



# Blockworks

## Token Transparency Framework

**A Score Of 35-40:** indicates that the project has fully disclosed its revenue streams, equity to token holder rights, advisory service providers, and executive team personnel. Its token supply and allocation are characterized by transparent, onchain vesting with fair, well-documented distributions that align incentives between insiders and retail investors. Furthermore, the project has possibly shared comprehensive details on prior OTC rounds, committed to disclosing all material related-party transactions, and thoroughly explained its CEX and market-maker agreements. This score reflects a commitment to producing regular quarterly updates for token holders regarding financials, revenue streams, and operational progress.

**A Low Score Below 25:** A low overall score would indicate significant deficiencies and a lack of transparency across multiple critical areas. This would stem from opaque leadership, uncertain equity and token holder rights, and a heightened risk of a key person event negatively impacting the project. Such a score would suggest issues like undisclosed wallets, unclear vesting schedules, undeclared distributions from the Token Generation Event (TGE), and no clarity surrounding any new token launches. The project may have chosen not to disclose, or partially disclosed, critical information about prior OTC rounds, related-party transactions, and its agreements with centralized exchanges (CEXs) or market makers. Finally, the project possibly demonstrated little to no commitment to providing regular quarterly updates to its token holders concerning its financial health, revenue streams, and operational progress.

**Project and Team:** (Out Of 10) Reviews the people, governance structure, and conflict-of-interest controls that drive the protocol's day-to-day decisions.

- A max score indicates revenue streams, equity to token holder rights, advisory service providers, and personnel on the executive team are fully disclosed.
- A low score flags opaque leadership, uncertain equity to token holder distinctions, and heightened risk of a key person event.

**Token Supply and Allocation:** (Out Of 18) Assesses total supply, vesting schedules, and how tokens are distributed among insiders, the community, and the treasury.

- A max score signals transparent, onchain vesting with fair, well-documented allocations that align incentives between insiders and retail.
- A low score points to hidden wallets, unclear schedules, undeclared TGE distribution, and no clear future plans on new token launches.

**Transactions & Market Structure:** (Out Of 7) Examines trading liquidity, CEX and market-maker agreements, and related-party transactions that could influence price discovery.

- A max score displays that the protocol has shared details on prior OTC rounds, committed to disclosing material related party transactions, and generally explained CEX/MM agreements.
- A low score reveals that the protocol chose not to disclose or partially disclosed OTC rounds, related party transactions, and CEX/MM agreements.

**Financial Disclosure:** (Out Of 5) Looks at the reporting standards of the project's financials and operations

- A max score reflects a commitment to producing quarterly updates to token holders regarding financials, revenue streams, and operations.
- A low score means little commitment was made to produce quarterly updates on financials and operations.

# Token Transparency Framework

Spark, November 2025

**Blockworks Official Audited Score:** 38/40

**TTF Preparer:** Many DAO members.

**Date of Audit:** 10/31/25

## 1. Project and Team

### 1. A) Description of Project

**Definition:** A narrative description of the purpose of the project and its operation in layman's terms is provided.

#### Weighting

- 0: A simple description is not provided.
- 1: A simple description is provided.

**Submitted Response:** Spark is the capital allocation layer of the onchain economy, harnessing some of the best risk adjusted returns across defi, cefi, and tradfi to power seamless omnichain savings accounts.

**Score Received:** 1/1

### 1. B) Disclosure of Revenue Streams

**Definition:** A narrative description of the Project's primary sources of revenue is provided, broken out by entity (e.g. Foundation, Labs, DAOs, or other).

#### Weighting

- 0: A simple description is not provided.
- 2: A simple description is provided.

**Submitted Response:** Spark earns revenue from 3 primary sources: SparkLend, Spark Savings, and the Spark Liquidity Layer. SparkLend functions as a traditional borrow-lend

market, and Spark earns a percentage of interest paid by borrowers (known as a reserve factor) accruing in various tokens such as ETH and USDS. Spark Savings is an omnichain savings product currently powered by the Sky savings rate and sUSDS, and Spark earns a rate spread on each unit of Sky savings it distributes to end users and partners. Spark's primary revenue driver is the Spark Liquidity Layer, where Spark sources wholesale liquidity from Sky at the Sky base rate and reinvests it in higher yielding opportunities, retaining the net margin.

**Score Received:** 2/2

## 1. C) Equity-Token Relationship

**Definition:** The Project must clearly disclose the rights, value accrual mechanisms, and distinctions between token holders and DevCo equity holders. Any value allocated specifically to equity holders (e.g., dividends, profit-sharing) must be communicated separately from value accruing to token holders.

### Weighting

- 0: Rights and value mechanisms are unclear or undisclosed, or there is no distinction between token and equity holders.
- 1.5: Rights, value accrual, and differences between token and equity holders are clearly and explicitly defined with the constraints of existing regulations.
- 3: Rights, value accrual, and differences between token and equity holders are clearly and explicitly defined with the constraints of existing regulations. Team makes specific representations like "We do not plan to return cash flow to equity through including through dividends and share repurchases" or identifies that the Development Entity is not for profit.

**Submitted Response:** All revenue from Spark protocol activities accrues to the Spark DAO treasury, which is under the ultimate control of SPK token holders. The Spark Foundation is a Cayman non-profit organization intended to help steward and support the Spark protocol and ecosystem. Spark Foundation holds a share of SPK tokens from the token generation event, and receives periodic transfers of USDS from the Spark DAO to cover operating expenses, with both funding sources used exclusively for the benefit of the Spark ecosystem, not for profit-seeking purposes. Phoenix Labs is a private company that acts as a service provider to the Spark Foundation, providing technical and operational support for the Spark protocol and ecosystem. There is no value accrual from the Spark DAO to Spark Foundation or Phoenix Labs other than from publicly disclosed operational expenses and SPK token grants. Please refer to item 2b for details of the token allocations to Spark Foundation and Spark contributors. Spark Foundation has received 2.4 million USDS during the period from Spark DAO launch in June through September to cover operating expenses, with a majority of this transferred to Phoenix Labs as service provider. From October, Spark Foundation is planning to request 1.1

million USDS in funding per month from the DAO, and transfers from the DAO to Spark Foundation occur onchain. Protocol cashflows will not accrue to Phoenix Labs equity.

**Score Received:** 3/3

## 1. D) Disclosure of Advisory Billings to the Foundation

**Definition:** If core team members are compensated by any Tokens allocated to the Foundation through advisory services or similar agreements, or by any other payment method (i.e. fiat), these payments must be disclosed. Note, foundation team members known and exclusively compensated by the Foundation are excluded.

### Weighting

- 0: No acknowledgment or visibility of advisory payments from Advisory.
- 1.5: Advisory payments are mentioned, but details (amount, recipient, services) are unclear or incomplete.
- 3: All advisory payments to insiders are fully disclosed, including the recipient, scope, and amount.

**Submitted Response:** There are no advisory token allocations from the Foundation other than the disclosed 12% of SPK allocated for Spark contributors. These contributor tokens are subject to 4 year vesting with a 1 year cliff from TGE.

**Score Received:** 3/3

## 1. E) Known Project Team

**Definition:** The identities of key team members (e.g., founders, CEO, CTO, COO of Labs, President of Foundation, etc.) are publicly disclosed.

### Weighting

- 0: No method to verify or prove the identities of key team members
- 1: A Method to verify or prove the public identities of key team members is provided.

**Submitted Response:** Identities of key team members are publicly disclosed. They include CEO Sam MacPherson, COO Nadia Alvarez, CTO Kris Kaczor, and Head of Smart Contracts Lucas Manuel. The Phoenix Labs team has no anonymous contributors.

**Score Received:** 1/1

## 2. Token Supply and Allocation

### 2. A) Governance & Token Documentation Provided

**Definition:** The Project must provide publicly accessible documentation covering the Token's governance rights, rights to value accrual, any additional utility, and the mechanism by which token governance is implemented (e.g. an insider multi-sig).

#### Weighting

- 0: None of the three areas are documented.
- 0.5: Not all three areas are documented.
- 1: All three areas are clearly documented.

**Submitted Response:** General details about the SPK token including governance and utility/staking are available in the [Spark documentation](#). The formal governance mechanisms of the Spark DAO are recorded in the [Spark Artifact](#), a subsection of the Sky Atlas (an overarching governance document similar to a constitution). SPK token holders can make changes to the Spark protocol and SPK token characteristics such as value accrual mechanisms via governance, which is primarily mediated by updating the Spark Artifact.

**Score Received:** 1/1

### 2. B) Initial Allocation

**Definition:** Disclosed information explaining the launch and initial supply that includes: the total number of tokens issued, the category of the recipient (team, investor, foundation, community), the total supply of the token and if it is capped, and the initial vesting schedule.

#### Weighting

- 0: No initial allocation schedule is provided.
- 1: An initial allocation schedule is provided, but some information is absent.
- 2: A complete initial allocation schedule is provided.

**Submitted Response:** Full details on the SPK token allocations and distribution schedule are listed in the [Spark documentation](#). The SPK token has a 10 billion total supply, with 65% allocated to Sky farming, 23% allocated to the Spark ecosystem, and 12% allocated to the team. Sky farming tokens are distributed to users staking either USDS or SKY tokens to earn Spark, with distribution following a declining, halving style schedule over the course of 10 years. Spark ecosystem tokens are 17% unlocked at TGE, with the remaining 6% unlocked after 1 year. The team allocation of 12% is subject to 4 year linear vesting with a 1 year cliff (25% unlocks after 1 year, with remainder unlocking linearly over the following 3 years).

**Score Received:** 2/2

## 2. C) Vesting Insider Tokens

**Definition:** All Insider Token allocations (team, investor, foundation) must be transparent, per the disclosed Initial Allocation. If vesting occurs at a custodian, clearly disclose the employee categories and associated vesting schedules clearly in your documentation.

### Weighting

- 0: None of the these areas are clearly documented.
- 1: Some of these areas are clearly documented.
- 2: Most of these areas are clearly documented.
- 3: All areas are clearly documented.

**Submitted Response:** Vesting terms for contributors and the Spark Foundation are publicly disclosed in the [documentation](#). Contributor allocations are subject to 4-year linear vesting with a 1-year cliff from TGE. For contributor grants issued after TGE, the standard vesting schedule is 4-year linear vesting with a 1-year cliff from the token grant date. The foundation token allocation is partly unlocked at TGE (17%), with the remainder (6%) unlocking after 1-year.

**Score Received:** 3/3

## 2. D) Labelled Unissued Token Wallets

**Definition:** Addresses that hold any Unissued Tokens (e.g. foundation, future contributors, treasury) must be publicly labelled (address listed in docs) and be held in distinct wallets. This includes the foundation allocation. The party (e.g. team, foundation, DAO) that controls the funds must also be disclosed.

### Weighting

- 0: No wallets labeled. No ownership disclosure.
- 1.5: Some wallets are labeled, but the info is partial, unclear, or outdated. Categories may overlap.
- 3: 100% of relevant wallets are labeled and verifiable, with wallet ownership disclosed.

**Submitted Response:** All wallets holding unissued tokens are clearly segregated and documented. Tokens under the Sky farming allocation are held in the [Sky DAO treasury](#). Other tokens for Spark ecosystem and contributor allocations are held in the [Spark DAO treasury](#) (controlled by SPK governance, with execution managed by SKY token holders), or the [Spark ecosystem multisig](#) (4 of 7 multisig with signers from multiple entities).

**Score Received:** 3/3

## 2. E) Airdrop Process

**Definition:** The project must disclose all airdrop eligibility criteria clearly and provide a full CSV list of recipients, including addresses and amount received.

### Weighting

- 0: Airdrop process is opaque or arbitrary.
- 1: Some criteria are disclosed, but details are incomplete, unclear, or hard to access. The recipient list may be provided, but not in an auditable format.
- 2: All criteria are fully disclosed, and the recipient list is clear, accessible, and auditable.

**Submitted Response:** Details of the Spark initial airdrop including qualification criteria are listed in the [Spark documentation](#). A full list of qualifying addresses is listed in github [here](#). We summarize the distribution criteria below.

**Prefarming:** addresses who supplied USDS on Aave, supplied ETH on SparkLend, or borrowed DAI and/or USDS on SparkLend within the relevant periods before TGE qualify for the prefarming airdrop, with allocations calculated proportional to users share of the relevant pool(s). Qualifying supply and borrow amounts are subject to anti-cheat mechanisms, where addresses supplying and borrowing the same or substantially equivalent asset (eg. supplying sDAI and borrowing USDS) in the same protocol have their qualifying balances reduced proportionally to the looped amount.

**Ignition:** addresses meeting various token holding or usage criteria across ecosystem projects and stablecoins qualify for the ignition airdrop. Qualification metrics include holding USDS, sUSDS, sUSDC, sDAI, xDAI, or SAI tokens above a \$1,000 value threshold on a snapshot date (15 April of 2023, 2024, and 2025), holding \$10,000 or more DAI on one of the above snapshot dates, depositing at least \$100 into SparkLend on or before 15 April 2025, lending at least \$5,000 of a major stablecoin on Aave, Morpho, or Fluid across Spark supported networks, holding \$5,000 or more in PT, YT, or LP of a top 3 Pendle market, in Ethena USDe and/or sUSDe, in Curve 3pool LP tokens, or vePENDLE, on 15 March 2025 snapshot date. Each method of qualifying counts as one unit, and addresses receive airdrop proportional to their number of units they qualify under.

**Overdrive:** addresses that stake their entire airdrop amount received from the Ignition portion of the initial airdrop by 29 July 2025, and remain staked until at least 11 August 2025, qualify for an additional airdrop sourced from unclaimed ignition airdrop tokens. The airdrop amount is an addresses pro-rata share of unclaimed tokens proportional to their ignition airdrop, limited to 10x the ignition airdrop amount.

Social campaigns: users who participated and met required qualifications for Spark's Layer3 and Cookie3 campaigns may qualify for airdrops, which were distributed by the relevant partner organization according to their criteria. Users who completed all four Spark Quests on Layer3 qualify for a small pool, and the Cookie/SNAPS campaign rewards top participants in the Spark SNAPS campaign on Cookie.fun.

Note that addresses were filtered via compliance screening software before inclusion in the final airdrop lists.

**Score Received:** 2/2

## 2. F) Locked Staking Reward to Insiders

**Definition:** Disclose information on insiders (Team, Investors, Foundation, Advisors) tokens that are locked and can earn rewards.

### Weighting

- 0: None of these areas are clearly documented.
- 1.5: Some of these areas are clearly documented.
- 3: All areas are clearly documented.

**Submitted Response:** Locked SPK tokens cannot be staked or receive any rewards.

**Score Received:** 3/3

## 2. G) Future Token Issuance

**Definition:** The project commits that any future token issuance (e.g., minting or emissions outside scheduled vesting) will be publicly disclosed and justified on an official platform (e.g., governance forum, blog, or docs).

### Weighting

- 0: No public disclosure of token issuance.
- 1: Issuance is announced but lacks detail, is disclosed late, or is not in a permanent, verifiable location.
- 2: All token issuances are disclosed before or at issuance with full details (amount, reason, recipient, context) in an official, permanent public channel.

**Submitted Response:** Future token issuance, if any, is at the discretion of the Spark DAO via tokenholder governance. All currently planned and authorized issuance and emissions are listed in the vesting schedule.

**Score Received:** 2/2

## 2. H) Future & Related Token Launches

**Definition:** The team discloses all tokens launched by its key team members in the past and explicitly lays out its philosophy around launching new tokens, related to the project or otherwise. (e.g. "We do not plan to launch additional tokens" or "Any additional tokens will be given 1:1 to existing token holders who can then vote on proposals submitted by the management team.")

### Weighting

- 0: Language around new tokens is vague, non-committal, or missing entirely.
- 1: Plans around additional tokens are defined clearly. The team explains its past reasoning around token transactions and bridges from these transactions to its existing policy.
- 2: The Team represents that it will not launch additional tokens.

**Submitted Response:** Phoenix Labs and contributors do not plan to launch any additional governance or protocol tokens. Contributors may launch additional deposit receipt or LP tokens as part of Spark products under the existing SPK governance token.

**Score Received:** 2/2

## 3. Transactions & Market Structure

### 3. A) Insider & Related Person Transactions

**Definition:** The project commits to disclosing any material Related Party & Insider Transaction within 30 days and includes: The nature of the transaction, the Related Person, the basis on which the person is a Related Person, and the number of tokens involved in the transaction. This includes tokens issued by the foundation.

### Weighting

- 0: The project does not commit to disclosing related party transactions within 30 days.
- 3: The project commits to disclosing related party transactions within 30 days.

**Submitted Response:** Spark commits to disclosing all related party transactions within 30 days.

**Score Received:** 3/3

### 3. B) Prior Token Sales & Fundraising

**Definition:** Disclosed information of previous fundraising rounds, material OTC rounds to investors, or discounted market maker sales involving the Project and its Token that includes: the date of sale, number of tokens sold, and the vesting schedule of these tokens. The Project commits to disclosing any material OTC deal involving token sales and purchases by the foundation within 30 days.

#### **Weighting**

- 0: No prior sales are disclosed.
- 1: All prior sales are disclosed, but terms are absent.
- 2: All prior sales are disclosed with terms provided.

**Submitted Response:** Spark was incubated by the MakerDAO / Sky ecosystem and as such does not have private investors or any prior OTC sales.

**Score Received:** 2/2

### 3. C) Transparent Market Maker Deals & Exchange Listings

**Definition:** Projects must disclose key details of market making and centralized exchange agreements affecting token liquidity, including: names of all market makers & centralized exchanges involved, the token allocation for each (as % of total supply), and the duration of each agreement.

#### **Weighting**

- 0: No public information on market makers (MM) or centralized exchanges (CEX)
- 1: Some MM or/and CEX details are disclosed, but not all three elements are provided.
- 2: All three key elements are fully disclosed for MM & CEX.

**Submitted Response:** SPK Company Ltd. has entered into agreements with reputable market makers to provide liquidity in both CeFi and DeFi at standard market terms.

**Score Received:** 0/2

## 4. Financial Disclosure

### 4. A) Disclosure of Assets and Cash Flow

**Definition:** The Project commits to providing updates to token holders on a quarterly basis via forum posts, live dashboards, or reports that cover core project KPIs, changes to Token supply or allocations, and disclosure of top line revenue and expenses. The Project may engage third-party contractors to prepare and deliver these updates.

#### Weighting

- 0: The project does not commit to disclosing Token Holder Relations Reports.
- 3: The project commits to disclosing Token Holder Relations Reports.

**Submitted Response:** Phoenix Labs plans to publish Spark's first quarterly report after the end of Q3. Spark may engage external professionals to prepare quarterly reports. Spark also provides various live dashboards covering protocol KPIs and financial results, including the [Spark Data Hub](#), [SparkLend dashboard](#), and [Spark Dune page](#).

**Score Received:** 3/3

### 4. B) Public Token Holder Relations Reports

**Definition:** The foundation's assets or working capital are held onchain and publicly labelled, providing the ability to track asset holdings, revenue, and expenses. Or, the foundation publishes a quarterly, publicly available financial report of its assets, working capital, revenue and expenses.

#### Weighting

- 0: Foundation wallets are not publicly labeled.

- 1: Treasury wallets are tagged, but revenue and expense flows are incomplete or fragmented.
- 2: Wallets that touch any assets and revenue streams are labelled onchain, with clear, traceable expenses. Quarterly reports detailing assets, revenue, and expenses are provided.

**Submitted Response:** Substantially all of the Spark DAO and Spark Foundation's assets are held onchain, in the form of SPK tokens per the disclosed token allocation as well as stablecoins granted by the Spark DAO and Sky ecosystem. Spark DAO transfers governance approved operational expenses to the Spark Foundation on a monthly basis. The Spark Foundation makes periodic transfers to service providers such as Phoenix Labs to cover ongoing operational expenses. The Spark DAO treasury is held in the following address controlled by governance: 0x3300f198988e4C9C63F75dF86De36421f06af8c4. The Spark Foundation holds operations funds pending disbursement in this wallet: 0x92e4629a4510AF5819d7D1601464C233599fF5ec. The Spark TGE Operations wallet which handled TGE related transfers as well as Spark airdrop claims is located at this address: 0x6FE588FDCC6A34207485cc6e47673F59cCEDF92B.

**Score Received:** 2/2