

# SETTLEMENT AND RELEASE AGREEMENT

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

[CLAIMANT LEGAL NAME], of [CLAIMANT ADDRESS] (the "**Claimant**"); and

[RESPONDENT LEGAL NAME], of [RESPONDENT ADDRESS] (the "**Respondent**").

The Claimant and the Respondent are each a "**Party**" and together the "**Parties**."

**Recitals.** A dispute has arisen between the Parties concerning [DESCRIBE THE DISPUTE, e.g. unpaid invoices, an automobile accident on [DATE], an employment separation, a breach-of-contract claim] (the "**Dispute**"). The Claimant has asserted, or could assert, claims against the Respondent, which the Respondent denies. To avoid the expense, delay, and uncertainty of continued conflict or litigation, the Parties wish to fully and finally resolve the Dispute on the terms below, without any Party admitting fault or liability. In consideration of the mutual promises and the payment described below, the Parties agree as follows.

## 1. Recitals and Definitions

**1.1 Incorporation of recitals.** The recitals above are true to each Party's knowledge and are incorporated into this Agreement.

**1.2 Released Claims.** "**Released Claims**" means all claims, demands, causes of action, damages, costs, expenses, attorneys' fees, liabilities, and obligations of any kind, whether known or unknown, suspected or unsuspected, that arise out of or relate to the Dispute, from the beginning of time through the Effective Date.

**1.3 Released Parties.** "**Released Parties**" means the Respondent and its past and present owners, officers, directors, employees, agents, insurers, affiliates, successors, and assigns, as applicable to the Dispute.

**1.4 No admission.** This Agreement is a compromise of disputed claims. Nothing in it is or may be used as an admission of liability or wrongdoing by any Party.

## 2. Settlement Consideration

**2.1 Payment.** In full settlement of the Released Claims, the Respondent will pay the Claimant the total sum of [SETTLEMENT AMOUNT] (the "**Settlement Payment**").

**2.2 Timing and method.** The Respondent will pay the Settlement Payment [IN A LUMP SUM WITHIN [NUMBER] DAYS OF THE EFFECTIVE DATE / IN INSTALLMENTS AS SET OUT IN SECTION 2.3] by [CHECK / WIRE / ACH] to [PAYEE / ACCOUNT DETAILS].

**2.3 Installments (if applicable).** If paid in installments, the Respondent will pay [INSTALLMENT AMOUNT] on [SCHEDULE, e.g. the first of each month] beginning [FIRST PAYMENT DATE] until paid in full. [OPTIONAL: describe acceleration on missed payment and any stipulated judgment — discuss with counsel.]

**2.4 Non-monetary terms.** In addition to or instead of payment, the Parties also agree to the following:  
[DESCRIBE ANY NON-MONETARY TERMS, e.g. return of property, correction of records, a reference letter, removal of online content, OR "None"].

**2.5 Sufficiency.** Each Party acknowledges that the consideration in this Section is good, valuable, and sufficient to support this Agreement.

### 3. Release of Claims

**3.1 General release.** Effective upon the Respondent's satisfaction of Section 2, the Claimant fully and forever releases and discharges the Released Parties from the Released Claims.

**3.2 Covenant not to sue.** The Claimant will not file, maintain, or assist any lawsuit, charge, complaint, or proceeding against any Released Party based on the Released Claims, except to enforce this Agreement.

**3.3 Unknown claims.** The Claimant understands that the release covers claims the Claimant does not know or suspect to exist as of the Effective Date and that, had they been known, might have affected the decision to settle. The Claimant knowingly waives, to the fullest extent permitted by applicable law, any statute or rule that would limit a release to known claims. [NOTE: some states require specific waiver language to release unknown claims — confirm with counsel for your jurisdiction.]

**3.4 Scope.** This release applies only to the Released Claims and does not release obligations created by this Agreement or claims that arise after the Effective Date.

### 4. Dismissal of Proceedings

**4.1 Pending matters.** If any lawsuit, arbitration, or administrative proceeding relating to the Dispute is pending, the Parties will, within [NUMBER] days after the Respondent satisfies Section 2, file the documents necessary to dismiss it [WITH / WITHOUT] prejudice, each Party bearing its own costs unless stated otherwise.

**4.2 No new proceedings.** Neither Party will commence a new proceeding on the Released Claims, and this Agreement may be pleaded as a complete bar to any such proceeding.

**4.3 Cooperation.** Each Party will sign and deliver any further documents reasonably needed to carry out this Section.

### 5. Confidentiality and Non-Disparagement

**5.1 Confidentiality.** The Parties will keep the terms of this Agreement and the amount of the Settlement Payment confidential, except as needed to enforce the Agreement, to advisors bound by confidentiality, to tax or accounting authorities, or as required by law.

**5.2 Permitted disclosure.** A Party compelled by law or legal process to disclose the terms will give the other Party prompt notice where lawful, so the other Party may seek protection.

**5.3 Non-disparagement.** Each Party will refrain from making statements to third parties that are intended to, or reasonably would, harm the reputation of the other Party regarding the Dispute. This Section does not prohibit truthful statements required by law or in a legal proceeding.

### 6. Representations and Warranties

**6.1 Authority.** Each Party represents that it has full authority to enter into this Agreement and that the person signing on its behalf is authorized to do so.

**6.2 Ownership of claims.** The Claimant represents that it has not assigned or transferred any Released Claim to any other person and is the sole owner of the Released Claims.

**6.3 Advice of counsel.** Each Party represents that it has had the opportunity to consult independent legal counsel of its choice and enters into this Agreement voluntarily and with full understanding of its terms.

**6.4 No reliance.** Each Party enters into this Agreement based on its own judgment and not in reliance on any statement of the other Party not set out in this Agreement.

## 7. Taxes

**7.1 Responsibility.** Each Party is responsible for its own tax obligations arising from the Settlement Payment. No Party has provided tax advice to the other.

**7.2 Reporting.** The Parties will report the Settlement Payment as required by law, including issuing any **[TAX FORMS, e.g. IRS Form 1099]** if applicable. The characterization of the Settlement Payment for tax purposes is **[CHARACTERIZATION, IF AGREED, OR "as determined by each Party's advisors"]**.

## 8. Remedies and Enforcement

**8.1 Breach.** If a Party breaches this Agreement, the non-breaching Party may pursue all remedies available at law or in equity, including specific performance of this Agreement.

**8.2 Default on payment.** If the Respondent fails to make the Settlement Payment when due and does not cure within **[NUMBER]** days after written notice, the Claimant may **[ENFORCE THIS AGREEMENT / REINSTATE THE UNDERLYING CLAIM / PURSUE ANY AGREED STIPULATED JUDGMENT]**.

**8.3 Attorneys' fees.** In any action to enforce this Agreement, the prevailing Party is entitled to recover its reasonable attorneys' fees and costs, to the extent permitted by applicable law.

## 9. General Provisions

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

**9.2 Entire agreement.** This Agreement is the entire agreement between the Parties on the Dispute and supersedes all prior discussions and writings. It may be amended only by a writing signed by both Parties.

**9.3 Severability.** If any provision is unenforceable, the remaining provisions stay in effect, and the release in Section 3 is to be read as broadly as the law allows.

**9.4 No waiver.** A Party's failure to enforce a provision is not a waiver of that or any other provision.

**9.5 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.

**CLAIMANT**

**RESPONDENT**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

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Printed name: **[NAME]**

Printed name: **[NAME]**

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

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

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Date: \_\_\_\_\_

Date: \_\_\_\_\_

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