



# ALPHA FINANCE LAB PROJECT ANALYSIS



## Smart Contract

**Date of audit:** 17.11.2020



### Audited.

- The audit was conducted by the PeckShield company:  
Check it out here: [audit](#)



### Ownership of Token Smart contract:

- Alpha token is owned by EOA.

The following functions can be called by the owner:

- **mint** - mint any number of Alpha tokens
- **burn** - burn any number of Alpha tokens

- ibETH token is owned by EOA

The following functions can be called by the owner:

- **withdrawReserve** - withdraw ETH from the reserve
- **reduceReserve** - move ETH from reserve to general pool and a user will be able to receive this ETH as a reward
- **recover** - Recover ERC20 tokens that are accidentally sent to the smart contract; the function can be applied to any token
- **updateConfig** - change the config for interest rates, minimal debt size, etc.



### Total supply:

- Variable
- Pre-mine - 1,000,000,000 ALPHA tokens
- 96% of pre-mined tokens stored on EOA wallet  
`0x9FDcdA036b26176B548D40918D04E0E764b456e1`

### ● Minting function of SFG Token:

- The owner of the token contract can invoke the minting function  
[0x1aaf4143c3fe0d7ca78381c4672e4b08c4bc009f](#)
- Infinity minting is possible
- No way to add new minters
- Hard Cap isn't specified



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## Migration function:

- Nope



## KPI: Rebase No



## Team reward %:

- No info found about team rewards
- Part of pre-mined tokens was planned to be used as a team reward



## Funds lock period:

- Nope



## Possibility to pause the Smart Contract:

- Nope



## List of suspicious functions:

- mint
- burn
- recover
- updateConfig
- withdrawReserve
- reduceReserve



## WebUI:

- No suspicious calls / events / actions

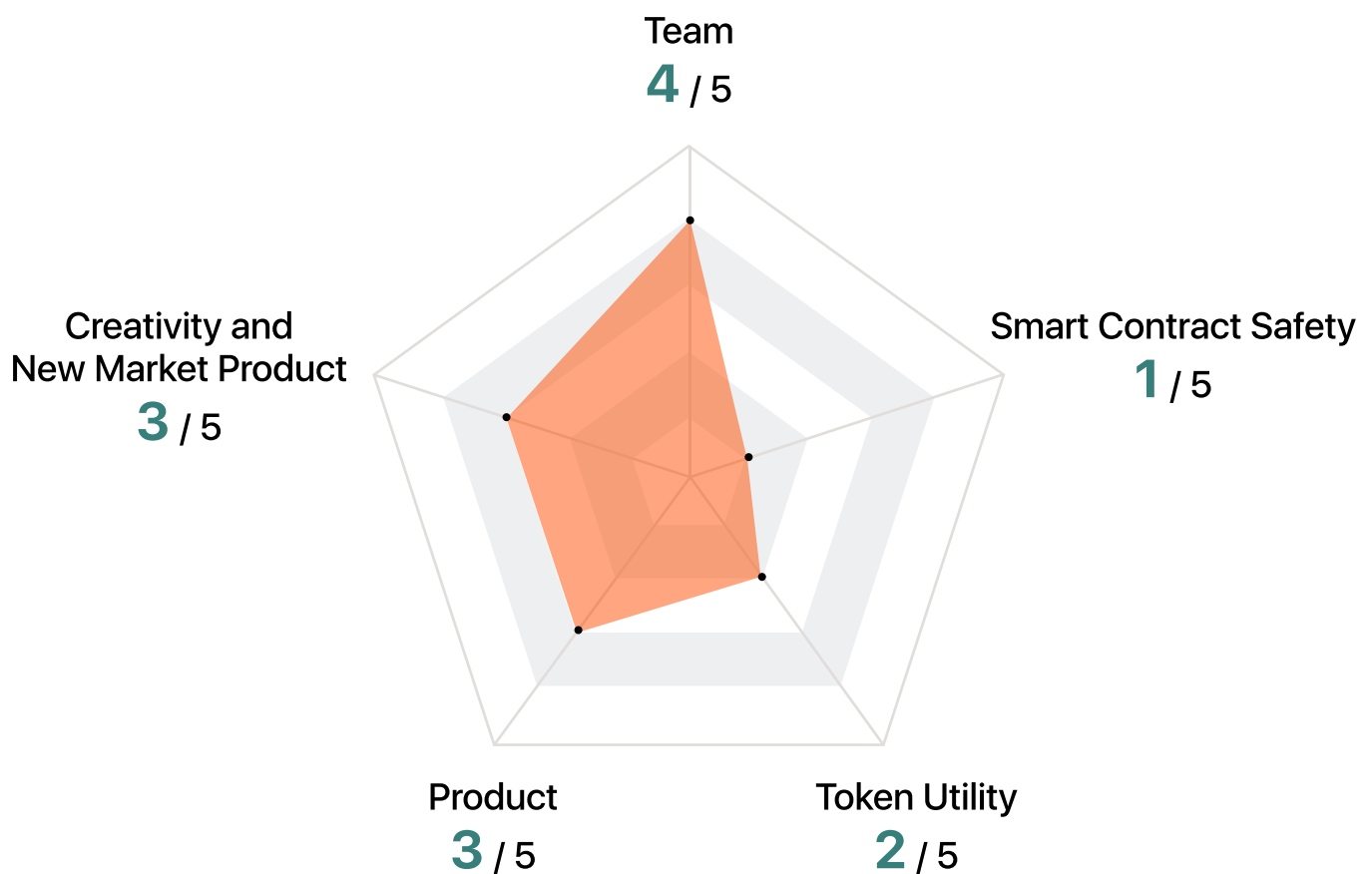


## Scam probability

High



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**Conclusion** - Alpha Homora appears to be an interesting project on first inspection. It utilizes a leverage system that can increase the size of users' position in the liquidity pool. Another feature is auto-reinvestment: it automatically reinvests the claimed rewards into the current liquidity pool to increase the position and as a result the total profit.

However, I dived deeper and found out certain characteristics that made me revise my initial opinion. First, the smart contract owner is EOA which is endowed with the power to inflate token supply by any number of tokens, burn any amount of Alpha tokens, and recover any ERC20 (not only ALPHA) tokens that are accidentally sent to the smart contract.



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Alpha Finance Lab project analysis 0x9fdcda036b26176b548d40918d04e0e764b456e1  
<https://etherscan.io/tokenxns?a=0xb5613129117cf464b63fea37e91789fb45f39826&p=1> .

Second, the owner also has permission to deploy new configurations to change the interest parameters; in essence to change the rewards amount. Third, the total supply is a variable as long as the tokens can be either minted or burnt. Moreover, 1,000,000,000 ALPHA tokens were pre-mined to the owner's smart contract address. Frankly speaking, I found no plan or logic for how the tokens were going to be distributed. So, this is still a big unanswered question for me.

One more nuance is that 96% (964,300,000) of pre-mined tokens are stored on the EOA wallet at <https://etherscan.io/address/0x9FDcdA036b26176B548D40918D04E0E764b456e1> .

Consequently, a quick token dump initiated by the owner is possible. Also, some synthetic activity was noticed as 250,000 ALPHA tokens were swapped to ibETH and vice-versa a few times. I assume the team was trying to pretend that the project was actively being utilized.

To recap, I would like to emphasize that the Alpha Homora project looks alarming to me. The token contract is centralized and driven by the owner. The configurations can be changed by the owner at any time, which means establishing unpredictable rates for users' rewards, interest, and debt size. Participating in the project appears risky to put it mildly. That's why its scam probability is High.



I do not claim my reviews to be fault-free; there is always a possibility of scam and back-doors that I may have missed. All my project break-downs are of informational manner, and are not investment advice in any instance. Always do your own research before investing.