

## KELLER WILLIAM REALTY METRO MARKET CENTER

### **AGENT "CAP" AND TEAM FORMATIONS BEDFORD- MANCHESTER MARKET CENTER 538** **and ALL BUSINESS CENTERS**

#### **General Agent Cap Policy:**

- Each Agent will pay his or her own Company Dollar (Cap) and the National Franchise Fee (Royalty) from their closed transactions.
- Each Agent's Cap contribution is \$24,000 plus the Royalty Fee of 6% of each closed transaction not to exceed \$3,000 per anniversary date. Agent's contribution is based on a 80/20 split of the gross commission income (GCI) received by Keller Williams from the Agent's closed transaction.

#### **Agent "Cap" Deviations:**

**Unlicensed Agent Assistants** are exempt from paying a Cap or Royalty Fee to Keller Williams. As such the assistant cannot list property, show property or negotiate offers and/ or contracts. The assistant cannot assist or direct in the procuring of prospects to result in the sale, exchange, lease or rental of real estate. It is the responsibly of the agent for whom the unlicensed agent assistant works to ensure the assistant's compliance with NHREC rules and guidelines including but not limited to the following limitations of an unlicensed assistant. Unlicensed Assistants are able to:

1. Give general information about listed properties such as location, availability and price (again, without any solicitation on behalf of the assistant);
2. Perform clerical duties, which may include answering the telephone and forwarding calls;
3. Fill out and submit listings and changes to multiple listing services;
4. Type contract forms for approval by licensee and supervising broker;
5. Pick up and deliver paperwork to other brokers and salespersons;
6. Follow-up on loan commitments after a contract has been negotiated, and pick up and deliver loan documents requiring signatures;
7. Obtain status reports on a loan's progress;
8. Assemble closing documents;
9. Obtain required public information from the Registry of Deeds, public utilities, etc.;
10. Write advertising for approval by the licensee and supervising broker, and arrange to place the advertising;

11. Have keys made for company listings, and place signs on listed property;
12. Attend open houses to provide security, and hand out pre-approved promotional material. They MAY NOT host the Open House or show property without a licensed agent present;
13. Gather information required for a Comparative Market Analysis;
14. Schedule appointments for licensee to show a listed property; and chauffeur clients to view properties which will be shown by the licensee.
15. A good general rule is that an unlicensed assistant should have very little contact with the buyer or seller beyond providing secretarial assistance or factual information on listings.

**Licensed Assistants** are also exempt from paying a Cap or Royalty Fee, but cannot list property, routinely show property or negotiate offers and/ or contracts. They *must* join the local Realtor board and Multiple Listing Service. It is also important to note the following NHBREC guidelines for licensed assistants:

The assistant is required to be licensed in association with the sponsoring broker; (RSA 331-A:17 IV, VI) and

All compensation received by the assistant for activities requiring a license must come from the sponsoring broker, rather than from another associate. (RSA 331-A:26 XX)

The use of personal assistants in the real estate profession can be a definite win-win proposition, if the sponsoring broker insures that all of the safeguards are in place. Not only can the assistant receive an excellent education and experience, but the employing broker is freer to focus on other critical aspects of his/her business.

## **Team/Group Formation Policy:**

The goal is to have a policy that is serious and truthful. At the same time being a win-win for the Market Center and its agents helping increase the productivity, growth, and profitability of the Market Center and its agents. While being in line with the culture of the Market Center.

The words "Team" and "Group" in this document are interchangeable for the purposes of formation in this Market Center and either may be used to identify an association of two or more agents. However, be advised that KWRI may have guidelines that differentiate "teams" from "groups" for the purposes of awards and recognition.

**Married couples:**

Married Couples will pay one full Cap of \$24,000 and a Royalty Fee of \$3,000 according to KWRI policy. In addition, all transactions may be credited to one spouse for reporting through the MORE system.

**Teams/Groups:**

1. The Rainmaker/Team Leader must be a capper.
2. Agents may recruit from within the Market Center.
3. Teams must have a Team MLS ID. All listings and sales will be entered and closed out under the Team MLS ID.
4. Signage and marketing pieces shall have the Team Name prominently displayed.
5. Team Approval Process shall be as follows:

The Lead Team member(s): shall present to the Operating Principle or Team Leader for acknowledgement, a team policy that outlines at a minimum, the following:

- i. A “win-win” scenario for both the Team and Market Center
- ii. Team Structure, of leader(s) and members
- iii. How Gross Commission Income (GCI) “caps” are distributed
- iv. How GCI is compensated to all members
- v. How the distribution of GCI effects each member’s profit share line
- vi. A resolution agreement for disassociation of the Team and/or its members (“divorce clause”)
- vii. Roles and Responsibilities of all members of the Team

Should the Operating Principle or Team Leader vote to approve the Team, it will then be presented to the ALC for final review and acceptance. Please note that the ALC/Market Center is not approving legality, enforceability or completeness of any team policy. They are only acknowledging receipt.

6. After final approval, the team will receive the benefit of a reduced half cap (\$12,000) for the new team member that joined from within the Market Center.
7. Teams that expand with agents from within the Market Center are subject to the following limitations:

- a. For each member that is joining a team, the reduction in Cap is limited to a “half cap” (\$12,000).
- b. Teams in which there are already two members that had previously joined, that were both from within the market center, the Team Shall be subject to the following:
  - i. The team must also have members that were not from within the market center. NOTE: For each agent from within the Market Center that is a member of a team with a reduced cap, there must also be a member of the team that joined from outside of the Market Center.
  - ii. To be eligible to add a new agent that is internal to the Market Center to an Existing team at a reduced “half cap” (\$12,000), the team must have capped in any one year of the past 2 years.
  - iii. The Approval process for adding agents under this section is identical to that of number 5 “Team Approval Process”.
- c. Exception: Should a Team have a new member join and not be looking for any type of cap reduction, there is no approval needed from the ALC.

NOTES:

Any approved Team that has members that are recruited from within the market center are subject to a 6 month conditional period during which time there shall be no reduction in the new member’s Cap.

At the end of the 6 month conditional period the Team shall meet with the ALC and Team Leader to review the Team’s original proposal and ensure that the team has conformed to the original outline and that they are operating the team as was originally proposed, for final approval and cap reduction.

A team with the benefit of cap reduction(s) will be deemed to be in non-compliance with Team Policy, if at any time, the number of members at a reduced cap, who were existing KW Metropolitan Agents when joining said team, exceeds the number of agents who were recruited from the outside the Market Center, by more than one agent. Should this occur, the Team shall present a proposal to the ALC for approval to continue its current cap-reduction arrangement.

**Structuring Team Caps and Exiting Agent’s Cap**

1. Teams may structure team caps however they see fit. Provided the Lead Agent/Rainmaker’s cap is equal to or greater than any other agents on the Team and Team Member is contributing to Company Dollar.

2. All agents introduced to Teams by the Market Center will be a half cap (\$12,000). In order for the Team to be able to utilize the quarter cap (\$7,500) they must first recruit an agent from outside the Market Center at a half cap (\$12,000).
3. Lead Agents and/or Team Members will not be responsible for cap differential.
4. Teams shall not be responsible for Royalty Fees, rather individual members shall be charged 6% of closed sales until the \$3,000 cap is reached.
5. Agents separating from Team will revert to the “General Agent Cap Policy.”
6. Team members leaving a team shall leave with accumulated company dollar towards their own individual cap.
7. Reduction of volume and the appropriate company cap will be adjusted accordingly to the Team upon separation. If the Team or Team members have already capped no credit shall be given.
8. Should a team choose to no longer operate as a team, details should be included in the team policy on how such will be handled.
9. This company policy shall supersede any conflicting internal team/group policies.
10. Team Leader may supersede any Lead Agent decisions when those decisions violate the rules, spirit, or company culture of the Market Center or KWRI.
11. Should any portion of this policy conflict with State Real Estate Law or any other portion of Federal or State Law, the applicable Law shall supersede any part of this policy. Should any single portion of Law supersede a part of this policy, the remaining policy shall remain enforceable.
12. Team disagreements shall indemnify Keller Williams Metropolitan of any action against the lead agent or others on the team.

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*Clarification added 2023*