

David Allen Capital, Inc.
Independent Broker

COMPENSATION PLAN DETAILS

Version 08.04.2025

DAVID ALLEN CAPITAL, INC. PROHIBITS ITS AGENTS FROM MAKING INCOME EARNING CLAIMS IN ASSOCIATION WITH THE PROMOTION OF THE DAVID ALLEN CAPITAL INCOME OPPORTUNITY. WHETHER AN INDIVIDUAL WHO BECOMES A DAC AFFILIATE WILL EARN MONEY FROM THEIR PARTICIPATION IN THE OPPORTUNITY DEPENDS ON MULTIPLE INDEPENDENT AND DEPENDENT VARIABLES THAT ARE IMPOSSIBLE TO PREDICT SUCH AS EFFORT, HOW AND WHERE SERVICES ARE PROMOTED, AND THE TALENTS OF EACH INDIVIDUAL AFFILIATE.



David Allen Capital, Inc. (DAC) strictly **prohibits brokers from making income claims** when promoting the DAC opportunity.

While the **income potential as a Certified Broker** in the DAC agency program is promising, **actual results will vary** and depend on factors outside of DAC's control. These include:

- **Economic conditions** in the markets where you promote DAC services
- **Your personal effort, skill, and consistency** in acquiring customers

No income is earned without acquiring customers.

All **examples and scenarios** shown in this document are **for illustration and mathematical demonstration purposes only**. Earnings at the levels shown **cannot be expected unless your performance matches the examples provided**.

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David Allen Capital, Inc. (DAC) reserves the right to **modify the Compensation Plan** at any time in compliance with all applicable **state and federal laws**.

Changes may occur for reasons such as:

- Market conditions
- Legal or regulatory requirements
- Business strategy adjustments
- Economic factors

Whenever possible, DAC will provide **30 days' notice** to all brokers before implementing any **significant changes**. This allows brokers time to **review and adjust** to the new terms.

Any changes will then be communicated via the email address on file for each broker.

SECTION 1: Personal Commission

As a DAC Broker, you earn a commission on the **Bonus Revenue (BR)** generated from your **personal clients**. Your **Personal Commission %** depends on the **Performance Ladder tier** you've reached.

You move up the Performance Ladder based on two things:

1. **How many personal clients you've helped**
2. **The total BR those clients have generated**

The higher your tier, the higher your commission percentage.

Personal Commission Tiers and Qualifications

Tier	Commission %	# Clients	Total Personal Bonus Revenue (TPBR)	Title	Ongoing Qualification
18	80%	20	\$300,000	NMO -National Marketing Organization	QCB*
17	77.5%	18	\$250,000	SGA4	QCB*
16	75%	16	\$200,000	SGA3	QCB*
15	72.5%	14	\$150,000	SGA2	QCB*
14	70%	12	\$100,000	SGA - Supervising General Agency	QCB*
13	67.5%	10	\$90,000	MGA 4	QCB*
12	65%	9	\$80,000	MGA 3	QCB*
11	62.5%	8	\$70,000	MGA 2	QCB*
10	60%	7	\$50,000	MGA - Managing General Agency	Certified Broker
9	57.5%	6	\$25,000	GA8	QCB*
8	55%	5	\$10,000	GA7	QCB*
7	52.5%	4	\$7,500	GA6	QCB*
6	50%	2	\$5,000	GA5	QCB*
5	47.5%	2	\$3,000	GA4	QCB*
4	45%	1	\$2,000	GA3	QCB*
3	42.5%	1	\$1,000	GA2	QCB*
2	40%	Certified	N/A	GA -General Agency	Certified Broker
1	10%	N/A	N/A	RP -Referral Partner	Renew Each Year.

*Qualified Certified Broker (QCB) = Certified Broker + Either first 30 days or \$1,000 Personal BR in last 6 months.

Personal Commission Rules

1. You always earn personal commission as long as you remain qualified by renewing your DAC brokerage each year.
Example: If you're at 40% and a client generates \$2,000 BR, you earn \$800, no matter what.
2. Overrides are Paid Daily.
 - DAC pays you the day after DAC is paid. .
 - Example: Your clients gets funded on Tuesday → and DAC is paid on Wednesday. You will be paid on Thursday. Some Funders pay DAC weekly which means you won't get paid for 1 week.
3. Until you complete certification through our LMS (Learning Management System), you are classified as a "Referral Partner" and earn only 10% instead of 40% or more. If you fail to complete your annual recertification, your status will also drop to 10% and remain at "Referral Partner" until you recertify.
Example: A \$2,000 BR client would only pay \$200 (10%) instead of your full commission.
4. Qualified Certified Broker (QCB) =
 - Be a Certified Broker,
 - **AND** either:
 - Be in your **first 30 days, or**
 - Have **\$1,000+** in cumulative personal BR in the last 6 months

(The 6-month period is rolling, and totals are recalculated daily when commissions are processed.)

Example: You join today - and get certified in day 10, → you are automatically a QCB for 20 more days (30 days max from starting date)
5. Losing QCB Temporarily Drops You to a Lower Commission and Stops Overrides.
 - If you're **MGA or higher**, you drop to **MGA1 (60%)** for personal commission.
 - If you're a **GA2-8**, you drop to **GA1 (40%)** for personal commission.
5. Client Definition:
 - A Client = A unique retail customer ID that produces BR.
 - Renewals count toward your total BR, but not toward your client count for ladder advancement.

Example: If the same client renews three times, it only counts as 1 client, but all BR adds to your totals.

SECTION 2: Override Spreads

As you **climb the Performance Ladder**, you don't just earn higher personal commissions—you also unlock the ability to earn **Override Spread** on your **agency team's production**.

Override Spread = Your Commission % - Highest Commission % Below You

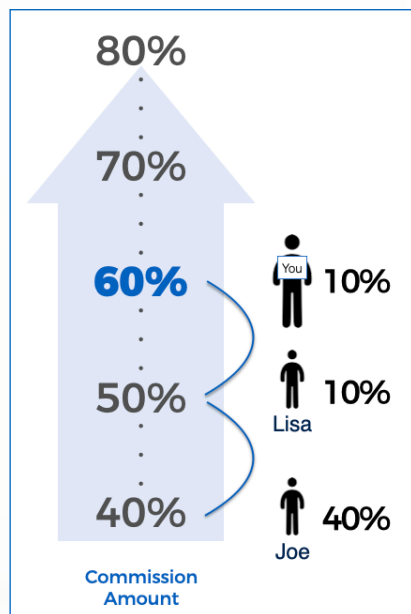
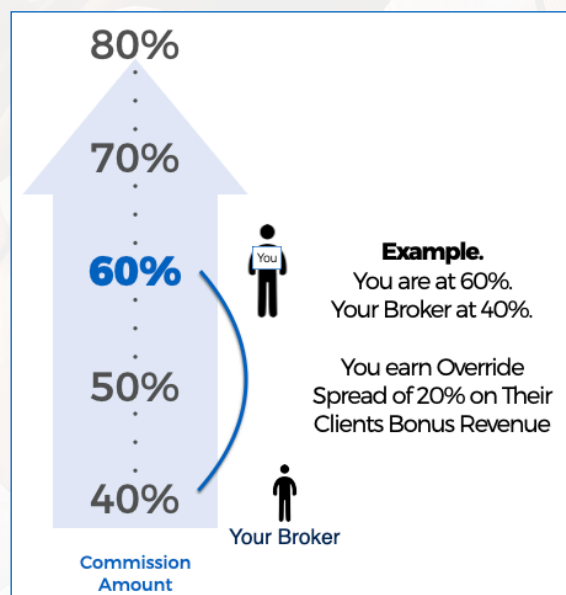
You earn this on every client funded in your team, as long as you are a **Qualified Certified Broker** (ex: \$1,000+ BR in last 6 months) **and at a Higher Commission Level than they are**.

Example 1: Simple Override

- **You:** 60% (MGA1)
- **Joe (in your team):** 40% (GA)

Joe funds a client that generates **\$6,000 BR**.

- Joe earns: 40% of \$6,000 = **\$2,400**
- You earn the difference: 20% x \$6,000 = **\$1,200**



Example 2: With a Broker in Between

- **You:** 60%
- **Lisa (between you and Joe):** 50%
- **Joe:** 40%

Joe funds a client generating **\$6,000 BR**.

- Joe earns 40% = **\$2,400**
- Lisa earns the difference between her and Joe: 10% = **\$600**
- You earn the difference between you and Lisa: 10% = **\$600**

Total override paid = 20% (\$1,200), split between you and Lisa.

Remember, there may also be **additional overrides paid to brokers above you** if they are at higher Performance Levels (60%–80%), until all available spread is paid out.

Override Spread Rules

1. You must be a Qualified Certified Broker (QCB) to earn overrides.

- If not QCB, you earn personal commission only and no Override Spread.
- QCB = Your first 30 days or \$1,000+ cumulative personal BR in the last 6 months.

Example: You're at 60% but lose QCB. Your team funds a client generating \$6,000 BR → You earn \$0 Override Spread until you regain QCB.

2. Spread Rolls Up to the Next QCB (and What Happens when lose QCB)

- **Override Spread = Your % - Highest % Below You**
- If a broker in the chain is **not QCB**, their spread **skips up to the next QCB**.
- If you lose QCB, you:
 - Drop temporarily to **MGA1 (60%)** or **GA1 (40%)** for personal commission
 - **Earn no Override Spread** until you regain QCB

Example 1: A broker in your agency is Not QCB

- You: 60% (QCB) → Lisa: 50% (**Not QCB**) → Joe: 40% (QCB)
- Joe funds \$6,000 BR → Joe earns 40% = \$2,400 → Lisa earns \$0 (not QCB) → You earn 20% = \$1,200 (full spread rolls to you)

Example 2: Broker loses QCB and Regain It

- Lisa is 50% but loses QCB → drops to **40% (GA1)**
- She funds \$6,000 BR → Lisa earns only 40% = \$2,400 → You (60% QCB) earn 20% = \$1,200
- Lisa's funding gets her to \$1,000+ BR in 6 months → she **regains QCB** and **regains 50%** for her future fundings.
- Her next funding pays her at 50%, and **your spread drops back to 10%**

3. Overrides Are Paid Daily on Team Activity

- DAC pays overrides the same day your team member is paid, usually the day after DAC is funded.

Key Lesson: Losing QCB lowers pay and stops overrides, but one new client can restore full status.

SECTION 3: Five-Level Agency Payout

As your agency team grows, there may be times when your **Override Spread is small or even zero**:

- Early on, your team may **acquire clients faster than you**
- Later, let's say you're at **60% and your team members are also 60%+**, there's **no spread left to earn until you achieve above them**.

That's why DAC also pays a **5-Level Agency Override**, which rewards you for **building and leading a team**, regardless of spread.

How 5-Level Pay Works

Level 1 - 4% of the BR from your **personally enrolled brokers**

You always earn Level 1 pay as long as you become and remain a Certified Broker. Referral Partners do not earn any teams income.

Levels 2-5 - 2% each of the BR from your **agency team**

Team Pay Levels	Payout % Of BR	Personal Qualification	Personal Enrolled Qualified CBs
L1	4%	Certified Broker	N/A
L2	2%	QCB	3 QCB
L3	2%	QCB	6 QCB
L4	2%	QCB	10 QCB
L5	2%	QCB	20 QCB

To unlock each level, you must be a QCB yourself, and have a certain number of **personally enrolled QCBs**.

QCB = Their First 30 Days OR \$1,000+ Personal BR in last 6 months

Example

- You personally enroll **Mary** → She funds a client with **\$6,000 BR**
 - **You earn 4% = \$240** (Level 1) as long as you are Certified Broker.
- Mary enrolls **Steve**, and he funds a client with **\$6,000 BR**
 - If you've unlocked **Level 2 (3 personally enrolled active QCBs)** →
 - **You earn 2% = \$120**

As your personally enrolled broker team grows to 20+ **active QCBs**, you earn on **all 5 levels**.

Key Lesson:

- **Override Spread** rewards the gap between your level and your team's.
- **5-Level Pay** rewards you **for building an active team, even if there's no spread left to earn**.
- As long as you remain certified, **Level 1 (4%) is always yours**.

5 Level Payout Rules

1. Compression Applies

- If a level has **no BR on a transaction**, the system **compresses** and pays the next active level instead.
Example: Level 2 has no BR for a client → Level 3 moves up and is paid as Level 2. This allows you to be paid on more depth of active levels.

2. Paid Monthly on the 15th

- 5-Level overrides are **calculated on all BR from the prior month**
- Paid on the **15th of the following month**

3. Qualification is Checked Monthly

- Your number of **personally enrolled active QCBs** is **counted at the end of the month**
- That count determines **how many levels** you're paid on for the **next month's payout**
Example:
 - On **July 31**, you have **6 personally enrolled QCBs** →
 - You qualify for **Level 3 pay in August**, paid **August 15th**

Key Lesson:

Your 5-Level Pay depends on **personally enrolled active QCBs**, and it's **locked in for the following month's payout** based on the **last day of the month**.

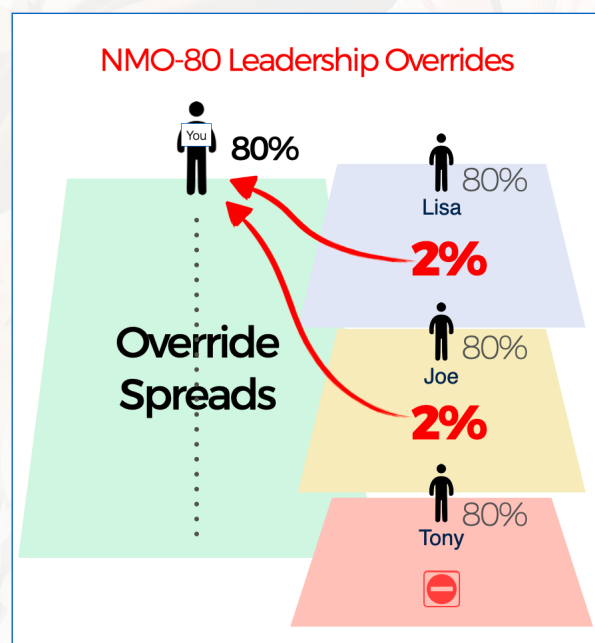
SECTION 4: NMO Makers Leadership Override

When you reach **NMO (80%)** and help someone in your team also hit **NMO (80%)**, your **override spread on that line disappears**—because they're now at the top, just like you.

As long as you are a QCB- DAC **still rewards your leadership** with a **special 2% NMO Maker Leadership Override**, so you continue to earn as your leaders grow.

How It Pays:

1. **1st NMO in Your Team (Direct NMO):** Earn 2% of all BR from their openline (everything below them that isn't another NMO yet).
2. **2nd NMO in the Same Line:** Earn 2% on their openline BR.
3. **3rd NMO and Beyond:** No more Leadership Overrides are paid on that line. The bonus stops at 2 generations deep in each line.



Example 1: Single NMO Team

- You (NMO 80%) → LISA (NMO 80%) → Team under LISA produces \$200,000 BR this month. You earn 2% of LISA'S Openline BR = \$4,000.

Example 2: Two NMOs in a Line

- You (NMO 80%) → LISA (NMO 80%) → JOE (NMO 80%). LISA'S openline BR = \$200,000 → You earn \$4,000 (2%). JOE'S openline BR = \$150,000 → You earn \$3,000 (2%). Total NMO Leadership Overrides: \$7,000

Example 3: Three NMOs in a Line (Bonus Stops After 2 Levels)

- You (A) → LISA → JOE → TONY (All 80% NMOs), LISA'S openline BR = \$200,000 → You earn \$4,000 (2%), JOE'S openline BR = \$150,000 → You earn \$3,000 (2%). TONY'S openline BR = \$100,000 → You earn \$0 Bonus (3rd NMO down - bonus stops).

Key Takeaway: The 2% NMO Leadership Override rewards you for building leaders who build leaders.

- Paid daily on openline BR
- This 2% bonus is in addition to your 5-Level Pay

Glossary Of Terms

Bonus Revenue (BR): This is the dollar amount used to calculate one-time Bonus Payouts. It generally represents about 5-10% of the Funding Amount for BankBreezy Fundings, although it can be lower for higher-risk, discount-priced, or repeat fundings. For Giggle MicroFundings (under \$15,000 monthly revenue), it is typically 3-6% of the funded amount. For Lines Of Credit (LOC), it is usually 2%-3% of each LOC Draw.

Personal Bonus Revenue (PBR): This represents the Bonus Revenue generated by your own personal client.

Total Personal Bonus Revenue (TPBR) - The total cumulative amount of Bonus Revenue from all your Personal Clients.

Group Bonus Revenue (GBR): This is the amount of Bonus Revenue from your entire team, excluding your own clients.

Personal Enrolled Broker: All brokers you personally introduced to DAC who have joined with you as the enroller of record.

Certified Broker: All brokers who have successfully completed the DAC Certification. Requires Re-Certification annually..

Qualified Certified Broker: All Certified Brokers in their first 30 days of joining DAC, or those who have produced \$1,000+ PBR in the last 6 months.

Payout Timings And Information

1. Payout Timings:

Personal Commission - Paid Daily

- Paid the day after DAC is paid and BR is imported (often the next day). MISCELLANEOUS

Example:

- You're at 50% (GA5) and a client funds Tuesday → DAC is paid Wednesday and BR is imported then → You earn 50% Thursday.
- That BR moves you to 55% (GA7) → The next client pays at 55%

Override Spread - Paid Daily

- Paid the same day your team member earns Personal Commission.
- Calculated using your tier before that day's promotion

Example:

- Joe funds a client on Tuesday and DAC is paid Wednesday → BR is imported Wednesday.
- On Thursday: Joe is paid his commission, and your override is also paid.

NMO Leadership Overrides - Paid Daily

- Paid exactly like Override Spread,

5-Level Agency Overrides - Paid Monthly on the 15th

- Paid on the 15th of each month for all BR imported the **prior** month
- Qualification is locked based on your frontline QCB count at month-end

Example:

- July 31: Joe has 3 frontline QCBs → qualifies for Level 2 pay on July BR - paid Aug 15.
- August 20: One QCB loses status → Joe has 2 QCBs at August 31 → September 15th payout: Level 1 only, unless Joe requalifies in August.

2. Client Funding Date vs. DAC Pay Date

- A client counts for qualification the day DAC is paid and BR is imported, not the day they are funded
- Example: Client funds Aug 12 → DAC paid Aug 19 → BR imports Aug 19 → counts as qualified client Aug 19

3. Clawbacks:

Rarely, funders may **claw back commission** for:

- Early client default (first 30 days) or Fraud
 - DAC must **claw back commission and BR** from your qualifications
 - Rare but possible (less than 30 times across thousands of fundings)
 - Sometimes funders wait **60-90 days** before clawback while pursuing collection

Bonus Revenue Chart

Service	Bonus Revenue	When Counts For Qualifications (When BR Imported into DAC)
FlagShip Services		
Business Funding (BankBreezy FlexRate)	Generally 6-10% of Funding (sometimes less)	When DAC Paid On Funding Usually Next Day But Can Be Up To 30 Days For Larger Fundings
Business Funding (BankBreezy CoreRate)	Generally 4-7% of Funding (sometimes less)	When DAC Paid On Funding Usually 7 Days But Can Be Up To 30 Days For Larger Fundings
Business Funding (BankBreezy CoreRate -100% Prepayment Discount)	About 3.5% of Funding	When DAC Paid on Funding. Usually 7 Days But Can Be Up To 30 Days For Larger Fundings. Bonus: You can earn a second bonus equal to your first commission if your client does not pay off their loan early using the 100% prepayment discount within 90 days. Example: If you earned \$2,000 up front, you could earn another \$2,000 after 90 days.
Instant Micro-Funding (Giggle)	Generally 4-6% of Funding	Imported into the DAC system the month after the funding , around the 20th of the month
Business Line Of Credit (BankBreezy)	Generally 2-3% of Draw Amount	When DAC Paid On Funding Usually Next Day.
Supplemental Services		
Merchant Processing For Business (Dual Pricing/Cash Discount)	About 1/2% of Customer's Sales (ex: \$500 BR on \$100,000 processing)	MONTHLY AROUND THE 20TH FIRST UPLOAD GENERALLY Starts 3RD Month After Activation.
Merchant Processing For Business (Standard Processing)	About 1/8% of Processing (ex: \$125 BR on \$100,000 processing)	MONTHLY AROUND THE 20TH FIRST UPLOAD GENERALLY Starts 3RD Month After Activation.
All DAC HealthShare Plans	\$40 BR	MONTHLY AROUND THE 20TH FIRST UPLOAD GENERALLY Starts 2RD Month After Activation.
Consumer Services		
ID Protect Standard Monthly	\$5	MONTHLY -Added Day of Purchase.
ID Protect Standard Annual	\$50	ANNUALLY -Added Day of Purchase.
ID Protect Standard Family Monthly	\$11	MONTHLY -Added Day of Purchase.
ID Protect Standard FAMILY Annual	\$110	ANNUALLY -Added Day of Purchase.
ID Protect Plus Monthly	\$13	MONTHLY -Added Day of Purchase.
ID Protect Plus Annual	\$130	ANNUALLY -Added Day of Purchase.
ID Protect Plus Family Monthly	\$26	MONTHLY -Added Day of Purchase.
ID Protect Plus Family Annual	\$260	ANNUALLY -Added Day of Purchase.
Legacy Services		
Employee Retention Credits	Generally 6-10% of Credit	Daily. Usually 6-9 Months Later and when client pays their Fees.

A background photograph of a group of young adults at a beach. Some are sitting on the back of a light-colored car, while others are standing or sitting on the sand. They are dressed in casual summer attire like tank tops, shorts, and hats. The scene is bright and sunny.

Notes

DAC
David Allen Capital, Inc.
Investment Advisor

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