



Code Security Assessment

# DeOrderBook

Jan 25th, 2022



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### Disclaimer

### About

# Summary

This report has been prepared for DeOrderBook to discover issues and vulnerabilities in the source code of the DeOrderBook project as well as any contract dependencies that were not part of an officially recognized library. A comprehensive examination has been performed, utilizing Static Analysis and Manual Review techniques.

The auditing process pays special attention to the following considerations:

- Testing the smart contracts against both common and uncommon attack vectors.
- Assessing the codebase to ensure compliance with current best practices and industry standards.
- Ensuring contract logic meets the specifications and intentions of the client.
- Cross referencing contract structure and implementation against similar smart contracts produced by industry leaders.
- Thorough line-by-line manual review of the entire codebase by industry experts.

The security assessment resulted in findings that ranged from critical to informational. We recommend addressing these findings to ensure a high level of security standards and industry practices. We suggest recommendations that could better serve the project from the security perspective:

- Enhance general coding practices for better structures of source codes;
- Add enough unit tests to cover the possible use cases;
- Provide more comments per each function for readability, especially contracts that are verified in public;
- Provide more transparency on privileged activities once the protocol is live.

# Overview

## Project Summary

|              |                                                                                             |
|--------------|---------------------------------------------------------------------------------------------|
| Project Name | DeOrderBook                                                                                 |
| Platform     | other                                                                                       |
| Language     | Solidity                                                                                    |
| Codebase     | <a href="https://github.com/DeOrderBook/v1-core">https://github.com/DeOrderBook/v1-core</a> |
| Commit       | 6f4c56b32988ddb5ad5d9c7b93e1089e2634367b                                                    |

## Audit Summary

|                   |                                |
|-------------------|--------------------------------|
| Delivery Date     | Jan 25, 2022                   |
| Audit Methodology | Static Analysis, Manual Review |

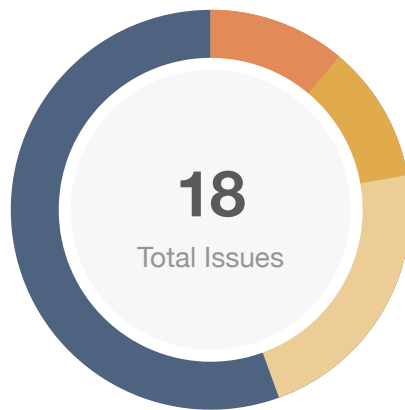
## Vulnerability Summary

| Vulnerability Level          | Total | Pending | Declined | Acknowledged | Partially Resolved | Mitigated | Resolved |
|------------------------------|-------|---------|----------|--------------|--------------------|-----------|----------|
| <span>●</span> Critical      | 0     | 0       | 0        | 0            | 0                  | 0         | 0        |
| <span>●</span> Major         | 2     | 0       | 0        | 2            | 0                  | 0         | 0        |
| <span>●</span> Medium        | 2     | 0       | 0        | 0            | 0                  | 0         | 2        |
| <span>●</span> Minor         | 4     | 0       | 0        | 2            | 1                  | 0         | 1        |
| <span>●</span> Informational | 10    | 0       | 0        | 7            | 0                  | 0         | 3        |
| <span>●</span> Discussion    | 0     | 0       | 0        | 0            | 0                  | 0         | 0        |

## Audit Scope

| ID  | File                                  | SHA256 Checksum                                                  |
|-----|---------------------------------------|------------------------------------------------------------------|
| GCC | governance/GovernanceControl.sol      | 3bf993958c4ea558b933a58f994246fb49e33516ed02f87a38660f8edaf88e32 |
| GBD | governance/GovernorBravoDelegate.sol  | da2f76c7c573b1a2d558d6a3914efaa4507ce9dc3a51dd1a8b7d09bfab765362 |
| GBC | governance/GovernorBravoDelegator.sol | 109a00acd7aeefbb956e59003917acd6a90624e55800cd274d3b321ada0b341  |
| TLC | governance/TimeLock.sol               | 7a961ba94df324f4fc0d997b34d9bf9ffa80eef83174ba9d0f833a89e5deda5a |
| TCK | governance/Treasury.sol               | 4fb0ef8a8329c3ea918572023ab7a8a47ee669cee05f7aa544e6daa5e7acb6a3 |
| DCK | option/Distributions.sol              | 19ccb9a95a5a05a53dd303c9ac05e42c57332f16de88be59a375a2a675331ddc |
| OCK | option/Option.sol                     | 1a59cd2b2778b8d4f8f9e9f20c992045e494dd88e1ec7c5e836e9e807aadb932 |
| OFC | option/OptionFactory.sol              | 49444c573933bd99584b2af3ef9f1d0f5e00d2aac8c39700d5b274da46fde15b |
| DOB | staking/DOBStakingPool.sol            | 339ea7f2b747fa020315670bfde31bcd8846675b268b31236e8b45031eb50da3 |
| SPR | staking/StakingPoolRewarder.sol       | 3116575c6c72156c82b01eba5a8933947395af6fa5201fa1c4e18925a3e7ac3d |
| SPC | staking/StakingPools.sol              | f0bec4d7fb6231c403318687570ec72c497bedd3aaa8500471e2da4363e51f16 |
| BCK | token/Bullet.sol                      | 2c9fae4d453d3813cb5dcba75743ab1ff7c31466cd8c8ece048e9e00a010691f |
| DOT | token/DOBTOKEN.sol                    | 184fc0ee78baa8d426a871377932bc1466872fa81f28c39155320d7c0a10399f |
| HOD | token/HODLToken.sol                   | 375a67f362b26e18f6851983945ec9bd9040afc4578d3caed568c8bbf0a455c2 |
| SCK | token/Sniper.sol                      | 2b0e20e2a3bd66a6dbc1aa7f54eb4d42dc06fa74fd9055035c46fcbc91296bb5 |

# Findings



|                                                       |             |
|-------------------------------------------------------|-------------|
| <span style="color: red;">■</span> Critical           | 0 (0.00%)   |
| <span style="color: orange;">■</span> Major           | 2 (11.11%)  |
| <span style="color: gold;">■</span> Medium            | 2 (11.11%)  |
| <span style="color: yellow;">■</span> Minor           | 4 (22.22%)  |
| <span style="color: darkblue;">■</span> Informational | 10 (55.56%) |
| <span style="color: green;">■</span> Discussion       | 0 (0.00%)   |

| ID                        | Title                                                                      | Category                    | Severity                                              | Status         |
|---------------------------|----------------------------------------------------------------------------|-----------------------------|-------------------------------------------------------|----------------|
| <a href="#">GLOBAL-01</a> | Centralization Related Risks                                               | Centralization / Privilege  | <span style="color: orange;">●</span> Major           | ① Acknowledged |
| <a href="#">GLOBAL-02</a> | Division Before Multiplication                                             | Mathematical Operations     | <span style="color: gold;">●</span> Minor             | ① Acknowledged |
| <a href="#">GLOBAL-03</a> | Redundant SafeMath in Solidity 0.8.x                                       | Language Specific           | <span style="color: darkblue;">●</span> Informational | ① Acknowledged |
| <a href="#">DCK-01</a>    | <code>delete</code> Without Status Checks                                  | Volatile Code               | <span style="color: darkblue;">●</span> Informational | ① Acknowledged |
| <a href="#">DOB-01</a>    | Missing Pause Limitation on <code>redeemReward()</code>                    | Inconsistency, Control Flow | <span style="color: darkblue;">●</span> Informational | ✓ Resolved     |
| <a href="#">DOB-02</a>    | Unable to Unpause                                                          | Control Flow                | <span style="color: darkblue;">●</span> Informational | ① Acknowledged |
| <a href="#">DOT-01</a>    | Centralized Holding Positions                                              | Centralization / Privilege  | <span style="color: orange;">●</span> Major           | ① Acknowledged |
| <a href="#">GBD-01</a>    | Inconsistency between Code and Comments for <code>MIN_VOTING_PERIOD</code> | Inconsistency               | <span style="color: darkblue;">●</span> Informational | ✓ Resolved     |
| <a href="#">GBD-02</a>    | Zero Value for <code>MIN_VOTING_DELAY</code>                               | Volatile Code               | <span style="color: darkblue;">●</span> Informational | ① Acknowledged |
| <a href="#">GBD-03</a>    | Proposals Cannot Be Rejected before Initiating as Governor                 | Volatile Code               | <span style="color: gold;">●</span> Minor             | ✓ Resolved     |
| <a href="#">HOD-01</a>    | Potential Precision Loss                                                   | Mathematical Operations     | <span style="color: gold;">●</span> Minor             | ① Acknowledged |

| ID                     | Title                                                                       | Category                    | Severity        | Status               |
|------------------------|-----------------------------------------------------------------------------|-----------------------------|-----------------|----------------------|
| <a href="#">OCK-01</a> | <code>initialize()</code> Can Be Called Multiple Times in Option            | Control Flow                | ● Medium        | ✓ Resolved           |
| <a href="#">OCK-02</a> | Discontinuous Time Periods                                                  | Volatile Code               | ● Minor         | ⌂ Partially Resolved |
| <a href="#">OCK-03</a> | Uninitialized Local Variable                                                | Volatile Code               | ● Informational | ① Acknowledged       |
| <a href="#">OFC-01</a> | Uninitialized State Variables                                               | Volatile Code               | ● Informational | ✓ Resolved           |
| <a href="#">SPC-01</a> | Missing Restrictions for Unstaking                                          | Volatile Code               | ● Informational | ① Acknowledged       |
| <a href="#">STA-01</a> | Checks-Effects-Interactions Pattern Not Applied                             | Volatile Code, Coding Style | ● Informational | ① Acknowledged       |
| <a href="#">TOK-01</a> | <code>initialize()</code> Can Be Called Multiple Times in Sniper and Bullet | Control Flow                | ● Medium        | ✓ Resolved           |

## GLOBAL-01 | Centralization Related Risks

| Category                   | Severity | Location | Status         |
|----------------------------|----------|----------|----------------|
| Centralization / Privilege | ● Major  | Global   | ⓘ Acknowledged |

### Description

In the contract `GovernanceControl`, the role `onlyGovernance` has authority over the following functions:

- `setGovernance()`
- `setExecutor()`

In the contract `GovernorBravoDelegate`, the role `admin` has authority over the following functions:

- `initialize()`
- `setVotingDelay()`
- `setVotingPeriod()`
- `setProposalThreshold()`
- `setWhitelistAccountExpiration()`
- `setWhitelistGuardian()`
- `initiate()`
- `setPendingAdmin()`

In the contract `GovernorBravoDelegate`, the role `whitelistGuardian` has authority over the following functions:

- `setWhitelistAccountExpiration()`

In the contract `GovernorBravoDelegator`, the role `admin` has authority over the following functions:

- `setImplementation()`

In the contract `Treasury`, the role `onlyGovernance` has authority over the following functions:

- `increaseAllowance()`
- `decreaseAllowance()`
- `transfer()`

In the contract `Distributions`, the role `onlyOwner` has authority over the following functions:

- `setExerciseFee()`

- `setWithdrawFee()`
- `setHodlWithdrawFee()`
- `setBulletToRewardRatio()`
- `setFeeDistribution()`
- `setBulletDistribution()`
- `setHodlWithdrawFeeDistribution()`

In the contract `Option`, the role `onlyFactory` has authority over the following functions:

- `setup()`

In the contract `OptionFactory`, the role `onlyOwner` has authority over the following functions:

- `setStakingPools()`
- `setDOBStakingPool()`
- `setDistributions()`
- `setStakingRewardPerBlock()`
- `notifyRemoveBullet()`

In the contract `DOBStakingPool`, the role `onlyWorker` has authority over the following functions:

- `drawReward()`

In the contract `DOBStakingPool`, the role `onlyFactory` has authority over the following functions:

- `addBullet()`
- `removeBullet()`

In the contract `DOBStakingPool`, the role `onlyOwner` has authority over the following functions:

- `setWorker()`
- `setFactory()`
- `setuHODLRewarder()`
- `setbHODLRewarder()`
- `setBulletRewardThreshold()`
- `setExtendLockDays()`
- `pause()`

In the contract `StakingPoolRewarder`, the role `onlyOwner` has authority over the following functions:

- `updateVestingSetting()`
- `setRewardDispatcher()`

In the contract `StakingPoolRewarder`, the role `onlyStakingPools` has authority over the following functions:

- `onReward()`
- `claimVestedReward()`

In the contract `StakingPools`, the role `onlyOwnerOrFactory` has authority over the following functions:

- `createPool()`

In the contract `Bullet`, the role `onlyController` has authority over the following functions:

- `mintFor()`
- `burn()`
- `burnFrom()`

In the contract `D0B`, the role `onlyAdmin` has authority over the following functions:

- `setPendingAdmin()`
- `snapshot()`

In the contract `Sniper`, the role `onlyController` has authority over the following functions:

- `mintFor()`
- `burn()`
- `burnFrom()`

Any compromise to the admin/privileged account may allow a hacker to take advantage of this authority.

## Recommendation

The risk describes the current project design and potentially makes iterations to improve in the security operation and level of decentralization, which in most cases cannot be resolved entirely at the present stage. We advise the client to carefully manage the privileged account's private key to avoid any potential risks of being hacked. In general, we strongly recommend centralized privileges or roles in the protocol be improved via a decentralized mechanism or smart-contract-based accounts with enhanced security practices, e.g., multi-signature wallets.

Indicatively, here are some feasible suggestions that would also mitigate the potential risk at a different level in terms of short-term, long-term and permanent:

### Short Term:

Timelock and Multi sign ( $\frac{2}{3}$ ,  $\frac{3}{5}$ ) combination *mitigate* by delaying the sensitive operation and avoiding a single point of key management failure.

- Time-lock with reasonable latency, e.g., 48 hours, for awareness on privileged operations;  
AND
- Assignment of privileged roles to multi-signature wallets to prevent a single point of failure due to the private key compromised;  
AND
- A medium/blog link for sharing the timelock contract and multi-signers addresses information with the public audience.

## Long Term:

Timelock and DAO, the combination, *mitigate* by applying decentralization and transparency.

- Time-lock with reasonable latency, e.g., 48 hours, for awareness on privileged operations;  
AND
- Introduction of a DAO/governance/voting module to increase transparency and user involvement.  
AND
- A medium/blog link for sharing the timelock contract, multi-signers addresses, and DAO information with the public audience.

## Permanent:

Renouncing the ownership or removing the function can be considered *fully resolved*.

- Renounce the ownership and never claim back the privileged roles. OR
- Remove the risky functionality.

## Alleviation

According to DeOrderBooks's feedback, there are Timelock and DAO in place and will renounce the ownership to DAO.

## GLOBAL-02 | Division Before Multiplication

| Category                | Severity | Location | Status         |
|-------------------------|----------|----------|----------------|
| Mathematical Operations | ● Minor  | Global   | 📄 Acknowledged |

### Description

There are mathematical operations performing divisions before multiplications, which is possible to lead to precision loss:

- `Option.enter()`
- `Option.exercise()`
- `Option.withdrawTarget()`
- `StakingPoolRewarder._calculateWithdrawableFromVesting()`
- `StakingPoolRewarder._calculateUnvestedAmountAtCurrentStep()`
- `StakingPoolRewarder._calculateUnvestedAmount()`
- `StakingPoolRewarder._onReward()`
- `HODLToken.withdrawTo()`

### Recommendation

Recommend performing multiplications before divisions to prevent precision loss, reviewing the decimals for the big numbers/multipliers/etc., and adding more tests to cover the potential precision loss.

### Alleviation

#### [DeOrderBook]:

This is to prevent overflow. Tests performed comprehensively and mostly calculating percentage, not dividing both large decimal numbers. The precision loss can be beared

## GLOBAL-03 | Redundant SafeMath In Solidity 0.8.x

| Category          | Severity        | Location | Status         |
|-------------------|-----------------|----------|----------------|
| Language Specific | ● Informational | Global   | ⓘ Acknowledged |

### Description

In contracts Timelock, Option, OptionFactory, DOBStakingPool, StakingPoolRewarder, StakingPools, DOB and HODLToken, the SafeMath libraries are imported and used for math operations. This is redundant as in solidity 0.8.x, arithmetic operations will revert if overflow/underflow occurs.

### Recommendation

Recommend removing the redundant import and adjust the codes.

## DCK-01 | delete Without Status Checks

| Category      | Severity        | Location                                        | Status         |
|---------------|-----------------|-------------------------------------------------|----------------|
| Volatile Code | ● Informational | option/Distributions.sol: 77~78, 95~96, 113~114 | ⓘ Acknowledged |

### Description

In contract Distributions, public state variables `feeDistribution`, `bulletDistribution`, and `hodlWithdrawFeeDistribution` can respectively be `delete` and reset in functions `setFeeDistribution()`, `setBulletDistribution()`, and `setHodlWithdrawFeeDistribution()`.

These three setter functions have input validation on `_percentage.length == _to.length` and `sum == 100`. However, since these three public variables have dependencies on contracts Option and HODLToken, the `delete` and reset behavior would lead to data missing issues on the dependency function calls.

Our understanding is that those state variables are not meant to be changed during the period of `inExerciseTime` and `beforeExerciseTime`. Please let us know if our understanding is wrong.

### Recommendation

Recommend adding checks to make sure it is safe to `delete` and reset the public state variables.

### Alleviation

#### [DeOrderBook]:

Those are onlyOwner setter. There is logic to ensure the new distribution to replace with the old one.

Those variables are internally fee distribution and should be able to change even during the period of `inExerciseTime` and `beforeExerciseTime` according to our requirement.

## DOB-01 | Missing Pause Limitation On `redeemReward()`

| Category                    | Severity        | Location                            | Status     |
|-----------------------------|-----------------|-------------------------------------|------------|
| Inconsistency, Control Flow | ● Informational | staking/DOBStakingPool.sol: 325~326 | ✓ Resolved |

### Description

Unlike `stake()` and `unstake()`, there are no time period limitations on function `redeemReward()`. The only requirements to call `redeemReward()` are `nonReentrant` and `uHODLCclaimable > 0 || bHODLCclaimable > 0`. Thus `redeemReward()` can be freely called even if the whole contract is paused.

### Recommendation

Recommend keeping consistency on the pausing conditions on the business logic functions.

### Alleviation

Fixed in commit d79b4796d123b9bf9bad02a409abc01beb3a27da.

## DOB-02 | Unable To Unpause

| Category     | Severity        | Location                            | Status         |
|--------------|-----------------|-------------------------------------|----------------|
| Control Flow | ● Informational | staking/DOBStakingPool.sol: 364~365 | ① Acknowledged |

### Description

According to the codes in the contract `DOBStakingPool`, the function `pause()` exists in the contract. However, the contract lacks the corresponding function `unpause()`.

### Recommendation

We would like to confirm with the client if the current implementation aligns with the original project design.

### Alleviation

#### [DeOrderBook]:

The contract will be voided once paused and offer emergencyUnstake function to stakers

## DOT-01 | Centralized Holding Positions

| Category                   | Severity | Location                  | Status         |
|----------------------------|----------|---------------------------|----------------|
| Centralization / Privilege | ● Major  | token/DOBToken.sol: 72~73 | ⓘ Acknowledged |

### Description

The `MAX_SUPPLY` of the DOB tokens are sent to the contract deployer, `admin`, in the constructor function. This could be a centralization risk as the deployer can distribute DOB tokens without obtaining the consensus of the community.

### Recommendation

Recommend making sure the transparent regarding the initial token distribution process, and the team shall make enough efforts to restrict the access of the private key.

### Alleviation

**[DeOrderBook]:**

Tokens will be allocated to different treasury after deployed and renounce the ownership to DAO

## GBD-01 | Inconsistency Between Code And Comments For `MIN_VOTING_PERIOD`

| Category      | Severity        | Location                                    | Status     |
|---------------|-----------------|---------------------------------------------|------------|
| Inconsistency | ● Informational | governance/GovernorBravoDelegate.sol: 17~18 | ✓ Resolved |

### Description

In contract GovernorBravoDelegate, there are lines of codes initializing constant state variables:

```
/// The minimum setable voting period
uint256 public constant MIN_VOTING_PERIOD = 1; // About 24 hours

/// The max setable voting period
uint256 public constant MAX_VOTING_PERIOD = 80640; // About 2 weeks
```

It seems that the value for `MIN_VOTING_PERIOD` should be 24 hours instead of 1. See L20, if `80640 == 2 weeks`, then 24 hours should be `5760`.

Also, the value seems not to be simple timestamp based on seconds, since  $80640/14/24/60 = 4$ .

### Recommendation

Recommend properly documenting the constant values and make sure the code and comments are consistent and meet the design.

### Alleviation

Fixed in commit 776da1d4bea26dc345ce9bde3d8e0a6c69f6de51.

## GBD-02 | Zero Value For `MIN_VOTING_DELAY`

| Category      | Severity        | Location                                 | Status         |
|---------------|-----------------|------------------------------------------|----------------|
| Volatile Code | ● Informational | governance/GovernorBravoDelegate.sol: 23 | 📄 Acknowledged |

### Description

In contract GovernorBravoDelegate, the constant state variable `MIN_VOTING_DELAY` is initialized as `0`.

### Recommendation

We guess the `0` value is for testing purpose, recommend assigning a valid value when project is about to launch.

### Alleviation

#### [DeOrderBook]:

Will assigned valid value at launch.

## GBD-03 | Proposals Cannot Be Rejected Before Initiating As Governor

| Category      | Severity | Location                                      | Status     |
|---------------|----------|-----------------------------------------------|------------|
| Volatile Code | ● Minor  | governance/GovernorBravoDelegate.sol: 363~364 | ✓ Resolved |

### Description

We noticed that the contract GovernorBravoDelegate is derived from the [Compound's GovernorBravoDelegate](#). In Compound's version, there is a state variable `initialProposeId` to receive the proposal id from GovernorAlpha and also make sure function `purpose()` can only be called when the initiation is done. This variable is removed in the current version, thus `propose()` function cannot reject proposals when the initiation is not done.

### Recommendation

We understand that the functionality of receiving proposal id is not needed, but still recommend add some similar checks to make sure the `propose()` function can only be called after the initiation.

### Alleviation

Fixed in commit 776da1d4bea26dc345ce9bde3d8e0a6c69f6de51.

## HOD-01 | Potential Precision Loss

| Category                | Severity | Location                          | Status                                                                                           |
|-------------------------|----------|-----------------------------------|--------------------------------------------------------------------------------------------------|
| Mathematical Operations | Minor    | token/HODLToken.sol: 49~50, 51~52 |  Acknowledged |

### Description

In function `withdrawTo()` of `HODLToken.sol`, the summation of `feeAmount / 100 * percentage` is not guaranteed to be equal to `feeAmount`. If `feeAmount` calculated in L45 is less than the summation of `feeAmount / 100 * percentage`, then the last transfer in L51 would revert; otherwise, if `feeAmount` is greater than the summation, then the last transfer in L51 would withdraw an amount which is slightly less than the `amount` given as the input parameter.

The similar situations also happen in `Option.sol`, function `enter()` may have precision loss on `bulletToReward`, function `exercise()` may have precision loss on `exerciseFee`, and function `withdrawTarget` may have precision loss on `withdrawFee`.

### Recommendation

Recommend calculating the summation in this function and compare the delta between the summation and `feeAmount` in L45. Also, performing multiplication before division can help to minimize precision loss (please see GLOBAL-02).

### Alleviation

#### [DeOrderBook]:

This is to prevent overflow. Tests performed comprehensively and it is for calculating precentage, not dividing both large decimal numbers. The precision loss can be beared

## OCK-01 | `initialize()` Can Be Called Multiple Times In Option

| Category     | Severity | Location                 | Status     |
|--------------|----------|--------------------------|------------|
| Control Flow | ● Medium | option/Option.sol: 65~66 | ✓ Resolved |

### Description

In contract Option, the only check that the function `initialize()` has is to make sure that input `_type` parameter is less than or equal to `1`. However, there are no checks preventing that the `initialize()` function can be called multiple times.

### Recommendation

Recommend adding some modifiers or checks with the `require` statement, as well as an appropriate error messages, so that the `initialize()` function can only be called once.

### Alleviation

Fixed in commit 28545dcb915a8cc3d83dc5423d5143286575e5ae.

## OCK-02 | Discontinuous Time Periods

| Category      | Severity | Location                               | Status               |
|---------------|----------|----------------------------------------|----------------------|
| Volatile Code | Minor    | option/Option.sol: 42~43, 47~48, 55~56 | 🕒 Partially Resolved |

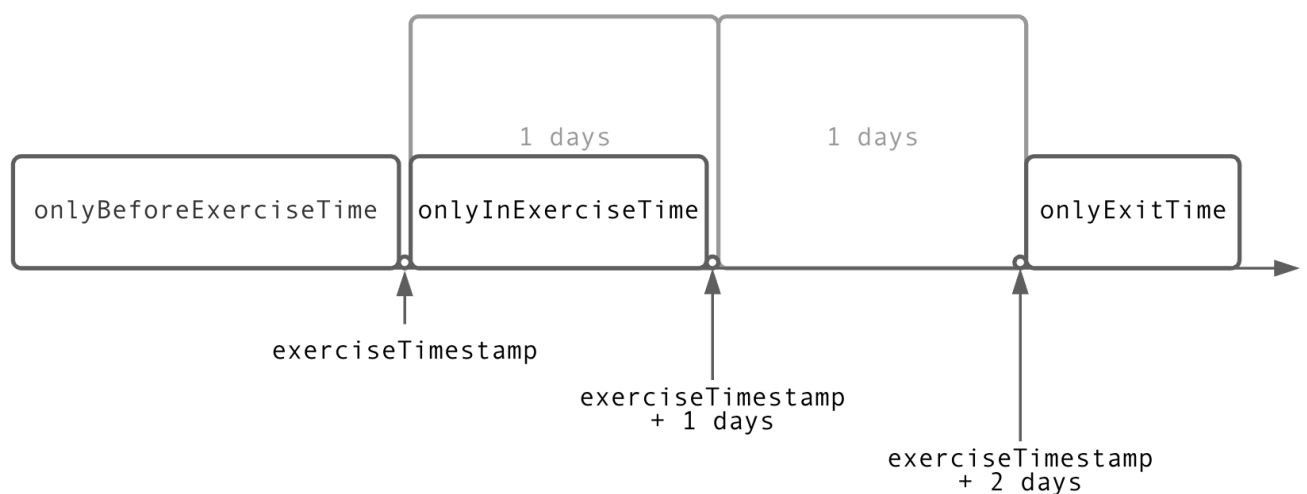
### Description

There are three modifiers in contract Option. However, the time periods are not continuous. There is an **1 second** gap between `onlyBeforeExerciseTime` and `onlyInExerciseTime`, and an **1 day** gap between `onlyInExerciseTime` and `onlyExitTime`.

```
modifier onlyBeforeExerciseTime() {
    require(block.timestamp < exerciseTimestamp, "Option: only before exercise time");
    _;
}

modifier onlyInExerciseTime() {
    require(
        exerciseTimestamp < block.timestamp && block.timestamp < exerciseTimestamp + 1
        days,
        "Option: only in exercise time"
    );
    _;
}

modifier onlyExitTime() {
    require(block.timestamp > exerciseTimestamp + 2 days, "Option: only in exit time");
    _;
}
```



## Recommendation

Recommend making sure the gaps are desired and properly documenting the gaps in design documentation.

## Alleviation

Partially fixed in commit 5a8af33b6dddbd6683e580a64b57e08aca26451.

### **[DeOrderBook]:**

This is the business requirement, not an issue, where after 1 day, the right of exercise expires.

## OCK-03 | Uninitialized Local Variable

| Category      | Severity        | Location                   | Status         |
|---------------|-----------------|----------------------------|----------------|
| Volatile Code | ● Informational | option/Option.sol: 135~136 | ⓘ Acknowledged |

### Description

Value of `baseAmount` would never be assigned if `optionType` is neither 0 or 1.

### Recommendation

Recommend initializing the local variable to an acceptable default value.

### Alleviation

#### [DeOrderBook]:

Option is created and initialized by OptionalFactory, there is check on `_optionType` in `OptionFactory.createOption`, the type can only be 0 or 1.

## OFC-01 | Uninitialized State Variables

| Category      | Severity        | Location                        | Status     |
|---------------|-----------------|---------------------------------|------------|
| Volatile Code | ● Informational | option/OptionFactory.sol: 26~27 | 🟢 Resolved |

### Description

Variable `fundOptions` is used in function `getOptionIDs()`, but it is never initialized nor used in other functions. It seems `fundOptions` is an unused variable and can be removed.

### Recommendation

Recommend updating the variable implementation to meet the design specification

### Alleviation

Fixed in commit c97dcd359a00b138b417d26027e9d9c32f82f2d3.

## SPC-01 | Missing Restrictions For Unstaking

| Category      | Severity        | Location                          | Status         |
|---------------|-----------------|-----------------------------------|----------------|
| Volatile Code | ● Informational | staking/StakingPools.sol: 220~221 | ⓘ Acknowledged |

### Description

In contract StakingPools, there are external functions `stake()` and `unstake()` for users to manage their staking. There are checks to make sure the `amount` is greater than 0 on these three functions, and there is a check in `stakeFor()` to make sure the `user` is not zero address.

However, it seems the restrictions on a minimal time period of staking is missing, which means users can stake and unstake in a very short period of time the arbitrage some rewards.

Our understanding is that those state variables are not meant to be changed during the period of `inExerciseTime` and `beforeExerciseTime`. Please let us know if our understanding is wrong.

### Recommendation

Recommend adding some state variables and require statements to make sure the users cannot stake and unstake in an undesired minimal time period.

### Alleviation

#### [DeOrderBook]:

Rewards is based on block and stake amount with vesting, The gas is more than the staker arbitrage from a very short period. Therefore it is not necessary to put the restrictions.

Funds reserved in the staking pool is meant to rewards to stakers each blocks.

## STA-01 | Checks-Effects-Interactions Pattern Not Applied

| Category                    | Severity        | Location                                                                                          | Status         |
|-----------------------------|-----------------|---------------------------------------------------------------------------------------------------|----------------|
| Volatile Code, Coding Style | ● Informational | staking/DOBStakingPool.sol: 218~219<br>staking/StakingPoolRewarder.sol: 244~245, 274~275, 320~321 | ① Acknowledged |

### Description

State variables are changed after function calls to external contract like `safeTransferFrom()`, `onReward()`, etc.

### Recommendation

Recommend applying the [Checks-Effects-Interactions Pattern](#) for cases like this.

It shields public functions from re-entrancy attacks. It's always a good practice to follow this pattern. `checks-effects-interaction` pattern also applies to ERC20 tokens as they can inform the recipient of a transfer in certain implementations.

### Alleviation

#### [DeOrderBook]:

There are reentrancy lock in StakingPool and StakingPoolRewarder

## TOK-01 | `initialize()` Can Be Called Multiple Times In Sniper And Bullet

| Category     | Severity | Location                                           | Status     |
|--------------|----------|----------------------------------------------------|------------|
| Control Flow | ● Medium | token/Sniper.sol: 22~23<br>token/Bullet.sol: 22~23 | ✓ Resolved |

### Description

In contracts Sniper and Bullet, the only check that the function `initialize()` has is to make sure that input `_controller` parameter is not a zero address. However, there are no checks preventing that the `initialize()` function can be called multiple times.

### Recommendation

Recommend adding some modifiers or checks with the `require` statement, as well as an appropriate error messages, so that the `initialize()` function can only be called once.

### Alleviation

Fixed in commit `ed905ed10881d5203c4912ff8fa8a6ae52f6219c`.

# Appendix

## Finding Categories

### Centralization / Privilege

Centralization / Privilege findings refer to either feature logic or implementation of components that act against the nature of decentralization, such as explicit ownership or specialized access roles in combination with a mechanism to relocate funds.

### Mathematical Operations

Mathematical Operation findings relate to mishandling of math formulas, such as overflows, incorrect operations etc.

### Control Flow

Control Flow findings concern the access control imposed on functions, such as owner-only functions being invoke-able by anyone under certain circumstances.

### Volatile Code

Volatile Code findings refer to segments of code that behave unexpectedly on certain edge cases that may result in a vulnerability.

### Language Specific

Language Specific findings are issues that would only arise within Solidity, i.e. incorrect usage of private or delete.

### Coding Style

Coding Style findings usually do not affect the generated byte-code but rather comment on how to make the codebase more legible and, as a result, easily maintainable.

### Inconsistency

Inconsistency findings refer to functions that should seemingly behave similarly yet contain different code, such as a constructor assignment imposing different require statements on the input variables than a setter function.

## Checksum Calculation Method

The "Checksum" field in the "Audit Scope" section is calculated as the SHA-256 (Secure Hash Algorithm 2 with digest size of 256 bits) digest of the content of each file hosted in the listed source repository under the specified commit.

The result is hexadecimal encoded and is the same as the output of the Linux "sha256sum" command against the target file.

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