



Employee Termination Agreement and Mutual Release

Document 1477A

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**TERMINATION OF [EMPLOYEE]
EMPLOYMENT AGREEMENT AND
MUTUAL RELEASE**

This TERMINATION EMPLOYMENT AGREEMENT AND MUTUAL RELEASE is entered into as of the ___ day of _____, 20__, by and between [COMPANY NAME], a _____ corporation (the “**Company**”), and [EMPLOYEE NAME], of [ADDRESS, CITY/STATE] (“**Employee**”).

WHEREAS, on _____, 20__, the Company and Employee entered into a certain Employment Agreement (the “**Employment Agreement**”) which Employment Agreement provides the terms and conditions under which Employee would be employed by the Company as the [POSITION];

WHEREAS, Section __ of the Employment Agreement provides that the Company may terminate Employee’s employment with the Company for “**good cause**”, which term is defined in the Employment Agreement;

WHEREAS, Section __ of the Employment Agreement further provides that the parties may terminate the Employment Agreement by mutual written consent at any time upon such conditions as they may agree;

WHEREAS, Section __ of the Employment Agreement further provides that in the event of termination of the Employment Agreement, neither Employee nor Employee’s successors shall be entitled to any further payments thereunder or to any damages of any kind whatsoever, other than accrued but unpaid wages due to Employee up to the date of termination;

WHEREAS, following continuing and repeated incidents involving Employee, which incidents the Company has reviewed with Employee on numerous occasions, Employee has demonstrated to the Company [HIS OR HER] ineffectiveness as an employee; and

WHEREAS, after careful consideration of all such incidents and Employee’s failure to take corrective action and/or to perform the duties expected of [HIM OR HER] as [TITLE], the Company has determined that it is in the best interest of the Company to terminate the Employment Agreement.

NOW, THEREFORE, in consideration of the mutual covenants exchanged herein, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties hereto, the parties hereby agree as follows:

1. Termination of Agreement. The Employment Agreement by and between Employee and the Company is terminated, effective as of the date first set forth above.

2. Mutual Release.

(a) By Employee. Employee hereby acknowledges that the Company is terminating the Employment Agreement for “good cause,” as that term is defined in the Employment Agreement. Employee hereby agrees that [HE OR SHE] will not challenge or contest the termination of the Employment Agreement and waives any and all claims, causes of action, rights and/or remedies (if any) (“**Claims**”) that [HE OR SHE] might have against the Company, its officers, directors, employees, stockholders, attorneys, and/or representatives, in their capacities as such, relating to [HIS OR HER] relationship as employee or stockholder of the Company, and the termination of such relationships, including any Claims (if any) that he might have under the Employment Agreement or as stockholder of the Company.

(b) By the Company. In consideration of Employee complying with the terms and conditions of this Agreement, the Company hereby agrees to waive any and all claims, causes of action, rights and/or remedies it might have against Employee.

3. Effect of Termination. In accordance with the terms of the Employment Agreement, Employee shall (a) surrender [HIS OR HER] [NUMBER] shares of stock of the Company owned by [HIM OR HER] (the “**Stock**”), and Employee does hereby irrevocably constitute and appoint the Secretary of the Company attorney to transfer the Stock on the books of the Company with full power of substitution in the premises, and (b) resign as Director of the Company.]

4. Representations and Warranties. Each party hereby represents and warrants that it or [HE OR SHE] has been represented by independent legal counsel of its or [HIS OR HER] choice, or if not represented by independent legal counsel, that it or [HE OR SHE] has had the opportunity and was encouraged to engage independent legal counsel and discuss fully the terms of this Agreement with such independent legal counsel, and that it or [HE OR SHE] has entered into this Agreement voluntarily and of its or [HIS OR HER] own free will and without any duress.

5. Non-Disparagement. The Company (including its officers, directors, stockholders, attorneys, and/or representatives) and Employee each agrees that it, [HE OR SHE] shall not make any false, disparaging, or derogatory statements to any media outlet, industry group or person, current, former, or potential future customers, patrons or employers of the other party, regarding such other party or any of such other party’s officers, directors, employees, stockholders, attorneys and/or representatives, or about such other party’s business affairs or financial condition.

6. Confidentiality. The Company and Employee agree to maintain the confidentiality of the terms and contents of this Agreement to the extent permitted by law. Accordingly, the parties will not voluntarily disclose the terms and contents of this Agreement to any third party other than attorneys or accountants in connection with the rendering of professional services, or as required by law.

7. No Admissions. This Agreement represents a compromise of disputed claims. Except as expressly provided in this Agreement, each party to this Agreement denies any liability to any other party hereto and intends by this Agreement merely to avoid litigation and to buy peace. Nothing contained herein shall constitute any admission as to liability of any kind.

8. Arbitration. In the event of a dispute regarding the performance of any right or obligation under this Agreement, the parties agree that such dispute shall be submitted to the American Arbitration Association (“AAA”) for binding arbitration which shall conclusively determine the rights and obligations of the parties. The arbitration shall take place in [CITY/STATE] and shall be conducted in accordance with the Commercial Arbitration Rules of the AAA. The prevailing party shall be awarded all of its reasonable expenses, costs, and attorneys’ fees in connection with the arbitration. Notwithstanding the foregoing, any party to this Agreement may apply to any court of competent jurisdiction for any equitable or injunctive relief to enforce any right or obligation under this Agreement.

9. Severability. If any provision of this Agreement shall be held or deemed to be invalid, inoperative or unenforceable, the remaining provisions herein contained shall nonetheless continue to be valid, operative and enforceable as though the invalid, inoperative or unenforceable provision had not been included in this Agreement.

10. Complete Agreement. This Agreement contains the entire agreement between the parties hereto and constitutes the complete, final, and exclusive embodiment of their agreement with respect to the subject matter contained herein, and shall inure to the benefit of the parties hereto and their respective assigns, heirs, and successors-in-interest.

11. Further Assurances. The parties hereto and their respective successors and assigns shall do all such things, execute all such documents, and provide all such reasonable assurances as may be required to carry out the terms and purposes of this Agreement.

[Remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals as of the date first written above.

Signed and sealed
in the presence of:

[COMPANY NAME]

Notary: _____

By: _____
Its: _____

My Commission Expires: _____

Signed and sealed
in the presence of:

I have read and I understand the
terms of this Agreement and I sign it
voluntarily and of my own free will.

Notary: _____

[EMPLOYEE]

My Commission Expires: _____