

Blockchain and smart contracts: infrastructure and platforms

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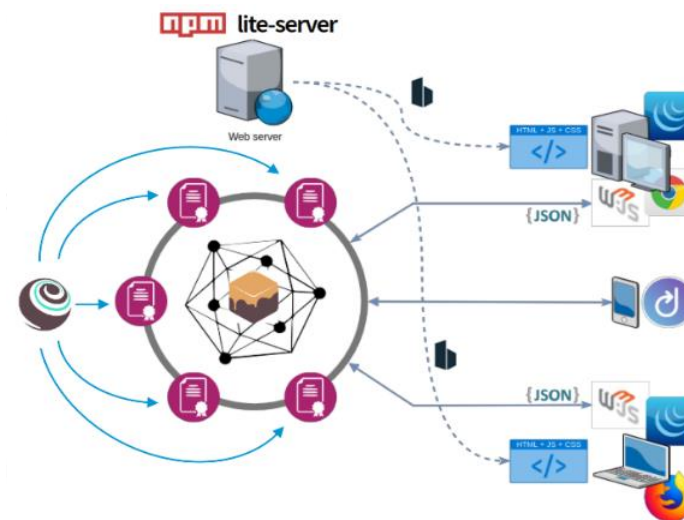
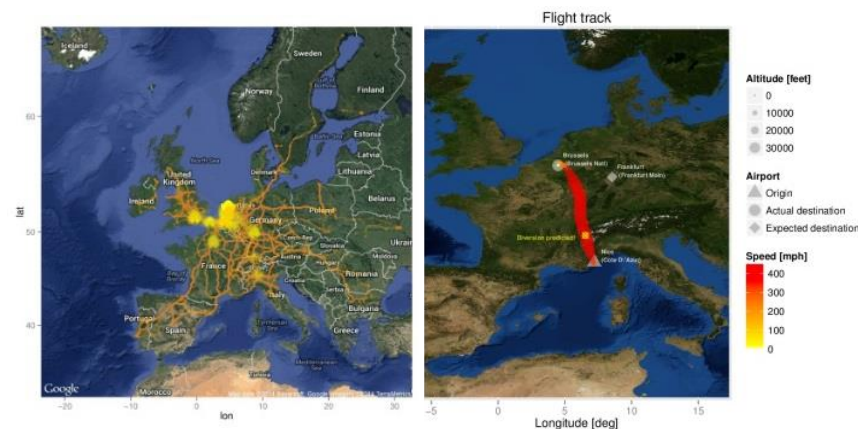
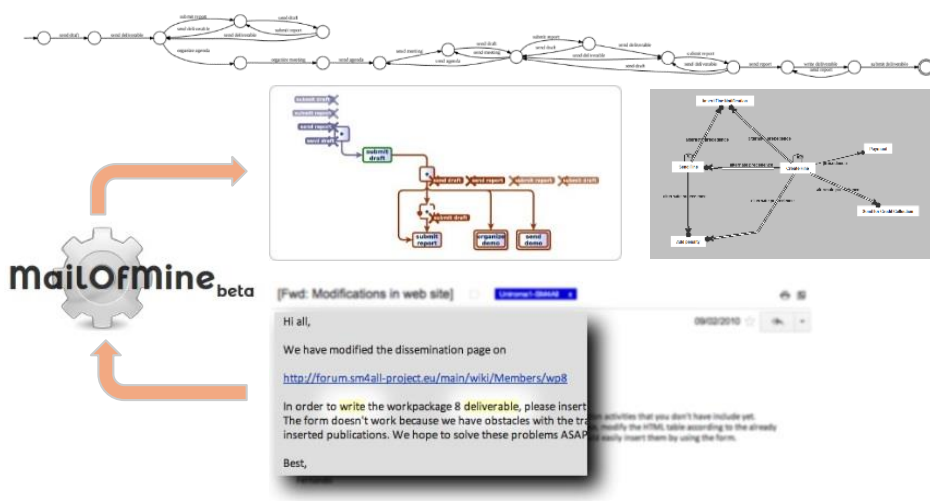
Claudio Di Ciccio

Assistant professor

Ph.D. in Computer Science and Engineering

Main research interests:

process mining,
blockchains,
declarative process modelling,
service-oriented architectures



My experience so far

Latina, Italy (B.Sc)



Rome, Italy (M.Sc, Ph.D)



Vienna, Austria (Post-doc, Assistant Prof.)



Rome, Italy (Assistant Prof.)



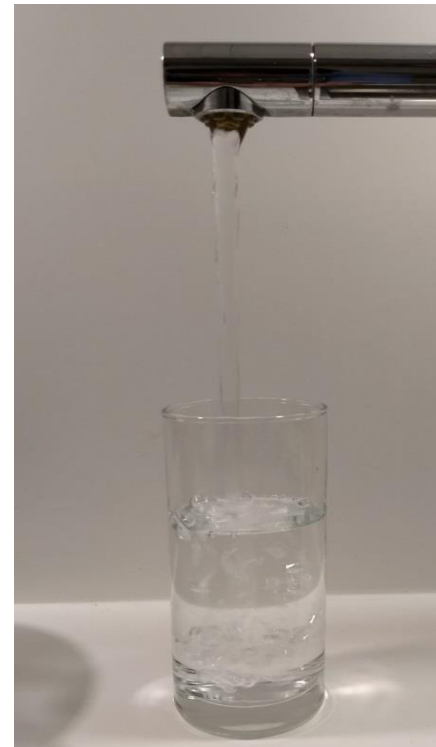
Half empty or half full?

**Which is more fundamental:
processes or things?**



Neither half-full nor half-empty. Courtesy Wikipedia

Processes are into dynamics

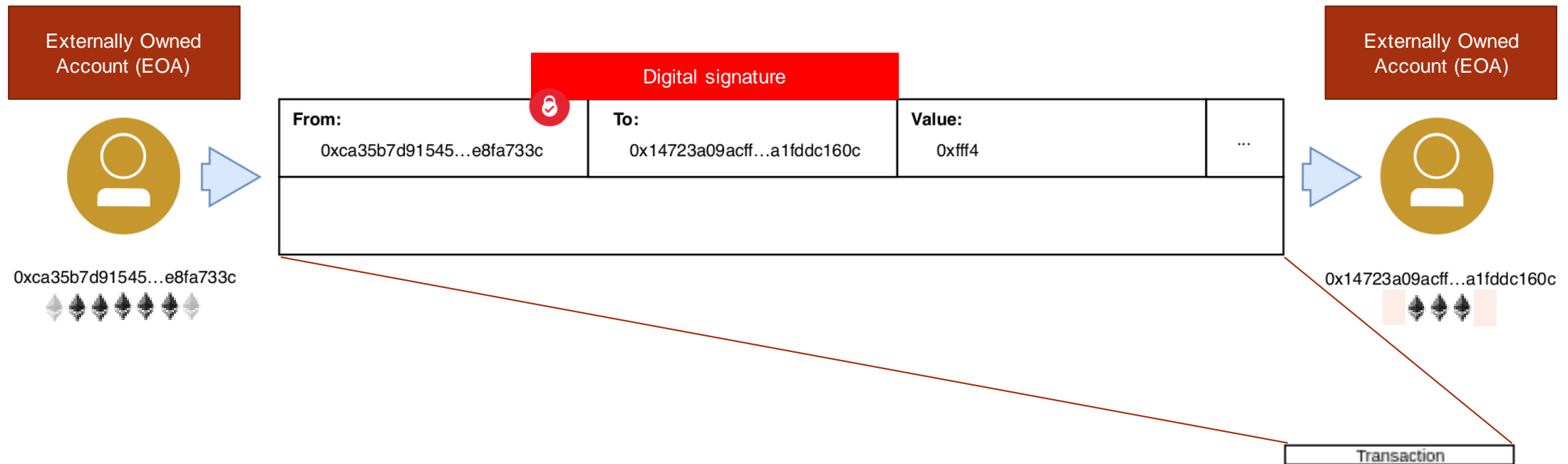




Blockchain as an infrastructure

Transaction

- Transfer of **(crypto)assets** (Ether, Bitcoin, Litecoin, EOS, ...) from **account A** to **account B**



Ledger

- Ordered collection of transactions
- The order matters!

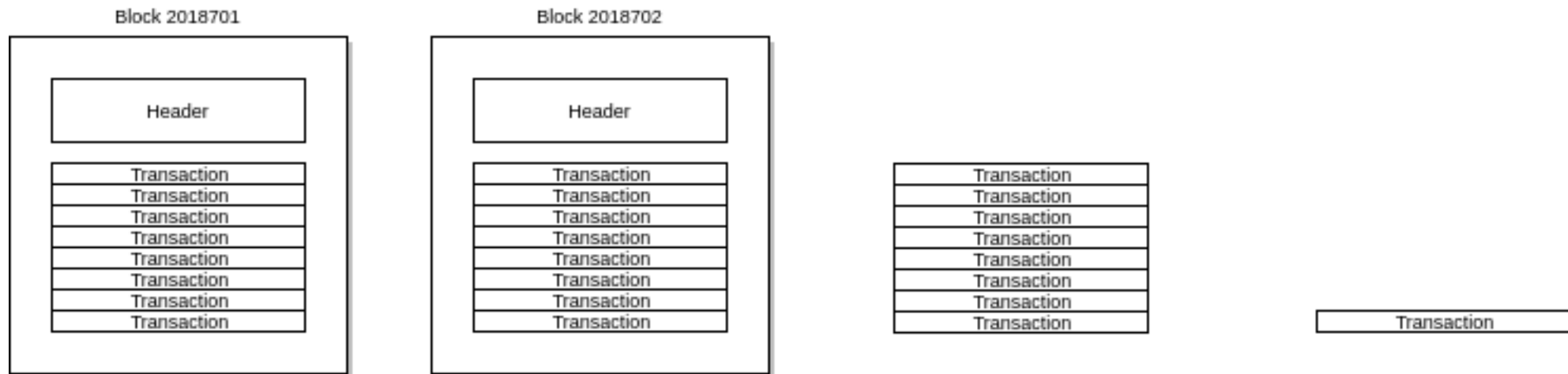
Transaction
Transaction
Transaction
Transaction
Transaction
Transaction
Transaction
Transaction

Transaction



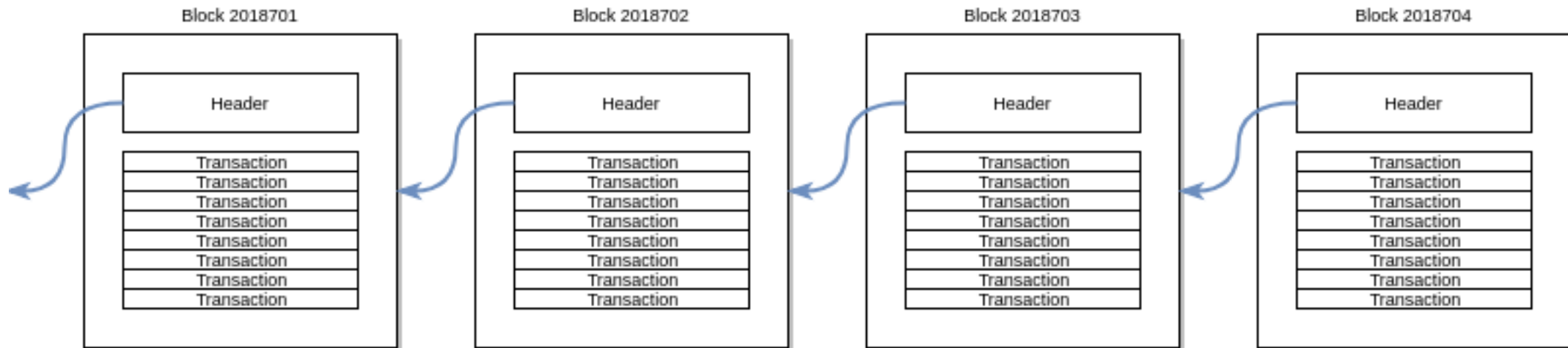
Block

- Blocks group and collate transactions
- The order matters!



Hashing the previous block for immutability

- Blocks refer back to direct predecessors
- The order matters!





The Blockchain remembers

ACCOUNTS

BLOCKS

TRANSACTIONS

LOGS

SEARCH FOR BLOCK NUMBERS OR TX HASHES

CURRENT BLOCK
7

GAS PRICE
2000000000

GAS LIMIT
6721975

NETWORK ID
5777

RPC SERVER
HTTP://127.0.0.1:7545

MINING STATUS
AUTOMINING

TX HASH

0xf57aa7510057deefb819d3344fcb0a64223f5315deba3eb6c5611840785a0a0

CONTRACT CALL

FROM ADDRESS

0x13eE11549AB8691dc8D1A9c2C91D4d18e5585ea5

TO CONTRACT ADDRESS

0x1b11784caBd4AD927297034D184818a9Ca5F7A48

GAS USED

33268

VALUE

0

TX HASH

0x0e49756cc927acddeb785e0a69681e3937ff81f4c9b66796b11b91330bb4638b

CONTRACT CREATION

FROM ADDRESS

0xd1D993d57EC011b8dbFF0dcCE6705e91a24423DF

CREATED CONTRACT ADDRESS

0xaf519f7A566BC3892FBE165c3d0d7b7aFE3520E2

GAS USED

163943

VALUE

0

TX HASH

0x686b75ba543fc4f41a3132ab19f53d839468c8aa07f16574043b1023a5bb57dc

CONTRACT CALL

FROM ADDRESS

0x13eE11549AB8691dc8D1A9c2C91D4d18e5585ea5

TO CONTRACT ADDRESS

0x1b11784caBd4AD927297034D184818a9Ca5F7A48

GAS USED

33468

VALUE

0

TX HASH

0x95a7bbe02592c3a5686d9ef44f46f65a7c1fa96999f54898d56ac74c83897ca9

CONTRACT CALL

FROM ADDRESS

0x13eE11549AB8691dc8D1A9c2C91D4d18e5585ea5

TO CONTRACT ADDRESS

0x1b11784caBd4AD927297034D184818a9Ca5F7A48

GAS USED

33268

VALUE

0

TX HASH

0x6b9ab176fb62aae21ad7a1f767830f6c44f867da50bfcba9c7ab6b6288c766d9

CONTRACT CALL

FROM ADDRESS

0x13eE11549AB8691dc8D1A9c2C91D4d18e5585ea5

TO CONTRACT ADDRESS

0x1b11784caBd4AD927297034D184818a9Ca5F7A48

GAS USED

33396

VALUE

0

TX HASH

0xa9e79b1d6370981f00f58ce58b25369be15d96815262f78a06be7af299691477

CONTRACT CALL



Ledgers

- A **ledger** is a collection of **transactions**.
 - Throughout history, on paper; recently, stored digitally
- Shortcomings of centralised ledgers:
 - They may be lost or **destroyed**:
a user must *trust* that the owner is properly backing up the system
 - Transactions may **not** be **valid**:
a user must *trust* that the owner is validating each received transaction
 - The transaction list may **not** be **complete**:
a user must *trust* that the owner is including all valid transactions that have been received
 - The transaction data may have been **altered**:
a user must *trust* that the owner is not altering past transactions



Decentralisation for persistence

Centralisation

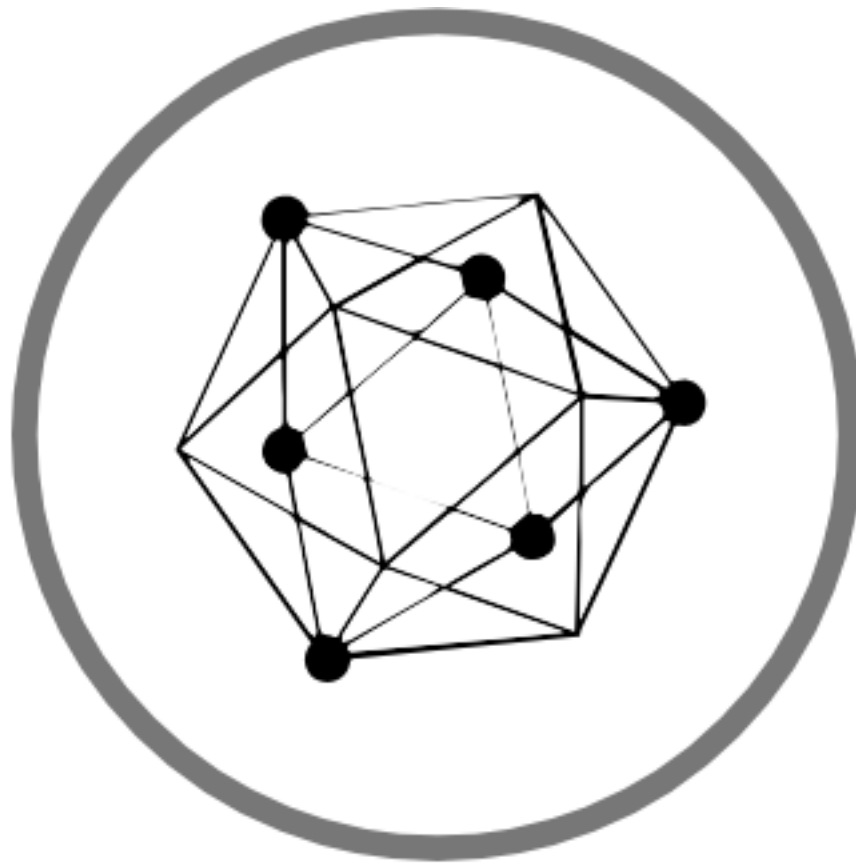


Decentralisation

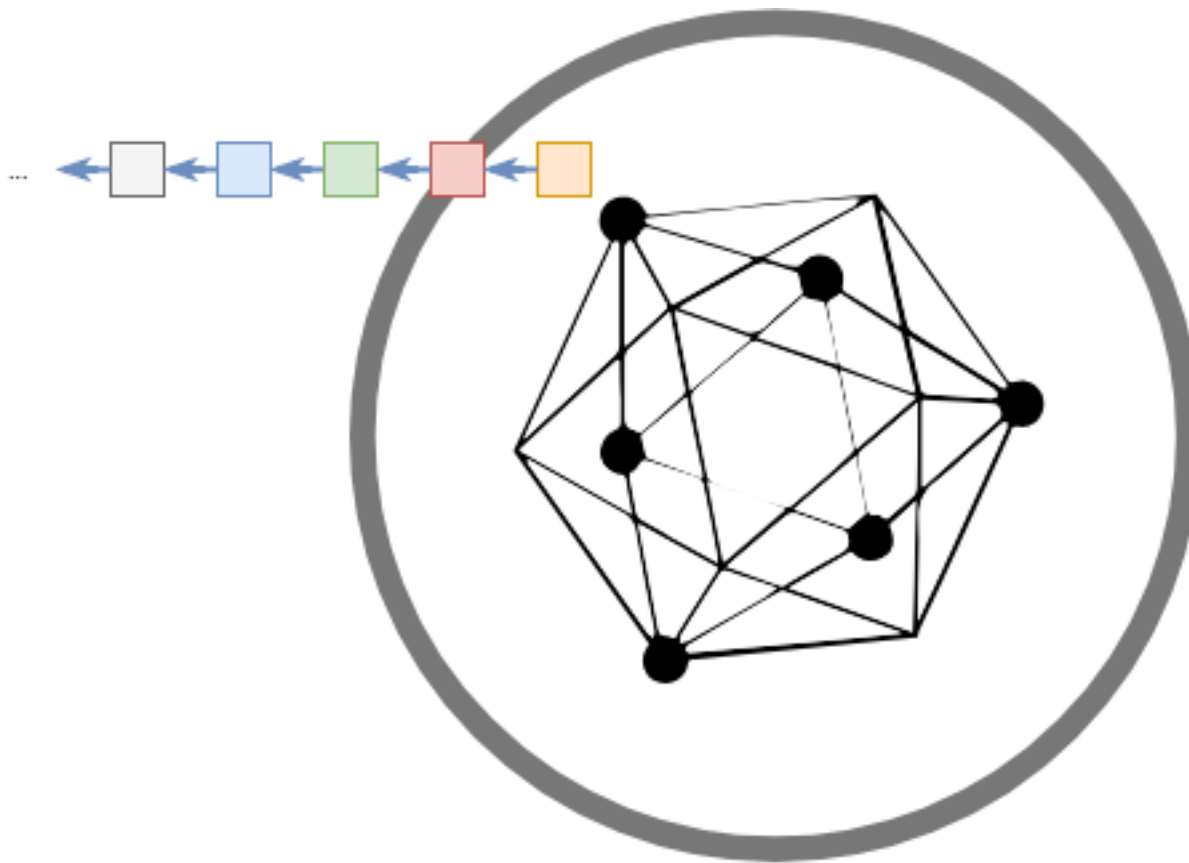


Distributing the ledger makes for permanence
BUT
entails no notion of unique distributed clock

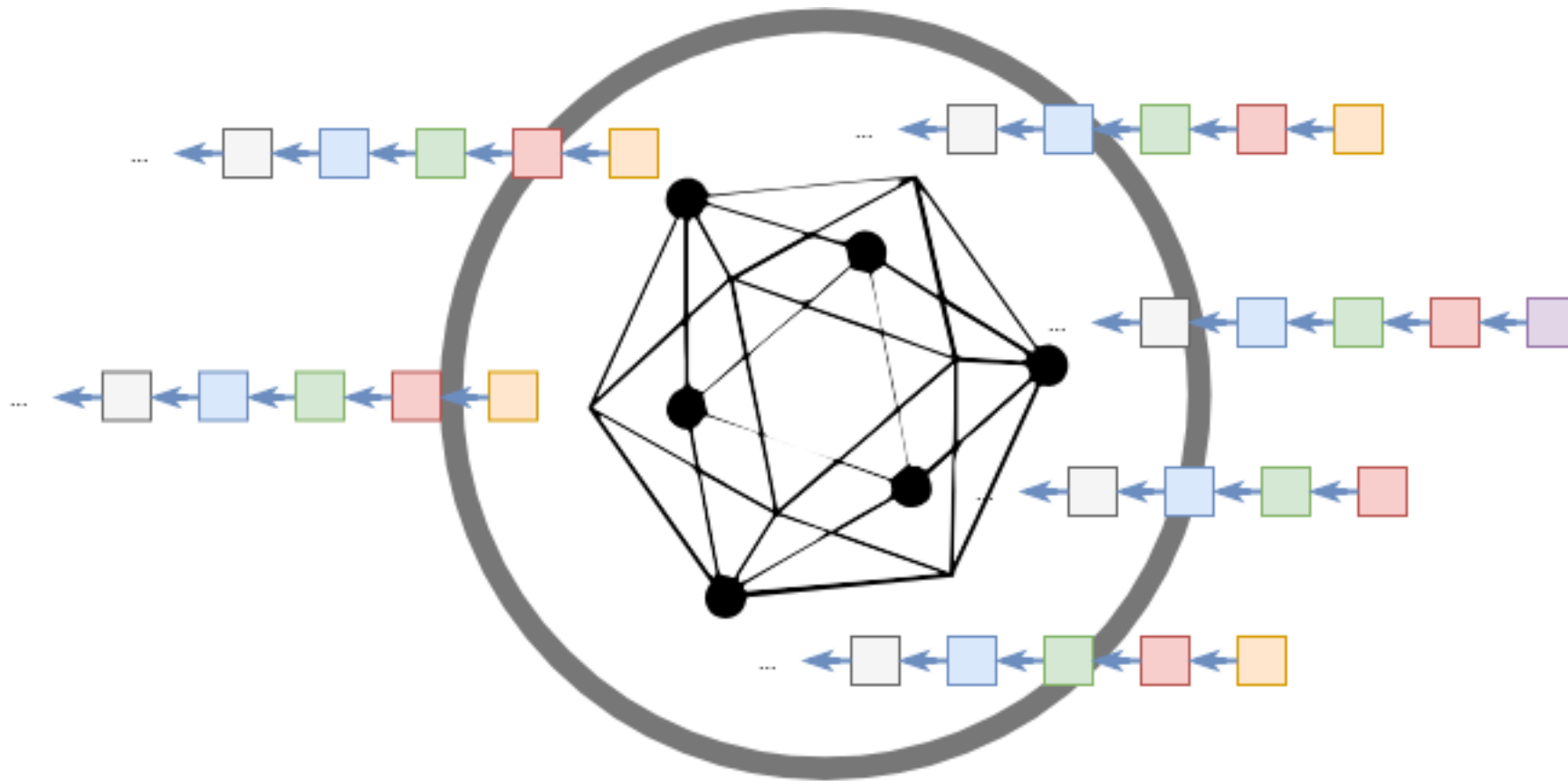
Distributed nature



Distributed nature



Distributed nature



Proof of Work (PoW): obtain the **right to publish the next block** by solving a **computationally intensive puzzle**

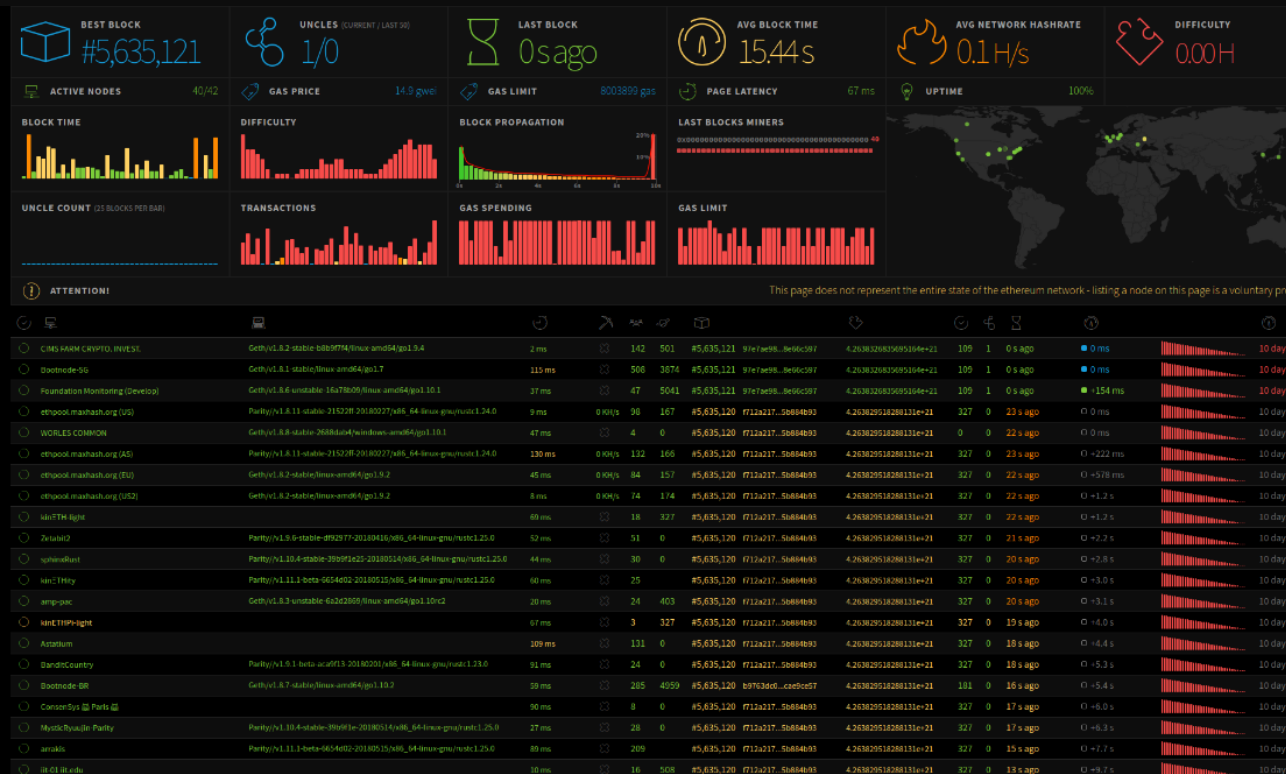
Checking that a **solution** is **valid** is **easy**

Solving the puzzle is difficult: an **incentive** is needed

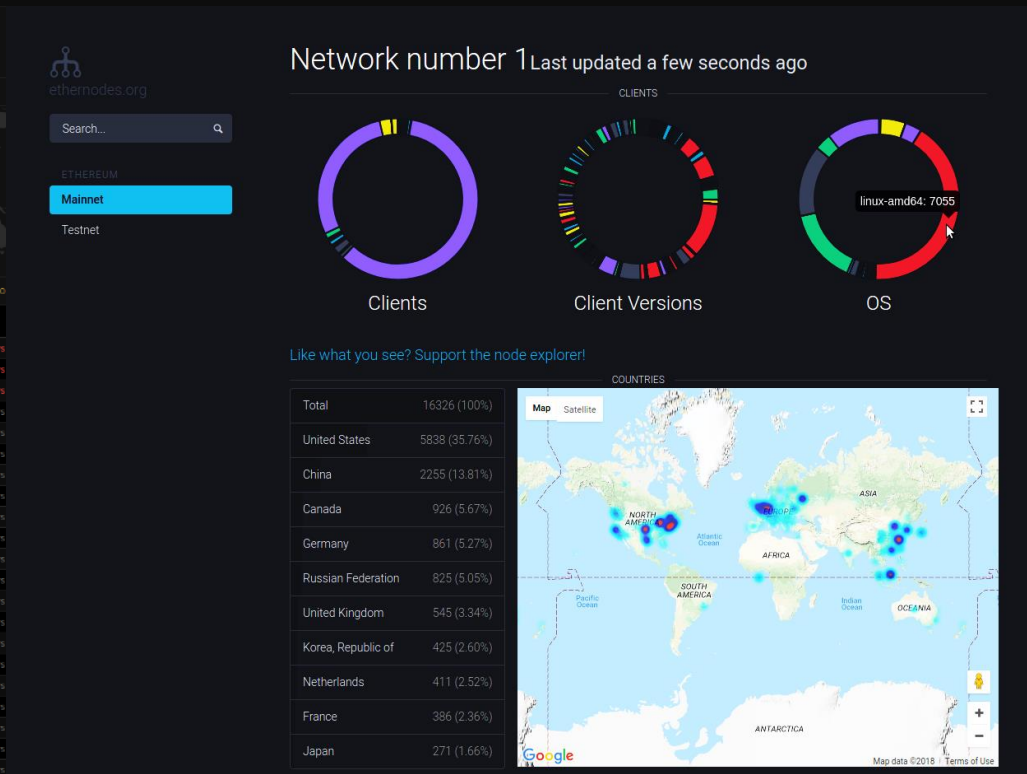


Mining for a blockchain

Ledgers are distributed and maintained by a network



<https://ehtstats.net>



<https://ehternodes.org>



Crypto-fuel needed!

“A universal platform with internal programming language, so that everyone could write any app”



[V. Buterin]

ethereum
HOMESTEAD RELEASE

BLOCKCHAIN APP PLATFORM

From peer-to-peer electronic cash system
to programmable distributed environment


```

1 pragma solidity ^0.4.0;
2
3 contract HelloToken {
4     address public minter;
5     mapping (address => uint) public balance;
6     uint public constant PRICE = 2 'finney';
7
8     constructor() public {
9         minter = msg.sender;
10    }
11
12    function mint() public payable {
13        require(msg.value == PRICE, "Not enough value for a token!");
14        balance[msg.sender] += msg.value / 2 'finney';
15    }
16
17    function transfer(uint amount, address to) public {
18        require(balance[msg.sender] >= amount, "Not enough tokens!");
19        balance[msg.sender] -= amount;
20        balance[to] += amount;
21    }
22
23    function terminate() public {
24        require(msg.sender == minter, "You cannot terminate the contract!");
25        selfdestruct(minter);
26    }
27 }

```

Smart Contracts are
~~codified autonomous agents~~


```

1  pragma solidity ^0.4.0;
2
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Smart Contracts are
pieces of code

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28

```

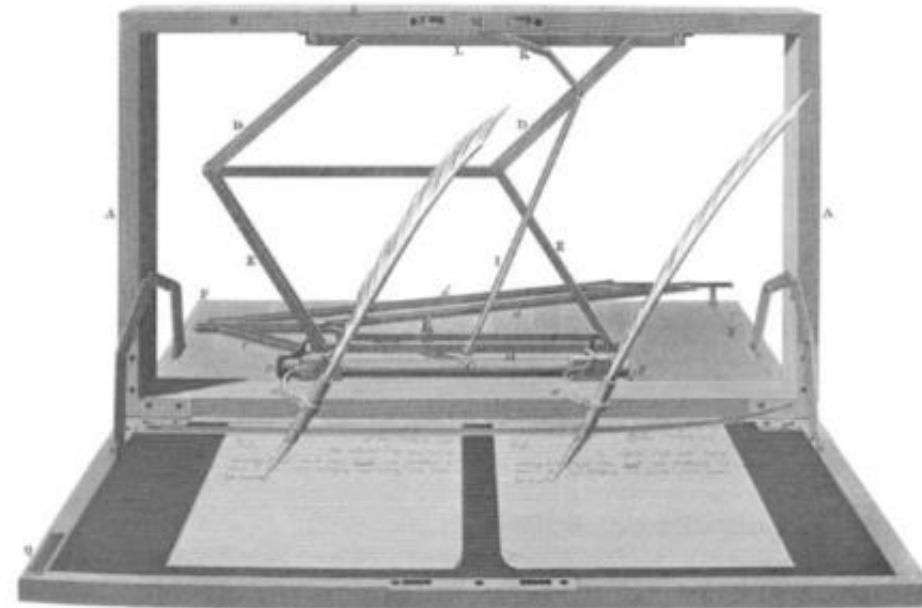
- Smart Contracts in Ethereum
 - live in the Ethereum environment
 - execute a function when called
 - have direct control over their own balance and key/value storage
 - have their behaviour fully specified by their **code**

The polygraph machine

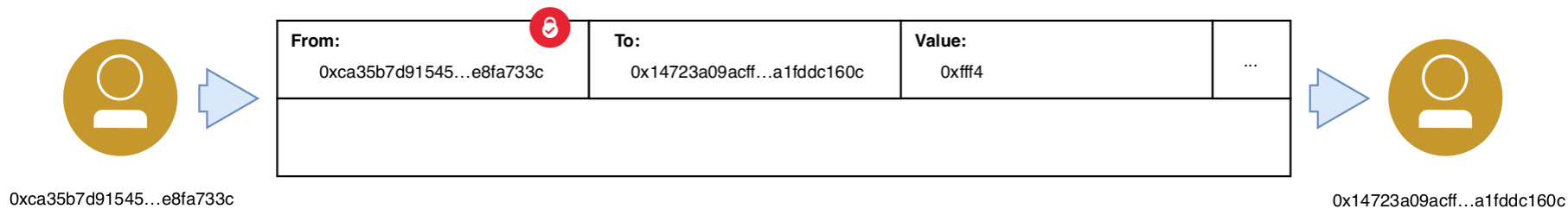
Where are Smart Contracts executed?

First on the mining nodes.
Then, potentially, on every node!

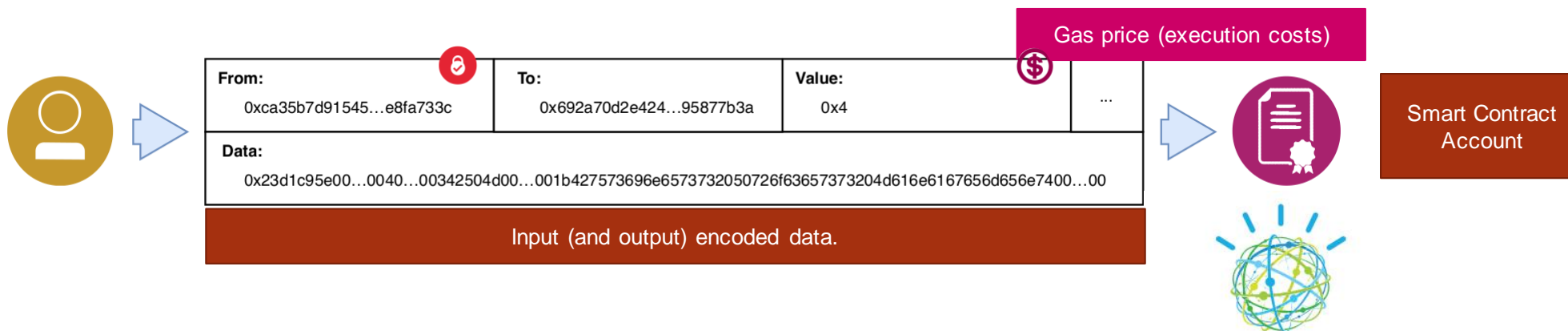
Only absolutely needed instructions should be put in code!



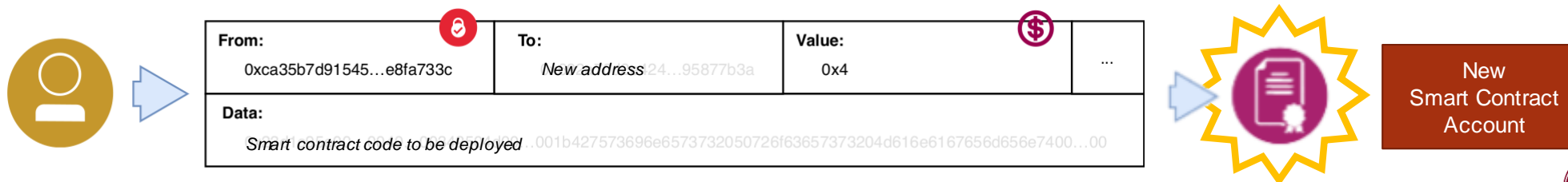
A programmable distributed environment



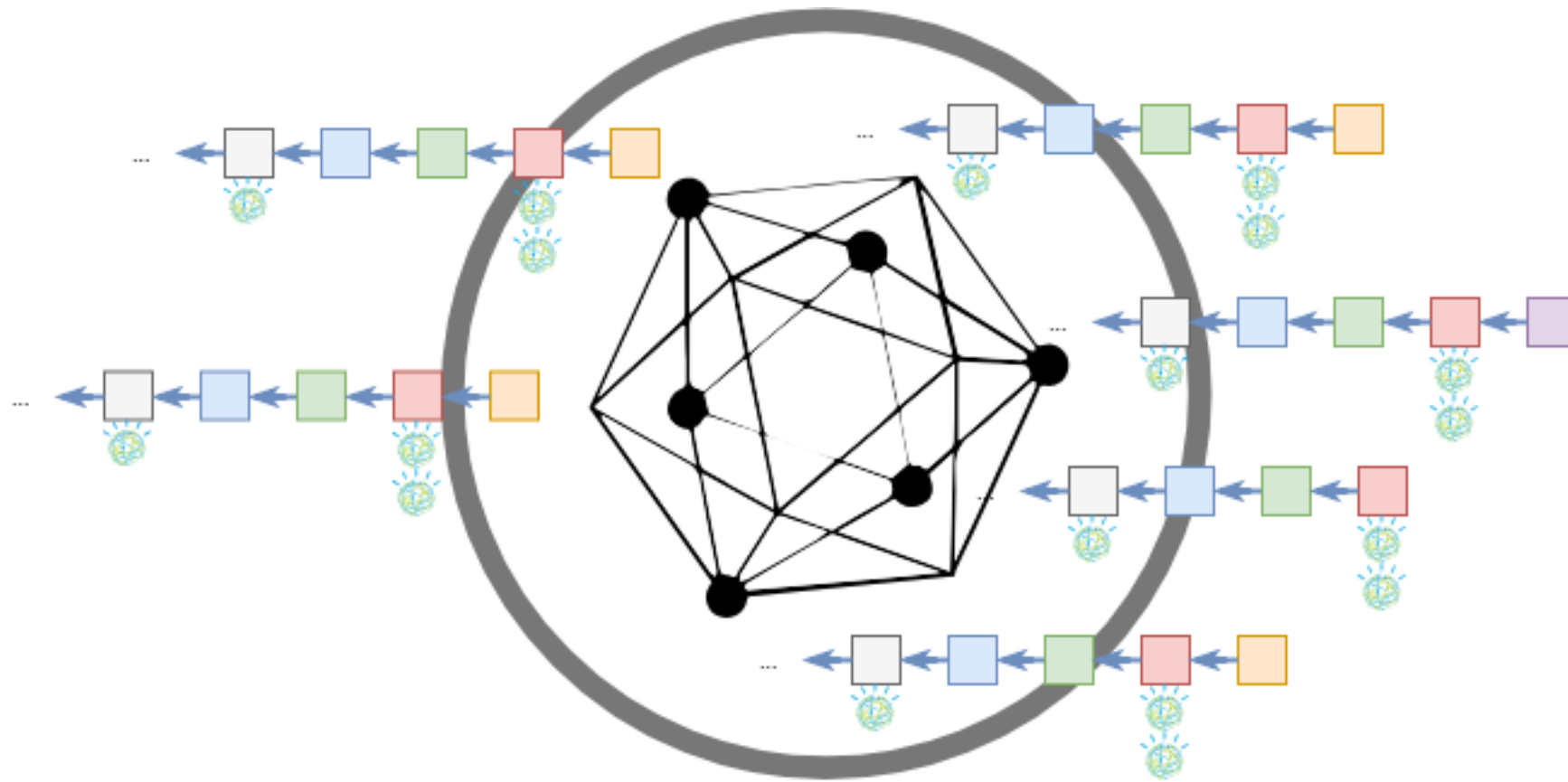
Invoking a smart contract function



Deploying a new smart contract



Distributed nature



Smart Contracts are pieces of code (not for free)



```

1  pragma solidity ^0.4.0;
2
3  contract HelloToken {
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28

```

Name	Value	Description*
G_{zero}	0	Nothing paid for operations of the set W_{zero} .
G_{base}	2	Amount of gas to pay for operations of the set W_{base} .
$G_{verylow}$	3	Amount of gas to pay for operations of the set $W_{verylow}$.
G_{low}	5	Amount of gas to pay for operations of the set W_{low} .
G_{mid}	8	Amount of gas to pay for operations of the set W_{mid} .
G_{high}	10	Amount of gas to pay for operations of the set W_{high} .
$G_{extcode}$	700	Amount of gas to pay for operations of the set $W_{extcode}$.
$G_{balance}$	400	Amount of gas to pay for a BALANCE operation.
G_{sload}	200	Paid for a SLOAD operation.
$G_{jumpdest}$	1	Paid for a JUMPDEST operation.
G_{sset}	20000	Paid for an SSTORE operation when the storage value is set to non-zero from zero.
G_{sreset}	5000	Paid for an SSTORE operation when the storage value's zeroness remains unchanged or is set to zero.
R_{sclear}	15000	Refund given (added into refund counter) when the storage value is set to zero from non-zero.
$R_{selfdestruct}$	24000	Refund given (added into refund counter) for self-destructing an account.
$G_{selfdestruct}$	5000	Amount of gas to pay for a SELFDESTRUCT operation.
G_{create}	32000	Paid for a CREATE operation.
$G_{codedeposit}$	200	Paid per byte for a CREATE operation to succeed in placing code into state.
G_{call}	700	Paid for a CALL operation.
$G_{callvalue}$	9000	Paid for a non-zero value transfer as part of the CALL operation.
$G_{callstipend}$	2300	A stipend for the called contract subtracted from $G_{callvalue}$ for a non-zero value transfer.
$G_{newaccount}$	25000	Paid for a CALL or SELFDESTRUCT operation which creates an account.
G_{exp}	10	Partial payment for an EXP operation.
$G_{expbyte}$	50	Partial payment when multiplied by $\lceil \log_{256}(exponent) \rceil$ for the EXP operation.
G_{memory}	3	Paid for every additional word when expanding memory.
$G_{txcreate}$	32000	Paid by all contract-creating transactions after the Homestead transition.
$G_{tzdatazero}$	4	Paid for every zero byte of data or code for a transaction.
$G_{tzdatanonzero}$	68	Paid for every non-zero byte of data or code for a transaction.
$G_{transaction}$	21000	Paid for every transaction.
G_{log}	375	Partial payment for a LOG operation.
$G_{logdata}$	8	Paid for each byte in a LOG operation's data.
$G_{logtopic}$	375	Paid for each topic of a LOG operation.
G_{sha3}	30	Paid for each SHA3 operation.
$G_{sha3word}$	6	Paid for each word (rounded up) for input data to a SHA3 operation.
G_{copy}	3	Partial payment for *COPY operations, multiplied by words copied, rounded up.
$G_{blockhash}$	20	Payment for BLOCKHASH operation.
$G_{quaddivisor}$	100	The quadratic coefficient of the input sizes of the exponentiation-over-modulo precompiled contract.

Tokens are not cryptofuel Nothing specific of blockchains, after all!



You have **98,427** award miles

Lufthansa

1:5

Frequent Traveller

Your status is valid until **February 2020**

80%

24
Flight segments
(in 2018)

16,946
Status miles
(in 2018)

12,040
Select miles
(in 2018)

Um Ihren Frequent Traveller Status zu verlängern, benötigen Sie noch 18054 Statusmeilen oder 6 Flugsegmente im Zeitraum 01.01.2018 bis 31.12.2018.
Ihre Status Star Punkte: 349 (0 Stern(e))

Your Select benefits

Thank you for your loyalty.
With the Miles & More Selections programme component, you can choose additional benefits for your trips and for everyday life here.

24%

12,040
Select miles (2018)



Period	01.01.2017 to today
Number of flights	66
Flown distance	81,273 km or 50,501 miles
Flight time	5 d 21 h 0 min



17
BEST WAYS TO EARN
LUFTHANSA
'MILES & MORE' MILES



Your brand new token in 5 minutes or less

The image displays a development environment for creating a token. On the left, a code editor shows the Solidity source code for a contract named 'HelloToken'. The code includes a constructor, a 'mint' function, a 'transfer' function, and a 'terminate' function. In the center, a MetaMask notification window is open, showing a transaction confirmation for 0.005 ETH (0.87 €) with a gas fee of 0.004021 ETH (0.70 €), resulting in a total of 0.009021 ETH (1.57 €). On the right, a web browser shows the 'Hello Token' interface, which includes a 'Buy Hello Tokens!' section with a 'Minting form' and a 'Transfer tokens' section with a 'Transfer form'. The status section displays the user's account address, current balance, and the minter's address.

```
1 pragma solidity ^0.4.0;
2
3 contract HelloToken {
4     address public minter;
5     mapping (address => uint) public balance;
6     uint public constant PRICE = 2;
7
8     constructor() public {
9         minter = msg.sender;
10    }
11
12    function mint() public payable {
13        require(msg.value >= PRICE);
14        balance[msg.sender] += msg.value / PRICE;
15    }
16
17    function transfer(uint amount, address to) public {
18        require(balance[msg.sender] >= amount);
19        balance[msg.sender] -= amount;
20        balance[to] += amount;
21    }
22
23    function terminate() public {
24        require(msg.sender == minter);
25        selfdestruct(minter);
26    }
27 }
28
```

MetaMask Notification

Account 2 → 0x14b8...cbe0

CONFIRM

0.005 ETH
0,87 €

DETAILS DATA

GAS FEE 0.004021 ETH
0,70 €

AMOUNT + GAS FEE

TOTAL 0.009021 ETH
1,57 €

REJECT CONFIRM

The Hello Token

Buy Hello Tokens!

Minting form

How many tokens do you want? 5 Buy! Every Hello Token comes at the reasonable price of 2 finneys!

Transfer tokens

Transfer form

How much: 127 To: 0x14b8c4Dc9deCa89464358D02738bD6eAb348FdA Transfer!

Status

Your account address is: 0xd1883d57ec811b8d0ff0dace6785e91a24423df.

Your current balance in Hello Tokens is: 7.

And the minter is...: 0x13ee11549abb691dc8d1a9c2c91d4d18e5585ea5!

Tokens

Token Tracker | Etherscan - Chromium

etherscan.io/tokens

Etherscan

Eth: \$1,600.70 (+1.97%) | 138 Gwei

Home Blockchain Tokens Resources More Sign In

Token Tracker ERC-20

Sponsored: [Dotify](#) - DeFi infrastructure on Polkadot. [Token sale is live!](#)

ERC-20 Tokens

A total of 364,310 Token Contracts found

#	Token	Price	Change (%)	Volume (24H)	Market Cap	Holders
1	BNB (BNB) Binance aims to build a world-class crypto exchange, powering the future of crypto finance.	\$245.7000 0.004801 Btc 0.153495 Eth	▼ -2.10%	\$4,767,229,953	\$37,968,324,291	315,300 ▲ 0.000%
2	Tether USD (USDT) Tether gives you the joint benefits of open blockchain technology and traditional currency by converting your cash into a stable digital currency equivalent.	\$1.0000 0.000020 Btc 0.000625 Eth	▼ -0.26%	\$101,948,725,486	\$35,904,101,440	2,653,137 ▲ 0.019%
3	ChainLink Token (LINK) A blockchain-based middleware, acting as a bridge between cryptocurrency smart contracts, data feeds, APIs and traditional bank account payments.	\$30.6100 0.000598 Btc 0.019123 Eth	▲ 2.81%	\$2,584,541,527	\$12,550,149,597	441,257 ▼ -0.523%
4	USD Coin (USDC) USDC is a fully collateralized US Dollar stablecoin developed by CENTRE, the open source project with Circle being the first of several forthcoming issuers.	\$0.9949 0.000019 Btc 0.000622 Eth	▼ -0.79%	\$2,157,018,823	\$8,813,624,659	696,215 ▲ 0.300%
5	Uniswap (UNI) UNI token served as governance token for Uniswap protocol with 1 billion UNI have been minted at genesis. 60% of the UNI genesis supply is allocated to Uniswap community members and remaining for team, investors and advisors.	\$26.2800 0.000514 Btc 0.016418 Eth	▼ -1.91%	\$1,185,988,685	\$8,094,818,234	173,855 ▼ -0.106%

Tokens



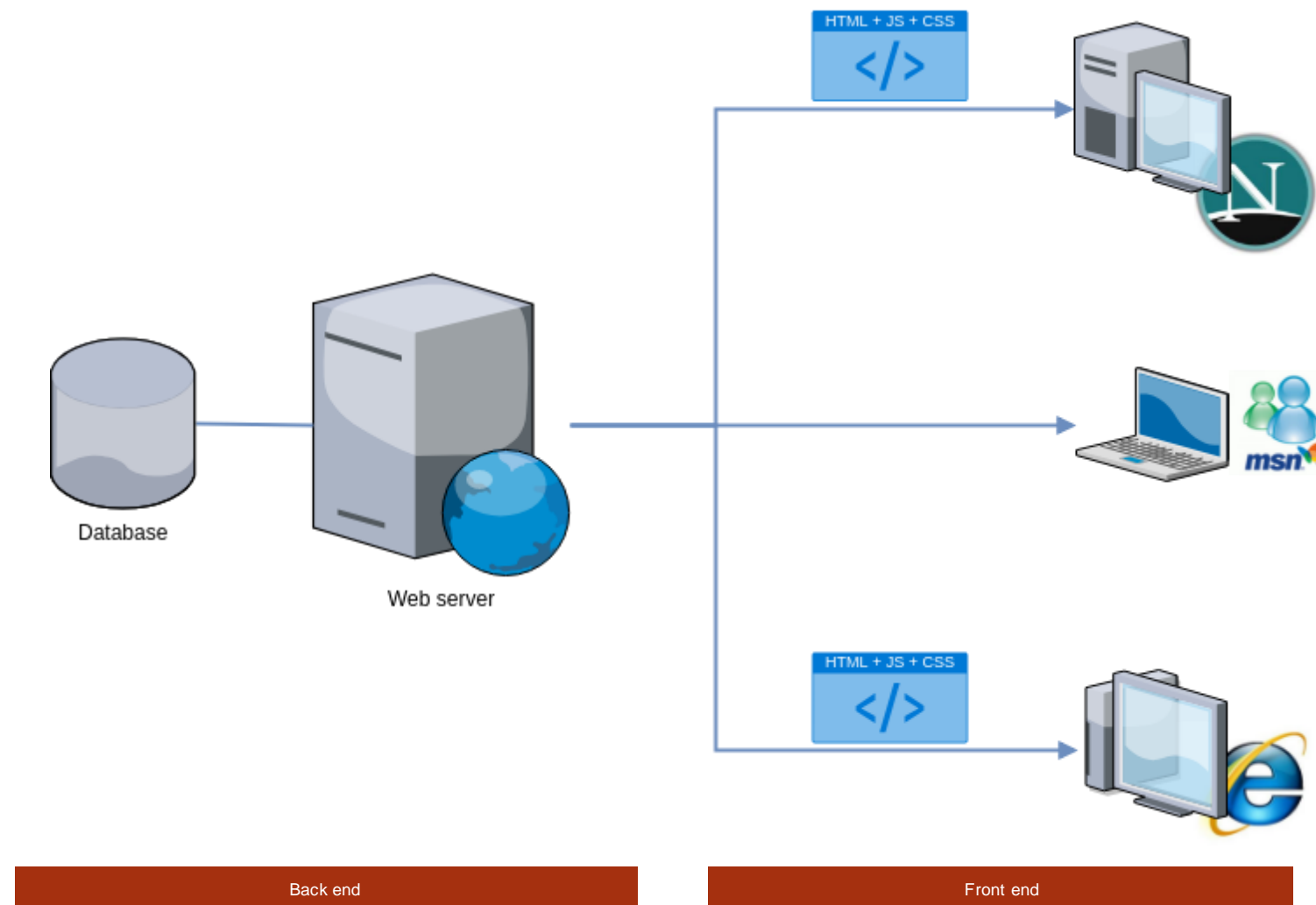
The Blockchain and the Internet



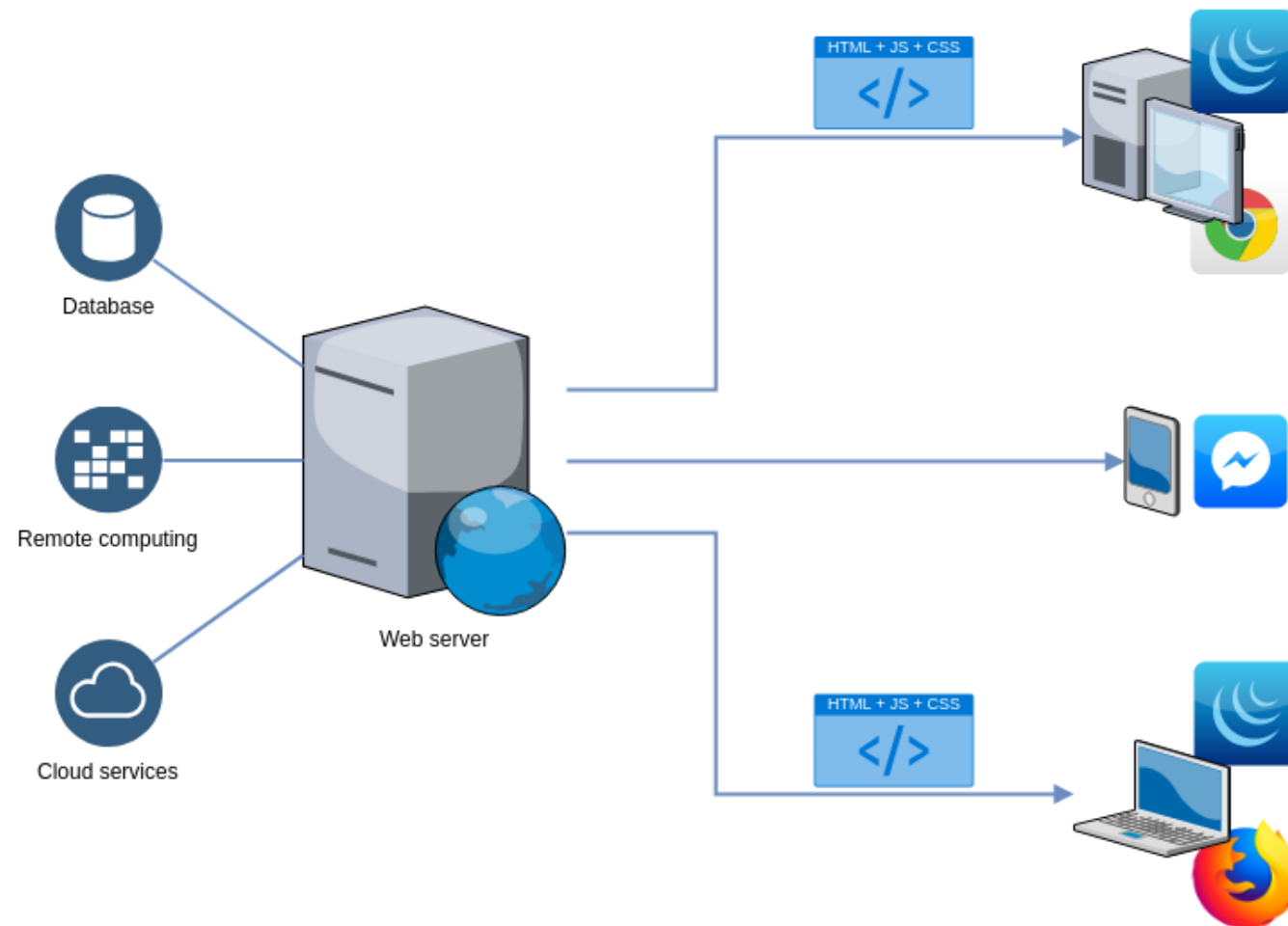
```
student@blockchain: ~/Ethspace/first-dapp-with-truffle
File Edit View Search Terminal Help
student@blockchain:~/Ethspace/first-dapp-with-truffle$ truffle migrate --reset
Using network 'development'.

Running migration: 1_initial_migration.js
  Replacing Migrations...
    ... 0x7d8262b09209822d20a77f63fb64fe04513cc8379fe7822de1047303bf11057e
  Migrations: 0xceb4c5940c48331a69cca36409c77cdf4f635ce6
Saving successful migration to network...
    ... 0x6df36487e47fa0026317ac5479ce8ab0f250eda6ef8f02be45a849217c209ff4
Saving artifacts...
Running migration: 2_deploy_contracts.js
  Deploying BitMathGame...
    ... 0x480259d6fef0f195f2f880784791796495860f218cd46d777ff309a9d67450d7
  BitMathGame: 0x3cf4544b0a8fc0aeca57414f76e810b7d8bd82622
Saving successful migration to network...
    ... 0x81d490bb5fc235241338ea889769e394256bd65758b849dbfa9d0cf0f559197e
Saving artifacts...
student@blockchain:~/Ethspace/first-dapp-with-truffle$
```

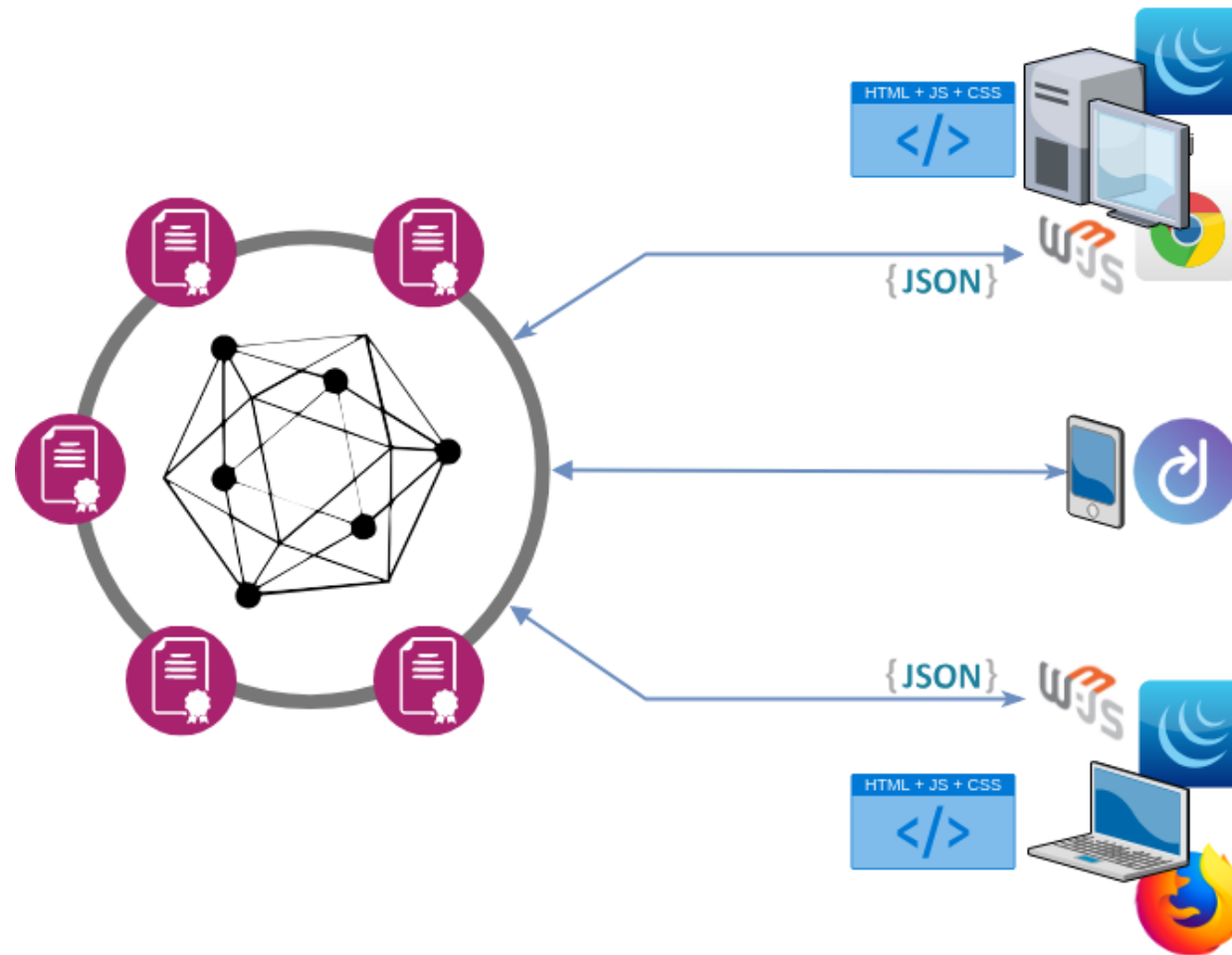

Web 1.0

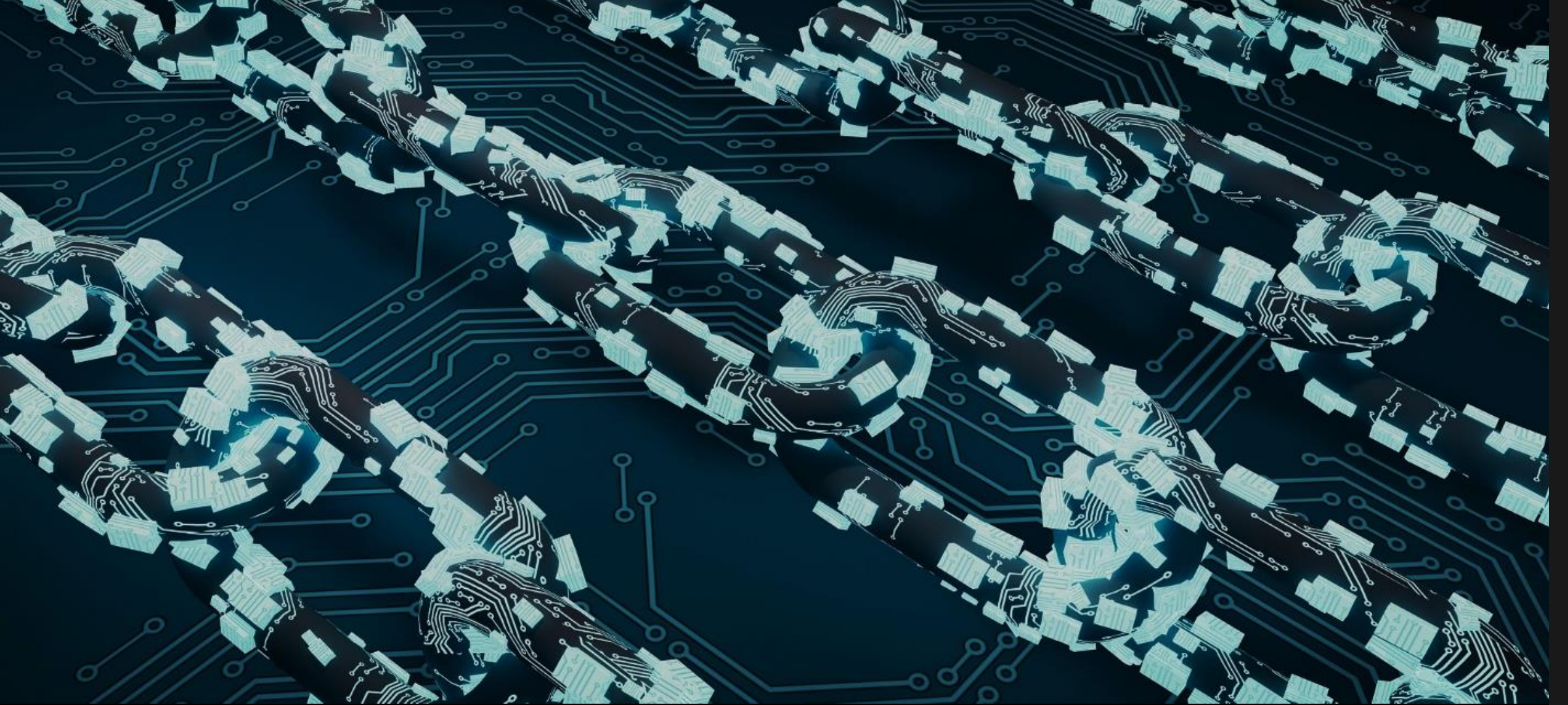


Web 2.0



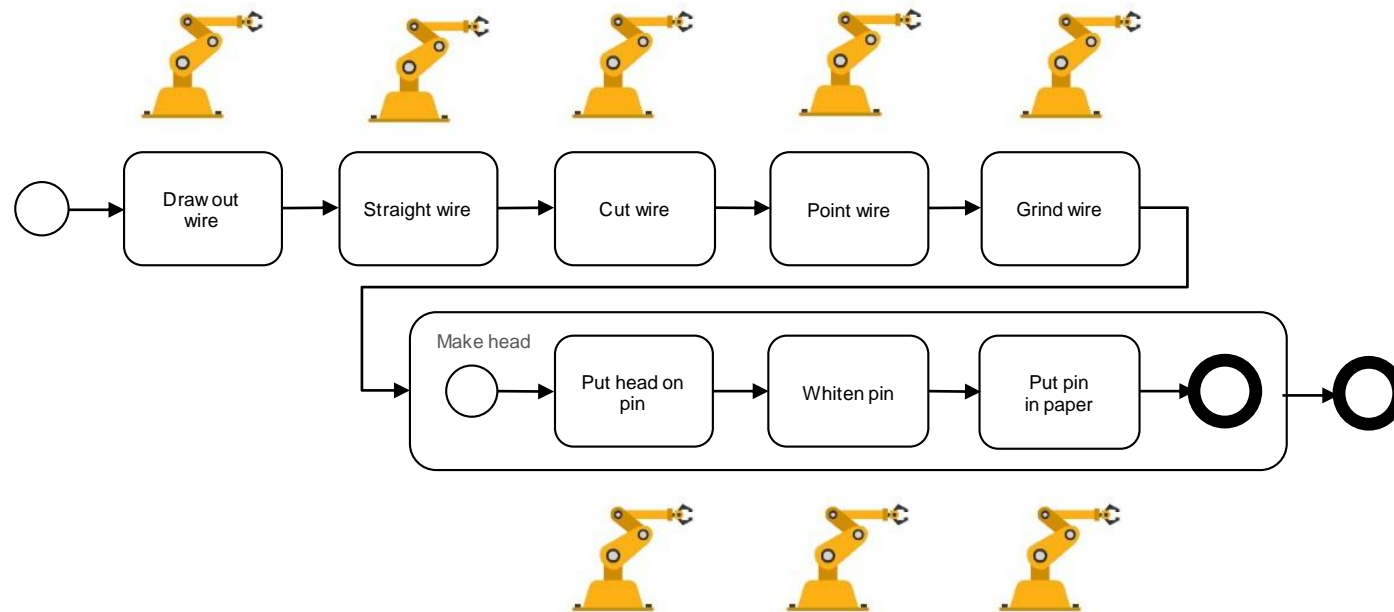
Web 3.0





Blockchain as a process execution infrastructure

Division of labour → Automation

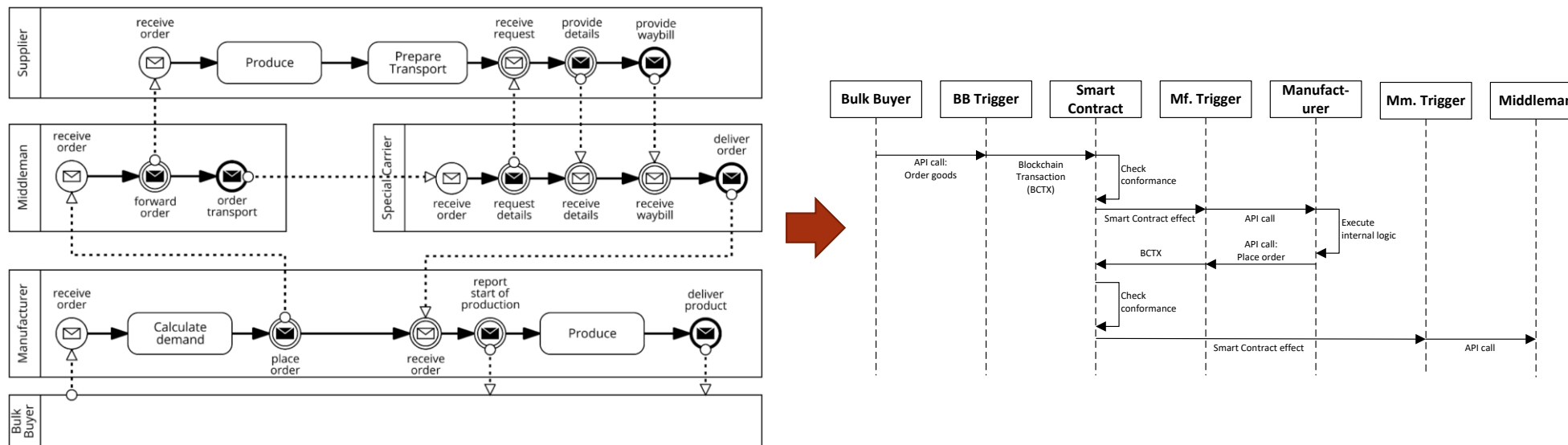


Systems like to report on their job (logging)

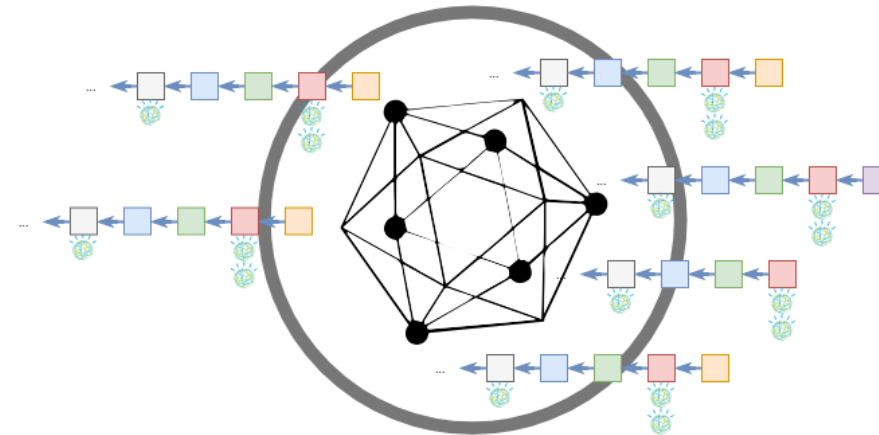
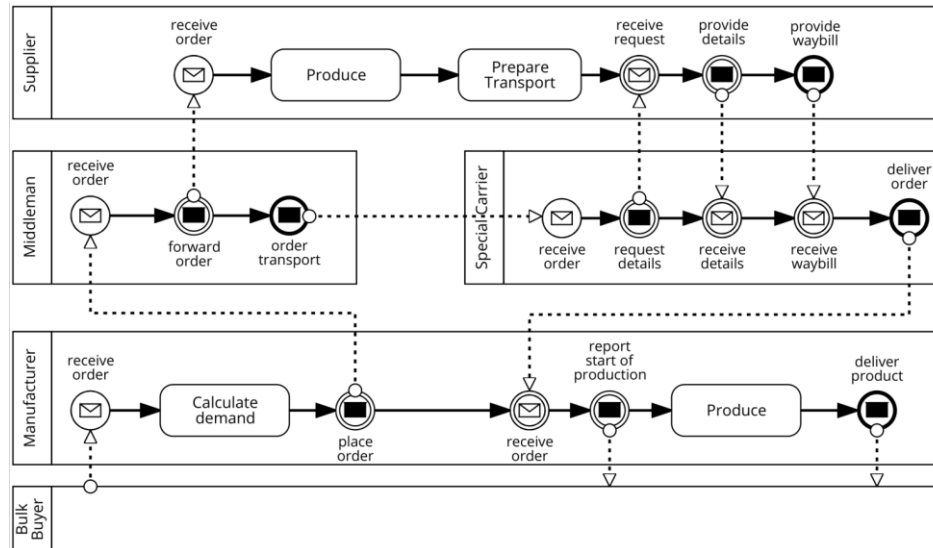


- [2019-02-18T12:30:00-02:00] 0xACDC0801 executes Draw Out Wire on Item 0xAA01
- [2019-02-18T12:30:10-02:00] 0xACDC0802 executes Straight Wire on Item 0xAA01
- [2019-02-18T12:30:20-02:00] 0xACDC0803 executes Cut Wire on Item 0xAA01
- [2019-02-18T12:30:30-02:00] 0xACDC0801 executes Draw Out Wire on Item 0xAA02
- [2019-02-18T12:30:40-02:00] 0xACDC0802 executes Straight Wire on Item 0xAA02
- [2019-02-18T12:30:50-02:00] 0xACDC0804 executes Point Wire on Item 0xAA01
- [2019-02-18T12:31:00-02:00] 0xACDC0801 executes Draw Out Wire on Item 0xAA03
- ...

Smart contracts can execute processes



Executing inter-organisational processes on the Blockchain: A model-driven approach



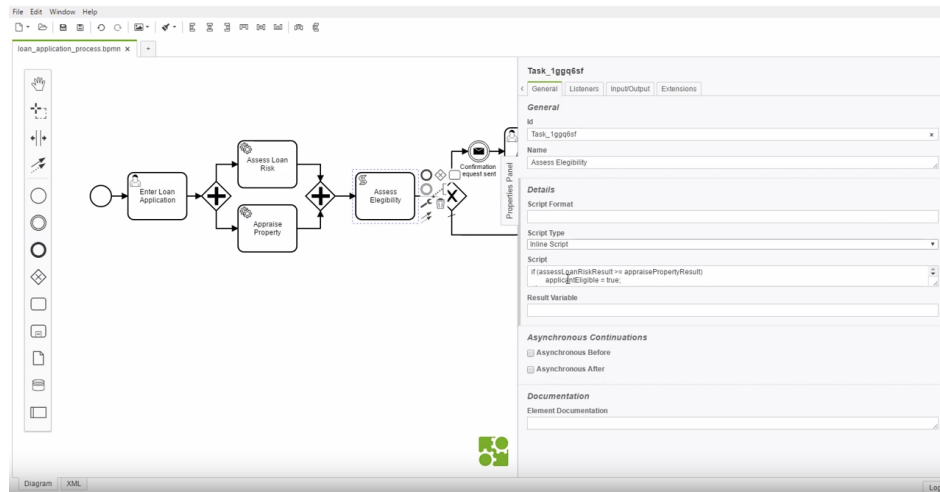
HAUPTBEITRAG / BLOCKCHAIN SUPPORT FOR BUSINESS PROCESSES

*Blockchain Support for
Collaborative Business Processes*

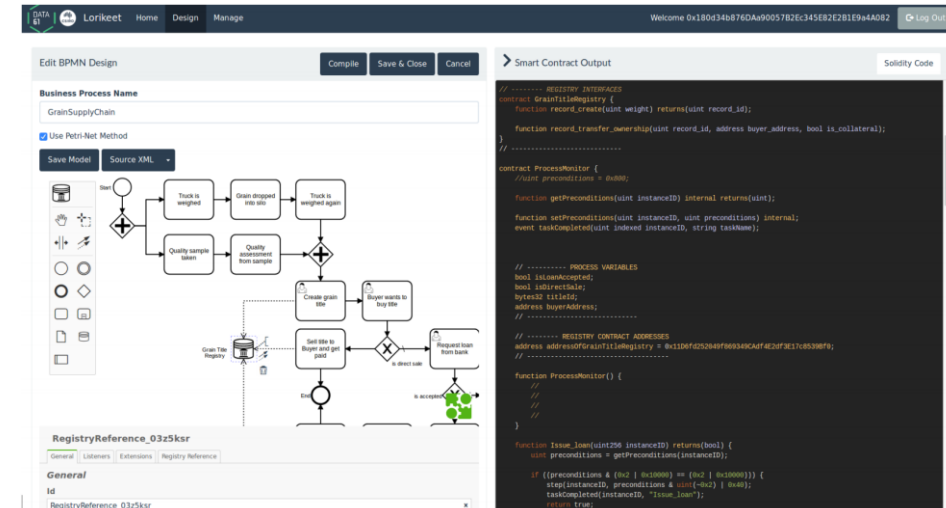
Claudio Di Ciccio · Alessio Cecconi
Marlon Dumas
Luciano García-Bañuelos
Orlenys López-Pintado · Qinghua Lu
Jan Mendling · Alexander Ponomarev
An Binh Tran · Ingo Weber

Executing inter-organisational processes on the Blockchain: A model-driven approach

Caterpillar



Lorikeet



López-Pintado, García-Bañuelos, Dumas, Weber. **Caterpillar**: A blockchain-based business process management system. In: BPM Demos. CEUR.ws, 2017.
Tran, Lu, Weber. **Lorikeet**: A Model-Driven Engineering Tool for Blockchain-Based Business Process Execution and Asset. In: BPM Demos. CEUR.ws, 2018.



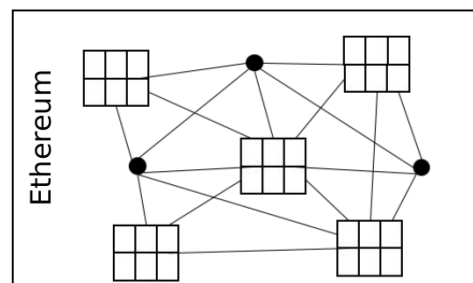


Rationale

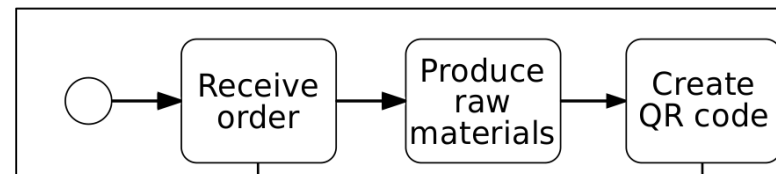
Process instances



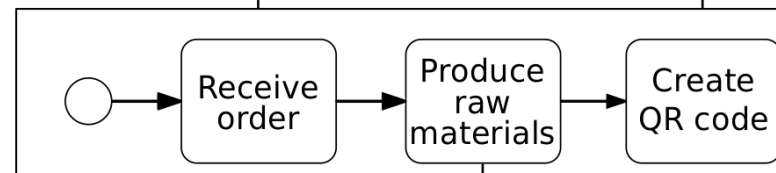
Blockchain stack



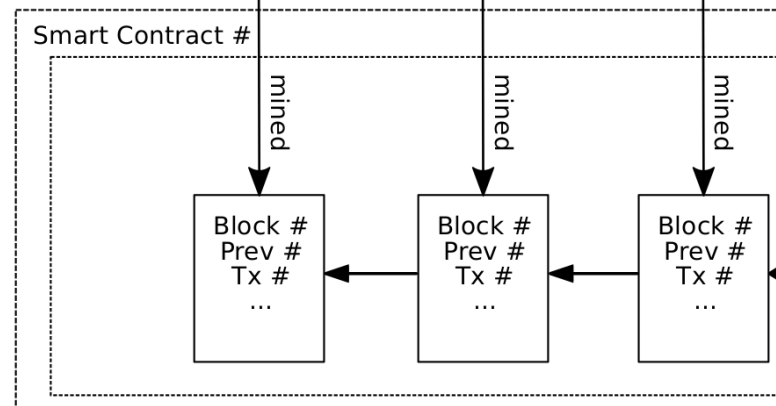
Process instance 1



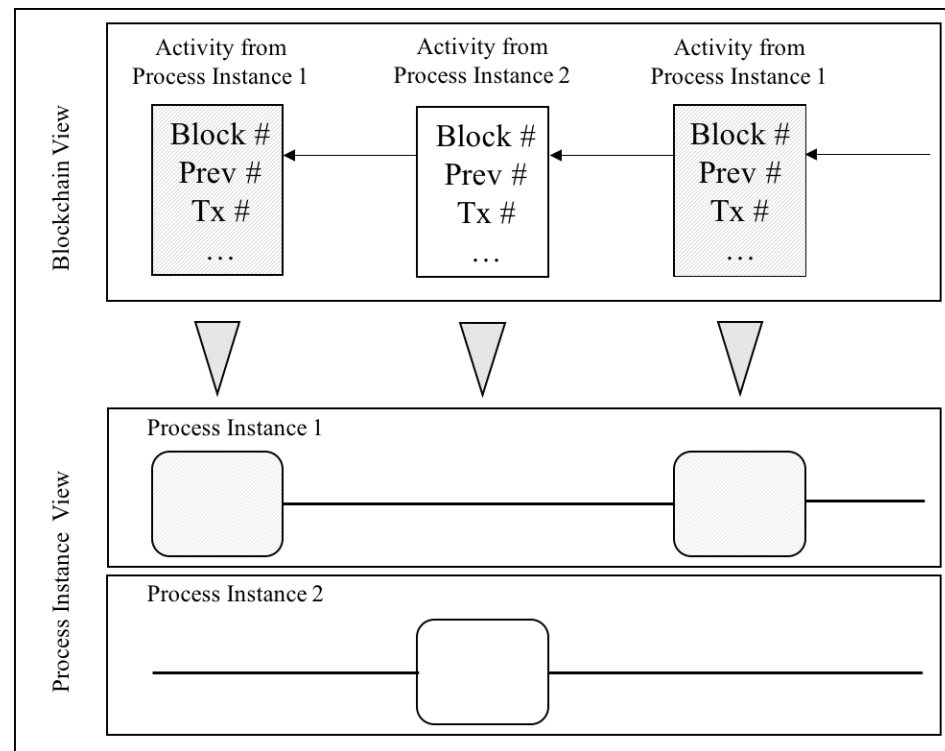
Process instance 2



Blockchain



Rationale



Ganache

ACCOUNTS BLOCKS TRANSACTIONS LOGS

SEARCH FOR BLOCK NUMBERS OR TX HASHES

CURRENT BLOCK	GAS PRICE	GAS LIMIT	NETWORK ID	RPC SERVER	MINING STATUS
52	20000000000	10000000000000	5777	HTTP://127.0.0.1:8545	AUTOMINING

TX HASH	FROM ADDRESS	TO CONTRACT ADDRESS	GAS USED	VALUE
0x0c2d7c40d4b42e43349c0665ca2c19df075c3e66ec37f61f4dec31051836e3	0xf17f52151ebef6c7334fad080c5704d77216b732	0xe01721881e6422afe4360a9d2f2153451a180460	99381	0
0x7d3bae49c8083eced5b5aed8408c3eff02651eacd3c7ec018506144c2306a8e5	0xf17f52151ebef6c7334fad080c5704d77216b732	0xe01721881e6422afe4360a9d2f2153451a180460	79667	0
0x728fe0f5f6b28eab5837adef4d886537aed5138b14cb77b7122cc4714602d48f	0xf17f52151ebef6c7334fad080c5704d77216b732	0xe01721881e6422afe4360a9d2f2153451a180460	79517	0
0x185517e126c926bb938e4f406c35b533b91d1777b85bc8b988d0f2e5484bcf8c	0xf17f52151ebef6c7334fad080c5704d77216b732	0xe867134fe8d05ac1e50633f423766071cbfbc2cd	78529	0
0xc32b9f609588171550c5c111a4b72865a6f423371a03be0a81dac12ff43f19e6	0xf17f52151ebef6c7334fad080c5704d77216b732	0xe01721881e6422afe4360a9d2f2153451a180460	78529	0
0xeb08458bd61f87058928ea9685c287649be6f3fa3246cdabdad08c56f3a6a3d	0xf17f52151ebef6c7334fad080c5704d77216b732	0xe01721881e6422afe4360a9d2f2153451a180460	78415	0
0xf364c3407b63b00e4f3e50e8d08231d4048e67b47b045e37d4b6e501b033e0e	0xf17f52151ebef6c7334fad080c5704d77216b732	0xe01721881e6422afe4360a9d2f2153451a180460	78415	0



Coming next: Smart contracts × supply chain (demo)

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Sapienza, University of Rome, Italy

Blockchain Tech course 2020-21 at Sapienza:

<https://sites.google.com/uniroma1.it/cfa-msc-blockchaintech/>

Blockchain and smart contracts: infrastructure and platforms

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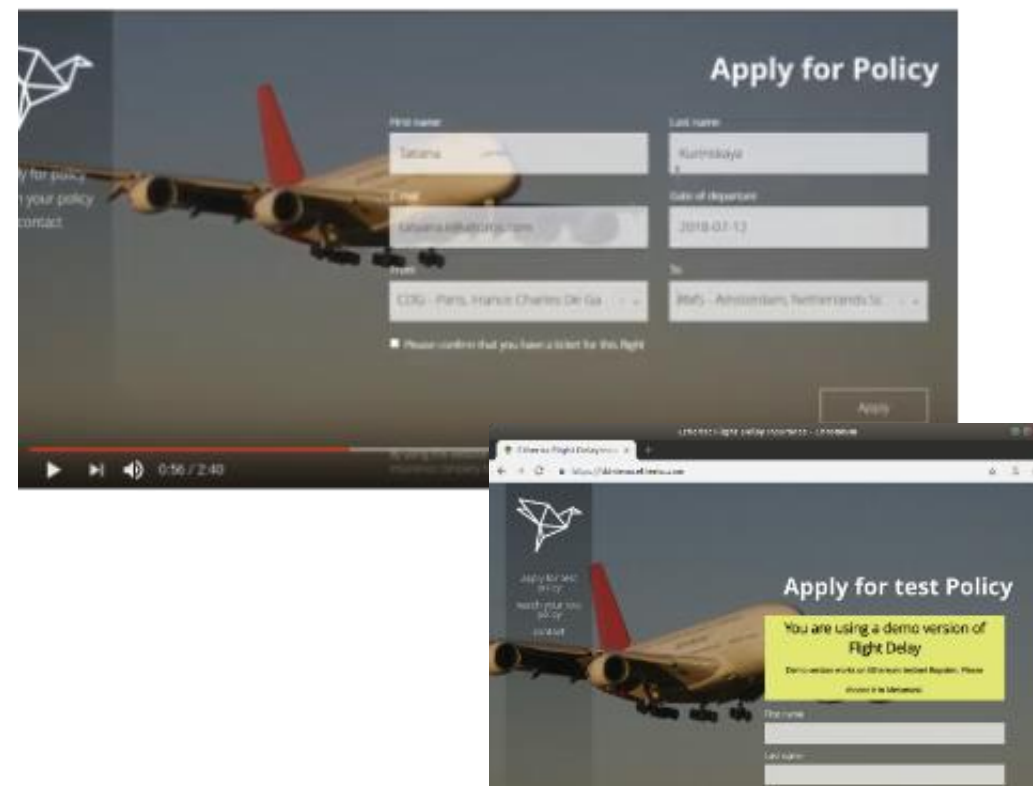
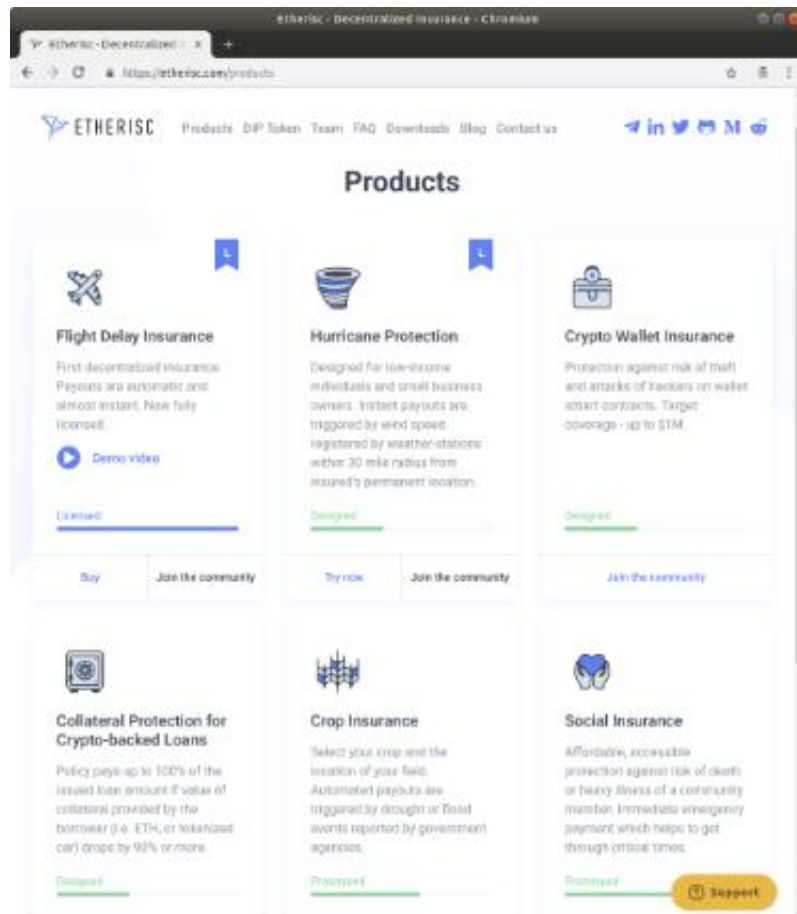
<https://sites.google.com/uniroma1.it/cfa-msc-blockchaintech/>



How about the real world?

Oracles: From on-chain to off-chain and vice versa

Etherisc



Flight delay insurance: the FlightDelayPayout contract

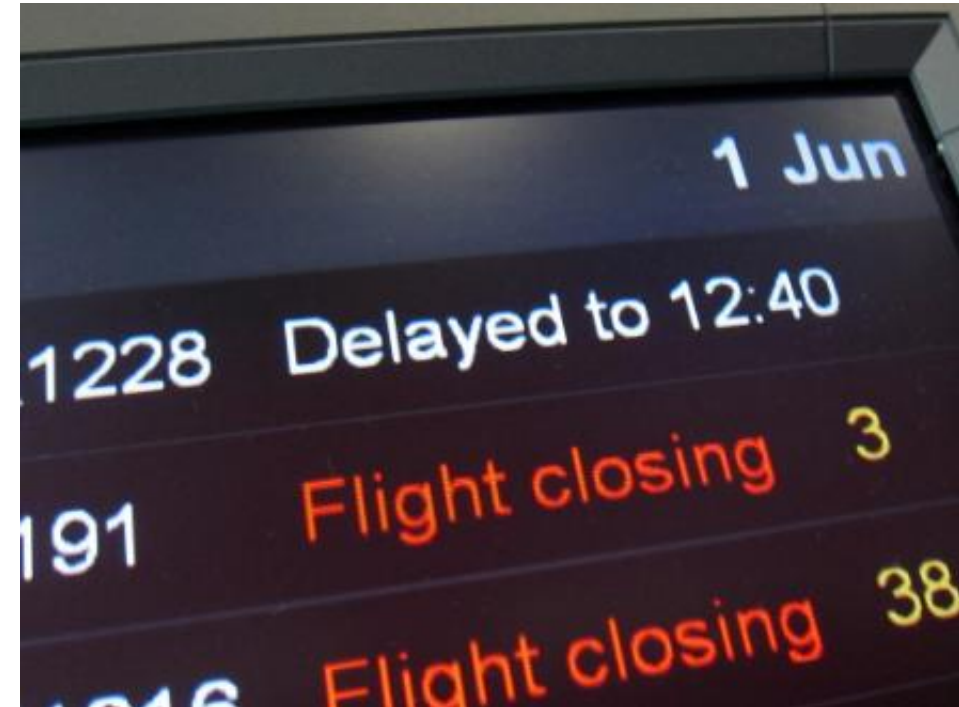
```

190 //
191 // dev: Oracle callback. In an emergency case, we can call this directly from FE-emergency account.
192 // @param _queryId
193 // @param _result
194 // @param _proof
195 //
196 function _callback(bytes32 _queryId, string _result, bytes _proof) public {
197     //
198     // dev: Oracle callback. In an emergency case, we can call this directly from FE-emergency account.
199     // @param _queryId
200     // @param _result
201     // @param _proof
202     //
203     // check if policy was deployed after this callback was scheduled
204     var state = PD_08.getPolicyState(policyId);
205     require(state > 0);
206
207     bytes32 riskId = PD_08.getRiskId(policyId);
208
209     // --> debug-mode
210     // logBytes32("riskId", riskId);
211     // --> debug-mode
212
213     var siResult = _result.toHexString();
214
215     if (siResult.length == 0) { // empty Result
216         if (PD_08.checkTime(_queryId, riskId, 500 minutes)) {
217             logPolicyStatus(policyId, "No Callback at 420 min");
218             return;
219         } else {
220             schedulePaymentCallback(policyId, riskId, executionTime + 40 minutes);
221         }
222     } else {
223         // First check status
224         // extract the status field:
225         siResult.find("status").toArray();
226         siResult.toArray().copy(0, 0, siResult.length());
227         bytes32 status = bytes(siResult.toArray()); // 0 x 32
228
229         if (status == "0") {
230             // Flight cancelled --> payout
231             payout(policyId, 4, 0);
232             return;
233         } else if (status == "8") {
234             // Flight diverted --> payout
235             payout(policyId, 5, 0);
236             return;
237         } else if (status != "1" && status != "A" && status != "C" && status != "B") {
238             logPolicyStatus(policyId, "Improvable status");
239             return;
240         }
241     }
242
243     // process the rest of the response:

```

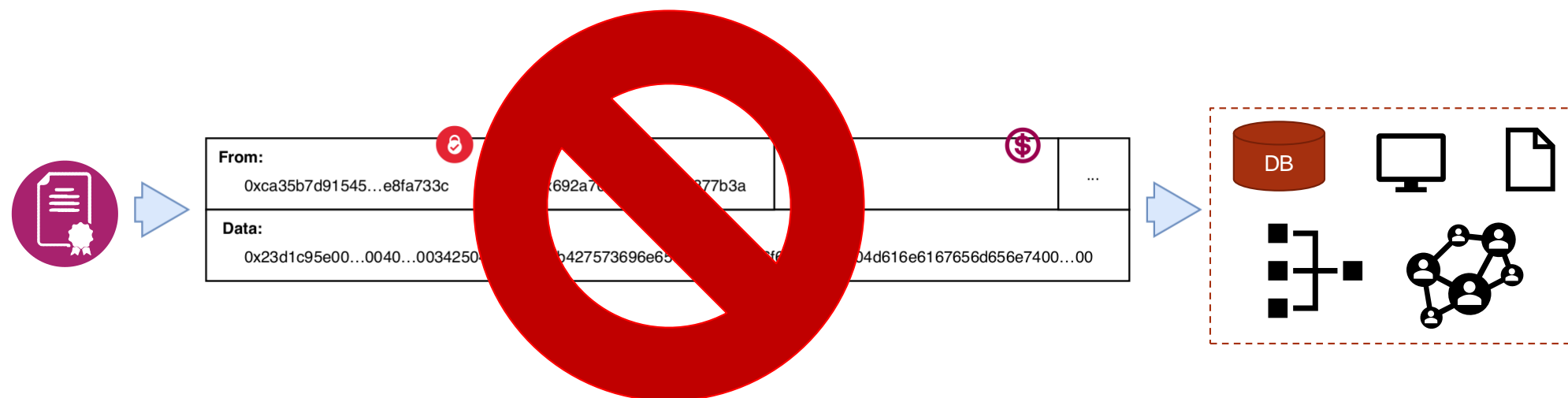
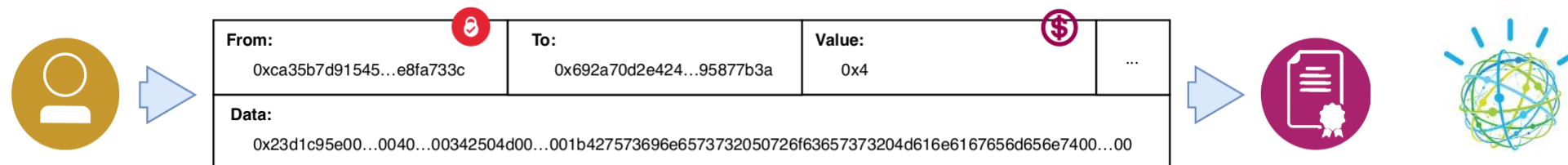
Contact with the
off-chain world

Payout in case of
signalled problems
with the flight



Source: <https://www.flickr.com/photos/michaelduxbury/5824469025>

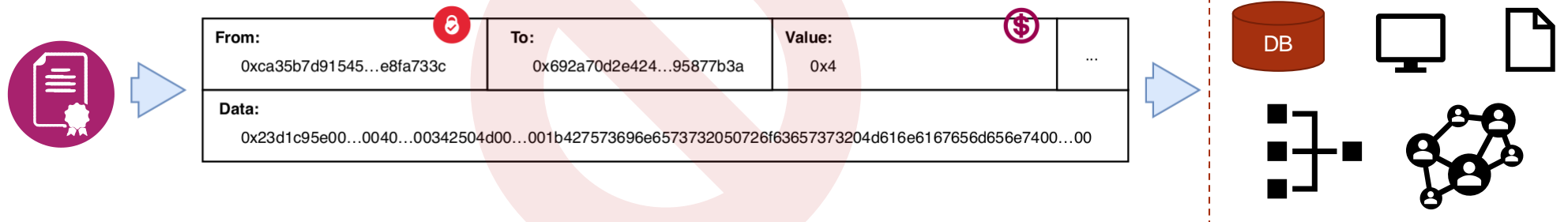
The problem



The Oracle



Source: http://matrix.wikia.com/wiki/File:The_Oracle_Making_Cookies.jpg

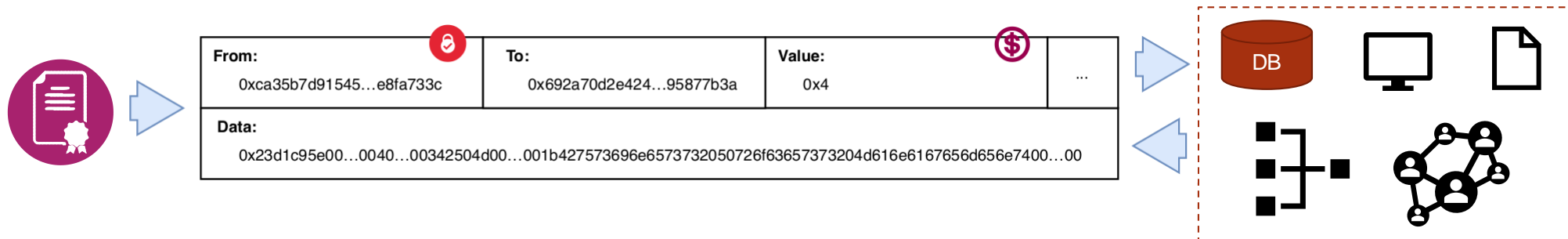


The Oracle

ISO/TC 307, ISO/TR 2345: “[A] **DLT Oracle** [is a] **service** that updates a distributed ledger using **data from outside** the distributed ledger system”. (2019)

Previous literature: oracles as off-chain information providers.

We see **oracles** as a **bridge**
between the on-chain and off-chain worlds.



Oracle patterns: Overview

