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# CAP Audit Report

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Prepared by CAP Security Cartel  
Version 1

**Lead Auditors**

[0xleastwood](#)

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# 1 About CAP Security Cartel

CAP Security Cartel is a Web3 security organization aiming to protect projects and their partners against malicious actors. We aim to provide holistic improvements to a project's security stack in a safe and reliable way.

0xleastwood, devtooligan, and zigtur are independent smart contract security researchers. All three are Security Researchers at Spearbit, and have a background in competitive audits and live vulnerability disclosures. As a team, they are working together to conduct audits on Cap Labs' codebase, and are operating as part of the larger "Cap Security Cartel".

0xleastwood can be reached on Twitter at @0xleastwood, zigtur can be reached on Twitter at @zigtur and devtooligan can be reached on Twitter at @devtooligan.

## 2 Disclaimer

The CAP Security Cartel team makes every effort to find as many vulnerabilities in the code as possible in the given time but holds no responsibility for the findings in this document. A security audit by the team does not endorse the underlying business or product. The audit was time-boxed and the review of the code was solely on the security aspects of the solidity implementation of the contracts.

## 3 Risk Classification

	Impact: High	Impact: Medium	Impact: Low
Likelihood: High	Critical	High	Medium
Likelihood: Medium	High	Medium	Low
Likelihood: Low	Medium	Low	Low

## 4 Protocol Summary

Cap Labs is developing CAP, a stablecoin protocol to outsource yield generation in a programmatically secured manner. The protocol issues cUSD, a stablecoin backed 1:1 by bluechip stablecoins, and coordinates three key actors: minters (stablecoin holders), operators (institutions and DeFi protocols that generate yield), and restakers (who provide shared security through restaked ETH). cUSD can be redeemed for any of its available assets (i.e. assets not being borrowed). Built on shared security marketplaces like Symbiotic, CAP enables scalable yield generation regardless of market conditions. For more information, visit [Cap Labs](#).

## 5 Audit Scope

The audit targeted specific PRs [#213](#), [#223](#) and [#225](#) and went for a total of 1 day.

The review scope included the CAP protocol smart contract suite related to the aforementioned PRs, covering the following key components:

- **Access Control:** Permission management and authentication systems
- **Delegation:** Symbiotic network integration and middleware components
- **Lending Pool:** Core lending functionality including borrow/repay logic, liquidations, reserves, and validation
- **Oracle System:** Price and rate oracles with multiple adapter implementations (Chainlink, Aave, etc.)
- **Token Infrastructure:** CAP token, staked CAP, debt tokens, and cross-chain OFT implementations
- **Vault System:** Asset management, minting/burning, and fractional reserve logic

- **Fee Management:** Fee auction and receiver mechanisms
- **Cross-Chain Integration:** LayerZero OFT composer and zap functionality
- **Storage Utilities:** Upgradeable storage patterns for all major components
- **Interfaces:** Complete interface definitions for all protocol components

## 6 Executive Summary

Over the course of 1 day, the CAP Security Cartel team conducted an audit on the CAP smart contracts provided by CAP. In this period, a total of 0 issues were found.

Summary of the audit findings and any additional executive comments.

### Summary

Project Name	CAP
Repository	<a href="#">cap-contracts</a>
Initial Commit	<a href="#">c087fcbd8c7b...</a>
Final Commit	<a href="#">e33283812758...</a>
Audit Timeline	November 14th
Methods	Manual Review

### Issues Found

Critical Risk	0
High Risk	0
Medium Risk	0
Low Risk	0
Informational	0
Gas Optimizations	0
Total Issues	0

## **7 Findings**

There were no notable findings to report.