

RUFFULO V. FARMERS INSURANCE EXCHANGE, ET AL.
CIVIL ACTION NO. 2:23-cv-01796-FMO- MAAx (C.D. Cal.)
UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

NOTICE OF SETTLEMENT OF CLASS ACTION

Re: Settlement of Class Action

INTRODUCTION

The Court has preliminarily approved a proposed settlement in this case (the “Settlement”) involving claims against Farmers Insurance Exchange, Farmers Group, Inc., Truck Insurance Exchange, and Fire Insurance Exchange (collectively “Defendants”) brought by named Plaintiffs James Ruffulo and Valerie Yankus (“Plaintiffs”).

This Notice explains the class action lawsuit and the terms of the Settlement and explains your rights and obligations. The Notice is not intended to be and should not be understood as an expression of any opinion by the Court as to the merits of any of the claims or defenses asserted in the case. The Notice contains information about the following topics:

1. What is the Action About and Why Was This Notice Sent?
2. Who is Affected by the Proposed Settlement?
3. Why Did I Get This Notice?
4. What Are The Terms of The Settlement?
5. Who Is Class Counsel?
6. Are Attorneys’ Fees, Costs, Expenses, And Service Payments Being Sought?
7. What Are My Options Regarding The Settlement?
8. What Claims Would You Release?
9. What Happens If The Court Approves The Settlement?
10. What Happens If The Court Does Not Approve The Settlement?
11. When is the Final Settlement Approval Hearing?
12. No Retaliation
13. What If I Have Questions?

1. What is The Action About and Why Was This Notice Sent?

Plaintiffs are two former agents appointed by Defendants Farmers Insurance Exchange, Truck Insurance Exchange, and Fire Insurance Exchange, among others, (collectively, “Farmers”) who filed a lawsuit (the “Action”), alleging that they and other Farmers agents outside of the state of California were misclassified as independent contractors and their contracts pretextually terminated by Farmers pursuant to its Managing Underperforming Agents (“MUA”) process in violation of California’s Fair Employment and Housing Act (“FEHA”). In the Action, Plaintiffs also pursued claims for alleged unpaid overtime on behalf of themselves and other Farmers agents outside of the state of California. Those claims are also being settled, but are addressed in a separate Notice directed at those impacted persons.

Defendants fully deny the allegations made by Plaintiffs and assert that Farmers insurance agents were properly classified as independent contractors and the FEHA Class Members’ contracts were properly terminated as a result of their agency’s poor business results, not on the basis of age. Importantly, the Court has not decided the employment status of Plaintiffs or any other class member and/or whether Defendants violated any law. Without admitting any liability, Defendants have agreed to settle these claims to avoid the costs of further litigation.

2. Who is Affected by The Proposed Settlement?

The Settlement covers anyone who (i) signed a Farmers Agent Appointment Agreement or a Farmers Corporate Agent Appointment Agreement; (ii) worked as a Farmers agent or Supervising Agent for an incorporated Farmers agency outside of the state of California at any time between March 9, 2020, and September 30, 2025 (the “Settlement Class Period”); (iii) whose appointment was terminated by Farmers in connection with the Managing Underperforming Agents Process (as defined in Section 1.2 of the Settlement Agreement); and (iv) who was 40 years of age or older on the effective date of their appointment’s termination (these individuals are referred to in this Notice as the “FEHA Class Members”).

3. Why Did I Get This Notice?

On January 5, 2026, the Court preliminary approved a Settlement Agreement agreed to by the Parties and authorized the mailing of this Notice to you. You have received this Notice because Defendants’ records indicate you were an agent appointed with Farmers working outside of the state of California during the Settlement Class Period and were also terminated pursuant to the MUA program.

4. What Are The Terms of The Settlement?

Pursuant to the Settlement, Defendants agreed to pay up to a total of \$10,000,000.00 (“Gross Settlement Amount”) to resolve all claims asserted in the Action, inclusive of all alleged lost compensation, punitive damages, penalties, interest, attorneys’ fees, costs and expenses, service payments to Plaintiffs, individual settlement payments to participating members of the settlement classes, the costs of administering the settlement, and all other settlement-related payments and costs. \$5,500,000 of the Gross Settlement Amount is allocated to the FEHA Class claims being addressed by this Notice and \$4,500,000 of it is being allocated to the overtime claims discussed in Section 1, above, on behalf of those individuals.

There will be a Final Settlement Approval Hearing. If the Court approves the Settlement at this Hearing, and you do not opt out, you will be eligible to receive the settlement payment listed above.

5. Who Is Class Counsel?

The Court appointed the following lawyers as Settlement Class Counsel to represent the FEHA Class Members:

KLAFTER LESSER LLP

Seth R. Lesser
Sarah E. Sears
Two International Drive, Suite 350
Rye Brook, NY 10573
Telephone: (914) 934-9200

SHEGERIAN & ASSOCIATES, INC.

Carney R. Shegerian
William Reed
145 S Spring Street, Suite 400
Los Angeles, California 90012
Telephone Number: (310) 860-0770

6. Are Attorneys' Fees, Costs, Expenses, And Service Payments Being Sought?

Settlement Class Counsel has pursued the lawsuit on a contingent basis and has not received any payment of fees or any reimbursement of their out-of-pocket expenses related to the recovery on behalf of the FEHA Class. As part of the Settlement, subject to Court approval, Settlement Class Counsel will apply for fees, costs, and expenses in an amount not to exceed 33.33% of the Gross Settlement Amount. In addition, Plaintiffs who were named in the complaint in this case and expended significant time and effort in getting the claims litigated and settled will seek service payments of no greater than \$10,000 each for their role in this case. Additionally, an amount of up to \$114,000 will be paid to the Settlement Administrator for services administering the Settlement. Attorneys' fees, costs, expenses, and service payments will not be deducted from your estimated settlement payment listed above.

7. What Are My Options Regarding The Settlement?

A. Request to be Excluded: If you wish to exclude yourself from the Settlement, you must submit a written request for exclusion in the form attached to this Notice.

To be effective, the request for exclusion must express your desire to be excluded from the FEHA Class, and must include your name, address, telephone number, and Social Security number, and be signed by you (the class member requesting exclusion). Your request must be postmarked to the Settlement Administrator by: April 9, 2026. **If you exclude yourself, you will not receive any monies from the Settlement in connection with the settled FEHA claims.**

If you fail to include the required information, or if your request for exclusion is not timely received by the Settlement Administrator, your request for exclusion will be deemed null, void, and ineffective. Failure to be excluded will result in you remaining a member of the FEHA Class and you will be bound by any final judgment related to the FEHA Class. If you validly and timely request exclusion from the FEHA Class, you will not be bound by any final judgment, and you will not be precluded from instituting or prosecuting any individual claim you may otherwise have against Defendants regarding alleged age discrimination as a result of the MUA program if the deadline to file such claims has not already expired.

B. Object: If you are a member of the FEHA Class and you do not request to be excluded, you may object to the terms of the Settlement, and/or to Settlement Class Counsel's requests for attorneys' fees and expenses and/or to the named Plaintiffs receiving service payments. Your

objection, along with a Notice of Appearance, must be filed directly with the United States District Court for the Central District of California, Courtroom 6D within the deadline described below. If you object and the Settlement is approved, you will still be bound by the final judgment and release and all Orders entered by the Court. You may, but need not, enter an appearance through counsel of your choice. If you do, you will be responsible for your own attorneys' fees, costs and expenses.

If you choose to object to the Settlement and/or to the requested attorneys' fees, costs, expenses, and/or service payments to the named Plaintiffs, you must, on or before April 9, 2026, file a written objection and Notice of Appearance with the United States District Court for the Central District of California that includes the case name and case number in this action (*James Ruffulo, et al. v. Farmers Insurance Exchange, et al.*, Case No. 2:23-cv-01796-FMO-MAAx), your full name, current address, phone number, and a detailed statement of the basis for each objection you make and the grounds on which you wish to appear and be heard (if any). You must also include whether you are represented by counsel, and if you are, the name and address of your counsel. You must also include whether you or your counsel have previously objected. Any member of the FEHA Class who does not timely make their objections in this manner will be deemed to have waived all objections and shall not be heard or have the right to appeal approval of the Settlement.

C. Do Nothing.

If you do nothing and are deemed to be a member of the FEHA Class, you will receive a share of the Settlement upon final approval of the Settlement by the Court, and you will be deemed to have released and waived the Released Claims set forth in Section 8 below.

8. What Claims Would You Release?

By not excluding yourself from the Settlement, you and each of your respective agents, companies (e.g., your incorporated agency, if applicable), representatives, assigns, spouses, and heirs, past and present, and any and all other persons or entities who could claim through you hereby release and forever discharge the Released Parties with respect to any and all claims, demands, liabilities, obligations, debts, attorneys' fees, costs of suit, actions or causes of action of every kind and nature whether at common law, pursuant to statute, ordinance, or regulation, in equity or otherwise, whether arising under federal, state, or other applicable law, whether known or unknown, actual or potential, suspected or unsuspected, direct or indirect, or contingent or fixed that have been alleged, could have been alleged, or in the future might be alleged, that reasonably arise out of or reasonably relate to the facts and/or claims set forth in the Operative Complaint during the Settlement Class Period, which is March 9, 2020 and September 30, 2025, relating to Plaintiffs' second through fourth causes of action under the FEHA (i.e., disparate impact age discrimination; disparate treatment age discrimination; and failure to prevent age discrimination), including, but not limited to, Plaintiffs' claims that they and the FEHA Class Members were misclassified as independent contractors, rather than employees, that the termination of their contracts was discriminatory, pretextual and/or unlawful, and that they and the FEHA Class Members were discriminated against and/or subject to unlawful employment practices in violation of FEHA and any other state and/or federal workplace discrimination laws, including, without limitation, the Age Discrimination in Employment Act, the Illinois Human Rights Act, the Connecticut Fair Employment Practices Act, and the California Unruh Civil Rights Act.

"Released Parties" means Defendants Farmers Insurance Exchange, Fire Insurance Exchange, Truck Insurance Exchange, and Farmers Group, Inc., as well as Mid-Century Insurance Company, and New World Life Insurance Company and each of their respective subsidiaries or affiliates, and each of their present and former predecessors, successors, assigns, parent companies, divisions, members, owners, executives, officers, directors, governors, shareholders, advisors, joint venturers,

insurers, attorneys, accountants, agents and agent staff, district managers and district manager staff, principals, partners, representatives, employees, attorneys-in-fact, consultants, contractors, servants, vendors, managers, and their trustees, administrators, fiduciaries, co-defendants, administrators, related individuals and/or entities, insurers, and/or any and all individuals and/or entities acting by, through, under, or in concert with any of them or otherwise affiliated with them, past and present, but to the extent, and only to the extent, that they acted in their capacity as such.

9. What Happens If The Court Approves The Settlement?

If the Court approves the proposed Settlement, settlement checks will be issued to FEHA Class Members who have not timely excluded themselves from the Settlement.

The Settlement will be binding on all members of the FEHA Class who do not timely and properly request exclusion. This means that all members of the FEHA Class who do not exclude themselves cannot bring their own lawsuits against Defendants for Released Claims during the Settlement Class Period (as defined in Section 2 above). This includes, but is not limited to, claims for back pay, liquidated damages, noneconomic damages, punitive damages, penalties, interest, and attorneys' fees, costs and expenses.

Tax Matters

The Settlement Administrator will report payments to FEHA Class Members on IRS 1099 Forms.

Neither Plaintiffs, Settlement Class Counsel, Defendants, nor Defendants' attorneys are providing you with any advice regarding taxes or taxability of any payments made to you in connection with this Settlement. You assume full responsibility and liability for taxes owed on any payment you receive. You should consult with your financial or tax advisor with respect to any questions regarding these payments.

Members of the FEHA Class who validly and timely request exclusion from the Settlement will not release any claims.

10. What Happens If The Court Does Not Approve The Settlement?

If the Court does not approve the proposed Settlement, the case will proceed as if no settlement has been attempted and there can be no assurance that the FEHA Class will recover more than is provided for in this Settlement, or indeed, anything.

11. When is the Final Settlement Approval Hearing?

A hearing will be held before the Honorable Judge Fernando M. Olguin of the United States District Court for the Central District of California on June 4, 2026 at 10:00 a.m. at Courtroom 6D of the First Street Courthouse, 350 W. 1st Street, 6th Floor, Los Angeles, CA 90012. The purpose of the hearing is for the Court to decide whether the proposed Settlement is fair, reasonable, and adequate and should be approved and, if so, to determine what amount of attorneys' fees, costs, and expenses, or service payments to the named Plaintiffs should be awarded. The time and date of this hearing may be changed without further notice.

12. No Retaliation

Defendants will not retaliate against you for participating in this Action and/or this Settlement.

13. What If I Have Questions?

This Notice only summarizes this Action, the Settlement, and related matters. For more information about the Settlement or if you have any questions regarding the Settlement, you may examine the court file for the Action, contact the Settlement Administrator or contact Settlement Class Counsel.

You can contact Settlement Class Counsel at the address or numbers listed in Section 5 above. You may also obtain additional information concerning the Settlement from www.Ruffulo-v-Farmers.com or by contacting the Settlement Administrator at:

Ruffulo v. Farmers Settlement Administrator
PO Box 5526
Portland, OR 97228-5526
Phone: 877-768-6775

In order to see the complete court file, including a copy of the Settlement Agreement, you should visit the Clerk of the Court, United States Courthouse, Central District of California, 350 W. 1st Street, 6th Floor, Courtroom 6D, Los Angeles, CA 90012. The Clerk will make all files relating to this Action available to you for inspection and copying at your expense.

Do not contact the Court about this matter.

Dated: February 16, 2026 BY ORDER OF THE COURT

Clerk of the Court