

# Evmos / StakeLikeMo Hard Slash

I'm taking this opportunity to state notional's policies around slashing and refunding slashes.

I will also try to provide the best possible advice to Mo.

- At Notional we do not refund hard or soft slashes because we think that is not how the protocol is intended to work.
  - That's our whole policy. We also feel that our policy helps us to stay motivated to avoid slashes.
  - We don't give ourselves the option of buying off our delegators.

Our experience on the receiving end of a soft slash

- We were jailed on cyber for nearly a month.
- It was totally our fault, there were some issues with GPU drivers, and we stubbornly refuse to use docker containers.
- During this time we communicated with the cyber community, who we feel are far above average in terms of technical sophistication.
- Our total loss of delegations was about 1% in fact it was less.

We believe that communicating openly and frankly with the community led to our low loss of delegations. In either event, if we screw up and there's a hard, our delegators will not be compensated. If we screw up, and there's a soft slash our delegators will not be compensated.

## **StakeLikeMo's implied airdrop**

Mo totally did make an implied promise of an airdrop. He mentioned snapshots, and also mentioned a time window for those snapshots. It was extremely clear, that he was establishing a quid pro quo for an airdrop.

Many users piled into this, even though it's my opinion that it would have yielded absolutely nothing for the users.

In fact, this is Mo's largest failing.

I would like to suggest that we make validators specific airdrops a thing of the past. I participated in one and helped to build one. At the end of the day, I don't think that it was the right model. This is not the right way to draw business to a validator, because it can increase risks to the most vulnerable class of users, those with the least knowledge of how the networks operate.

These airdrops drops fall under Notional's policies on user harm. That is to say, we take every opportunity that we possibly can to ensure that we take no action that can harm users at any time.

### **Ban validator specific airdrops via governance**

We are going to go through the governance ringer once again, this time on many chains. Validators should not offer compensation to delegators that is beyond what the protocol allows for. This is because it creates wide latitude for under the table deals as well as risk to users.

The penalty should be a hard slash.

### **Advice to Mo**

First of all, Mo did not violate anything other than social protocol by designing a validator specific airdrop for his validator.

We should make it illegal.

Secondly, Moe has made the controversial decision to come right back up as a validator on evmos. We can talk about this all day but ultimately, he is currently following the protocol design. There is no obligation to stay down once hard slashed.

Delegators need to make their own choices about who to delegate to. The hard slash is mainly there to punish delegators who make choices that put the network at risk.

Mo should take full responsibility for the hard slash. I see absolutely no reason that he should perpetuate protocol circumvention by compensating those who were slashed.

Compensating his delegators will in fact perpetuate the idea that validators should compensate when slashed. I believe that it is best for all parties, even the delegators, for Mo to decline to pay.

### **Guidance on selecting a validator**

If you're delegating a large sum of stake, then I strongly encourage you to interview your validators. It is very difficult to really measure the risk of any individual validator at any time.

I do think that it is preferable for validators to own their equipment and if possible operate it at a site that they control. If they can't for whatever reason operate out of a site that they can fully control, then as a fallback measure, there are many small data centers all around the world, where you can rent a secure space to put your machines. I do not recommend large data centers because those harm decentralization.

Even if you're a small delegator, the real key to this is to talk to your validator. Do not choose a validator based on promises, whether implied or explicit, of an airdrop. Do not choose a validator based on promises, whether implied or explicit, of an NFT. You see, airdrops and NFTs basically cost nothing, and unless there's a very significant effort to create a product based around them, they will likely have no value. So if you as a delegator, are seeking returns, then the very best way to get those returns in a safe manner, is to delegate with a validator that builds software and systems in that space. You might want to ask for their GitHub profile, you might want to ask about how they run their machines.

You definitely want a validator who takes you seriously, and communicates well with the community.

### **Non-technical validators**

There are some validators who's expertise is more in the realm of governance or even business development. This is okay. If you want to talk to somebody about their technical issues, and you certainly should be allowed to, then ask to speak to their technical partner. A very serious problem is firms like Coinbase cloud, effectively attacking networks in Cosmos by not disclosing their white label validator list. It is my opinion that there are many many white label operators, and that all of them, if they wish to maintain friendly relationships with the community, should disclose who they operate validators for. Transparency is paramount.

### **Conclusion**

Of course, I want to shill notional, but that would neglect the reality that there are many truly excellent validators in Cosmos, here is an incomplete list:

- Notional
- Chandra Station
- Kingnodes
- Stakefish
- Cosmos Spaces
- Oni
- Golden Ratio
- Polkachu
- ClaimensCryptoCrew
- SimplyVC
- Coldchain
- NosNodes
- Cosmology
- Binary Holdings
- Larry0x
- jabbey
- Blockpane



NOTIONAL

- Valnodes
- DSRV

