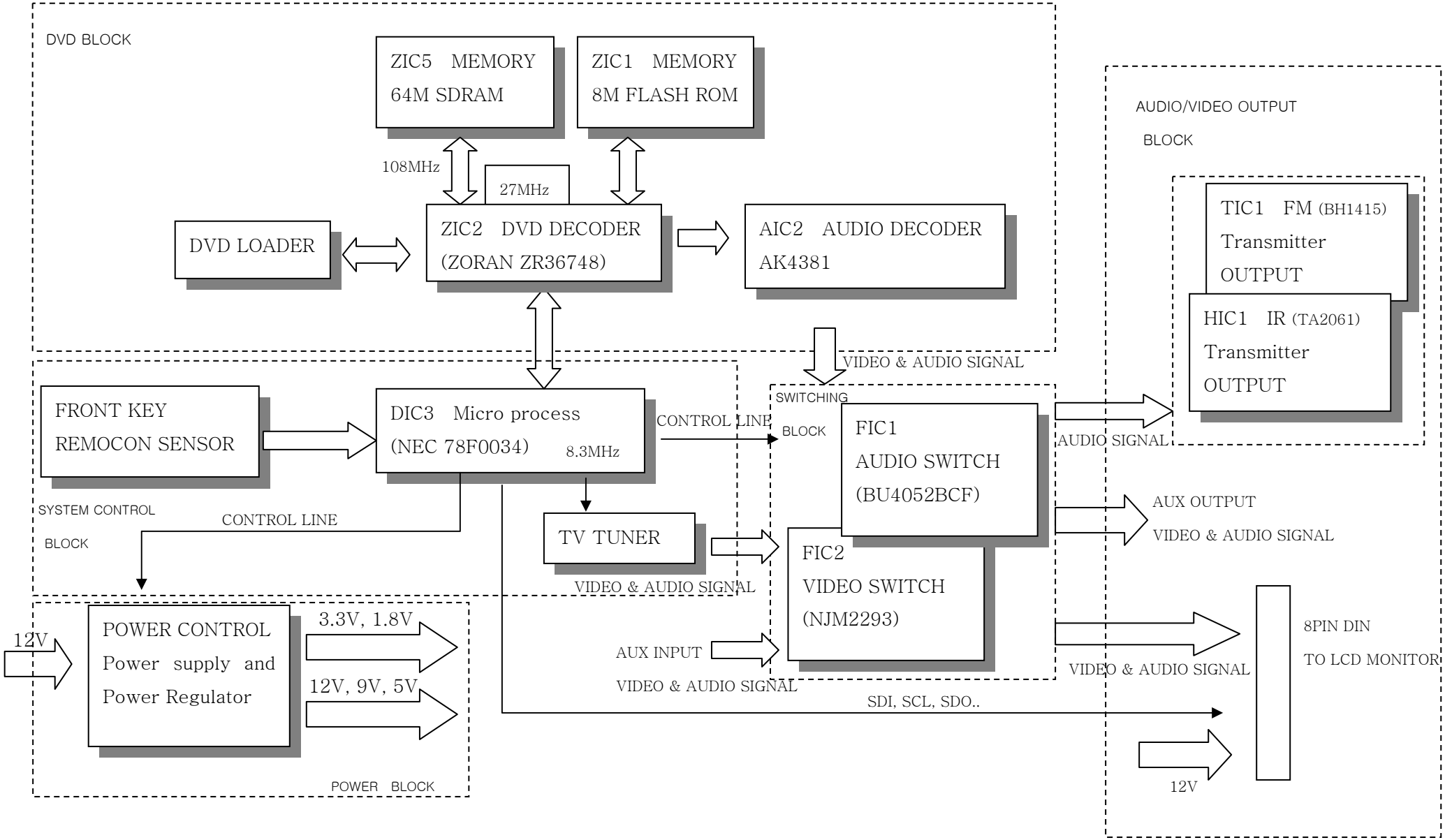SYSTEM BLOCK 1