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CLERK SUPREME COURT

IN THE COURT OF APPEALS OF IOWA

MOUSSA NASSAR, As Father and Next Friend of **MUHAMMAD NASSAR**,

Plaintiff-Appellee,

vs.

CHARLIE BROWN'S RESTAURANT,

Defendant-Appellant.

Filed March 9, 1988

7-401
86-1627

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Appeal from the Iowa District Court for Webster County (No. 51201), Louie F. Beisser, Judge.

The Defendant appeals the district court's denial of its motion for summary judgment in a negligence action. **REVERSED.**

Jerry C. Estes and James H. Cossitt of Estes Law Offices, Clive, for defendant-appellant.

Artis Breon and Alfredo Parrish of Parrish & Kruidenier, Des Moines, for plaintiff-appellee.

Heard by Oxberger, C.J., and Donielson and Sackett, JJ.

OXBERGER, C.J.

The defendant, Charlie Brown's Restaurant, appeals the district court's ruling that a pretrial settlement referred only to the dram shop claim. The defendant also challenges several other rulings. We reverse.

Muhammad Nassar, while at Charlie Brown's Restaurant, suffered a broken nose in a bar fight. His father Moussa Nassar, acting as Muhammad's next friend, filed the present lawsuit against the bar's operator. The lawsuit included both a negligence claim and a claim under the dram shop act for serving alcohol to the intoxicated persons who later assaulted Muhammed.

While the lawsuit was pending, the parties entered into a covenant not to sue and indemnity agreement. This agreement stated that Nassar would refrain from bringing suit

> . . . at law or equity against said covenantee(s) . . . on account of any and all claims, demands, damages, costs, loss of service, loss of means of support, expenses and compensation, on account of or in any way growing out of any and all known or unknown personal injury or property damage resulting, or to result, from an incident or accident which occurred on or about the 1st day of January, 1983, at or near premises of Charlie Brown's . . . .

The agreement stated it was entered into to avoid further litigation. The agreement also stated that Muhammed would hold the covenantees harmless from all claims that might arise from the incident.

The trial court determined this agreement was only a partial settlement of the dram shop claims and that the negligence claim survived. The court then overruled the defendant's motion for summary judgment based on its interpretation of the document.

The defendant argues the covenant not to sue was not a partial settlement but a full and complete release of the defendant. The plaintiff argues that since Merchants Mutual Bonding Company is listed as the dram shop insurer the agreement only covers the dram shop claim.

"Construction" of a contract, the process of determining its legal effect, is always a matter of law to be resolved by the court. Farm Bureau Mut. Ins. Co. v. Sandbulte, 302 N.W.2d 104, 107 (Iowa 1981). "Interpretation," the process of determining the meaning of words used, is also a matter for the court to decide as a matter of law, unless it depends upon extrinsic evidence or a choice among reasonable inferences to be drawn from it. Id. Connie's Constr. Co. v. Fireman's Fund Ins. Co., 227 N.W.2d 207, 210 (Iowa 1975). Because these are issues of law, the trial court's interpretation is not binding on appeal and we address the issue anew. Connie's Constr., 227 N.W.2d at 209.

The only evidence we are given on this issue is the agreement itself. No extrinsic evidence was admitted. By examining the agreement, it is clear that it is unlimited in scope and includes "all claims, demands . . ." and "all further claims . . . " arising from the incident. The agreement is silent on the issue of excluding any claims; there is no clause specifically reserving the negligence claim from agreement.

The description of Merchants Mutual Bonding Company as the dram shop insurer is exactly that, descriptive. The description does not change the substance of the agreement. By signing the agreement and by accepting the consideration offered, Nassar agreed not to sue on "all claims" and "all further claims." The agreement acts as a bar to any further recovery, and the trial court erred in overruling the defendant's motion for summary judgment. We therefore reverse the trial court's ruling and order the plaintiff's case to be dismissed. Because of this disposition, we do not reach the other issues presented for appeal.

The judgment of the district court is reversed.

REVERSED.