FM)	New Iberia, LA	6350
WCDV(FM)	Hammond, LA	61271
WDVW(FM)	LaPlace, LA	117
WEMX(FM)	Kentwood, LA	58931
WIBR(AM)	Baton Rouge, LA	61275
WXOK(AM)	Port Allen, LA	11606
WBSM(AM)	New Bedford, MA	10452
WFHN(FM)	Fairhaven, MA	10453
WHLL(AM)	Springfield, MA	36545
WMAS-FM	Springfield, MA	36543
WORC-FM	Webster, MA	50231
WWFX(FM)	Southbridge, MA	18310
WXLO(FM)	Fitchburg, MA	43557
WBLM(FM)	Portland, ME	22878
WBPW(FM)	Presque Isle, ME	22184

Station	Community of License	Fac. ID No.
WCYY(FM)	Biddeford, ME	22880
WEBB(FM)	Waterville, ME	52608
WJBQ(FM)	Portland, ME	3134
WJZN(AM)	Augusta, ME	52604
WMME-FM	Augusta, ME	52605
WOZI(FM)	Presque Isle, ME	41007
WQHR(FM)	Presque Isle, ME	9422
WSHK(FM)	Kittery, ME	4380
WTVL(AM)	Waterville, ME	52607
WBBL-FM	Greenville, MI	24639
WEFG-FM	Whitehall, MI	53960
WFBE(FM)	Flint, MI	21730
WFMK(FM)	East Lansing, MI	37460
WHNN(FM)	Bay City, MI	37458
WHTS(FM)	Coopersville, MI	71090
WILZ(FM)	Saginaw, MI	58578
WIOG(FM)	Bay City, MI	22675
WITL-FM	Lansing, MI	46706
WJIM(AM)	Lansing, MI	17382
WJIM-FM	Lansing, MI	17386
WJRW(AM)	Grand Rapids, MI	41679
WKLQ(AM)	Whitehall, MI	53962
WKQZ(FM)	Midland, MI	72924
WLAV-FM	Grand Rapids, MI	41680
WLAW(FM)	Newaygo, MI	89477
WLCS(FM)	North Muskegon, MI	5396
WTNR(FM)	Holland, MI	41678
WTRX(AM)	Flint, MI	15768
WVFN(AM)	East Lansing, MI	24638
WVIB(FM)	Holton, MI	73994
WMMQ(FM)	East Lansing, MI	24641
WMTI(FM)	Picayune, MS	27951
WRBO(FM)	Como, MS	7075
W285DG (WQUT)	Boone, NC	67675
W250AB (WOKQ)	Manchester, NH	22889
WHOM(FM)	Mount Washington, NH	49687
WOKQ(FM)	Dover, NH	22887
WPKQ(FM)	North Conway, NH	48401
WSAK(FM)	Hampton, NH	12155
KDRF(FM)	Albuquerque, NM	55052
KKOB(AM)	Albuquerque, NM	11251



Station	Community of License	Fac. ID No.
KKOB-FM	Albuquerque, NM	11250
KMGA(FM)	Albuquerque, NM	11231
KNML(AM)	Albuquerque, NM	68608
KRST(FM)	Albuquerque, NM	12584
KTBL(AM)	Los Ranchos, NM	48604
K272DA (KWYL)	Stateline, etc., NV	67817
KBUL-FM	Carson City, NV	11245
KKOH(AM)	Reno, NV	11236
KNEV(FM)	Reno, NV	11244
WAAL(FM)	Binghamton, NY	7920
WAQX-FM	Manlius, NY	52606
WBBF(AM)	Buffalo, NY	53967
WEDG(FM)	Buffalo, NY	56103
WGRF(FM)	Buffalo, NY	56102
WHLD(AM)	Niagara Falls, NY	7822
WHTT-FM	Buffalo, NY	53968
WHWK(FM)	Binghamton, NY	72373
WLTJ(FM)	Syracuse, NY	58719
WNBF(AM)	Binghamton, NY	72372
WSKO(AM)	Syracuse, NY	50515
WNTQ(FM)	Syracuse, NY	50514
WWYL(FM)	Chenango Bridge, NY	7663
WXML(FM)	Montauk, NY	7996
WYOS(AM)	Binghamton, NY	7921
KATT-FM	Oklahoma City, OK	8797
KKWD(FM)	Bethany, OK	6509
KYIS(FM)	Oklahoma City, OK	8798
WKY(AM)	Oklahoma City, OK	23418
WWLS(AM)	Moore, OK	22190
WWLS-FM	The Village, OK	37435
W253AC (WLEV)	Reading, PA	39873
WARM(AM)	Scranton, PA	70504
WBHD(FM)	Olyphant, PA	43521
WBHT(FM)	Mountain Top, PA	20465
WBSX(FM)	Hazleton, PA	133
WCAT-FM	Carlisle, PA	74557
WCTO(FM)	Easton, PA	36997
WIOV(AM)	Reading, PA	55307
WIOV-FM	Ephrata, PA	55308
WIOV-FM1	Reading, PA	55309
WLEV(FM)	Allentown, PA	39875

Station	Community of License	Fac. ID No.
WMGS(FM)	Wilkes-Barre, PA	70880
WMHX(FM)	Hershey, PA	64842
WQHZ(FM)	Erie, PA	65748
WQXA-FM	York, PA	52169
WRIE(AM)	Erie, PA	32982
WSJR(FM)	Dallas, PA	43969
WXKC(FM)	Erie, PA	32984
WXTA(FM)	Edinboro, PA	72892
WEAN-FM	Wakefield-Peacedale, RI	4376
WPRO(AM)	Providence, RI	64843
WPRO-FM	Providence, RI	64841
WPRV(AM)	Providence, RI	64840
WWKX(FM)	Woonsocket, RI	65198
WWLI(FM)	Providence, RI	64838
WISW(AM)	Columbia, SC	54793
WIWF(FM)	Charleston, SC	60039
WLXC(FM)	Columbia, SC	54794
WNKT(FM)	Eastover, SC	38900
WOMG(FM)	Lexington, SC	37200
WSSX-FM	Charleston, SC	72378
WTCB(FM)	Orangeburg, SC	54791
WTMA(AM)	Charleston, SC	72376
WWWZ(FM)	Summerville, SC	61278
WGFX(FM)	Gallatin, TN	16893
WGKX(FM)	Memphis, TN	35009
WGOC(AM)	Kingsport, TN	67671
WGOW(AM)	Chattanooga, TN	54526
WGOW-FM	Soddy-Daisy, TN	53956
WIVK-FM	Knoxville, TN	16890
WJCW(AM)	Johnson City, TN	67672
WKDF(FM)	Nashville, TN	16896
WKIM(FM)	Munford, TN	33671
WKOS(FM)	Kingsport, TN	67674
WNML(AM)	Knoxville, TN	16894
WNML-FM	Loudon, TN	7998
WNRX(FM)	Jefferson City, TN	18403
WOGT(FM)	East Ridge, TN	54527
WOKI(FM)	Oliver Springs, TN	10457
WQUT(FM)	Johnson City, TN	67673
WSKZ(FM)	Chattanooga, TN	54525
WXMV(FM)	Millington, TN	35399

Station	Community of License	Fac. ID No.
WXSM(AM)	Blountville, TN	29513
K237AL (KBEE)	Park City, Etc., UT	53499
K284AJ (KBEE)	Heber City, UT	53498
KBEE(FM)	Salt Lake City, UT	53497
KBER(FM)	Ogden, UT	10779
KENZ(FM)	Ogden, UT	2444
KFNZ(AM)	Salt Lake City, UT	53500
KHTB(FM)	Provo, UT	6545
KJQS(AM)	Murray, UT	58303
KKAT(AM)	Salt Lake City, UT	11232
KUBL-FM	Salt Lake City, UT	11238

**Licensee: Radio License Holding I, LLC, Debtor-in-Possession:**

WJR(AM)	Detroit, MI	8626
WDVD(FM)	Detroit, MI	8631
WDRQ(FM)	Detroit, MI	70040

**Licensee: Radio License Holding II, LLC, Debtor-in-Possession:**

WYAY(FM)	Gainesville, GA	48727
WKHX-FM	Marietta, GA	73161

**Licensee: Radio License Holding III, LLC, Debtor-in-Possession:**

KQRS-FM	Golden Valley, MN	35505
KXXR(FM)	Minneapolis, MN	35506
WGVX(FM)	Lakeville, MN	61379
WGVY(FM)	Cambridge, MN	54838
WGVZ(FM)	Eden Prairie, MN	61541

**Licensee: Radio License Holding IV, LLC, Debtor-in-Possession:**

WBAP(AM)	Fort Worth, TX	71200
KSCS(FM)	Fort Worth, TX	71201
KPMZ(FM)	Flower Mound, TX	26468

**Licensee: Radio License Holding V, LLC, Debtor-in-Possession:**

WLS-FM	Chicago, IL	73228
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**Licensee: Radio License Holding VI, LLC, Debtor-in-Possession:**

KABC(AM)	Los Angeles, CA	33254
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**Licensee: Radio License Holding VII, LLC, Debtor-in-Possession:**

WMAL(AM)	Washington, DC	73250
WRQX(FM)	Washington, DC	73252
WVRX(FM)	Woodbridge, VA	70037

**Licensee: Radio License Holding VIII, LLC, Debtor-in-Possession:**

KGO(AM)	San Francisco, CA	34471
KSFO(AM)	San Francisco, CA	34472

**Licensee: Radio License Holding IX, LLC, Debtor-in-Possession:**

WPLJ(FM)	New York, NY	73887
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**Licensee: Radio License Holding X, LLC, Debtor-in-Possession:**

WABC(AM)	New York, NY	70658
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**Licensee: Radio License Holding XI, LLC, Debtor-in-Possession:**

WLS(AM)	Chicago, IL	73227
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**Licensee: Radio License Holding XII, LLC, Debtor-in-Possession:**

KLOS(FM)	Los Angeles, CA	35078
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