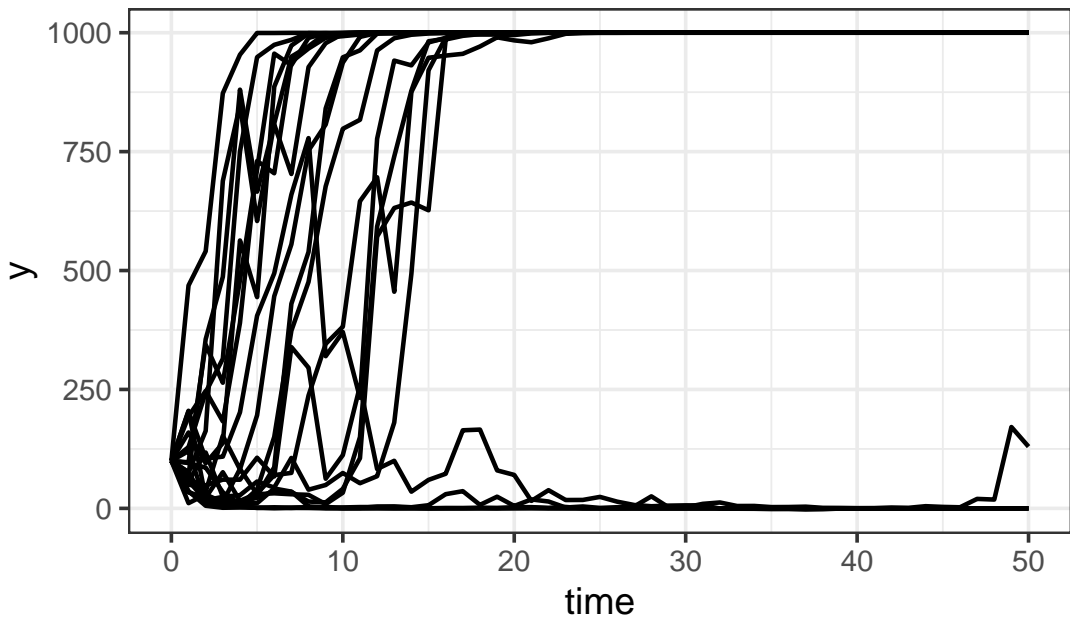discrete observations

alpha= 0.5 sigma= 1 tau= 1