



Three Sigma Labs

Code Audit

M^0

M^0 Coordination layer for permissioned institutional actors to generate \$M

00000000	01 00 00 00 00 00 00 00	00 00 00 00 00 00 00 00	.....
00000010	00 00 00 00 00 00 00 00	00 00 00 00 00 00 00 00	.....
00000020	00 00 00 00 3B A3 ED FD	7A 7B 12 B2 7A C7 2C 3E	....:Éiýz{.
00000030	67 76 8F 61 7F C8 1B C3	88 8A 51 32 3A 9F B8 AA	gv.a.È.Ã~SQ
00000040	4B 1E 5E 4A 29 AB 5F 49	FF FF 00 1D 1D AC 2B 7C	K.^J)«_Iyy.
00000050	01 01 00 00 00 01 00 00	00 00 00 00 00 00 00 00	.....
00000060	00 00 00 00 00 00 00 00	00 00 00 00 00 00 00 00	.....
00000070	00 00 00 00 00 00 FF FF	FF FF 4D 04 FF FF 00 1D	.....ÿÿÿÿM
00000080	01 04 45 54 68 65 20 54	69 6D 65 73 20 30 33 2F	..EThe Tim
00000090	4A 61 6E 2F 32 30 30 39	20 43 68 61 6E 63 65 6C	Jan/2009 Ch
000000A0	6C 6F 72 20 6F 6E 20 62	72 69 6E 6B 20 6F 66 20	lor on brin
000000B0	73 65 63 6F 6E 64 20 62	61 69 6C 6F 75 74 20 66	second bail
000000C0	6F 72 20 62 61 6E 6B 73	FF FF FF FF 01 00 F2 05	or banksÿÿÿÿ
000000D0	2A 01 00 00 00 43 41 04	67 8A FD B0 FE 55 48 27	*....CA.gŠý
000000E0	19 67 F1 A6 71 30 B7 10	5C D6 A8 28 E0 39 09 A6	.gñ|q0·.\Ö"
000000F0	79 62 E0 EA 1F 61 DE B6	49 F6 BC 3F 4C EF 38 C4	ybaê.ab¶IÖ%
00000100	F3 55 04 E5 1E C1 12 DE	5C 38 4D F7 BA 0B 8D 57	óU.ã.Á.Þ\8M
00000110	8A 4C 70 2B 6B F1 1D 5F	AC 00 00 00 00	ŠLp+kñ._~..
00000000	30 31 30 30 30 30 30 30	36 66 65 32 38 63 30 61	0100000006f
00000000	30 31 30 30 30 30 30 30	63 31 61 36 61 32 34 36	b6f1b3726c1
00000000	30 31 30 30 30 30 30 30	39 33 31 65 38 33 36 35	ae63f7f4639
00000000	30 31 30 30 30 30 30 30	36 38 64 36 31 39 30 30	c15a089c638
00000000	30 30 30 30 30 30 30 30	39 38 32 30 35 31 66 64	00000009820
00000000	31 65 34 62 61 37 34 34	62 62 62 65 36 38 30 65	1e4ba7445bb
00000000	31 66 65 65 31 34 36 37	37 62 61 31 61 33 63 33	1fee1456376
00000000	35 34 30 62 66 37 62 31	63 64 62 36 30 36 65 38	5400bfb1bcd
00000000	35 37 32 33 33 65 30 65	36 31 62 63 36 36 34 39	57233e0e6bc
00000000	66 66 66 66 30 30 31 64	30 31 65 33 36 32 39 39	fff0001d01e
0000000A	30 31 30 31 30 30 30 30	30 30 30 31 30 30 30 30	01010000000
0000000B	30 30 30 30 30 30 30 30	30 30 30 30 30 30 30 30	00000000000
0000000C	30 30 30 30 30 30 30 30	30 30 30 30 30 30 30 30	00000000000
0000000D	30 30 30 30 30 30 30 30	30 30 30 30 30 30 30 30	00000000000
0000000E	30 30 30 30 30 30 30 30	30 30 30 30 66 66 66 66	00000000000
0000000F	66 66 66 66 30 37 30 34	66 66 66 66 30 30 31 64	ffff074ffff
00000100	30 31 30 34 66 66 66 66	66 66 66 66 30 31 30 30	0104ffffffffff
00000110	66 32 30 35 32 61 30 31	30 30 30 30 30 30 34 33	f2052a01000
00000120	34 31 30 34 39 36 62 35	33 38 65 38 35 33 35 31	4104946b538
00000130	39 63 37 32 36 61 32 63	39 31 65 36 31 65 63 31	9c726ac91e6
00000140	31 36 30 30 61 65 31 33	39 30 38 31 33 61 36 32	16000ae1390
00000150	37 63 36 36 66 62 38 62	65 37 39 34 37 62 65 36	7c66fb8be79
00000160	33 63 35 32 64 61 37 35	38 39 33 37 39 35 31 35	3c52da73589
00000170	64 34 65 30 61 36 30 34	66 38 31 34 31 37 38 31	d4e0a646381
00000180	65 36 32 32 39 34 37 32	31 31 36 36 62 66 36 32	e6224947321
00000190	31 65 37 33 61 38 32 63	62 66 32 33 34 32 63 38	1e73a823cbf
000001A0	35 38 65 65 61 63 30 30	30 30 30 30 30 30	58eacc00000
00000000	30 31 30 30 30 30 30 30	34 38 36 30 65 62 31 38	01000000486

Disclaimer

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M^O Coordination layer for permissioned institutional actors to generate \$M

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Disclaimer

The ensuing audit offers no assertions or assurances about the code's security. It cannot be deemed an adequate judgment of the contract's correctness on its own. The authors of this audit present it solely as an informational exercise, reporting the thorough research involved in the secure development of the intended contracts, and make no material claims or guarantees regarding the contract's post-deployment operation. The authors of this report disclaim all liability for all kinds of potential consequences of the contract's deployment or use. Due to the possibility of human error occurring during the code's manual review process, we advise the client team to commission several independent audits in addition to a public bug bounty program.

00000000	01 00 00 00 00 00 00 00	00 00 00 00 00 00 00 00	.....
00000010	00 00 00 00 00 00 00 00	00 00 00 00 00 00 00 00	.....
00000020	00 00 00 00 3B A3 ED FD	7A 7B 12 B2 7A C7 2C 3E;Éiýz{.
00000030	67 76 8F 61 7F C8 1B C3	88 8A 51 32 3A 9F B8 AA	gv.a.È.Ã~SQ
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00000050	01 01 00 00 00 01 00 00	00 00 00 00 00 00 00 00
00000060	00 00 00 00 00 00 00 00	00 00 00 00 00 00 00 00
00000070	00 00 00 00 00 00 FF FF	FF FF 4D 04 FF FF 00 1D	.....ÿÿÿÿM
00000080	01 04 45 54 68 65 20 54	69 6D 65 73 20 30 33 2F	..EThe Tim
00000090	4A 61 6E 2F 32 30 30 39	20 43 68 61 6E 63 65 6C	Jan/2009 Ch
000000A0	6C 6F 72 20 6F 6E 20 62	72 69 6E 6B 20 6F 66 20	lor on brin
000000B0	73 65 63 6F 6E 64 20 62	61 69 6C 6F 75 74 20 66	second bail
000000C0	6F 72 20 62 61 6E 6B 73	FF FF FF FF 01 00 F2 05	or banksÿÿÿÿ
000000D0	2A 01 00 00 00 43 41 04	67 8A FD B0 FE 55 48 27	*....CA.gŠý
000000E0	19 67 F1 A6 71 30 B7 10	5C D6 A8 28 E0 39 09 A6	.gñ|q0·.\Ö"
000000F0	79 62 E0 EA 1F 61 DE B6	49 F6 BC 3F 4C EF 38 C4	ybaê.ab¶IÖ%
00000100	F3 55 04 E5 1E C1 12 DE	5C 38 4D F7 BA 0B 8D 57	óU.ã.Á.Þ\8M
00000110	8A 4C 70 2B 6B F1 1D 5F	AC 00 00 00 00	ŠLp+kñ._~..
00000000	30 31 30 30 30 30 30 30	36 66 65 32 38 63 30 61	0100000006f
00000010	30 31 30 30 30 30 30 30	63 31 61 36 61 32 34 36	b6f1b3726c1
00000020	30 31 30 30 30 30 30 30	39 33 31 65 38 33 36 35	ae63f7f4639
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00000040	30 30 30 30 30 30 30 30	39 38 32 30 35 31 66 64	00000009820
00000050	31 65 34 62 61 37 34 34	62 62 62 65 36 38 30 65	1e4ba7445bb
00000060	31 66 65 65 31 34 36 37	37 62 61 31 61 33 63 33	1fee1456376
00000070	35 34 30 62 66 37 62 31	63 64 62 36 30 36 65 38	5400bfb1bcd
00000080	35 37 32 33 33 65 30 65	36 31 62 63 36 36 34 39	57233e0e6bc
00000090	66 66 66 66 30 30 31 64	30 31 65 33 36 32 39 39	fff0001d01e
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000000C0	30 30 30 30 30 30 30 30	30 30 30 30 30 30 30 30	00000000000
000000D0	30 30 30 30 30 30 30 30	30 30 30 30 30 30 30 30	00000000000
000000E0	30 30 30 30 30 30 30 30	30 30 30 30 66 66 66 66	00000000000
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00000120	34 31 30 34 39 36 62 35	33 38 65 38 35 33 35 31	4104946b538
00000130	39 63 37 32 36 61 32 63	39 31 65 36 31 65 63 31	9c726ac91e6
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00000160	33 63 35 32 64 61 37 35	38 39 33 37 39 35 31 35	3c52da73589
00000170	64 34 65 30 61 36 30 34	66 38 31 34 31 37 38 31	d4e0a646381
00000180	65 36 32 32 39 34 37 32	31 31 36 36 62 66 36 32	e6224947321
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000001A0	35 38 65 65 61 63 30 30	30 30 30 30 30 30	58eacc00000
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M^O Coordination layer for permissioned institutional actors to generate \$M

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3S-M^0-N02	46
3S-M^0-N03	47
3S-M^0-N04	48
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3S-M^0-N06	50
3S-M^0-N07	51
3S-M^0-N08	52
3S-M^0-N09	53
3S-M^0-N10	54
3S-M^0-N11	55
3S-M^0-N12	56
3S-M^0-N13	57
3S-M^0-N14	58
3S-M^0-N15	59
3S-M^0-N16	60
3S-M^0-N17	61

00000000	01 00 00 00 00 00 00 00	00 00 00 00 00 00 00 00
00000010	00 00 00 00 00 00 00 00	00 00 00 00 00 00 00 00
00000020	00 00 00 00 3B A3 ED FD	7A 7B 12 B2 7A C7 2C 3E:Éíÿz{.
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00000050	01 01 00 00 00 01 00 00	00 00 00 00 00 00 00 00
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00000080	01 04 45 54 68 65 20 54	69 6D 65 73 20 30 33 2F	..EThe Tim
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000000C0	6F 72 20 62 61 6E 6B 73	FF FF FF FF 01 00 F2 05	or banksÿÿÿÿ
000000D0	2A 01 00 00 00 43 41 04	67 8A FD B0 FE 55 48 27	*....CA.gŠý
000000E0	19 67 F1 A6 71 30 B7 10	5C D6 A8 28 E0 39 09 A6	.gñ q0·.\Ö"
000000F0	79 62 E0 EA 1F 61 DE B6	49 F6 BC 3F 4C EF 38 C4	ybaê.ab¶IÖ%
00000100	F3 55 04 E5 1E C1 12 DE	5C 38 4D F7 BA 0B 8D 57	óU.å.Á.Þ\8M
00000110	8A 4C 70 2B 6B F1 1D 5F	AC 00 00 00 00	ŠLp+kñ._~..
00000000	30 31 30 30 30 30 30 30	36 66 65 32 38 63 30 61	0100000006f
00000000	66 31 62 33 37 32	63 31 61 36 61 32 34 36	b6f1b3726c1
00000020	61 65 36 33 66 37 34 66	39 33 31 65 38 33 36 35	ae63f7f4639
00000030	35 31 35 61 30 38 39 63	36 38 64 36 31 39 30 30	e15a089c638
00000040	M^O Coordination layer for permissioned institutional actors to generate \$M		
00000050	31 65 34 62 61 37 34 34	62 62 62 65 36 38 30 65	1e4ba7445bb
00000060	31 66 65 65 31 34 36 37	37 62 61 31 61 33 63 33	1fee1456376
00000070	35 34 30 62 66 37 62 31	63 64 62 36 30 36 65 38	5400bfb1bcd
00000080	35 37 32 33 33 65 30 65	36 31 62 63 36 36 34 39	57233e0e6bc
00000090	66 66 66 66 30 30 31 64	30 31 65 33 36 32 39 39	fff0001d01e
000000A0	30 31 30 31 30 30 30 30	30 30 30 31 30 30 30 30	01010000000
000000B0	30 30 30 30 30 30 30 30	30 30 30 30 30 30 30 30	00000000000
000000C0	30 30 30 30 30 30 30 30	30 30 30 30 30 30 30 30	00000000000
000000D0	30 30 30 30 30 30 30 30	30 30 30 30 30 30 30 30	00000000000
000000E0	30 30 30 30 30 30 30 30	30 30 30 30 66 66 66 66	00000000000
000000F0	66 66 66 66 30 37 30 34	66 66 66 66 30 30 31 64	ffff074ffff
00000100	30 31 30 34 66 66 66 66	66 66 66 66 30 31 30 30	0104ffffff
00000110	66 32 30 35 32 61 30 31	30 30 30 30 30 30 34 33	f2052a01000
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000001A0	35 38 65 65 61 63 30 30	30 30 30 30 30 30	58eacc00000
00000000	30 31 30 30 30 30 30 30	34 38 36 30 65 62 31 38	01000000486

Summary

Three Sigma Labs audited M⁰ Labs in a 8 person week engagement. The audit was conducted from 08/01/2024 to 02/02/2024.

Protocol Description

A neutral value transmission framework able to permissionlessly mint currencies under decentralized governance. The purpose of \$M is to become a superior building block for value representation, by combining the convenience of digital money with the risk profile of physical cash.

00000000	01 00 00 00 00 00 00 00	00 00 00 00 00 00 00 00
00000010	00 00 00 00 00 00 00 00	00 00 00 00 00 00 00 00
00000020	00 00 00 00 3B A3 ED FD	7A 7B 12 B2 7A C7 2C 3E:Éíÿz{.
00000030	67 76 8F 61 7F C8 1B C3	88 8A 51 32 3A 9F B8 AA	gv.a.È.Ã~SQ
00000040	4B 1E 5E 4A 29 AB 5F 49	FF FF 00 1D 1D AC 2B 7C	K.^J)«_Iyy.
00000050	01 01 00 00 00 01 00 00	00 00 00 00 00 00 00 00
00000060	00 00 00 00 00 00 00 00	00 00 00 00 00 00 00 00
00000070	00 00 00 00 00 00 FF FF	FF FF 4D 04 FF FF 00 1DÿÿÿÿM
00000080	01 04 45 54 68 65 20 54	69 6D 65 73 20 30 33 2F	..EThe Tim
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000000C0	6F 72 20 62 61 6E 6B 73	FF FF FF FF 01 00 F2 05	or banksÿÿÿÿ
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00000100	F3 55 04 E5 1E C1 12 DE	5C 38 4D F7 BA 0B 8D 57	óU.ã.Á.Þ\8M
00000110	8A 4C 70 2B 6B F1 1D 5F	AC 00 00 00 00	ŠLp+kñ._~..
00000000	30 31 30 30 30 30 30 30	36 66 65 32 38 63 30 61	0100000006f
00000000	36 66 31 62 33 37 32	63 31 61 36 61 32 34 36	b6f1b3726c1
00000020	61 65 36 33 66 37 34 66	39 33 31 65 38 33 36 35	ae63f7f4639
00000030	65 31 35 61 30 38 39 63	36 38 64 36 31 39 30 30	e15a089c638
00000040	30 30 30 30 30 30 30 30	30 30 30 30 30 30 30 30	00000009820
00000050	31 65 34 62 61 37 34 34	62 62 62 65 36 38 30 65	1e4ba7445bb
00000060	31 66 65 65 31 34 36 37	37 62 61 31 61 33 63 33	1fee1456376
00000070	35 34 30 62 66 37 62 31	63 64 62 36 30 36 65 38	5400bfb1bcd
00000080	35 37 32 33 33 65 30 65	36 31 62 63 36 36 34 39	57233e0e6bc
00000090	66 66 66 66 30 30 31 64	30 31 65 33 36 32 39 39	fff0001d01e
000000A0	30 31 30 31 30 30 30 30	30 30 30 31 30 30 30 30	01010000000
000000B0	30 30 30 30 30 30 30 30	30 30 30 30 30 30 30 30	00000000000
000000C0	30 30 30 30 30 30 30 30	30 30 30 30 30 30 30 30	00000000000
000000D0	30 30 30 30 30 30 30 30	30 30 30 30 30 30 30 30	00000000000
000000E0	30 30 30 30 30 30 30 30	30 30 30 30 66 66 66 66	00000000000
000000F0	66 66 66 66 30 37 30 34	66 66 66 66 30 30 31 64	ffff074ffff
00000100	30 31 30 34 66 66 66 66	66 66 66 66 30 31 30 30	0104ffffffffff
00000110	66 32 30 35 32 61 30 31	30 30 30 30 30 30 34 33	f2052a01000
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00000000	30 31 30 30 30 30 30 30	34 38 36 30 65 62 31 38	01000000486

Scope

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M^O Coordination layer for permissioned institutional actors to generate \$M

Scope

Filepath	nSLOC
common/src/ContractHelper.sol	25
common/src/ERC20Permit.sol	87
common/src/ERC712.sol	55
common/src/SignatureChecker.sol	96
common/src/StatefulERC712.sol	10
protocol/src/ContinuousIndexing.sol	57
protocol/src/EarnerRateModel.sol	30
protocol/src/libs/ContinuousIndexingMath.sol	36
protocol/src/libs/SPOGRegistrarReader.sol	76
protocol/src/libs/UIntMath.sol	23
protocol/src/MinterRateModel.sol	15
protocol/src/MToken.sol	170
protocol/src/Protocol.sol	434
spog/src/abstract/BatchGovernor.sol	237
spog/src/abstract/EpochBasedInflationaryVoteToken.sol	137
spog/src/abstract/EpochBasedVoteToken.sol	215
spog/src/abstract/ERC5805.sol	38
spog/src/abstract/ThresholdGovernor.sol	100
spog/src/DistributionVault.sol	114
spog/src/EmergencyGovernor.sol	63
spog/src/EmergencyGovernorDeployer.sol	32
spog/src/libs/PureEpochs.sol	60
spog/src/PowerBootstrapToken.sol	22
spog/src/PowerToken.sol	170
spog/src/PowerTokenDeployer.sol	29
spog/src/Registrar.sol	78
spog/src/StandardGovernor.sol	233
spog/src/StandardGovernorDeployer.sol	48
spog/src/ZeroGovernor.sol	132
spog/src/ZeroToken.sol	105
SUM	2927

00000000	01 00 00 00 00 00 00 00	00 00 00 00 00 00 00 00
00000010	00 00 00 00 00 00 00 00	00 00 00 00 00 00 00 00
00000020	00 00 00 00 3B A3 ED FD	7A 7B 12 B2 7A C7 2C 3E:Éíÿz{.
00000030	67 76 8F 61 7F C8 1B C3	88 8A 51 32 3A 9F B8 AA	gv.a.È.Ã~SQ
00000040	4B 1E 5E 4A 29 AB 5F 49	FF FF 00 1D 1D AC 2B 7C	K.^J)«_Iyy.
00000050	01 01 00 00 00 01 00 00	00 00 00 00 00 00 00 00
00000060	00 00 00 00 00 00 00 00	00 00 00 00 00 00 00 00
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000000E0	19 67 F1 A6 71 30 B7 10	5C D6 A8 28 E0 39 09 A6	.gñ q0·.\Ö"
000000F0	79 62 E0 EA 1F 61 DE B6	49 F6 BC 3F 4C EF 38 C4	ybaê.ab¶IÖ%
00000100	F3 55 04 E5 1E C1 12 DE	5C 38 4D F7 BA 0B 8D 57	óU.ã.Á.Þ\8M
00000110	8A 4C 70 2B 6B F1 1D 5F	AC 00 00 00 00	ŠLp+kñ._~..
00000000	30 31 30 30 30 30 30 30	36 66 65 32 38 63 30 61	0100000006f
00000020	61 62 33 37 32	63 31 61 36 61 32 34 36	b6f1b3726c1
00000040	61 65 36 33 66 37 34 66	39 33 31 65 38 33 36 35	ae63f7f4639
00000060	35 31 35 61 30 38 39 63	36 38 64 36 31 39 30 30	e15a089c638
00000080	35 30 30 30 30 30 30 30	35 30 31 30 35 31 30 30	00000009820
000000A0	31 65 34 62 61 37 34 34	62 62 62 65 36 38 30 65	1e4ba7445bb
000000C0	31 66 65 65 31 34 36 37	37 62 61 31 61 33 63 33	1fee1456376
000000E0	35 34 30 62 66 37 62 31	63 64 62 36 30 36 65 38	5400bfb1bcd
00000070	35 37 32 33 33 65 30 65	36 31 62 63 36 36 34 39	57233e0e6bc
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00000140	34 31 30 34 39 36 62 35	33 38 65 38 35 33 35 31	4104946b538
00000150	39 63 37 32 36 61 32 63	39 31 65 36 31 65 63 31	9c726ac91e6
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00000170	37 63 36 36 66 62 38 62	65 37 39 34 37 62 65 36	7c66fb8be79
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000001B0	31 65 37 33 61 38 32 63	62 66 32 33 34 32 63 38	1e73a823cbf
000001C0	35 38 65 65 61 63 30 30	30 30 30 30 30 30	58eacc00000
00000000	30 31 30 30 30 30 30 30	34 38 36 30 65 62 31 38	01000000486

Methodology

Code Audit

M^O Coordination layer for permissioned institutional actors to generate \$M

Methodology

To begin, we reasoned meticulously about the contract's business logic, checking security-critical features to ensure that there were no gaps in the business logic and/or inconsistencies between the aforementioned logic and the implementation. Second, we thoroughly examined the code for known security flaws and attack vectors. Finally, we discussed the most catastrophic situations with the team and reasoned backwards to ensure they are not reachable in any unintentional form.

Taxonomy

In this audit we report our findings using as a guideline Immunefi's vulnerability taxonomy, which can be found at immunefi.com/severity-updated/. The final classification takes into account the severity, according to the previous link, and likelihood of the exploit. The following table summarizes the general expected classification according to severity and likelihood; however, each issue will be evaluated on a case-by-case basis and may not strictly follow it.

Severity / Likelihood	LOW	MEDIUM	HIGH
NONE	None		
LOW	Low		
MEDIUM	Low	Medium	Medium
HIGH	Medium	High	High
CRITICAL	High	Critical	Critical

Project Dashboard

Code Audit

M^O Coordination layer for permissioned institutional actors to generate \$M

Project Dashboard

Application Summary

Name	M^0 Labs
Review Commit	common 4a37119f2da946c6d8ad7b9a70dfdd219225115b TTG a8127901fa1f24a2e821cf4d9854a1aa6ac8088c Protocol 3499f50ff3382729f3e59565b19386ba61ef8e36
Fix Commit	common 44784c6a7b40b65dd51fe9da917ad67cb8439077 TTG 930f2db7e62f90377a902cc4b2541d3637d37730 Protocol e809402c4cc21f1fa8291f17ee0aee859f3b0d29
Language	Solidity
Platform	Ethereum

Engagement Summary

Timeline	08-01-2024 to 02-02-2024
Nº of Auditors	2
Review Time	8 person weeks

Vulnerability Summary

Issue Classification	Found	Addressed	Acknowledged
Critical	0	0	0
High	2	2	0
Medium	2	1	1
Low	11	9	2
None	17	13	4

Category Breakdown

Suggestion	10
Documentation	0
Bug	16
Optimization	7
Good Code Practices	0

Code Maturity Evaluation

Code Audit

M^O Coordination layer for permissioned institutional actors to generate \$M

Code Maturity Evaluation

Code Maturity Evaluation Guidelines

Category	Evaluation
Access Controls	The use of robust access controls to handle identification and authorization and to ensure safe interactions with the system.
Arithmetic	The proper use of mathematical operations and semantics.
Centralization	The presence of a decentralized governance structure for mitigating insider threats and managing risks posed by contract upgrades
Code Stability	The extent to which the code was altered during the audit.
Upgradeability	The presence of parameterizations of the system that allow modifications after deployment.
Function Composition	The functions are generally small and have clear purposes.
Front-Running	The system's resistance to front-running attacks.
Monitoring	All operations that change the state of the system emit events, making it simple to monitor the state of the system. These events need to be correctly emitted.
Specification	The presence of comprehensive and readable codebase documentation.
Testing and Verification	The presence of robust testing procedures (e.g., unit tests, integration tests, and verification methods) and sufficient test coverage.

Code Maturity Evaluation Results

Category	Evaluation
Access Controls	Satisfactory . All access control is correctly implemented.
Arithmetic	Moderate . Some rounding errors were found.
Centralization	Satisfactory . No significant points of centralization are found.
Code Stability	Satisfactory . The code was stable throughout the audit.
Upgradeability	Weak . The contracts are not upgradeable.
Function Composition	Satisfactory . The code was correctly split into helper functions.
Front-Running	Moderate . Some front-running issues were found.
Monitoring	Satisfactory . Most events are emitted.
Specification	Satisfactory . The code follows the specifications.
Testing and Verification	Satisfactory . The codebase implements unit and fuzz tests.

00000000	01 00 00 00 00 00 00 00	00 00 00 00 00 00 00 00	.....
00000010	00 00 00 00 00 00 00 00	00 00 00 00 00 00 00 00	.....
00000020	00 00 00 00 3B A3 ED FD	7A 7B 12 B2 7A C7 2C 3E	....:Éiýz{.
00000030	67 76 8F 61 7F C8 1B C3	88 8A 51 32 3A 9F B8 AA	gv.a.È.Ã~SQ
00000040	4B 1E 5E 4A 29 AB 5F 49	FF FF 00 1D 1D AC 2B 7C	K.^J)«_Iyy.
00000050	01 01 00 00 00 01 00 00	00 00 00 00 00 00 00 00	.....
00000060	00 00 00 00 00 00 00 00	00 00 00 00 00 00 00 00	.....
00000070	00 00 00 00 00 00 FF FF	FF FF 4D 04 FF FF 00 1D	.....ýýýýM
00000080	01 04 45 54 68 65 20 54	69 6D 65 73 20 30 33 2F	..EThe Tim
00000090	4A 61 6E 2F 32 30 30 39	20 43 68 61 6E 63 65 6C	Jan/2009 Ch
000000A0	6C 6F 72 20 6F 6E 20 62	72 69 6E 6B 20 6F 66 20	lor on brin
000000B0	73 65 63 6F 6E 64 20 62	61 69 6C 6F 75 74 20 66	second bail
000000C0	6F 72 20 62 61 6E 6B 73	FF FF FF FF 01 00 F2 05	or banksýýý
000000D0	2A 01 00 00 00 43 41 04	67 8A FD B0 FE 55 48 27	*....CA.gŠý
000000E0	19 67 F1 A6 71 30 B7 10	5C D6 A8 28 E0 39 09 A6	.gñ|q0·.\Ö"
000000F0	79 62 E0 EA 1F 61 DE B6	49 F6 BC 3F 4C EF 38 C4	ybaê.ab¶IÖ%
00000100	F3 55 04 E5 1E C1 12 DE	5C 38 4D F7 BA 0B 8D 57	óU.å.Á.Þ\8M
00000110	8A 4C 70 2B 6B F1 1D 5F	AC 00 00 00 00	ŠLp+kñ._~..
00000000	30 31 30 30 30 30 30 30	36 66 65 32 38 63 30 61	0100000006f
Findings	66 31 62 33 37 32	63 31 61 36 61 32 34 36	b6f1b3726c1
Code Audit	61 65 36 33 66 37 34 66	39 33 31 65 38 33 36 35	ae63f7f4639
M^O	35 31 35 61 30 38 39 63	36 38 64 36 31 39 30 30	e15a089c638
M^O Coordination layer for permissioned institutional actors to generate \$M			
00000040	35 30 30 30 30 30 30 30	35 30 31 30 35 31 30 30	00000009820
00000050	31 65 34 62 61 37 34 34	62 62 62 65 36 38 30 65	1e4ba7445bb
00000060	31 66 65 65 31 34 36 37	37 62 61 31 61 33 63 33	1fee1456376
00000070	35 34 30 62 66 37 62 31	63 64 62 36 30 36 65 38	5400bfb1bcd
00000080	35 37 32 33 33 65 30 65	36 31 62 63 36 36 34 39	57233e0e6bc
00000090	66 66 66 66 30 30 31 64	30 31 65 33 36 32 39 39	fff0001d01e
000000A0	30 31 30 31 30 30 30 30	30 30 30 31 30 30 30 30	01010000000
000000B0	30 30 30 30 30 30 30 30	30 30 30 30 30 30 30 30	00000000000
000000C0	30 30 30 30 30 30 30 30	30 30 30 30 30 30 30 30	00000000000
000000D0	30 30 30 30 30 30 30 30	30 30 30 30 30 30 30 30	00000000000
000000E0	30 30 30 30 30 30 30 30	30 30 30 30 66 66 66 66	00000000000
000000F0	66 66 66 66 30 37 30 34	66 66 66 66 30 30 31 64	ffff074ffff
00000100	30 31 30 34 66 66 66 66	66 66 66 66 30 31 30 30	0104ffffff
00000110	66 32 30 35 32 61 30 31	30 30 30 30 30 30 34 33	f2052a01000
00000120	34 31 30 34 39 36 62 35	33 38 65 38 35 33 35 31	4104946b538
00000130	39 63 37 32 36 61 32 63	39 31 65 36 31 65 63 31	9c726ac91e6
00000140	31 36 30 30 61 65 31 33	39 30 38 31 33 61 36 32	16000ae1390
00000150	37 63 36 36 66 62 38 62	65 37 39 34 37 62 65 36	7c66fb8be79
00000160	33 63 35 32 64 61 37 35	38 39 33 37 39 35 31 35	3c52da73589
00000170	64 34 65 30 61 36 30 34	66 38 31 34 31 37 38 31	d4e0a646381
00000180	65 36 32 32 39 34 37 32	31 31 36 36 62 66 36 32	e6224947321
00000190	31 65 37 33 61 38 32 63	62 66 32 33 34 32 63 38	1e73a823cbf
000001A0	35 38 65 65 61 63 30 30	30 30 30 30 30 30	58eacc00000
00000000	30 31 30 30 30 30 30 30	34 38 36 30 65 62 31 38	01000000486

Findings

3S-M^0-H01

Lack of deadline in **PowerToken.buy** can lead to user's **cashToken** being distributed through **ZeroToken** holders

Id	3S-M^0-H01
Classification	High
Severity	High
Likelihood	Medium
Category	Bug
Status	Addressed in #3fb74e7 .

Description

The function [PowerToken.buy](#) is used to purchase tokens in auction. The price of those tokens decreases with time, following a dutch auction model. Because there's no deadline parameter in the function call, it's possible to retain this transaction and execute it in a subsequent auction at a steeper price, potentially resulting in a significant loss to the user, considering the price in an auction starts at **2^99 wei** per supply basis point.

Here's a likely scenario:

1. Auction A starts. Let's assume that **cashToken** is WETH.
2. Nobody buys the tokens until the price becomes more reasonable. For example, 1 ether per bps.
3. Alice max-approves the spending of her WETH for the **PowerToken** contract to transfer them. Alice holds 100 WETH in her wallet.
4. Alice tries to buy the tokens, but ends up paying a very low fee and the transaction ends up not being picked up for execution. In the meantime, market fees rise and the transaction gets stuck in the mempool. This is not uncommon, and there are thousands of mempool transactions with over a month.
5. A new auction B eventually starts. Starting price is the same.

6. A **ZeroToken** holder Bob submits Alice's transaction inside a flashbots bundle. Bob does this when the price is 100 ether per bps.

7. Alice ends up buying the desired amount of **PowerToken**. However, the price was much larger than she wanted, and she ended up spending 100 times more.

8. The WETH falls into the vault, where both Bob and the other **ZeroToken** holders will be able to claim their fair share.

It should be noted that, in theory, all **ZeroToken** holders have an economic incentive to be on the look for these buying attempts that get stuck on the mempool.

Recommendation

Add a deadline input to the function call, and check that **block.timestamp** is smaller than that deadline.

```
function buy(
    uint256 minAmount_,
    uint256 maxAmount_,
    address destination_,
    uint256 deadline_
) external returns (uint240 amount_, uint256 cost_) {
```

3S-M^0-H02

Validator signature with zero timestamp can always be replayed

Id	3S-M^0-H02
Classification	High
Severity	High
Likelihood	Medium
Category	Bug
Status	Addressed in #b2c421c .

Description

When calling `MinterGateway.updateCollateral`, an array of timestamps gets passed. That is because the digest signed by a validator includes an updating timestamp.

The minimum timestamp between the signatures will be used as the new collateral update timestamp. This is used to check for staleness, which also has the side effect of preventing replaying a set of signatures:

```
function _updateCollateral(address minter_, uint240 amount_, uint40
newTimestamp_) internal {
    uint40 lastUpdateTimestamp_ =
_minterStates[minter_].updateTimestamp;
    // MinterGateway already has more recent collateral update
    if (newTimestamp_ < lastUpdateTimestamp_) revert
StaleCollateralUpdate(newTimestamp_, lastUpdateTimestamp_);
    _minterStates[minter_].collateral = amount_;
    _minterStates[minter_].updateTimestamp = newTimestamp_;
}
```

The issue arises when a timestamp signed by a validator is zero. This is explicitly allowed by the validator signature verification, which ignores zero values:

```
// Find minimum between all valid timestamps for valid
signatures.
minTimestamp_ = UIntMath.min40IgnoreZero(minTimestamp_,
```

```
UIntMath.safe40(timestamps_[index_]));
```

In the extreme scenario where every validator signature of the array has a zero timestamp, **minTimestamp_** will be **block.timestamp**, which will always pass the staleness check. This means that an array of signatures with zero timestamps can be replayed as many times as a minter wants, thus achieving a way for updating its collateral to that same value in the future, regardless of whether or not that's still true in the off-chain world. A minter could do the following:

1. Add a very large amount of real world collateral. Let's say \$10M.
2. Call **updateCollateral** with the right amount. Let's assume validators will have signed with a zero timestamp, which is explicitly allowed by the protocol.
3. Redeem the entire real world collateral.
4. Call **updateCollateral** by replaying the original validator signatures. The protocol will still think the minter has all the collateral.
5. Mint the maximum allowed amount of **MToken**. Sell them somewhere at market price.

In a less extreme scenario where only 1 validator signs with a zero timestamp, we can still say that this specific signature can be reused anytime in the future, as long as the same collateral value is being used and that validator continues being approved by the TTG. The previous scenario can still be achieved if a minter rightfully calls **updateCollateral** multiple times with the same amount and rotates the validators until they finally get enough zero timestamp signatures from different validators.

Recommendation

Revert the signature verification if a timestamp is zero, by adding the following line to **_verifyValidatorSignatures**'s loop:

```
if (timestamps_[index_] == 0) revert ZeroTimestamp();
```

3S-M^0-M01

MToken's total principal invariant can be broken

Id	3S-M^0-M01
Classification	Medium
Severity	High
Likelihood	Low
Category	Bug
Status	Addressed in #74523a8 .

Description

Because there's an unchecked total earning principal addition in [MToken._addEarningAmount](#), the **MToken** contract would be subject to a potential silent overflow of **principalOfTotalEarningSupply**. However, there's a check in the [MinterGateway.mintM](#) function that's supposed to prevent this from ever happening.

But because **minterRate** and **earnerRate** can be different, it is possible that a silent overflow happening in **MToken** doesn't get caught by the check in **MinterGateway**. The transaction will not be reverted, and **principalOfTotalEarningSupply** will silently overflow, reaching a broken state. Because a silent overflow in **MToken** will lead to an additional mint of **MinterGateway.excessOwedM**, the function can still revert in a safe **uint112** cast within **MToken.mint**. But there's still possible mint amount values which will lead to a successful transaction.

Close to the point of overflow, a malicious minter could mint the appropriate amount to make **MToken** reach the broken state. The overflowed **principalOfTotalEarningSupply** might still be used to drive further impact to the protocol.

Recommendation

Use checked addition in **_addEarningAmount**.

```
function _addEarningAmount(address account_, uint112 principalAmount_)
internal {
    unchecked {
        _balances[account_].rawBalance += principalAmount_;
    }
}
```

```
    }  
    principalOfTotalEarningSupply += principalAmount_  
}
```


3S-M^0-M02

Validator signatures with greater timestamps can be reused in a subsequent **updateCollateral**

Id	3S-M^0-M02
Classification	Medium
Severity	Medium
Likelihood	Medium
Category	Bug
Status	Acknowledged

Description

When calling [MinterGateway.updateCollateral](#), an array of timestamps gets passed. That is because the digest signed by a validator includes an updating timestamp. The minimum timestamp between the signatures will be used as the new collateral update timestamp. This is used to check for staleness, which also has the side effect of preventing replaying a set of signatures.

Provided the collateral amount stays the same, all signatures with a timestamp larger than the minimum timestamp between them can be reused for a subsequent update. This means that the minter may just need to get a signature from one validator and use all others. The new **updateTimestamp** may not be as large as if the minter had requested new signatures from all validators, but it still can allow the minter to delay the penalization time. Potentially, they can even misrepresent their on-chain collateral value during a small period, provided there's one malicious validator willing to forge a signature.

Recommendation

A gas-intensive solution would be to flag each new digest as used in storage. A less intensive mitigation would be to explicitly prevent a large deviation of the timestamps being used in an **updateCollateral** call.

3S-M^0-L01

Multiplication after division in **StableEarnerRateModel** leads to loss of precision

Id	3S-M^0-L01
Classification	Low
Severity	Low
Likelihood	High
Category	Bug
Status	Addressed in #cac3c24 .

Description

In the [StableEarnerRateModel.getSafeEarnerRate](#) function, there's a log calculation detailed in a comment:

```
// 6. ln(1 + (totalActive * (delta_minterIndex - 1) / totalEarning))
* SECONDS_PER_YEAR / dt = earnerRate
```

The code implementation of the log argument calculation follows the comment, but using fixed point arithmetic with 12 decimals. The problem is that a division by **1e12** is immediately followed by a **1e12** multiplication:

```
1e12 + (((uint256(totalActiveOwedM_) * (deltaMinterIndex_ -
1e12)) / 1e12) * 1e12) / totalEarningSupply_)
```

That division combined with the multiplication should cancel out in real world math. But because of integer division, this sets the first 12 decimals to zero.

Recommendation

Remove the division and multiplication by **1e12**.

3S-M^0-L02

A decrease in **updateCollateralInterval** will lead to unfair penalties

Id	3S-M^0-L02
Classification	Low
Severity	Low
Likelihood	Medium
Category	Bug
Status	Acknowledged

Description

The **MinterGateway.updateCollateral** function should be called once every **updateCollateralInterval**. If the minter fails to do this a penalty will be imposed on him next time he tries to update his collateral. This process is done through [MinterGateway._imposePenaltyIfMissedCollateralUpdates](#) function.

This function will in turn call [MinterGateway._getMissedCollateralUpdateParameters](#) to calculate the amount of intervals missed:

```
function _getMissedCollateralUpdateParameters(
    uint40 lastUpdateTimestamp_,
    uint40 lastPenalizedUntil_,
    uint32 updateInterval_
) internal view returns (uint40 missedIntervals_, uint40 missedUntil_) {

    uint40 penalizeFrom_ = UIntMath.max40(lastUpdateTimestamp_,
lastPenalizedUntil_);
    // If brand new minter or `updateInterval_` is 0, then there is no
missed interval charge at all.
    if (lastUpdateTimestamp_ == 0 || updateInterval_ == 0) return (0,
penalizeFrom_);
    uint40 timeElapsed_ = uint40(block.timestamp) - penalizeFrom_;
    if (timeElapsed_ < updateInterval_) return (0, penalizeFrom_);
    missedIntervals_ = timeElapsed_ / updateInterval_;
    missedUntil_ = penalizeFrom_ + (missedIntervals_ * updateInterval_);
}
```

The issue with this function arises when there's a decrease in **updateCollateralInterval**. It incorrectly assumes that the minter missed one or more intervals in the past based on the new **updateCollateralInterval**, even though this new value only became effective later on.

This will impose a penalty to the minter as if he missed updates to his collateral, when in reality he did not.

Here's an example:

- On January 1st, TTG executes a proposal that sets **updateCollateralInterval** to 1 month;
- On January 28th, Bob calls **updateCollateral**;
- On February 28th, Bob calls **updateCollateral** again;
- On March 27th, TTG executes a proposal that reduces **updateCollateralInterval** to 1 day;
- On March 28th, Bob calls **updateCollateral** so that he does not miss the new interval.

This last call, however, will impose an unfair penalty on Bob of 28 **missedIntervals_** when he did not miss any.

Recommendation

Change the logic in **_getMissedCollateralUpdateParameters** so that it checks if there was any decrease in **updateCollateralInterval** and, if so, calculate if there was any missed intervals before the proposal execution, using the old **updateCollateralInterval**. After that it should proceed to calculate the amount of **missedIntervals_** after the proposal execution using the new **updateCollateralInterval**.

3S-M^0-L03

Unhandled rounding error in **DistributionVault.getClaimable** leads to locked dust

Id	3S-M^0-L03
Classification	Low
Severity	Low
Likelihood	Medium
Category	Bug
Status	Addressed in #078ed2a .

Description

The [DistributionVault.getClaimable](#) function rounds down during the division operation used to calculate **claimable**, resulting in dust amounts being locked in **DistributionVault**.

```
function getClaimable(
    address token_,
    address account_,
    uint256 startEpoch_,
    uint256 endEpoch_
) public view returns (uint256 claimable_) {
    // ...
    claimable_ += (distributionOfAt[token_][startEpoch_ + index_] *
balance_) / totalSupply_;
}
}
```

Every single token in the contract is meant to be retrieved by a specific user at a specific past epoch. This means that any rounding errors that might occur will lead to dust amounts being locked in the contract as **DistributionVault** does not have any mechanism that enables these funds to be retrieved.

The impact of this issue depends on a couple of points:

1. As token precision decreases, 1 unit of that token is more valuable than 1 unit of a token with higher precision. This will make rounding errors in the **claimable** calculation more

expensive for lower decimal tokens. So, the impact of this issue increases as the precision of the token claimed decreases.

2. The fact that the protocol makes a rounding down division for every past epoch will also increase the impact of this issue comparing to other vaults, as the dust amount will grow for every epoch iteration.

3. As the total supply of **ZERO** is more thinly distributed among holders, the amount of dust locked in the Vault will also increase:

- If no **ZERO** holder has more than 10% of the total supply, **10 wei** may be locked in the contract per epoch;

- If no **ZERO** holder has more than 5% of the total supply, **20 wei** may be locked in the contract per epoch;

- etc

3S-M^0-L04

Creating a new proposal in **StandardGovernor** may reach a state of permanent DoS

Id	3S-M^0-L04
Classification	Low
Severity	Medium
Likelihood	Low
Category	Bug
Status	Addressed in #c2131a5 .

Description

The function [StandardGovernor.propose](#) is used to create a new proposal to be executed in the **StandardGovernor**. If it's the first proposal for that epoch, it will call [PowerToken.markNextVotingEpochAsActive](#) to set the next target supply. Inside this function, there's a check to cap the next target supply at `type(uint240).max`:

```
uint240 nextTargetSupply_ = _nextTargetSupply = UIntMath.bound240(
    uint256(_targetSupply) + (_targetSupply *
participationInflation) / ONE
);
```

The issue is that the most likely scenario will be that the multiplication `_targetSupply * participationInflation` will overflow first, before any bound checks. Because `_targetSupply` is a `uint240` and `participationInflation` is a `uint16`, the multiplication will raise a panic overflow when it passes the maximum value of a `uint240`. This means that, in most cases, the transaction will revert with a panic overflow instead of just capping the next target supply.

Because the problematic function is called by **StandardGovernor.propose** for the first proposal of an epoch, this results in a permanent denial-of-service situation where it will no longer be possible to create new proposals in the **StandardGovernor**.

Recommendation

Cast `_targetSupply` to not allow a `uint240` overflow:

```
uint240 nextTargetSupply_ = _nextTargetSupply = UIntMath.bound240(  
    uint256(_targetSupply) + (uint256(_targetSupply) *  
participationInflation) / ONE  
);
```


3S-M^0-L05

MToken's total principal invariant doesn't hold without **MinterGateway**, leading to potential principal loss

Id	3S-M^0-L05
Classification	Low
Severity	Low
Likelihood	Low
Category	Bug
Status	Addressed in #74523a8 .

Description

In function `MToken._mint`, when the account is an earner, the principal gets added to both its raw balance and to the global variable `principalOfTotalEarningSupply`. However, this addition is unchecked, allowing the total principle to silently overflow the maximum `uint112` amount. The final check assessing whether or not the total principal (earning and non earning supply) is greater than `type(uint112).max` will pass if the earning principal amount already overflowed before in `_addEarningAmount`.

This can further cause damage to earners if e.g. Alice is able to overflow Bob's balance:

1. Bob is going to call `stopEarning`.
2. Alice frontruns Bob's transaction and transfers him the exact principal amount to make Bob's balance equal `type(uint112).max + 2`.
3. When Bob calls `stopEarning`, there's an unsafe cast which will truncate his entire balance: `uint112 principalAmount_ = uint112(_balances[account_].rawBalance);`. Bob's new balance will be 1.

It should be noted that the **MinterGateway** prevents the invariant from easily breaking. But such an important **MToken** invariant should not be solely preserved by an external contract, as it can lead to potential problems in the future (e.g. changing the **MinterGateway** contract).

Recommendation

Consider removing the unchecked addition of **principalOfTotalEarningSupply** in **_addEarningAmount**:

```
function _addEarningAmount(address account_, uint112 principalAmount_)
internal {
    unchecked {
        _balances[account_].rawBalance += principalAmount_;
    }
    principalOfTotalEarningSupply += principalAmount_;
}
```

3S-M^0-L06

Unrealized inflation calculation returns wrong value when balance reaches cap

Id	3S-M^0-L06
Classification	Low
Severity	Low
Likelihood	Medium
Category	Bug
Status	Addressed in #767e304 .

Description

The function `EpochBasedInflationaryVoteToken._getUnrealizedInflation` calculates a given account's inflation which has not been added to their balance yet. The inflation value gets incremented for each epoch the account/delegatee participated on.

The issue is that if the `inflatedBalance_` variable passes the `type(uint240).max` value, the function will return `type(uint240).max`, due to the following line:

```
if (inflatedBalance_ >= type(uint240).max) return
type(uint240).max;
```

Let's imagine an unrealistic scenario where the current balance of an account is `type(uint240).max - 1`, that inflation from 2 participations is still unrealized, and that `participationInflation` is 10%.

1. In the first participation loop, `inflation_` is zero so `inflatedBalance_` will not reach the cap. The `newInflation_` value will be 10% of the initial balance, which also doesn't reach the cap.
2. In the second and last participation loop, `inflatedBalance_` will now be 110% of the initial balance, which will reach the cap. Thus, `type(uint240).max` will be returned as the unrealized inflation value.

It would have made more sense to force a cap on `inflatedBalance_` by setting it to `type(uint240).max` and continuing the loop execution. This way, the final inflation value

being returned would end up being about 20% of the initial balance, which does seem to make more sense. That being said, and considering the usage of **`_getUnrealizedInflation`** throughout the contract, it does seem like there's no meaningful impact associated to this.

Recommendation

Consider changing the line mentioned above:

```
        if (inflatedBalance_ >= type(uint240).max) {  
inflatedBalance_ = type(uint240).max; }
```

3S-M^0-L07

Custom error for overflowing the total principal is not raised

Id	3S-M^0-L07
Classification	Low
Severity	Low
Likelihood	Medium
Category	Bug
Status	Addressed in #bdd94b9 .

Description

In the `MToken._mint` function, there's a check to make sure the total principal doesn't become larger than a `uint112`:

```

        if (
            principalOfTotalEarningSupply +
            _getPrincipalAmountRoundedDown(totalNonEarningSupply) >= type(uint112).max
        ) {
            revert OverflowsPrincipalOfTotalSupply();
        }

```

Inside the condition, we're adding two `uint112` numbers, which will panic overflow if the result is greater than `type(uint112).max` (solidity 0.8 is being used). For this reason, the error inside the `if` statement will never actually be reached.

Recommendation

Cast one of the numbers to `uint256` to prevent the addition from panic overflowing:

```

        if (
            uint256(principalOfTotalEarningSupply) +
            _getPrincipalAmountRoundedDown(totalNonEarningSupply) >= type(uint112).max
        ) {
            revert OverflowsPrincipalOfTotalSupply();
        }

```

Recommendation

Consider checking the calldata size in the function `_revertIfInvalidCalldata`. For example, the implementation in the **StandardGovernor** would be the following:

```
function _revertIfInvalidCalldata(bytes memory callData_) internal pure
override {
    bytes4 func_ = bytes4(callData_);
    uint256 length = callData_.length;
    if (
        !(func_ == this.addToList.selector && length == 68) &&
        !(func_ == this.removeFromList.selector && length == 68) &&
        !(func_ == this.removeFromAndAddToList.selector && length ==
100) &&
        !(func_ == this.setKey.selector && length == 68) &&
        !(func_ == this.setProposalFee.selector && length == 36)
    ) revert InvalidCallData();
}
```

3S-M^0-L09

Function **cancelMint** can be frontrunned to grief a validator

Id	3S-M^0-L09
Classification	Low
Severity	Low
Likelihood	Medium
Category	Bug
Status	Acknowledged

Description

In the [MinterGateway.cancelMint](#) function, an approved validator cancels a mint proposal by passing the minter address and **mintId**. The function will revert if the the minter's proposal doesn't correspond to the input id. Each **mintId** is generated from a nonce, and this is independent from the proposal details.

A minter can frontrun any **cancelMint** call by calling **proposeMint** with the exact same parameters as their mint proposal that was about to be cancelled. This will revert the validator's transaction, because the specified id will no longer be correct. A minter can keep doing this until they potentially get frozen by the validator.

3S-M^0-L10

StandardGovernor's implementation of **quorum** is incompatible with Tally

Id	3S-M^0-L10
Classification	Low
Severity	Low
Likelihood	Low
Category	Bug
Status	Addressed in #235 .

Description

The [StandardGovernor](#) contract inherits from **IGovernor**, which states the following:

```
/// @title Minimal OpenZeppelin-style, Tally-compatible governor.
interface IGovernor is IERC6372, IERC712 {
```

But the **StandardGovernor** contract implements **quorum** functions in the following way:

```
/// @inheritdoc IGovernor
function quorum() external pure returns (uint256) {
    return 0;
}
/// @inheritdoc IGovernor
function quorum(uint256) external pure returns (uint256) {
    return 0;
}
```

The [documentation](#) from Tally states that it "needs the quorum to calculate if a proposal has passed." Returning quorum as zero, even though that's not the quorum threshold's value, will not only break some compatibility with Tally, but it also might bring about unexpected outputs to other smart contracts within the Ethereum ecosystem expecting the **StandardGovernor** to follow full Tally compatibility, as stated in **IGovernor**, thus breaking modularity.

Recommendation

Consider properly implementing the **quorum** functions. Optionally, be explicit about this lack of compatibility.

3S-M^0-L11

A sufficiently large collateral may break the maximum owed M calculation

Id	3S-M^0-L11
Classification	Low
Severity	Medium
Likelihood	Low
Category	Bug
Status	Addressed in #06b6cb1 .

Description

In the [MinterGateway](#) contract, the **updateCollateral** function can set a collateral value to any value, provided the value is no larger than **type(uint240).max** and the data is signed by enough validators. The **maxAllowedActiveOwedMOf** function will use the collateral value to assess if a minter is undercollateralized:

```
function maxAllowedActiveOwedMOf(address minter_) public view returns
(uint256) {
    // NOTE: Since `mintRatio()` is capped at 10,000% (i.e. 1_000_000)
    this cannot overflow.
    unchecked {
        return _minterStates[minter_].isActive ?
(uint256(collateralOf(minter_)) * mintRatio()) / ONE : 0;
    }
}
```

The comment note in **maxAllowedActiveOwedMOf** is incorrect, because the multiplication of a large **mintRatio** with a large collateral can overflow a **uint256**. In the unlikely scenario that validators allow a very odd and large collateral value, this multiplication will silently overflow due to the **unchecked** block, leading to a wrong calculation of the maximum allowed debt.

Recommendation

Remove the **unchecked** block in this situation to avoid a silent overflow. For better readability, consider raising a custom error instead of letting the compiler raise a panic error upon overflow.

3S-M^0-N01

Missing **override** keyword for interface inherited methods

Id	3S-M^0-N01
Classification	None
Category	Suggestion
Status	Acknowledged

Description

Most contracts are not implementing their interface methods with **override** keywords. For example, the [DistributionVault](#) contract implements all its interface functions, but it doesn't add the **override** keyword to any of the functions. This means the compiler won't check that the implementation is properly implementing what is defined on the interface, making it prone to spelling errors and function signature mismatching.

Recommendation

Add the **override** keyword to those contracts functions as a best practice and for compiler checks.

3S-M^0-N02

Some contracts don't implement their entire interface

Id	3S-M^0-N02
Classification	None
Category	Suggestion
Status	Acknowledged

Description

There are some contracts that don't fully implement the interface with the same name. For example, [IERC5805](#) defines functions such as **delegates**, **getPastVotes** and **getVotes**. These functions are not implemented in **ERC5805**, only in **EpochBasedVoteToken**.

Recommendation

Implement all interface functions in the contract with the same name, even if said implementation remains empty and virtual.

3S-M^0-N03

No need to set **isActive** to **false** if that mapping entry was deleted

Id	3S-M^0-N03
Classification	None
Category	Bug, Optimization
Status	Addressed in #8024584 .

Description

In [MinterGateway.deactivateMinter](#) the minter's entry in **_minterStates** is deleted using the **delete** keyword:

```
function deactivateMinter(address minter_) external
onlyActiveMinter(minter_) returns (uint240 inactiveOwedM_) {
    // ...
    delete _minterStates[minter_];
    delete _mintProposals[minter_];
    _minterStates[minter_].isDeactivated = true;
    _minterStates[minter_].isActive = false;
    // ...
}
```

This action sets all types of that specific entry to its default value, and so, there is no need to set **isActive** to **false** as this is the default value set by the **delete** keyword.

Recommendation

Remove the following line from **deactivateMinter** function:

```
_minterStates[minter_].isActive = false;
```

3S-M^0-N04

Unnecessary Recomputation of Storage Pointer in `MToken._startEarning`

Id	3S-M^0-N04
Classification	None
Category	Optimization
Status	Addressed in #fc9069a .

Description

In `MToken._startEarning` function, the `_balances` mapping is stored in the `mBalance_` variable.

```
MBalance storage mBalance_ = _balances[account_];
```

But a few lines below, instead of using `mBalance_` to retrieve `rawBalance`, `_balances[account_].rawBalance` is used again spending unnecessary gas.

```
function _startEarning(address account_) internal {
    emit StartedEarning(account_);
    MBalance storage mBalance_ = _balances[account_];
    if (mBalance_.isEarning) return;
    mBalance_.isEarning = true;
    // Treat the raw balance as present amount for non earner.
    uint240 amount_ = _balances[account_].rawBalance;
```

Recommendation

Change the `amount_` variable to:

```
uint240 amount_ = mBalance_.rawBalance;
```


3S-M^0-N05

Unnecessary check in **StandardGovernor.state**

Id	3S-M^0-N05
Classification	None
Category	Optimization
Status	Addressed in #768c250 .

Description

Since [StandardGovernor._votingPeriod](#) function will always returns **0**, **voteStart** will always be equal to **voteEnd**.

This means that the following check in the **StandardGovernor.state** is unnecessary:

```
if (currentEpoch_ <= voteEnd_) return ProposalState.Active;
```

The use of **<** spends unnecessary gas by checking that **currentEpoch_** is less than **voteEnd_**.

If **currentEpoch_** is indeed less than **voteEnd_** then the transaction will stop a few lines above:

```
if (currentEpoch_ < voteStart_) return ProposalState.Pending;
```

Recommendation

The check for strict equality (**==**) will suffice.

3S-M^0-N06

Code should not panic underflow

Id	3S-M^0-N06
Classification	None
Category	Suggestion
Status	Addressed in #20b3b62 , #160d105 , #e147ec4 .

Description

There's several places in the protocol where proper code validation is missing by, instead, relying on panic errors.

This is not recommended behaviour as per [Solidity Docs](#):

Properly functioning code should never create a Panic, not even on invalid external input. If this happens, then there is a bug in your contract which you should fix.

Here are the instances that rely on panic errors caught during the review:

- [MToken._subtractEarningAmount](#)
- [MToken._subtractNonEarningAmount](#)
- [ERC20Extended.transferFrom](#)
- [DistributionVault.getClaimable](#)
- [PowerToken._divideUp](#)

Recommendation

Raise proper errors instead of relying on panic.

3S-M^0-N07

StartedEarning event is emitted even if account is already earning

Id	3S-M^0-N07
Classification	None
Category	Optimization
Status	Addressed in #5b68e4e .

Description

In [MToken._startEarning](#) the **StartedEarning** event will be emitted even if the calling account is already earning:

```
function _startEarning(address account_) internal {
    emit StartedEarning(account_);
    MBalance storage mBalance_ = _balances[account_];
    if (mBalance_.isEarning) return;

    // ...
}
```

The same happens in the [MToken._stopEarning](#). The **StoppedEarning** event will be emitted even if the user isn't an earner.

Recommendation

Move the line that emits the event to the end of the function so that it will only fire when a new user starts/stops being an earner.

3S-M^0-N08

Wrong comment in Standard Governor's **execute** function

Id	3S-M^0-N08
Classification	None
Category	Suggestion
Status	Addressed in #22bd53c .

Description

The following comment is present in [StandardGovernor](#)'s **execute** function:

```
// Proposals have voteStart=N and voteEnd=N, and can be executed only  
during epochs N+1 and N+2.
```

This, however, is not the current behaviour of the contract. As confirmed by the client, approved proposals can only be executed 1 epoch after **voteEnd** and not 2 epochs as the comment suggests.

Recommendation

Update the comment so it explains the actual behaviour of epoch execution:

```
// Proposals have voteStart=N and voteEnd=N, and can be executed only  
during N+1 epoch.
```

3S-M^0-N09

Unnecessary **currentEpoch** zero check in **StandardGovernor** and **ThresholdGovernor**

Id	3S-M^0-N09
Classification	None
Category	Optimization
Status	Addressed in #1c7576f .

Description

The **currentEpoch** value is derived from [BatchGovernor._clock](#), which can never be zero. But the **execute** functions of both **StandardGovernor** and **ThresholdGovernor** check if **currentEpoch** is zero.

Recommendation

Since the epoch implementation being used doesn't allow for a zero value returned by **_clock**, consider removing these zero checks.

3S-M⁰-N10

Overflow check in **PowerToken._divideUp** is unnecessary

Id	3S-M ⁰ -N10
Classification	None
Category	Optimization
Status	Acknowledged

Description

The [PowerToken._divideUp](#) function checks if a result of a multiplication "wrapped" around the maximum number, i.e. if it silently overflowed:

```
z = (x * ONE) + y;  
if (z < x) revert DivideUpOverflow();
```

Because calculation of **z** is not unchecked, the condition **z < x** will never be true, since solidity 0.8 checks and reverts on overflow.

Recommendation

Remove the line checking the **z < x** condition.

3S-M⁰-N11

Unnecessary conditional check in **ThresholdGovernance.execute**

Id	3S-M ⁰ -N11
Classification	None
Category	Optimization
Status	Acknowledged

Description

The function [ThresholdGovernor.execute](#) executes a successful proposal. Among other things, the function executes the following lines:

```

    if (currentEpoch_ == 0) revert InvalidEpoch();
    // Proposals have voteStart=N and voteEnd=N+1, and can be executed
only during epochs N and N+1.
    uint16 latestPossibleVoteStart_ = currentEpoch_;
    uint16 earliestPossibleVoteStart_ = latestPossibleVoteStart_ > 0 ?
latestPossibleVoteStart_ - 1 : 0;

```

The **execute** function will revert if **currentEpoch_ == 0**, and then it assigns this value to **latestPossibleVoteStart_**. Considering this last variable can never be zero, the conditional check in the following line is unnecessary.

Recommendation

Replace the last lined shown above with the following:

```

uint16 earliestPossibleVoteStart_ = latestPossibleVoteStart_ - 1;

```

3S-M^0-N12

Inconsistent naming of function in **PureEpochs**

Id	3S-M^0-N12
Classification	None
Category	Suggestion
Status	Addressed in #63b247c .

Description

The [PureEpochs](#) library implements a variety of functions centered on the definition of epochs. For example, it includes the following functions:

- **getTimeSinceEpochStart**
- **getTimeSinceEpochEnd**
- **getTimeUntilEpochStart**

It also includes the function **getTimeUntilEpochEnds**. The naming of this function in particular is inconsistent with the remaining ones.

Recommendation

Change the name of the **getTimeUntilEpochEnds** function to **getTimeUntilEpochEnd**.

3S-M^0-N13

_checkAndIncrementNonce in **ERC5805** raises a **ReusedNonce** error for non used nonces

Id	3S-M^0-N13
Classification	None
Category	Suggestion
Status	Addressed in #d75ef4a , #4e20a80 .

Description

The [ERC5805._checkAndIncrementNonce](#) function makes sure the nonce being used in a signature is the right one. If it is, it increments it:

```
function _checkAndIncrementNonce(address account_, uint256 nonce_)
internal {
    uint256 currentNonce_ = nonces[account_];
    if (nonce_ != currentNonce_) revert ReusedNonce(nonce_,
currentNonce_);
    unchecked {
        nonces[account_] = currentNonce_ + 1; // Nonce realistically
cannot overflow.
    }
}
```

The error being raised when **nonce_ != currentNonce_** is misleading. The **if** statement doesn't necessarily mean that the **nonce_** value being used has been used in past signatures, rather it means that it is not the expected current nonce of the account. For example, if the current nonce is 1 and the user signs the data with nonce 3, this should revert, but nonce 3 hasn't been used yet.

Recommendation

Consider renaming the error to more accurately describe the issue. For example, **NotCurrentNonce**.

3S-M^0-N14

castVoteWithReason always fires a **VoteCast** event with an empty reason

Id	3S-M^0-N14
Classification	None
Category	Suggestion
Status	Addressed in #b97b196 .

Description

The [BatchGovernor](#) contract supports **castVoteWithReason** to be compatible with certain governors. Because the **VoteCast** event has a **reason** parameter, whoever uses this external function is expecting an event being emitted with the provided reason. Instead, the **reason** parameter is always empty in the event being emitted by **_castVote**:

```
function _castVote(address voter_, uint256 weight_, uint256 proposalId_,
uint8 support_) internal virtual {
    // ...
    emit VoteCast(voter_, proposalId_, support_, weight_, "");
}
```

Recommendation

Make sure that the **reason** input of **castVoteWithReason** is passed through to the **VoteCast** event.

3S-M^0-N15

transferFrom in **ERC20Extended** will always emit an **Approval** event if the allowance changes

Id	3S-M^0-N15
Classification	None
Category	Suggestion
Status	Addressed in #3076d87 .

Description

The [ERC20Extended.transferFrom](#) function is using **_approve** for changing allowance, and this internal function always fires up an **Approval** event.

Recommendation

The token should not be firing this event unless by calling the external **ERC20.approve** function. Other common implementations (OpenZeppelin, solmate) also don't fire this event when allowance changes due to a **transferFrom** call.

3S-M^0-N16

EIP712's `_revertIfError` should use all **SignatureChecker.Error** errors

Id	3S-M^0-N16
Classification	None
Category	Suggestion
Status	Addressed in #7eef72d .

Description

Function [ERC712._revertIfError](#) goes through the different error possibilities in **SignatureChecker.Error** and raises the right error accordingly. But some are missing: **InvalidSignatureS** and **InvalidSignatureV**.

Recommendation

Consider either using the missing ones for better error messaging instead of raising the more general **InvalidSignature** error, or removing the unused ones from the enum.

3S-M^0-N17

The **IERC3009** interface is not fully conforming to the standard

Id	3S-M^0-N17
Classification	None
Category	Suggestion
Status	Addressed in #ab7366e .

Description

The [IERC3009](#) defines a token interface following the EIP3009 standard. The interface is not fully conforming to the standard and it's missing the following mandatory view functions:

- **TRANSFER_WITH_AUTHORIZATION_TYPEHASH**
- **RECEIVE_WITH_AUTHORIZATION_TYPEHASH**

Because the interface is also adding the optional canceling functions from EIP3009, it should also be defining the **CANCEL_AUTHORIZATION_TYPEHASH** view function.

Recommendation

Though the [ERC3009](#) contract does implement these functions, it is still recommended that the interface implements them as well.