

CONSIGNMENT AGREEMENT

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This Consignment Agreement (this "**Agreement**") is entered into as of [EFFECTIVE DATE] (the "**Effective Date**") by and between:

[CONSIGNOR LEGAL NAME], a [STATE] [ENTITY TYPE / individual] with its principal place of business or address at [CONSIGNOR ADDRESS] ("**Consignor**"); and

[CONSIGNEE LEGAL NAME], a [STATE] [ENTITY TYPE] with its principal place of business at [CONSIGNEE ADDRESS] ("**Consignee**").

Consignor and Consignee are each a "**Party**" and together the "**Parties**."

Recitals. Consignor owns goods it wishes to sell through Consignee, and Consignee operates a [STORE / GALLERY / MARKETPLACE] through which it is willing to offer those goods for sale on Consignor's behalf. The Parties intend that Consignor retains ownership of the goods until they are sold to a buyer, and that Consignee sells them as Consignor's agent in exchange for a commission. In consideration of the mutual promises below, the Parties agree as follows.

1. Consigned Goods

1.1 Goods. Consignor delivers to Consignee the goods listed on the attached schedule or intake receipt (the "**Consigned Goods**"), each with a stated description, condition, and minimum acceptable sale price.

1.2 Title and ownership. Consignor retains all right, title, and interest in each item of Consigned Goods until that item is sold to a buyer. Consignee acquires no ownership interest and holds the Consigned Goods solely as Consignor's consignee and agent for sale.

1.3 No commingling of title. The Consigned Goods are not Consignee's property, are not subject to claims of Consignee's creditors, and may not be pledged, encumbered, or used as collateral by Consignee.

1.4 Filing. The Parties acknowledge that consignment arrangements may require notice or filing to protect Consignor's interest against Consignee's creditors under applicable law. [The Parties should confirm with counsel whether a filing is advisable in the applicable jurisdiction.]

2. Term and Consignment Period

2.1 Term. This Agreement begins on the Effective Date and continues until terminated under Section 8.

2.2 Consignment period. Each item of Consigned Goods will be offered for sale for [NUMBER, e.g. 90] days from its intake date (the "**Consignment Period**") unless the Parties agree otherwise in writing.

2.3 Unsold goods. If an item is not sold by the end of its Consignment Period, Consignee will notify Consignor, who may (a) extend the Consignment Period in writing, (b) reclaim the item within [NUMBER] days, or (c) authorize markdown or disposal under Section 4.

3. Pricing and Commission

3.1 Sale price. Consignee will offer each item at the price agreed with Consignor and recorded on the intake schedule. Consignee will not sell any item below its stated minimum price without Consignor's written approval.

3.2 Commission. On each sale, Consignee retains a commission of **[PERCENT, e.g. 40%]** of the net sale price, and the remaining **[PERCENT, e.g. 60%]** is payable to Consignor as set out in Section 5.

3.3 Taxes and fees. Consignee is responsible for collecting and remitting applicable sales tax on sales it makes. Payment-processing fees and similar charges are allocated as follows: **[describe allocation]**.

4. Display, Care, and Markdowns

4.1 Reasonable care. Consignee will store and display the Consigned Goods with reasonable care, in a manner consistent with how it handles its own comparable merchandise, and will keep them reasonably secure from theft, loss, and damage.

4.2 Display discretion. Consignee has reasonable discretion over placement, display, and promotion of the Consigned Goods, provided it does not misrepresent the goods or sell below the agreed minimum price.

4.3 Markdowns. Consignee may apply markdowns only as authorized in writing by Consignor or under a markdown schedule the Parties agree to in advance.

5. Reporting and Payment

5.1 Sales records. Consignee will keep accurate records of each sale, including the item, sale price, date, and commission, and will make those records available to Consignor on reasonable request.

5.2 Settlement. Consignee will remit Consignor's share of net sale proceeds **[MONTHLY / WITHIN [NUMBER] DAYS OF EACH SALE]**, together with a statement itemizing the items sold, sale prices, and commissions.

5.3 Proceeds held in trust. Until remitted, the portion of sale proceeds owed to Consignor is held by Consignee for Consignor's benefit and is not Consignee's property.

6. Risk of Loss and Insurance

6.1 Risk of loss. While the Consigned Goods are in Consignee's possession, **[Consignee bears the risk of loss, theft, or damage / risk of loss remains with Consignor — choose and confirm with counsel]**, except for ordinary wear from permitted display.

6.2 Insurance. **[Consignee will maintain insurance covering the Consigned Goods for their stated value while in Consignee's possession / each Party insures its own interest]**. The responsible Party will provide proof of coverage on request.

6.3 Valuation on loss. If an item is lost, stolen, or damaged while at risk to Consignee, Consignee will pay Consignor that item's agreed value, less the commission Consignor would have owed had it sold at its minimum price.

7. Warranties and Indemnification

7.1 Consignor warranties. Consignor warrants that it owns the Consigned Goods free of liens, has the right to consign them, and that the goods are authentic and as described, and do not infringe any third party's rights.

7.2 Consignee warranties. Consignee warrants that it will sell the Consigned Goods in compliance with applicable law and will not misrepresent them to buyers.

7.3 Indemnification. Each Party will defend and indemnify the other against third-party claims arising from the indemnifying Party's breach of its warranties or its negligence or misconduct in connection with this Agreement.

8. Termination

8.1 Termination for convenience. Either Party may terminate this Agreement on **[NUMBER, e.g. 30]** days' prior written notice.

8.2 Termination for cause. Either Party may terminate immediately on written notice if the other materially breaches and fails to cure within **[NUMBER, e.g. 10]** days after written notice describing the breach.

8.3 Return of goods. On termination, Consignee will make all unsold Consigned Goods available for Consignor to reclaim within **[NUMBER]** days, and will remit any proceeds owed for items sold before termination.

9. General Provisions

9.1 Independent contractors. The Parties are independent contractors. Consignee acts as Consignor's agent only for the limited purpose of selling the Consigned Goods. Nothing creates a partnership or joint venture.

9.2 Governing law and venue. This Agreement is governed by the laws of the State of **[STATE]**, without regard to its conflict-of-laws rules. The Parties submit to the exclusive jurisdiction of the state and federal courts located in **[COUNTY, STATE]**.

9.3 Notices. Notices must be in writing and sent to the addresses above (or as updated in writing) and are effective on receipt.

9.4 Entire agreement; amendment. This Agreement, with its intake schedules, is the entire agreement between the Parties on its subject and supersedes prior discussions. It may be amended only by a writing signed by both Parties.

9.5 Severability and waiver. If any provision is unenforceable, the rest remains in effect. A Party's failure to enforce a provision is not a waiver.

9.6 Counterparts and electronic signature. This Agreement may be signed in counterparts and by electronic signature, each of which is an original and all of which together form one agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

CONSIGNOR

Signature: _____

Printed name: **[NAME]**

Title: **[TITLE / N/A]**

Date: _____

CONSIGNEE

Signature: _____

Printed name: **[NAME]**

Title: **[TITLE]**

Date: _____

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