

# Fundamental

## Prime Rating Report V2.0

**Protocol:** Spaghetti (PASTA)

**Version:** 1

**Previous Report:** None

**Date:** 02/02/2022

**Author:** Slam Badley

**Reviewed by:** Lavi

**Season/competition:** Season 2

---

## 1. Value Proposition

The Value Proposition section describes the value a protocol delivers to its users. Based on the proportion of the problem the protocol aims to solve and the potential of the protocol to effectively solve the problem - better than other industry solutions - a Value Proposition rating is created.

### a) Novelty of the solution (15 points)

This score evaluates the novelty (uniqueness) of the protocol. Has the protocol introduced any new innovations that help solve user's problems more efficiently? Is the project a fork? To what extent did they copy/fork the original?

**Answer:**

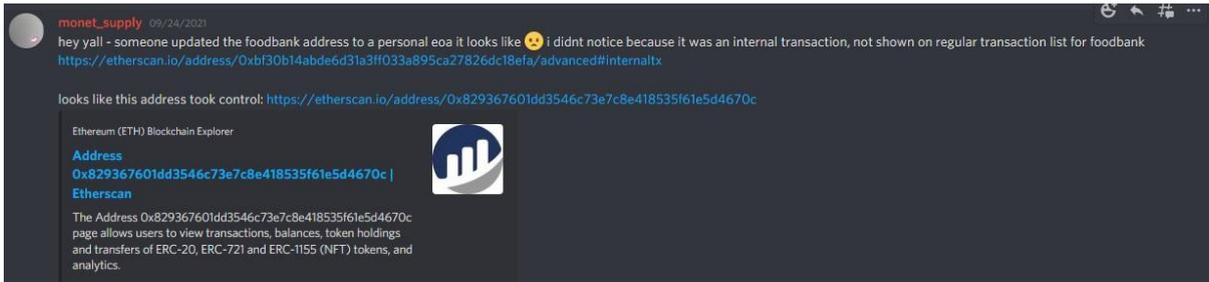
Spaghetti Money is a project that has struggled since its inception. After several failed attempts to revive the project it appears to have been abandoned.

Spaghetti is structured around the PASTA ERC-20 token. PASTA V1 was [launched](#) on 17 August 2020, in the heat of the DeFi Summer, amidst a [frenzy of food-meme tokens](#). PASTA is a deflationary token whereby for every transaction, 1 % of the value spent is used to burn PASTA tokens. There was no other function for this token.

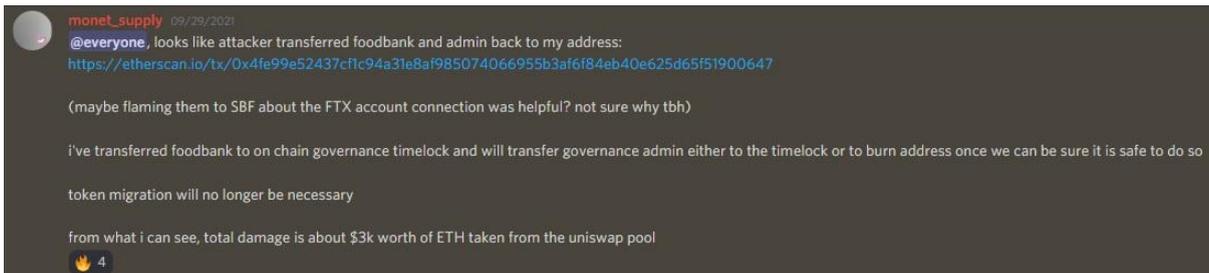
Ten days later, Pasta V2 was [launched](#), changing the deflation mechanism to a 1 % burn on transfer and 1 % deposit to the "Food Bank" treasury. A governance contract was deployed to help direct the use of the Food Bank. The team explained optimistically, "these funds will hopefully be used to help fund open source development in both PASTA and the larger Ethereum community". After launching a [website](#) in [September 2020](#), the developers seem to have lost interest and abandoned the project.

In March 2021, team member [monetsupply](#) attempted a relaunch of Spaghetti with [Pasta V3](#) and the formation of PastaDAO. The last official update on PastaDAO came in [May 2021](#).

In August 2021 an attack was carried out which sent the 1 % burn to a personally controlled wallet address.



The attack was eventually reversed, and the attacker took away \$ 3000. Since this attack the project has been abandoned.



It is unclear what problem Spaghetti was trying to solve, other than to jump on the food token bandwagon.

Score: 1

## b) Market fit/demand (15 points)

This score evaluates the degree to which the protocol satisfies a strong market demand. The market fit evaluates if the protocol is able to satisfy the needs of a specific market (can also be measured by user adoption/ #of users). To what extent has the protocol proven to meet the demand of a specific market? Is the timing of the product right for the market? Is the protocol targeting the right market?

Answer:

There is no clear market for this token. It is simply a deflationary governance token, the value of which depends on the value of the PastaDAO. Since PastaDAO appears to have been abandoned, and has no clear strategy, there is no longer a demand for this token. This is evidenced by the lack of trading volume, which has caused the token to be delisted from [CoinGecko](#) and [CoinMarketCap](#).

Score: 0

## c) Target market size? (10 points)

The target market size evaluates the current and future size of the problem the protocol is aiming to solve. The category of the Open Finance solution can be used as a reference to the target market (for example: Lending). Because Open Finance is by definition global, the global market for a specific problem equals the target market size.

**Answer:**

The target market for Spaghetti is those that wish to invest and participate in PastaDAO. Since PastaDAO appears abandoned there is no longer a market.

**Score: 0**

## **d) Competitiveness within market sector(s) (10 points)**

This score evaluates the competitiveness of the protocol within the market sector(s) it operates in. This score offers a relative comparison of the protocol and other protocols operating in the same market sector(s). To evaluate this, metrics to directly compare with the competition can be used (e.g. TVL, trading volume, number of users).

**Answer:**

PASTA is simply an ERC20 governance token for PastaDAO, and its value is close to zero. Despite [375 holders](#), the DAO has no recent activity and there is negligible trading volume. It seems the market has abandoned it.

**Score: 0**

## **e) Integrations & Partnerships (15 points)**

Due to crypto's open-source nature, the code of most protocols can easily be forked. This score represents a piece of "unforkable value". Some indicators to look at are the number of applications built on top of the protocol (vertical integration), other entities integrating the protocol's services (horizontal integration) or the number of relevant partnerships (be careful of logo collections/ partnerships without much purpose).

**Answer:**

In 2021, [a proposal was approved](#) to grant 30,000 DAI to GitCoin Grants. This was the only attempt at a partnership from PastaDAO, and the final chance to legitimise it. Despite the thoughtful gift, this attempt failed (their acknowledgment on the [GitCoin Grants](#) page even links to the wrong [pasta protocol](#)) and no further partnerships or integrations have occurred.

The [Spaghetti Money twitter](#) has been very active promoting "Lost Sols Club NFTs", but it is unclear whether this is a real partnership or the account has been hacked.

**Score: 1**

## 2. Tokenomics

The Tokenomics section assesses the function of a protocol's token. This includes the token distribution, functionalities of the token, the ability of the token to incentivize positive behavior in the protocol, and the ability of the token to capture a portion of the value created.

### a) Is the token sufficiently distributed? (15 points)

The token distribution can be an indicator of a healthy protocol. When the protocol tokens are widely distributed among different stakeholder groups and contributors, this genuinely improves the coordinating capability of the token and strengthens the resiliency of the protocol. Was the initial distribution balanced between relevant stakeholders? Are the tokens distributed over sufficient participants (10, 25, 100 largest addresses)?

**Answer:**

The PASTA token was [launched](#) using a yield farming strategy inspired by [YAM](#). This fair launch kept the value low allowing anyone to accumulate a substantial amount of PASTA. Currently, over 50 % of the PASTA supply is held by the top 20 holders, the largest holders being the wallets of PastaDAO and the core team.

**Score: 1**

### b) What is the extent of the token's capabilities? (10 points)

Is the token useful within the protocol? Does the token allow the holders to participate in governance or influence the protocol in any way? Does it serve any other purposes?

**Answer:**

The only use of the token is to vote on PastaDAO proposals. Voting has not occurred since [August 2021](#), and that proposal received 2 votes totalling 178 K PASTA.

**Score: 0**

### c) Is the issuance/distribution model able to improve the coordination of the protocol? (10 points)

To what extent does the issuance of the token support the advancement and function of the protocol? Are the tokens justifiably being issued? Does the issuance model incentivize the right behavior? Are all relevant stakeholders benefiting from the issuance model?

**Answer:**

The PASTA token is no longer being issued or distributed.

Score: 0

### **d) Is the value capture model able to accrue and distribute value? (10 points)**

A value accrual and distribution mechanism can help improve the utility of a token and its ability to be used as an effective coordination mechanism. Does the protocol have mechanisms to distribute some of the value created to the token holders?

**Answer:**

As explained above, there is no value to be derived from PASTA.

Score: 0

### **e) Is the token sufficiently liquid to enable active use and trade? (5 points)**

Is the token widely available and is there sufficient liquidity available to facilitate all protocol functionalities?

**Answer:**

The PASTA token can only be traded on [Uniswap](#). In reality [trades very rarely occur](#). The token has no active use.

Score: 0

### **f) Are there any extrinsic productivity use cases for the token? (10 points)**

Besides the protocol's value distribution model as described in 2. d), can the token be used productively on other protocols (e.g. as collateral, for lending, LPing, yield farming, etc.)?

**Answer:**

There are no uses for the PASTA token. Theoretically it could be placed in the ETH/PASTA trading pool on Uniswap, however this pool receives no trades and so rewards would be zero.

Score: 0

### 3. Team

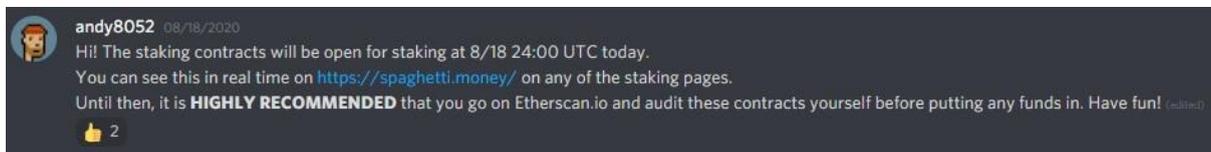
The Team section describes the quality of the team behind the protocol. The current version of Prime Rating favors teams that are publicly identifiable. In the case of an anon team, the track record of the specific anons involved can be taken into account

#### a) Is the team credible and public? (15 points)

Are the identities of the core contributors and team publicly identified? In the case of anon team members, is there any way to track their background/record?

**Answer:**

The original team was led by [Andy Chorlian](#) a.k.a. [andy8052](#), and a handful of other anonymous developers. Andy left the project in 2020 and is now a co-founder of [Fractional](#).



The last active team member is [Nathaniel Parton](#) a.k.a. [monetsupply](#). Nathaniel has an occasionally active [medium blog](#) and is interested in DAO governance and treasury concepts. He acts as a vote delegate for various DeFi protocols.

**Score: 2**

#### b) Does the team have relevant experience? (10 points)

Are there any documents or trails available to showcase the track record of the team? Do the team members have relevant backgrounds and skill sets?

**Answer:**

The team are now active contributors to the crypto industry. However the Spaghetti project seems to have been a hobby project and a way for them to develop skills which they have since put to use elsewhere. Their track record prior to Spaghetti is unclear.

**Score: 1**

#### c) Does the team participate and help shape the public debate? (5 points)

To what extent do the protocol contributors participate in the public debate around open finance? Are the team members giving presentations, sharing their thoughts and opinions, and do they help raise the collective intelligence of the industry?

**Answer:**

[Monetsupply](#) is active within crypto twitter and is a commenter on current DeFi topics.

**Score: 2**

### **d) Is the team able to effectively attract and coordinate resources? (10 points)**

How effective is the team at attracting and coordinating resources for the benefit of the protocol? Has the team raised sufficient funding or are there mechanisms in place to attract resources when needed?

**Answer:**

No. Browsing through the two Spaghetti [discord servers](#), the team have not led any meaningful debate, or action. The donation to Gitcoin Grants was the only attempt at promotion and it fell flat.

**Score: 0**

## 4. Governance

The Governance section evaluates how the protocol is governed and who the governors are. The different governance functionalities and processes are evaluated to determine to what extent the Protocol will be able to self-govern in a way that ensures the development of the protocols while respecting the needs of all current and future stakeholders.

### a) Admin Keys (20 points)

Admin Keys allow some critical functionalities of a protocol to be controlled by an admin. This allows the developers to react to potential bugs, but also creates a risk as the developers could potentially misuse the admin keys to exploit the protocol. Does the protocol have admin keys and how are they managed?

**Answer:**

The PastaDAO treasury is controlled by a [multi-sig wallet](#). Monetsupply is a signer of this wallet but it is not known if there are any other signers.

**Score: 1**

### b) Extent of Governance capabilities (15 points)

Distributed governance allows the token holders to participate in the governance of open finance protocols. How much influence does the governance mechanism have? Are the votes affecting on-chain changes or do they function solely as signals to the team?

**Answer:**

10 [PastaDAO governance votes](#) have been carried out. They have all been proposed by monetsupply and have all passed. Following the votes, the actions have been carried out. The highest voter turnout has been 12 and most votes have passed with just 2 voters. The purpose of these votes seems to be to legitimise monetsupply's ideas, rather than settle any debate.

**Score: 1**

### c) Active Governance contributors (5 points)

Governance is a process that can be rather resource-intensive if executed well. To ensure good governance is practiced by the protocol, it's important to have a sufficient number of governors allocate resources to the governance process of the protocol. How many individuals participate in the debate around the protocol? How active are voters?

**Answer:**

The highest voter turnout has been 12 and most votes have passed with just 2 voters. Since the majority of PASTA is concentrated with a handful of people, it would be difficult to vote against the choice of any PASTA whale voting block.

**Score: 0**

### **d) Governance technology/infrastructure (10 points)**

The Governance infrastructure relates to the technology, software, and models used by the protocol's governance. Does the protocol have a reliable and usable voting mechanism? Are there channels for governance debate? Is there sufficient documentation available?

**Answer:**

PastaDAO uses [snapshot.org](https://snapshot.org) to carry out its voting process. The PASTA token functions correctly for this purpose. There does not appear to be any other governance infrastructure.

**Score: 2**

### **e) Robustness of Governance process (10 points)**

This score requires documentation specifically on the governance process that sets the basic framework in terms of agreements, norms, and language for governing the protocol and to create social consensus. Does the protocol have a formal governance process? How robust is the governance process and does it promote good governance?

**Answer:**

The governance process is as follows: monetsupply has an idea, he announces it in discord, makes a proposition on snapshot.org, puts it to a vote, and the vote passes. There is no meaningful debate or dissension around these votes.

**Score: 0**

## 5. Regulatory

The Regulatory section describes the extent and quality of the regulatory environment that affects the Protocol. To be able to guarantee functionality, security, and legality the protocol should comply with regulatory requirements, or limit itself to facilitating services to users who are willing to operate outside of the traditional regulatory environment.

### a) Does the protocol have any legal accountability? (15 points)

Does the protocol have any form of legal accountability? Can users and partners hold the protocol accountable in case of a breach of the agreement?

**Answer:**

PastaDAO is decentralised, and controlled by anonymous team members. There is no mechanism for accountability.

**Score: 0**

### b) What is the quality of the legal jurisdiction? (10 points)

If the protocol has a legal entity, what is the quality of the jurisdiction the entity is established in? Will the jurisdiction be able to facilitate the legal framework for the protocol to expand while remaining accountable.

**Answer:**

PastaDAO is decentralised and has no registered jurisdiction.

**Score: 0**

## Scorecard

1. Value Proposition	Points
a) Novelty of the solution	1 / 15
b) Market fit/demand	0 / 15
c) Target Market Size	0 / 10
d) Competitiveness within market sector(s)	0 / 10
e) Integrations & Partnerships	1 / 15
<b>Total Points - Value Proposition</b>	<b>2 / 65</b>
2. Tokenomics	Points
a) Is the token sufficiently distributed?	1 / 15
b) What is the extent of the token's capabilities?	0 / 10
c) Is the issuance model able to improve the coordination of the protocol?	0 / 10
d) Is the value capture model able to accrue and distribute value?	0 / 10
e) Is the token sufficiently liquid to enable active use and trade?	0 / 5
f) Are there any extrinsic productivity use cases?	0 / 10
<b>Total Points - Tokenomics</b>	<b>1 / 60</b>
3. Team	Points
a) Is the team credible and public? (No, Partly, Yes & Anon , Yes & Public)	2 / 15
b) Does the team have relevant experience?	1 / 10
c) Does the team participate and help shape the public debate?	2 / 5
d) Is the team able to effectively attract and coordinate resources?	0 / 10
<b>Total Points - Team</b>	<b>5 / 40</b>
4. Governance	Points
a) Admin Keys	1 / 20
b) Extent of Governance capabilities	1 / 15
c) Active Governance contributors	0 / 5
d) Governance infrastructure	2 / 10
e) Robustness of Governance process	0 / 10
<b>Total Points - Governance</b>	<b>4 / 60</b>

<b>5. Regulatory</b>	<b>Points</b>
a) Does the protocol have any legal accountability?	<b>0 / 15</b>
b) What is the quality of the legal jurisdiction?	<b>0 / 10</b>
<b>Total Points - Regulatory</b>	<b>0 / 25</b>
<b>Total</b>	<b>12 / 225</b>

**About the Author:** @SlamBadley Crypto detective with a dark academic past