

**STRICTLY CONFIDENTIAL  
FOR SETTLEMENT PURPOSES ONLY / SUBJECT TO RULE 408**

[Date]

[Recipient Name]  
[Recipient Address]  
[City, State, Zip Code]

**Re: Settlement Offer Regarding Worker Classification**

Dear [Recipient Name],

This letter concerns your [engagement/employment] with [Company Name] during the period of [Start Date] to [End Date]. As you are aware, disputes have arisen regarding your classification as an independent contractor rather than an employee.

While [Company Name] maintains that your classification was legally appropriate, we recognize the mutual benefit of resolving this matter efficiently to avoid the costs and uncertainties of formal litigation. Accordingly, [Company Name] extends the following settlement offer:

**1. Settlement Amount:** [Company Name] agrees to pay you a total gross sum of \$[Amount]. This amount is intended to cover all claims for unpaid wages, overtime, benefits, taxes, and liquidated damages.

**2. Payment Terms:** Payment will be made via [Check/Direct Deposit] within [Number] days of the execution of a formal Settlement and Release Agreement.

**3. Full and Final Release:** In exchange for this payment, you will agree to a general release of all claims related to your work with [Company Name], including but not limited to claims under the Fair Labor Standards Act (FLSA) and applicable state labor laws.

**4. Confidentiality:** The terms of this settlement shall remain strictly confidential between the parties.

**5. No Admission of Liability:** This offer does not constitute an admission of wrongdoing or misclassification by [Company Name].

This offer is valid until [Expiration Date/Time]. If we do not receive your acceptance by this time, the offer will be deemed withdrawn.

Please contact [Name/Department] at [Phone/Email] to discuss this offer or to request the formal Settlement Agreement.

Sincerely,

[Your Name]  
[Your Title]  
[Company Name]