



KELLERWILLIAMS®  
PREFERRED PROPERTIES

## Disappearing Cap Policy

**Effective: December 1, 2020 through November 30, 2021**

In order to receive the disappearing cap, the KWPP sponsoring Stakeholder must influence a Capper Agent, Half-Capper Agent or New/Transfer Agent to join KWPP.

For each recruited Capping Agent,

- The sponsoring Stakeholder's cap may be reduced by 25% (\$5500) of Stakeholders current cap amount up to the full cap amount.
- The Capper Agent must be paying a full company cap to KWPP
- In order to receive the reduced cap, the recruited agent must stay with the MC for 90 days.
- Once, the 90 period has been completed, the sponsoring Stakeholder will be credited the reduced cap.
- Any additional agents recruited into the market center beyond full cap amount will be credited to the next anniversary cap.

For each recruited Half-Capper Agent,

- The sponsoring Stakeholder's cap may be reduced by 12.5% (\$2750) of Stakeholders current cap amount up to the full cap amount.
- The Half-Capper Agent must be paying a full company cap.
- In order to receive the reduced cap, the recruited agent must stay with the MC for a minimum of 90 days.
- Once, the 90 period has been completed, the sponsoring Stakeholder will be credited the reduced cap.
- Any additional agents recruited into the market center beyond full cap amount will be credited to the next anniversary cap.

For each recruited New/Transfer Agent,

- The sponsoring Stakeholder's cap may reduce by 6.25% (\$1375) of Stakeholders current cap amount up to the full cap amount.
- The New/Transfer Agent must be paying a full company cap.
- In order to receive the reduced cap, the recruited agent must stay with the MC for a minimum of 90 days and have closed at least 1 transaction.
- Once, the 90 period has been completed, the sponsoring Stakeholder will be credited the reduced cap.
- Any additional agents recruited into the market center beyond full cap amount will be credited to the

next anniversary cap.

*The reduction amount addressed above represents a reduction for a KWPP Stakeholder paying a full cap. These amounts will be adjusted for any KWPP Stakeholder receiving a half cap. Team Disappearing Cap Policy is not addressed in this policy and will be determined at a later date.*

### **Definitions:**

A **KWPP Sponsoring Stakeholder** is defined as any KWPP Stakeholder that has influenced an outside agent to meet with the MC Team Leader(s) with the potential of joining the KWPP.

A **Capping Agent** is defined as any currently producing real estate agent with \$3,000,000 or more closed sales volume in the previous 12 months.\*

A **Half-Capper** agent is defined as any currently producing real estate agent with \$1,500,000 - \$2,999,999.99 in closed sales volume in the previous 12 months.\*

A **New/Transfer Agent** is defined as any currently producing real estate agent with \$0 - \$1,499,999.99 in closed sales volume in the previous 12 months.\*

### **Who can participate:**

All KWPP Stakeholders qualify for the disappearing cap to reduce their cap for a one anniversary year cycle, eligible for annual renewal. The Market Center cap will decrease based on the number of recruited agents that have designated the KWPP sponsoring Stakeholder as his/her sponsor and their verified production level.

### **How to participate:**

1. The KWPP Stakeholder must provide a **warm** introduction to the team leader.
2. A warm introduction must include an appointment set up by the KWPP Stakeholder and the TL.
3. The referring KWPP Stakeholder must be named as the new agent's sponsor.
4. Once new agent has joined KWPP, the TL will provide the MCA with the new agent's information including the KWPP sponsor for processing.
5. The Capper Agent and Market Share Agent must stay with KWPP for a period of 90 days in order to receive the reduced cap.

### **Who does not qualify for the Disappearing Cap?**

- Stakeholders recruited into another KW Market Center

### **Disappearing Cap Integrity Policy**

- Any agent found persuading or coercing a recruited agent to name his/her as a sponsor will be disqualified for the disappearing cap and an
- meeting with market center leadership will be scheduled

*\*Royalty will still be paid and is not eligible for reduction*

*\*Market Center leadership reserves the right to alter the above policy at any point*

*\*Production Levels will be verified using Broker Metrics for prior 12 months and MLS data.*