

**PRIVILEGED AND CONFIDENTIAL
FOR SETTLEMENT PURPOSES ONLY**

Date: [Date]

To: [Contractor Name]
[Contractor Address]
[City, State, Zip Code]

Re: Settlement Agreement and Release of Claims

Dear [Contractor Name],

This letter outlines the terms of a confidential settlement offer between [Company Name] ("the Company") and you regarding your engagement as an independent contractor. While the Company maintains that your classification was correct, we wish to resolve any potential disputes regarding your status, benefits, or compensation amicably.

1. Settlement Payment: The Company agrees to pay you a total gross sum of \$[Amount]. This payment shall be divided as follows:

- \$[Amount] for alleged unpaid wages/overtime (subject to applicable tax withholdings).
- \$[Amount] as liquidated damages and consideration for the release of claims (reported via Form 1099).

2. Release of Claims: In exchange for the payment mentioned above, you agree to waive and release the Company from any and all claims related to your classification, including but not limited to claims under the Fair Labor Standards Act (FLSA), state wage and hour laws, and claims for employee benefits.

3. Confidentiality: You agree to keep the existence and terms of this agreement strictly confidential, except as required by law or to consult with legal/financial advisors.

4. No Admission of Liability: This settlement does not constitute an admission by the Company of any wrongdoing or misclassification.

5. Acceptance Period: This offer will remain open until [Date/Time]. To accept, please sign and return this letter by the specified date.

Sincerely,

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

Acknowledgment and Acceptance:

I, [Contractor Name], hereby accept the terms set forth in this letter.

Signature: _____ Date: _____