

Exhibit 1

CLASS ACTION SETTLEMENT AND RELEASE AGREEMENT

This Class Action Settlement Agreement (“Agreement”) is made by and between Plaintiffs James Ruffulo and Valerie Yankus (“Plaintiffs” or “Class Representatives”), on the one hand, and Defendants Farmers Insurance Exchange, Truck Insurance Exchange, Fire Insurance Exchange, and Farmers Group, Inc. (collectively, “Defendants”), on the other hand. Plaintiffs and Defendants are collectively referred to hereinafter as the “Parties” or each individually as a “Party.”

RECITALS

A. On March 9, 2023, Plaintiffs filed a class action complaint in the United States District Court for the Central District of California (the “Court”), styled *James Ruffulo, et al. v. Farmers Insurance Exchange, et al.*, Case No. 2:23-cv-01796-FMO-MAAx pending before the Honorable Fernando M. Olguin (the “Action”). The Action asserts claims for: (1) failure to pay overtime wages in violation of the Fair Labor Standards Act (“FLSA”); (2) disparate impact age discrimination in violation of California’s Fair Employment and Housing Act (“FEHA”); (3) disparate treatment age discrimination in violation of FEHA; (4) failure to prevent discrimination in violation of FEHA; and (5) violation California Business & Professions Code section 17200 (the “UCL”) pursuant to Farmers’ violation of FEHA.

B. The claims in the Action, brought on behalf of non-California agents appointed with Farmers pursuant to an Agent Appointment Agreement or Corporate Agent Appointment Agreement (defined below), stem from Plaintiffs’ allegation that these agents were misclassified as independent contractors but are in fact employees and are thus entitled to protection under both the FEHA and the FLSA. The asserted claims fall into two categories: (1) a claim for unpaid wages/overtime under the FLSA and (2) a claim for age discrimination under the FEHA for a smaller group of agents whose contracts were, according to Plaintiffs, pretextually terminated by Farmers pursuant to the Managing Underperforming Agents (“MUA”) process (defined in Paragraph 1.20, below). Defendants deny these claims and all of Plaintiffs’ allegations of any wrongdoing.

C. Similar actions have been filed against Defendants regarding alleged misclassification of agents as well as the MUA process. Plaintiffs’ counsel was able to review the information and discovery from these cases, including discovery responses and document productions, which identified various policies and procedures relating to the insurance agents who are identified as members of the putative FEHA Class and putative FLSA Collective (as defined below), as well as other matters that bear on the claims and allegations set forth in this Action.

D. These other cases include *Melin v. Farmers Group, Inc., et al.*, Case No. RG19001677, which involved various misclassification-based claims, including age

discrimination in violation of the FEHA, and went to trial following substantial motion practice. The almost two-month trial resulted in a verdict on behalf of Defendants on the threshold issue of whether the agents were independent contractors, rather than employees, of Defendants. In addition, two other courts this year granted summary judgment in Defendants' favor on the issue of whether agents were misclassified: *Martinez v. Farmers Group, Inc., et al.*, Superior Court of California, County of Los Angeles, Case No. 22STCV13106, Order of Feb. 27, 2025 (granting summary judgment on misclassification-based causes of action); *Richards v. Farmers Group, Inc., et al.*, Superior Court of California, County of Los Angeles, Case No. 22STCV35266, Order of March 21, 2025 (same).

E. Days after initiating the Action, Plaintiffs filed a motion for conditional certification of the FLSA Collective on March 15, 2023. On July 10, 2023, Defendants filed a motion to dismiss the claims in this action, and Plaintiffs responded on July 10, 2023. After the Parties met and conferred, Plaintiffs withdrew the motion for conditional certification with the understanding it would be refiled following the adjudication of the motion to dismiss and tolled certain deadlines. The Court granted the motion to dismiss without prejudice on January 29, 2024, and instructed Plaintiffs to file a Second Amended Complaint. On February 16, 2024, Plaintiffs filed the Second Amended Complaint. Following a meet and confer with Defendants, Plaintiffs filed the final and Operative Complaint (as defined below) on March 11, 2024. On April 1, 2024, Defendants filed their second motion to dismiss, and Plaintiffs filed their opposition on May 2, 2024. On March 17, 2025, the Court granted in part and denied in part the motion to dismiss, dismissing only the UCL claim, and only as it related to the FLSA violations, leaving all other claims intact. On May 8, 2024, Defendants filed a motion to certify the order denying the motion to dismiss for immediate interlocutory appeal, and Plaintiffs filed their opposition on May 29, 2025.

F. During the motion practice, the Parties entered into discovery but, given their understanding of the claims being asserted, the Parties agreed that it could be more effective and efficient to try to resolve the claims through mediation and accordingly chose a nationally respected employment claim mediator, Hunter Hughes, Esq., to conduct a mediation with the parties. Prior to the mediation, the Parties conducted additional informal discovery and investigation in connection with the claims asserted in the Action, which included the exchange of workweek and commission data regarding Plaintiffs, the putative class, and the putative collective in advance of the mediation which, in addition to the other discovery obtained from Plaintiffs' counsel's work in the other above-referenced cases, their independent research in this case and Defendants' knowledge of the litigation obtained from the other cases, enabled the Parties to evaluate the merits of the claims brought by the putative class and putative collective, and the Parties' respective probability of prevailing at the class certification stage and at trial.

G. On June 23, 2025, the Parties attended an in-person, full-day mediation with Mr. Hughes. Shortly thereafter, Mr. Hughes made a written mediator's proposal

that all of the Parties accepted, subject to the preparation of this, the long form settlement agreement.

H. As noted, Defendants and the Defendant Releasees (as defined below) deny that they have engaged in any unlawful activity, deny they have failed to comply with the law in any respect, deny they have any liability to anyone under the claims asserted in the Action, and deny that the claims raised in the Action are appropriate for certification. Defendants deny all allegations by Plaintiffs, including on behalf of the FEHA Class and FLSA Collective (as defined below). Defendants contend that Plaintiffs, the FEHA Class and the FLSA Collective were fully compensated pursuant to the terms of their lawful agreements, their contract performance was evaluated using age neutral and business justified criteria and they were properly classified as independent contractors and, as independent contractors, they lack standing under any of the employment statutes at issue in this case. This Agreement is entered into solely for the purpose of compromising disputed claims. Nothing in this Agreement is intended to be, or shall be construed as, an admission by Defendants of any liability or wrongdoing as to Plaintiffs, the FEHA Class, the FLSA Collective, or any other person. Moreover, this Agreement is not, and it should not be construed as, any admission of fact or law in this matter or any other matter that a class or collective action is appropriate under the allegations raised in the Action. The Parties have entered into this Agreement with the intention of avoiding further disputes and litigation with the attendant inconvenience, expenses, and risks.

I. The Parties now wish to fully and completely affirm the resolution of the disputes between them, subject to Court approval, including those claims Plaintiffs have or could have alleged in the Action on behalf of themselves, the FEHA Class and the FLSA Collective in the Operative Complaint against Defendants and/or the other Defendant Releasees, on or before the Effective Date (as defined below).

1. DEFINITIONS

The following terms shall have the meanings defined in this Section wherever used in this Agreement and in all of its exhibits:

- 1.1 **“Agreement”** means this settlement agreement and all exhibits attached to it.
- 1.2 **“Defendants”** means Farmers Insurance Exchange, Fire Insurance Exchange, Truck Insurance Exchange and Farmers Group, Inc.
- 1.3 **“Defendants’ Counsel”** means counsel of record for Defendants, Troutman Pepper Locke LLP.
- 1.4 **“Effective Date”** means the date on which the following have occurred: (1) all conditions of the settlement that can be accomplished prior to the Effective Date come into existence; (2) the Court has entered the Final Approval Order

and Judgment; and (c) the Court's Judgment approving this Agreement becomes Final. Final shall mean the deadline for taking an appeal has passed, or, if there is an appeal of the Court's Order Granting Final Approval and/or of any Order awarding or denying attorneys' fees, costs, or service awards, the day after all appeals are fully and finally resolved in favor of final approval of the Agreement.

- 1.5 **"Exclusion Deadline"** means the date that is forty-five (45) calendar days after the date that the FEHA Class Notice is initially mailed to FEHA Class Members and is the deadline by which FEHA Class Members' FEHA Exclusion Forms must be submitted to the Settlement Administrator, either by facsimile transmission or postmarked, in order to be timely, subject to any extension for re-mailed notices in Section 4.2
- 1.6 **"Farmers"** refers collectively to Defendants Farmers Insurance Exchange, Truck Insurance Exchange and Fire Insurance Exchange.
- 1.7 **"Fees, Awards, and Expenses"** means (i) Settlement Class Counsel's attorneys' fees, costs, and expenses (collectively, "Counsel Expenses"); (ii) service awards to Plaintiffs as set forth in Section 8.5 and as awarded by the Court; and (iii) the cost of administration of the settlement, as referenced in Section 8.6.
- 1.8 **"FEHA Class"** means, for purposes of this Settlement only, all individuals not excluded pursuant to Section 4 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 during the Settlement Class Period (as defined in Section 1.34); (iii) whose appointment was terminated by Farmers in connection with the Managing Underperforming Agents Process (as defined in Section 1.20); and (iv) who was 40 years of age or older on the effective date of their appointment's termination.
- 1.9 **"FEHA Class Member"** means all persons included in the FEHA Class.
- 1.10 **"FEHA Class Notice"** means the document substantially in the version attached hereto as Exhibit A, as approved by the Court.
- 1.11 **"FEHA Exclusion Form"** means the document substantially in the version attached hereto as Exhibit B, as approved by the Court, which must be completed and timely returned to opt out of the FEHA Class.
- 1.12 **"Final Approval Hearing"** means the hearing scheduled by the Court to consider: (a) whether to finally approve this Agreement; (b) Settlement Class Counsel's application for Fees, Awards, and Expenses; and (c) the issuance of

such other rulings as are contemplated by this Agreement or as modified by any subsequent mutual agreement of the Parties in writing and approved by the Court. The Parties will request that the Court schedule the Final Approval Hearing at least thirty (30) calendar days after the deadlines to request exclusion from the FEHA Class and/or to opt into the FLSA Collective, or to object to the Settlement, as set forth in this Agreement.

- 1.13 **“FLSA Collective”** means, for purposes of this Settlement only, all individuals not excluded pursuant to Section 5 who (i) signed a Farmers Agent Appointment Agreement or a Farmers Corporate Agent Appointment Agreement not containing an agreement to arbitrate; and (ii) worked as a Farmers agent or Supervising Agent for an incorporated Farmers agency outside of the state of California at any time during the Settlement Class Period (as defined in Section 1.34).
- 1.14 **“FLSA Collective Member”** means all persons included in the FLSA Collective.
- 1.15 **“FLSA Collective Notice”** means the document substantially in the version attached hereto as Exhibit C, as approved by the Court.
- 1.16 **“FLSA Opt-In Deadline”** means the date that is forty-five (45) calendar days after the date that the FLSA Collective Notice is initially mailed to FLSA Collective Members and is the deadline by which FLSA Collective Members’ FLSA Opt-In Forms must be submitted to the Settlement Administrator, either electronically or postmarked, in order to be timely, subject to any extension for re-mailed notices in Section 6.
- 1.17 **“FLSA Opt-In Form”** means the document substantially in the version attached hereto as Exhibit D, as approved by the Court, which must be completed and timely returned to opt in to FLSA Collective.
- 1.18 **“Gross Settlement Amount”** means the maximum sum of up to Ten Million Dollars (\$10,000,000.00), which is the total amount Defendants agree to pay up to under the Agreement, inclusive of Individual Settlement Payments to Settlement Class Members (as defined in Section 1.33]) and the Fees, Awards, and Expenses approved by the Court (as defined in Section 1.7). Under no condition will Defendants’ liability exceed the Gross Settlement Amount.
- 1.19 **“Individual Settlement Payment”** means the payment due to any Settlement Class Member as set forth in this Agreement.
- 1.20 **“Managing Underperforming Process” or “MUA”** refers to the process Farmers implemented in 2019 to identify underperforming insurance agents.

- 1.21 **“Notice” or “Notices”** means the FEHA Class Notice and/or FLSA Collective Notice.
- 1.22 **“Operative Complaint”** means the Third Amended Complaint filed in the Action.
- 1.23 **“Order Granting Final Approval”** means the final order entered by the Court after the Final Approval Hearing.
- 1.24 **“Order Granting Preliminary Approval”** means the Order entered by the Court preliminarily approving, *inter alia*, the terms and conditions of this Agreement, the manner and timing of providing Notice, and the time period for, and the manner of submission of, the FEHA Exclusion Forms, the FLSA Opt-In Forms, and/or objections to the Settlement.
- 1.25 **“Participating FEHA Class Member”** means a person who is included in the FEHA Class who does not opt out of the Settlement by timely submitting a valid FEHA Exclusion Form.
- 1.26 **“Participating FLSA Collective Member”** means a person who is included in the FLSA Collective who completes and timely submits an FLSA Opt-In Form to the Settlement Administrator as provided in Section 6.
- 1.27 **“Parties”** means Plaintiffs and Defendants.
- 1.28 **“Plaintiffs”** means, collectively, Plaintiffs James Ruffulo and Valerie Yankus.
- 1.29 **“Qualified Settlement Fund” or “QSF”** both mean the escrow account established by the Settlement Administrator for deposit of the Total Settlement Payment paid by Defendants. The QSF will be controlled by the Settlement Administrator subject to the terms of this Agreement and the Court’s Orders Granting Preliminary Approval and/or Final Approval. In the event that the Settlement terminates for any reason after funds are deposited, any such funds and any interest thereon, will be returned to Defendants within thirty (30) calendar days. Additionally, Defendants shall be entitled to any interest accrued on uncashed settlement checks following the final accounting for the Settlement.
- 1.30 **“Settlement”** means collectively the terms of the settlement set forth in this Agreement.
- 1.31 **“Settlement Administrator”** means Epiq Class Action & Claims Solutions, Inc., as approved by the Court and whose duties are set forth in Section 3.

- 1.32 **Settlement Class Counsel**” means Klafter Lesser LLP and Shegerian and Associates, Inc.
- 1.33 **“Settlement Class Member”** means all persons included in the Settlement Classes.
- 1.34 **“Settlement Class Period”** means the period from March 9, 2020 to September 30, 2025 or the date on which the Court grants Preliminary Approval, whichever is sooner.
- 1.35 **“Settlement Classes”** means any and all persons who are Participating FEHA Class Members and/or Participating FLSA Collective Members.
- 1.36 **“Total Settlement Payment”** means the total amount to be funded by Defendants pursuant to this Agreement.

2. MUTUAL FULL COOPERATION

The Parties and their counsel agree to cooperate fully with each other to promptly execute all documents and take all steps necessary to effectuate the terms and conditions of this Agreement.

3. SETTLEMENT ADMINISTRATOR APPOINTMENT AND RESPONSIBILITIES

- 3.1 The Parties stipulate to and seek the Court’s order appointing Epiq Class Action & Claims Solutions, Inc. (“Epiq”) to act as the Settlement Administrator for purposes of this settlement, subject to the Court’s approval. As a condition of appointment, Epiq agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of the administration expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Settlement Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 3.2 The Settlement Administrator shall serve as the administrator of the Settlement and perform the services described in this Agreement, including, without limitation:
- 3.2.1 Receive from the Parties and update and maintain as necessary, a mailing list, prepare, mail, and email (to any emails for which the Parties have this information) the Notice, and carry out the follow-up methods of communication set forth herein to effectuate notice;
- 3.2.2 Receive FEHA Exclusion Forms from the FEHA Class;

- 3.2.3 Receive FLSA Opt-In Forms from the FLSA Collective;
 - 3.2.4 Establish and maintain a toll-free hotline staffed by an interactive voice recording to respond to inquiries by FEHA Class Members and FLSA Collective Members regarding the Settlement;
 - 3.2.5 Establish and administer a website for links to the Settlement Agreement and Notice Packets;
 - 3.2.6 Calculate the Individual Settlement Payments to the Participating FEHA Class Members and the Participating FLSA Collective Members, and, upon entry of the Order Granting Final Approval, issue and mail settlement checks to the Participating FEHA Class Members and the Participating FLSA Collective Members;
 - 3.2.7 Pay, from the Total Settlement Payment, such Fees, Awards, and Expenses as the Court may approve;
 - 3.2.8 Resolve any disputes submitted by Settlement Class Members concerning the amount of their Individual Settlement Payments;
 - 3.2.9 Keep the Parties' counsel apprised of the status of all mailings or the transmissions of the Notices, FEHA Exclusion Forms received from the FEHA Class, FLSA Opt-In Forms received from the FLSA Collective, and any objections received, the mailing of the Individual Settlement Payments and any returned mailings, and provide weekly reports relating to the same; and
 - 3.2.10 Perform any other obligations established in this Agreement or subsequently agreed to by the Parties.
- 3.3 All disputes relating to the Settlement Administrator's ability and need to perform its duties shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this Agreement, until all payments and obligations contemplated by this Agreement have been fully carried out.
 - 3.4 The anticipated and expected costs and expenses of the settlement administration by the Settlement Administrator were obtained by a bid process by Settlement Class Counsel and were capped at a maximum of \$114,000. Pursuant to Section 9 these anticipated costs and expenses will be subject to a request for approval and, if approved in the Order Granting Final Approval, shall be paid from the QSF to the Settlement Administrator as the costs and expenses are incurred by the Settlement Administrator upon notice to Settlement Class Counsel.

4. EXCLUSIONS FROM FEHA CLASS

4.1 Persons Expressly Excluded from the FEHA Class

Excluded from the FEHA Class is any person who during or before the Settlement Class Period: (i) settled the claims asserted in this Action, (ii) released the claims asserted in this Action as part of a settlement, (iii) received an adverse final judgment or order in a civil or administrative action involving the claims asserted in this Action, or (iv) received awards through civil or administrative actions for the claims asserted in this Action. Additionally, any person who excludes themselves from the FEHA Class pursuant to Section 4.2 is not a Participating FEHA Class Member.

The Parties agree that Defendants will provide Settlement Class Counsel with the names of persons excluded from the FEHA Class under one of (i) through (iv) in this Section along with documents establishing that one or more of those conditions for exclusion are satisfied. The Parties agree that Defendants are not obliged to produce confidential settlement documents and that documents filed in Court referencing a settlement (such as a Notice of Settlement or a Minute Order reflecting a settlement) would satisfy Defendants' obligations under this Section. The Parties further agree that in the event Defendants opt to produce any confidential settlement documents, Defendants, in their sole and absolute discretion, may redact any material terms of the documents they deem necessary, including, but not limited to, the amount of the settlement paid.

4.2 Individuals' Right to Exclude Themselves from the FEHA Settlement Class

FEHA Class Members who wish to exclude themselves from the FEHA Class and from participation in the proceeds of the Settlement must submit a FEHA Exclusion Form (via U.S. mail or fax) pursuant to the instructions in the FEHA Class Notice and such a request must be sent, or postmarked if sent by U.S. mail, no later than the Exclusion Deadline, except that those FEHA Class Members who receive a re-sent FEHA Class Notice shall be informed (via an insert in the FEHA Class Notice) that their time to submit a FEHA Exclusion Form to the Settlement Administrator shall be the longer of: (1) thirty (30) days from the date the re-sent FEHA Class Notice is mailed; or (2) the Exclusion Deadline. A FEHA Exclusion Form must be signed by the FEHA Class Member and comply with the requirements listed in the FEHA Class Notice. However, a FEHA Exclusion Form shall not be invalid for failure to provide all the requested information so long as the Settlement Administrator can ascertain the individual's status as a FEHA Class Member and the individual's desire to exclude himself or herself from the FEHA Class.

Any FEHA Class Member who does not provide the Settlement Administrator with a timely, completed FEHA Exclusion Form waives the right to do so in the future

and shall be bound by all the terms and conditions of this Agreement relating to the FEHA Class.

4.3 Defendants' Right to Void Settlement Due to Number of FEHA Exclusion Forms Received

If the number of persons that submit FEHA Exclusion Forms to the Settlement Administrator on a timely basis is equal to or in excess of ten percent (10%) of the number of FEHA Class Members to whom FEHA Class Notices are mailed, Defendants shall have the option, in their sole and absolute discretion, to be exercised within thirty (30) calendar days of receiving notice of the total percentage of FEHA Exclusion Forms, to void this Agreement and the Parties' settlement by notifying Settlement Class Counsel in writing of their intention to do so. The Agreement and the Parties' settlement shall become void seven (7) calendar days after the delivery of such written notification unless, during that period, the Parties agree in writing to a mutually acceptable resolution and thereafter the Court approves such resolution. In the event Defendants exercise their option to void the Agreement under this provision: (a) the Preliminary Approval Order and all of its provisions shall be vacated by its own terms; (b) the Action shall revert to the status that existed prior to the execution date of this Agreement; and (c) no term of this Agreement or any draft thereof, or of the negotiation, documentation, or other part or aspect of the Parties' settlement discussions, shall have any effect, nor shall any such matter be admissible in evidence for any purpose in the Action, or in any other proceeding.

5. EXCLUSIONS FROM THE FLSA COLLECTIVE

5.1 Persons Expressly Excluded from the FLSA Collective

Excluded from the FLSA Collective is any person who during or before the Settlement Class Period: (i) settled the claims asserted in this Action, (ii) released the claims asserted in this Action as part of a settlement, (iii) received an adverse final judgment or order in a civil or administrative action involving the claims asserted in this Action, or (iv) received awards through civil or administrative actions for the claims asserted in this Action.

5.2 FLSA Collective Members Who Do Not Timely Opt In

Any FLSA Collective Member who does not complete and timely return the FLSA Opt-In Form to the Settlement Administrator shall not receive any portion of the FLSA Collective Allocation (as defined in Section 8.1.2) and shall not be bound by the terms and conditions of this Agreement relating to the FLSA Collective.

6. NOTICE OF SETTLEMENT AND OPPORTUNITY TO OPT IN TO FLSA COLLECTIVE

6.1 Notice of Settlement and Opt-In Packet

- 6.1.1 The Parties agree that within ten (10) business days of entry of the Court's Order Granting Preliminary Approval, Defendants will provide to the Settlement Administrator the last known contact information (mailing address, personal email and telephone number) and social security number for each of the FEHA Class and FLSA Collective Members.
- 6.1.2 Before mailing or emailing the Notice Packets, the Settlement Administrator will validate the contact information and within ten (10) calendar days of preliminary approval of this Agreement (the "Notice Date"), the Settlement Administrator will send to the FEHA Class and FLSA Collective Members, by first class United States Mail, at their last known mailing address provided by Defendants, the following documents (collectively referred to as the "Notice Packet") and, where available, by email:
- 6.1.2.1 the Court-approved FEHA Class Notice to FEHA Class Members and conditions of this Settlement in the form of a "Notice" agreed upon by the Parties (which will include instructions on how to (i) submit a FEHA Exclusion Form for those who wish to opt out of the Settlement and the Court-approved FEHA Exclusion Form itself (in substantially the same form as Exhibit B); or (ii) file an objection), in substantially the same form as Exhibit A attached hereto; and/or
- 6.1.2.2 the Court-approved FLSA Collective Notice to FLSA Collective Members and conditions of this Settlement in the form of a "Notice" agreed upon by the Parties (which will include instructions on how to (i) submit the FLSA Opt-In Form for those who wish to opt in to the Settlement and the Court-approved FLSA Opt-In Form itself (in substantially the same form as Exhibit D); or (ii) file an objection), in substantially the same form as Exhibit C attached hereto.
- 6.1.3 The Parties agree that if any Notice Packet mailed is returned as undeliverable, the Settlement Administrator shall perform one skip trace within five (5) calendar days of its receipt of such returned Notice Packet.
- 6.1.4 If the Settlement Administrator identifies an alternative mailing address, it will attempt re-delivery one additional time.

6.2 Reports by Settlement Administrator

No later than thirty (30) calendar days prior to the Final Approval Hearing, the Settlement Administrator shall provide the Parties with a declaration (the "Settlement Administration Declaration") setting forth the steps taken, as of that date, by the Settlement Administrator to provide notice to FEHA Class and FLSA Collective Members and send reminders, the number of undeliverable Notice Packets, the number of FEHA Exclusion Forms, and the number of Participating FLSA Collective Members. The Settlement Administrator shall, not later than five (5) calendar days before the Final Approval Hearing provide any update as to these pieces of information.

7. **CERTIFICATION OF SETTLEMENT CLASS**

7.1 Certification of the Settlement Classes and Appointment of Settlement Class Representatives/Class Counsel

Solely for the purposes of implementing this Agreement and effectuating the Settlement, Defendants shall not oppose a request by Plaintiffs that the Court enter an order preliminarily certifying the Settlement Classes, appointing Plaintiffs as Settlement Class Representatives, and appointing Seth R. Lesser and Sarah Sears of Klafter Lesser LLP, and Carney R. Shegerian and William Reed of Shegerian and Associates, Inc. as Settlement Class Counsel. In the event that this Settlement does not receive final approval from the Court (or if a final approval order is reversed on appeal), no Party or Settlement Class Member shall use this Agreement or the certification of the Settlement Classes, the appointment of Settlement Class Representatives or Settlement Class Counsel for any purpose whatsoever in the Action or in any other action or proceeding.

8. **SETTLEMENT AMOUNT AND PAYMENTS**

8.1 The Gross Settlement Amount will be allocated as follows:

8.1.1 FEHA Class Allocation: Five Million Five Hundred Thousand Dollars (\$5,500,000.00) will be allocated to settlement of the FEHA claims and shall be distributed, after the payment the Fees, Awards, and Expenses approved by the Court, on a pro rata basis to Participating FEHA Class Members.

8.1.2 FLSA Collective Allocation: Up to Four Million Five Hundred Thousand Dollars (\$4,500,000.00) will be allocated to settlement of the FLSA claims of Participating FLSA Collective Members and shall be distributed, after the payment of the Fees, Awards, and Expenses approved by the Court, to the Participating FLSA Collective members pursuant to the formula described in Section 8.1.2.1.

8.1.2.1 The individual award to each Participating FLSA Collective Member shall be distributed proportionally based on the number of workweeks each FLSA Collective Member was appointed as a Farmers insurance agent during the Settlement Class Period. Specifically, each Participating FLSA Collective Member's share will be determined by dividing the FLSA Collective Allocation by the total number of workweeks that the FLSA Collective Members worked during the Settlement Class Period, then multiplying that sum by the total number of workweeks worked by the Participating FLSA Collective Member during the Settlement Class Period.

8.1.2.2 The "FLSA Settlement Payment" owed by Defendants, which in no event shall exceed Four Million Five Hundred Thousand Dollars (\$4,500,000.00), shall equal the total amount of the Individual Settlement Payments due to Participating FLSA Collective Members based on the formula described in Section 8.1.2.1 following calculation of same by the Settlement Administrator, and the Court-approved Fees, Awards and Expenses associated with settlement of the FLSA claims of the Participating FLSA Collective Members.

8.2 Total Settlement Payment and Its Timing

8.2.1 The Total Settlement Payment is and will be the sum of: (1) the FEHA Class Allocation, and (2) the FLSA Settlement Payment.

8.2.2 For the avoidance of doubt, if the sum of the Individual Settlement Payments due to Participating FLSA Collective Members and the Fees, Awards and Expenses associated with settlement of the FLSA claims does not exhaust the FLSA Collective Allocation, Defendants shall not be responsible for payment of the full amount of the FLSA Collective Allocation. In such case, Defendants shall only be responsible for the Total Settlement Payment.

8.2.3 Within ten (10) business days after the Effective Date, Defendants, directly or through their agent, will remit by wire transfer the Total Settlement Payment to the Settlement Administrator.

8.3 Payments to Settlement Class Members and Settlement Class Counsel and Their Timing

8.3.1 Upon remittance of the payment of the Total Settlement Payment by Defendants to the Settlement Administrator as set forth in Section 8.2.3 the Settlement Administrator shall, within five (5) business days, remit

payment by wire transfer to Klafter Lesser LLP, for deposit in the firm's escrow account for distribution to that firm and to Shegerian & Associates of the Court-approved Counsel Expenses and (b) remit payment by an overnight delivery service of the Court-approved service awards to the Class Representatives at such address(es) as Settlement Class Counsel shall provide.

- 8.3.2 The Settlement Administrator will calculate Individual Settlement Payments to be paid to Settlement Class Members as provided in this Section 8. The Settlement Administrator will distribute Individual Settlement Payments to Settlement Class Members within thirty (30) days of remittance of the Total Settlement Payment, unless leave for additional time is granted by the Court.
- 8.3.3 Individual Settlement Payments, Counsel Expenses and service awards will be reported to the IRS as income on Form 1099. Defendants shall provide to the Settlement Administrator such information as is necessary for the Settlement Administrator to provide such forms and comply with all tax reporting obligations, except that Settlement Class Counsel shall provide a current W-9 or other such tax form for their firms in connection with the Counsel Expenses.
- 8.3.4 The Settlement Class Members will each be responsible for their own tax obligations arising from their receipt of any Individual Settlement Payments, or as applicable, the service awards. Defendants make no representations or warranties regarding the tax treatment of any payments made under the Settlement, and if the IRS and/or any local taxing authority were to reallocate any portion of the Settlement, the releases set forth herein in the Agreement will remain binding and enforceable.
- 8.3.5 No person shall have any claim against Defendants, Defendants' Counsel, Plaintiffs, the Settlement Classes, Settlement Class Counsel, or the Settlement Administrator based on distributions and payments made in accordance with this Agreement.

8.4 Attorneys' Fees and Counsel Expenses

Defendants understand that Settlement Class Counsel will file an application for an award of attorneys' fees in an amount not to exceed 33.33% of the Gross Settlement Amount and for Settlement Class Counsel's reasonably incurred expenses and costs. Settlement Class Counsel shall file their fee and cost application at least twenty-eight (28) calendar days before the Final Approval Hearing.

In the event that this Settlement does not receive Final Approval from the Court (or if a final approval order is reversed on appeal), no Party or Settlement Class

Member shall use this provision or the award of Fees, Awards, and Expenses for any purpose whatsoever in the Action or in any other action or proceeding.

8.5 Service Awards to Plaintiffs

Settlement Class Counsel will file an application for approval of payment of service awards to the named Plaintiffs (as Settlement Class Representatives) each in an amount not to exceed \$10,000 Dollars each. This award is in addition to each Plaintiff's Individual Settlement Payment. Class Counsel shall file the motion for service awards at least twenty-eight (28) calendar days before the Final Approval Hearing. Any service awards payments made to the named Plaintiffs under this Section shall be reported to the IRS as income on Form 1099.

8.6 The Settlement Administrator's Expenses.

Settlement Class Counsel will file an application for approval of the Settlement Administrator's anticipated and estimated costs as set forth in Section 3.4. Settlement Class Counsel shall file the application motion at least twenty-eight (28) calendar days before the Final Approval Hearing.

9. PRELIMINARY APPROVAL OF SETTLEMENT

Plaintiffs shall seek preliminary approval of this Settlement by the Court for entry of a Preliminary Approval Order. As part of the preliminary approval process, the Court shall be asked to approve, among other matters, the terms of the Settlement, the method of providing notice, the Notice Packets, the procedure for the calculation of settlement distributions, the certification of the Settlement Classes for settlement purposes only, and scheduling of a hearing on final approval of the Settlement and on Settlement Class Counsel's application for payment of Expenses and service awards, as set forth herein.

9.1 Plaintiffs' Responsibilities: Settlement Class Counsel will prepare all documents necessary for obtaining preliminary approval of this Settlement, including any submissions required by the Court's June 30, 2025 Order Re: Notice of Settlement and Requirements Re: Preliminary Approval. Additionally, at least seven (7) calendar days prior to filing such documents with the Court, Settlement Class Counsel will deliver to Defendants' Counsel drafts of any documents it intends to submit to the Court in connection with Plaintiffs' preliminary approval motion, (including, but not limited to, the Motion for Preliminary Approval, declarations in support of the Motion, Proposed Orders, Proposed Notices to Class and Collective Members, etc.). Within three (3) calendar days upon receipt of the draft documents, Defendants' Counsel will deliver to Settlement Class Counsel any proposed revisions to the documents.

- 9.2 Duty to Cooperate: If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Settlement Class Counsel and Defendants' Counsel will expeditiously work together on behalf of the Parties by meeting (either in-person or by teleconference or videoconference) in good faith to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material chance to this Agreement, Settlement Class Counsel and Defendants' Counsel will expeditiously work together on behalf of the Parties by meeting (either in-person or by teleconference or videoconference) in good faith to modify the Agreement and otherwise satisfy the Court's concerns.
- 9.3 In the event that this settlement does not receive Final Approval from the Court (or if a final approval order is reversed on appeal), no Party or Settlement Class Member shall use this provision or the certification of the Settlement Classes for any purpose whatsoever in the Action or in any other action or proceeding.

10. PROCEDURE FOR OBJECTIONS TO SETTLEMENT

The Notices shall provide that any FEHA Class Member and/or FLSA Collective Member who wishes to object to the Settlement, or any portion thereof, may do so either: (1) in writing; and (2) verbally at the Final Approval Hearing. If a FEHA Class Member and/or FLSA Collective Member wishes to submit a written objection to this Settlement, it must be filed directly with the Court pursuant to the processes described in the Notices no later than thirty (30) calendar days before the Final Approval Hearing (the "Objection Deadline"). The Court may at its discretion refuse to consider untimely written objections. FEHA Class or FLSA Collective Members who wish to verbally object to the Settlement may do so by appearing (or having his or her attorney appear) at the Final Approval Hearing, either in person or remotely. No notice of appearance is required. FEHA Class or FLSA Collective Members who do not object, either in writing before the Final Approval Hearing or verbally at the Final Approval Hearing, shall be forever foreclosed from making any objection (whether by appeal or otherwise) to the Settlement, or any aspect of the Settlement, including, without limitation, the fairness, reasonableness or adequacy of the proposed Settlement.

11. FINAL APPROVAL HEARING

The Notices shall contain a date, time, and location for a "Final Approval Hearing." The Final Approval Hearing shall be held on a date approved by the Court no earlier than thirty (30) calendar days after the Exclusion, FLSA Opt-In and Objection Deadlines. The exact date, time, and location of the Final Approval Hearing shall be set forth in the Notices.

12. [PROPOSED] FINAL APPROVAL ORDER, FINAL JUDGMENT AND ORDER OF DISMISSAL

At the Final Approval Hearing, Settlement Class Counsel shall request the Court to grant approval of the applications for Fees, Awards and Expenses as set forth in this Agreement.

Upon final approval of the settlement, the Court shall be requested to issue a [Proposed] Final Approval Order and Final Judgment (“Proposed Final Judgment”) in substantially the same form as Exhibit F attached hereto.

13. RELEASED PARTIES AND CLAIMS

13.1 Released Parties

“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.

13.2 Plaintiffs’ Released Claims

In exchange for the consideration set forth in this Agreement, Plaintiffs and each of his or respective agents, representatives, assigns, spouses, and heirs, past and present, and any and all other persons who could claim through him or her (collectively, the “Plaintiff Releasers”) 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 that the Plaintiff Releasers have or could claim to have in law or equity, whether known or unknown, against the Released Parties up to and including the Effective Date, including, but not limited to, claims under Title VII of the Civil Rights Act of 1964, as amended, the Civil Rights Act of 1991, Sections 1981 through 1988 of Title 42 of the United States Code, as amended, the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act, the Immigration Reform and Control Act the Americans with Disabilities Act of 1990, as amended, the

Rehabilitation Act, the Age Discrimination in Employment Act, the Workers Adjustment and Retraining Notification Act, the Family and Medical Leave Act, the Occupational Safety and Health Act, the Sarbanes-Oxley Act of 2002, the Fair Credit Reporting Act, the Equal Pay Act, the Genetic Information Nondiscrimination Act of 2008, Executive Order 11246, the National Labor Relations Act, the Rehabilitation Act, the Illinois Human Rights Act, the Illinois WARN Act, the Connecticut Fair Employment Practices Act, the California Constitution, the California Fair Employment and Housing Act and California Family Rights Act, the California Unruh Civil Rights Act, the California Confidentiality of Medical Information Act, the California Parental Leave Law, the California Military Personnel Bias Law, the California Occupational Safety and Health Act, as amended, and any applicable regulations thereunder, the California Consumer Credit Reporting Agencies Act, the California Investigative Consumer Reporting Agencies Act, the California Health and Safety Code, the California Business & Professions Code, Industrial Welfare Commission Wage Orders, the California Labor Code that lawfully may be released, any basis for recovering costs, fees or other expenses including attorneys' fees incurred in these matters, and all other federal, state and local statutes, laws, regulations, ordinances, orders, or state or local civil or human rights law, and claims arising under common law, contract, implied contract, public policy or tort (collectively, the "Plaintiffs Released Claims"). Nothing in this Agreement shall be construed as releasing any rights or claims, whether specified above or not, that cannot be waived as a matter of law pursuant to federal, state, or local statute. If it is determined that any claim covered by this Agreement cannot be waived as a matter of law, Plaintiffs each expressly disclaim and waive their respective rights to relief of any kind (including, without limitation, monetary damages, injunctive relief, attorney fees or costs) in any charge or lawsuit filed by or on behalf of Plaintiff(s) for any of the Released Claims. The Parties also understand that this Agreement does not prohibit Plaintiffs from filing any other administrative charge under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, or the Equal Pay Act, or equivalent state law. However, as permitted by law, including, for example, under Title VII of the Civil Rights Act of 1964, Plaintiffs waive their respective rights to monetary, injunctive, or other recovery should any federal, state, or local administrative agency pursue any claims on their behalf arising out of and relating to any of Plaintiffs' respective relationships, individually and/or through their corporations, with the Released Parties up to and including the Effective Date, including the termination of the relationship of Plaintiffs and/or their corporations with any of the Released Parties.

Plaintiffs' waiver and release applies to any and all pending class or collective action litigation against the Released Parties of which Plaintiffs may claim to be class members or members of the collective.

In addition to Plaintiffs' covenants and agreements related to the Action, Plaintiffs further agree not to institute or continue any claim or file a civil lawsuit of

any kind against the Released Parties arising out of or related to the respective relationships of Plaintiffs and/or their corporations with the Released Parties and/or concerning any facts occurring at any time through the date Plaintiffs execute this Agreement, including, without limitation, any claim for civil penalties pursuant to California Labor Code section 2699 *et seq.*, the California Private Attorneys General Act of 2004, against the Released Parties. Plaintiffs further agree not to voluntarily join as a party in any litigation brought by any other individual or entity against the Released Parties. This does not prohibit Plaintiffs from truthfully testifying in another party's proceeding if compelled to do so.

13.2.1 Age Discrimination in Employment Act / Older Worker Benefits Protection Act Disclosure.

Plaintiffs acknowledge that they were each given twenty-one (21) days to consider and accept the terms of this Agreement, and that Plaintiffs were each advised, and did, consult with their respective attorneys about this Agreement before signing it. Plaintiffs further acknowledge that they have seven (7) days from the date they sign the Agreement to revoke their respective acceptance (the "Revocation Period"). If any Plaintiff decides to revoke his or her acceptance of the Agreement, he or she must provide a written statement of revocation to Defendants' Counsel (Troutman Pepper Locke LLP and attorney Nina Huerta) by electronic mail. Should any of Plaintiffs revoke their individual acceptance, Defendants have the right to terminate this Agreement as to all Parties. Plaintiffs represent and agree that they are entering into this Agreement freely and voluntarily. Plaintiffs represent and agree that, apart from the written terms of this Agreement, no other statements, promises, or commitments of any kind, written or oral, have been made to them by Defendants, or any of their agents, to cause Plaintiffs to accept this Agreement. Plaintiffs agree that neither they nor their counsel are entitled to any portion of the Settlement Payment if the Agreement is revoked by any Plaintiff.

13.2.2 Plaintiffs' Civil Code Section 1542 Waiver

Plaintiffs each hereby expressly waive all benefits and protections under California Civil Code section 1542 ("Section 1542"), as well as under any other statutes, legal decisions or common law principles of similar effect to the extent that such benefits or protections may contravene the provisions of the Agreement. Section 1542 states:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY

AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

Plaintiffs each knowingly and voluntarily waive all rights under Section 1542. Accordingly, Plaintiffs each bear the risk that Plaintiffs may later discover additional or different facts relevant to the Plaintiffs Released Claims. Nonetheless, it is Plaintiffs' intention to fully, knowingly, finally and forever settle and release all of the claims released herein that now exist, may exist, or heretofore have existed, except as otherwise expressly provided herein.

13.3 Release by Participating FEHA Class Members

In exchange for the consideration set forth in this Agreement, all Participating FEHA Class Members and each of his or her respective agents, companies (e.g., the Participating FEHA Class Member's incorporated agency, if applicable), representatives, assigns, spouses, and heirs, past and present, and any and all other persons or entities who could claim through him or her (collectively, the "FEHA Class Releasors") 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 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.

13.4 Release by Participating FLSA Collective Members

In exchange for the consideration set forth in this Agreement, all Participating FLSA Collective Members and each of his or her respective agents, companies (e.g., the Participating FLSA Collective Member's incorporated agency, if applicable), representatives, assigns, spouses, and heirs, past and present, and any and all other

persons or entities who could claim through him or her (collectively, the “FLSA Collective Releasers”) 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 relating to Plaintiffs’ first cause of action under the FLSA for alleged unpaid overtime and corresponding portions of Plaintiffs’ fifth cause of action for violation of the UCL, including, but not limited to: a) Plaintiffs’ claims that they and the FLSA Collective Members were misclassified as independent contractors, rather than employees; and b) that Defendants failed to fully, completely, and timely compensate Plaintiffs and the FLSA Collective Members for all hours of overtime worked.

13.5 No Waiver of Claims Not Waivable as a Matter of Law

Nothing in this Section 14 (nor any other part of this Agreement) shall be construed as an attempt to waive any claim which is not waivable as a matter of law.

14. NO ADMISSION

Defendants and the other Released Parties deny any and all claims alleged in the Action and deny all wrongdoing whatsoever. Defendants continue to assert, *inter alia*, that Plaintiffs, the FEHA Class, and the FLSA Collective were all properly classified as independent contractors. This Agreement is neither a concession nor an admission, and it shall not be used against Defendants or any of the Released Parties as an admission or indication with respect to any claim of any fault, concession or omission by them. Whether or not the settlement is finally approved, neither this Settlement, nor any document, statement, proceeding or conduct related to this Agreement, nor any reports or accounts thereof, shall in any event be:

- 14.1 construed as, offered or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Defendants or the Released Parties, including, but not limited to, evidence of a presumption, concession, indication or admission by Defendants or any of the Released Parties of any liability, fault, wrongdoing, omission, concession or damage; or
- 14.2 disclosed, referred to or offered or received in evidence against Defendants or any of the Released Parties, or its/her counsel, personnel or supervisors, in any further proceeding in the Action, or any other civil, criminal or administrative action or proceeding, except for purposes of settling the Action pursuant to this Agreement.

15. COMMUNICATIONS ABOUT THE SETTLEMENT

- 15.1 The Parties agree that the amount of this Settlement is confidential until such time that the motion for preliminary approval is filed. The Parties and their counsel further agree not to contact any media organization about the settlement and that if they are contacted by a media organization, then they will only state that this matter has settled.
- 15.2 No Party or its/his/her counsel, personnel or supervisors will discourage individuals from participating in the Settlement. The Parties and their counsel agree that they will not misrepresent this Agreement, the Notices, or any other document distributed to the FEHA Class and FLSA Collective in connection with this Settlement. Nothing herein shall prevent Settlement Class Counsel from communicating with the Settlement Classes regarding settlement or matters related to the settlement process.

16. NULLIFICATION OF AGREEMENT

In the event: (a) the Court does not enter the Preliminary Approval Order specified herein in substantially the same form as Exhibit E attached hereto; (b) the Court does not finally approve the Settlement as provided herein; (c) the Court does not issue a [Proposed] Final Judgment (as provided herein and in substantially the same form as Exhibit F attached hereto) which becomes final and not subject to any appeals; or (d) the Settlement does not become final for any other reason, this Agreement shall be null and void and any order or judgment entered by the Court in furtherance of this Settlement shall be treated as void *ab initio*. In such event, the Parties hereto and any funds to be awarded under this Settlement shall be returned to their respective statuses as of the date and time immediately prior to the execution of this Agreement, and the Parties shall proceed in all respects nunc pro tunc as if this Agreement had not been executed.

17. RETURN OF DOCUMENTS AND INFORMATION

The Parties agree that none of the documents and information provided to them by the opposing Party and marked as Confidential or Highly Confidential under the relevant protective orders shall be used for any purpose other than prosecution of the Action. No later than ten (10) calendar days after the Effective Date, the Parties shall destroy or return to the opposing Party the original and all copies of any documents that opposing Party produced or provided and marked as Confidential or Highly Confidential under the relevant protective orders. Should a Party elect to destroy those documents, the Party shall certify under penalty of perjury that such documents have been destroyed.

18. REPRESENTATIONS AND WARRANTIES

Each Party to this Agreement represents and warrants that he, she or it has not heretofore assigned or transferred, or purported to assign or transfer, on behalf of itself, themselves, or members of the Settlement Classes any of the claims released pursuant to this Agreement to any other person and that he, she or it is fully entitled to compromise and settle same.

19. CALIFORNIA LAW

All questions with respect to the construction of this Agreement and the rights and liabilities of the Parties and Settlement Class Members shall be governed by the laws of the State of California applicable to agreements to be wholly performed within the State of California.

20. OWN COUNSEL

Each Party hereto acknowledges that he, she or it has been represented by counsel of his, her or its own choice throughout all of the negotiations which preceded the execution of this Agreement and in connection with the preparation and execution of this Agreement.

21. FURTHER ACTS AND DOCUMENTS

The Parties, Settlement Class Members and counsel for the Parties hereto agree to do such acts and execute all such documents necessary to effectuate the intent of this Agreement.

22. COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument and will be effective upon execution by all Parties. Facsimile signatures shall be deemed original signatures for all purposes.

23. HEADINGS

The headings contained in this Agreement are for reference only and are not to be construed in any way as a part of the Agreement.

24. ENTIRE AGREEMENT

This Agreement represents the entire agreement between and among the Parties and Settlement Class Members with respect to the subject matter hereof and supersedes all prior oral and written agreements and discussions. Each of the Parties,

including those signing on behalf of the Settlement Class Members, covenants that he, she or it has not entered into this Agreement as a result of any representation, agreement, inducement, or coercion, except to the extent specifically provided herein. Each Party, including those signing on behalf of Settlement Class Members, further covenants that the consideration recited herein is the only consideration for entering into this Agreement and that no promises or representations of another or further consideration have been made by any person. This Agreement may be amended only by an agreement in writing duly executed by all Parties hereto and approved by the Court.

25. BINDING EFFECT

This Agreement shall be binding upon and inure to the benefit of the Parties, the Settlement Class Members and to their respective heirs, assigns and successors-in-interest.

26. DRAFTING

Each Party hereto has cooperated in the drafting and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against any Party as drafter of this Agreement.

27. SEVERABILITY

In the event any covenant or other provision herein is held to be invalid, void or illegal, the same shall be deemed severed from the remainder of this Agreement and shall in no way affect, impair or invalidate any other covenant, condition or other provision herein. If any covenant, condition or other provision herein is held to be invalid due to its scope or breadth, such covenant, condition or other provision shall be deemed valid to the extent of the scope or breadth permitted by law.

28. INCORPORATION OF EXHIBITS

All exhibits attached to this Agreement are hereby incorporated by reference as though set forth fully herein and are a material part of this Agreement. Any notice, order, judgment or other exhibit that requires approval of the Court must be approved without material alteration from its current form in order for this Agreement to become effective. Notwithstanding this Section, insubstantial changes to the attached exhibits shall not invalidate the Agreement.

29. AUTHORITY

Each Party hereto warrants and represents that each of the persons or entities executing this Agreement is duly empowered and authorized to do so.

30. ADMINISTRATION OF SETTLEMENT AND COMPLIANCE

The Court shall have continuing jurisdiction to resolve any dispute which may arise with regard to the terms and conditions of this Agreement as set forth herein.

31. NOTICES

All notices, requests, demands and other communications required or permitted to be given pursuant to this Agreement (other than the written Notices, FEHA Exclusion Forms, and FLSA Opt-In Forms that are part of the Notice Packets) shall be in writing and shall be delivered personally, telecopied, or mailed postage pre-paid by first class mail to the following persons at their addresses set forth as follows:

Settlement Class Counsel:

Seth R. Lesser, Esq.
Sarah Sears, Esq.
KLAFTER LESSER LLP
Two International Drive, Suite 350
Rye Brook, NY 10573

Carney R. Shegerian, Esq.
William Reed, Esq.
SHEGERIAN & ASSOCIATES, INC.
320 North Larchmont Boulevard
Los Angeles, California 90004

Defendants' Counsel:

Nina Huerta, Esq.
Eric A. Herzog, Esq.
Jonevin Sabado, Esq.
TROUTMAN PEPPER LOCKE LLP
350 South Grand Avenue, Suite 3400
Los Angeles, CA 90071

WHEREFORE, Plaintiffs, on their own behalf and on behalf of the Settlement Classes, and Defendants, by their respective duly authorized agents or counsel, have executed this Agreement as of the dates set forth below.

Farmers Insurance Exchange, Truck Insurance Exchange and Fire Insurance Exchange

Signed by:

Jessica Brostek-Maciel

Jessica Brostek-Maciel
Assistant Secretary

8/27/2025

Date

Plaintiffs

James Ruffulo
Plaintiff and Settlement Class Representative

Date

Farmers Group, Inc

Signed by:

John Odendahl

John Odendahl
Assistant Secretary

8/27/2025

Date

Valerie Yankus
Plaintiff and Settlement Class Representative

Date

Approved as to form:

August 27, 2025

TROUTMAN PEPPER LOCKE LLP

Nina Huerta

Nina Huerta
Eric A. Herzog
Jonevin Sabado

Attorneys for Defendants Farmers Group, Inc., Farmers Insurance Exchange, Truck Insurance Exchange and Fire Insurance Exchange

Farmers Insurance Exchange, Truck Insurance Exchange and Fire Insurance Exchange

Jessica Brostek-Maciel
Corporate Counsel

Date

Farmers Group, Inc

John Odendahl
Head of Corporate Litigation

Date

Plaintiffs



James Ruffulo (Aug 27, 2025 15:33:04 CDT)
James Ruffulo
Plaintiff and Settlement Class
Representative

27/08/25

Date

Valerie Yankus
Plaintiff and Settlement Class
Representative

Date

Approved as to form:

_____, 2025

TROUTMAN PEPPER LOCKE LLP

Nina Huerta
Eric A. Herzog
Jonevin Sabado

Attorneys for Defendants Farmers Group, Inc., Farmers Insurance Exchange, Truck Insurance Exchange and Fire Insurance Exchange

SHEGERIAN & ASSOCIATES, INC.

Farmers Insurance Exchange, Truck Insurance Exchange and Fire Insurance Exchange

Plaintiffs

Jessica Brostek-Maciel
Corporate Counsel

James Ruffulo
Plaintiff and Settlement Class
Representative

Date

Date

Farmers Group, Inc

John Odendahl
Head of Corporate Litigation



Valerie Yankus
Plaintiff and Settlement Class
Representative

Date

26/08/26

Date

Approved as to form:

_____, 2025

TROUTMAN PEPPER LOCKE LLP

Nina Huerta
Eric A. Herzog
Jonevin Sabado

Attorneys for Defendants Farmers Group, Inc., Farmers Insurance Exchange, Truck Insurance Exchange and Fire Insurance Exchange

_____, 2025

SHEGERIAN & ASSOCIATES, INC.

08-25, 2025

SHEGERIAN & ASSOCIATES, INC.



Carney R. Shegerian
William Reed

*Attorneys for Plaintiffs and the Settlement
Class*

27/08/25, 2025

KLAFTER LESSER LLP


Seth Lesser (Aug 27, 2025 17:52:14 EDT)

Jeffrey A. Klafter
Seth R. Lesser
Sarah Sears

*Attorneys for Plaintiffs and the Settlement
Class*

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

FOR THE CENTRAL DISTRICT OF CALIFORNIA

NOTICE OF SETTLEMENT OF CLASS ACTION

To: [NAME]

Re: Settlement of Class Action

Date: [DATE]

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”).

If you do not opt out, and the Settlement is approved by the Court, you will be mailed a check totaling approximately \$ [REDACTED].

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 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 to [September 30, 2025 or the date of the Court’s Order Granting Preliminary Approval, whichever is sooner] (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 [DATE], 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 received by the Settlement Administrator by: [INSERT 60 days from initial mailing]. **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 must be submitted directly to the United States District Court for the Central District of California, Courtroom 6D. If you object and the Settlement is approved, and you fail to submit a timely, valid request to be excluded, you will be barred from bringing your own individual lawsuit asserting claims related to the matters released through this Settlement, and you will 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 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 [60 days from mailing Notice], submit a written objection to 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. You must also provide notice to the Settlement Administrator if you intend to appear at the Final Approval Hearing and whether you or your counsel is making an entry of appearance. 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 [DATE], 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 [INSERT DATE] at [INSERT TIME] at

[INSERT ADDRESS]. 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 [WEBSITE ADDRESS] or by contacting the Settlement Administrator at:

[SETTLEMENT ADMINISTRATOR INFORMATION]

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: _____

BY ORDER OF THE COURT
Clerk of the Court

Date Signed

Signature

**This form must be postmarked NO LATER THAN [DATE]
or else you will lose your right to opt out.**

Print Name

MUST BE RECEIVED BY DEADLINE

Mail to: **INFO**
Submit Online: **INFO**

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

FOR THE CENTRAL DISTRICT OF CALIFORNIA

NOTICE OF SETTLEMENT OF COLLECTIVE ACTION

To: [NAME]

Re: Settlement of Collective Action

Date: [DATE]

INTRODUCTION

The Court has preliminarily approved a proposed settlement (the “Settlement”) in this case 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”).

If you submit the enclosed Opt-In Form so that it is fully completed and received by the Settlement Administrator by [REDACTED] [60 days after initial notice], and the settlement is approved by the Court, you will be mailed a check totaling approximately \$ [REDACTED].

This Notice explains the collective 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 Settlement?
3. Why Did I Get This Notice?
4. What Settlement Payment Will I Receive If I Send In A Claim?
5. What Are The Terms of The Settlement?
6. Who Is Class Counsel?
7. Are Attorneys’ Fees, Costs, Expenses, And Service Payments Being Sought?
8. What Are My Options Regarding The Settlement?
9. What Claims Would You Release?
10. What Happens If The Court Approves The Settlement?

Exhibit C

11. What Happens If The Court Does Not Approve The Settlement?
12. When is the Final Settlement Approval Hearing?
13. No Retaliation
14. What If I Have Questions?

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

Plaintiffs are two former insurance 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 did not receive overtime pay in violation of the Fair Labor Standards Act (“FLSA”) (the “FLSA Collective”). Plaintiffs allege that they and these other agents should have been classified as non-exempt hourly employees and paid overtime for weeks in which they worked more than 40 hours. In the Action, Plaintiffs also pursued age discrimination claims on behalf of themselves and other Farmers agents outside of California whose contracts were terminated because of the Managing Underperforming Agents process that ended in 2020. 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 are not subject to federal overtime requirements and therefore not entitled to overtime pay. Importantly, the Court has not decided the employment status of Plaintiffs or any other class members 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 not containing an agreement to arbitrate; and (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 to [September 30, 2025 or the date of the Court’s Order Granting Preliminary Approval, whichever is sooner] (the “Settlement Class Period”) (these individuals are referred to in this Notice as the “FLSA Collective Members”).

3. Why Did I Get This Notice?

On [DATE], 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 outside of the state of California during the Settlement Period.

Exhibit C**4. What Settlement Payment Will I Receive If I Send In A Claim?**

If you email, mail, or fax the enclosed Opt-In Form so that it is received by the Settlement Administrator by [redacted] [60 days after initial notice], and the settlement is approved by the Court, you will receive a check totaling approximately \$ [redacted].

See Response to Section 8 below for instructions for filing your Opt-In Form.

The settlement payments are allocated to all FLSA Collective Members based on a pro-rata basis based on the number of workweeks worked.

5. What Are The Terms of The Settlement?

Pursuant to the Settlement, Farmers agreed to pay up to a total of \$10,000,000.00 (the “Gross Settlement Amount”) to resolve all claims asserted in the Action, inclusive of all alleged unpaid wages, overtime compensation, liquidated damages, penalties, interest, Court-approved 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. \$4,500,000 of the Gross Settlement Amount is allocated to the FLSA Collective claims being addressed by this Notice and \$5,500,000 of it is being allocated age discrimination 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 timely email, mail, overnight delivery, or fax the enclosed Opt-In Form so that it is fully completed and received by [redacted] [insert 60 day date after initial mailing], you will be eligible to receive the settlement payment listed in response to Section 4 above.

6. Who Is Class Counsel?

The Court appointed the following lawyers as Settlement Class Counsel to represent the FLSA Collective 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

7. 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 Settlement FLSA Collective. 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% percent 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 payments set out in response to Section 4 above.

8. What Are My Options Regarding The Settlement?

A. Timely Submit A Fully Completed Opt-In Form: If you want to claim a share of the Settlement, you need to timely mail, email, overnight deliver or fax the enclosed Opt-In Form to the Settlement Administrator at the following address so that it is fully completed and received on or before [insert 60 day date after initial mailing]:

Class Action Administration, Inc.

[Address, telephone number, fax, and email to be added]

If you choose to participate in the Settlement, you should contact the Settlement Administrator before the claim filing deadline of [insert 60 day date after initial mailing] to confirm your fully completed Opt-In Form was received. You should keep the Settlement Administrator informed of any changes to your address until you have received your settlement check and tax reporting forms.

B. Object: 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 must be submitted directly to the United States District Court for the Central District of California, Courtroom 6D. If you object and the Settlement is approved, but you have not affirmatively opted in to the Settlement, you will not be barred from bringing your own individual lawsuit asserting claims related to the matters released through this Settlement, and you will not 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 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 [60 days from mailing Notice], submit a written objection to the United States District Court for the Central District of

Exhibit C

California that includes the case name and case number of 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. You must also provide notice to the Settlement Administrator if you intend to appear at the Final Approval Hearing and whether you or your counsel is making an entry of appearance. Any member of the FLSA Collective who has opted in and 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 fail to timely send in a fully completed Opt-In Form, **you will receive nothing from the Settlement**. You will not be bound by the final judgment or the Release set forth in Section 9 below. You may still have the right under federal law to file a complaint under the FLSA (the “Fair Labor Standards Act”) if the deadline to file such a claim has not already expired. However, you will not receive any money pursuant to this Settlement.

9. What Claims Would You Release?

By opting in to 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 [DATE], relating to Plaintiffs’ first cause of action under the FLSA for alleged unpaid overtime and corresponding portions of Plaintiffs’ fifth cause of action for violation of the Unfair Competition Law, including, but not limited to: a) Plaintiffs’ claims that they and the FLSA Collective Members were misclassified as independent contractors, rather than employees; and b) that Defendants failed to fully, completely, and timely compensate Plaintiffs and the FLSA Collective Members for all hours of overtime worked.

“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

Exhibit C

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.

10. What Happens If The Court Approves The Settlement?

If the Court approves the proposed Settlement, settlement checks will be issued to FLSA Collective Members who have timely submitted a fully completed Opt-In Form.

The Settlement will be binding on all members of FLSA Collective who timely complete an Opt-In Form, meaning that they cannot bring their own lawsuits against Defendants for Released Claims during the Settlement Class Period (as defined in Section 9 above). This includes, but is not limited to, claims for back pay, liquidated damages, penalties, interest, and attorneys' fees, costs and expenses.

Tax Matters

The Settlement Administrator will report payments to FLSA Collective 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 FLSA Collective who do not complete an Opt-In Form will not release any claims.

11. 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 FLSA Collective will recover more than is provided for in this Settlement, or indeed, anything.

12. 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 [INSERT DATE] at [INSERT TIME] at [INSERT ADDRESS]. The purpose of the hearing is for the Court to decide whether the

Exhibit C

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.

13. No Retaliation

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

14. 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 6 above. You may also obtain additional information concerning the Settlement from [**WEBSITE ADDRESS**] or by contacting the Settlement Administrator at:

[SETTLEMENT ADMINISTRATOR INFORMATION]

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: _____

BY ORDER OF THE COURT
Clerk of the Court

claims, debts, penalties, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, costs and expenses, damages, actions or causes of action of whatever kind or nature, whether known or unknown, expressly limited to wage and hour claims under the federal Fair Labor Standards Act, and the laws of California, or any other state, local or federal law, including, but not limited to, claims for alleged unpaid overtime wages, alleged off-the-clock work, miscalculation of wages, or retaliation for complaining about wages or for asserting wage-related claims, and any damages, liquidated damages, penalties, interest, fees or costs derivative from those wage and hour claims available under any federal, state, or local law, that were or could have been alleged in the Lawsuit or that reasonably arise out of the acts alleged in the Lawsuit.

Date

Signature

Print Name

MUST BE RECEIVED BY DEADLINE

Mail to: **INFO**
Submit Online: **INFO**

1 UNITED STATES DISTRICT COURT
2 CENTRAL DISTRICT OF CALIFORNIA

3 JAMES RUFFULO and VALERIE
4 YANKUS, individually and on behalf of all
5 others similarly situated,
6 Plaintiff,

) Case No. 2:23-cv-01796-FMO-MAAx

7 vs.

) Complaint filed: March 9, 2023

8 FARMERS INSURANCE EXCHANGE,
9 FARMERS GROUP INC., TRUCK
10 INSURANCE EXCHANGE, FIRE
11 INSURANCE EXCHANGE, and DOES 1
12 through 10 inclusive
13 Defendants.

14 **[PROPOSED] PRELIMINARY APPROVAL ORDER**

15 The Court, having considered Plaintiffs James Ruffulo and Valerie Yankus’s
16 (“Plaintiffs”) Motion for Collective and Class Certification and Preliminary Approval
17 of Settlement (“Motion”), the Declaration of Seth Lesser and all exhibits thereto, and
18 for good cause appearing, HEREBY ORDERS AS FOLLOWS:

19 1. The Court finds on a preliminary basis that Plaintiffs and Settlement Class
20 Counsel have adequately represented the Settlement Class Members; the proposed
21 Settlement was negotiated at arm’s length; the relief provided to the Settlement Class
22 Members is adequate; and the proposed Settlement treats Settlement Class Members
23 equitably relative to each other. The Court therefore finds on a preliminary basis that
24 the Settlement, based upon the terms set forth in the Settlement Agreement, meets the
25 requirements for preliminary approval.

26 2. The Court approves, as to form and content, the Notice of Settlement of Class
27 Action, attached as Exhibit A to the Settlement, and the Notice of Settlement of
28

1 Collective Action, attached as Exhibit B to the Settlement. The Court finds that the
2 mailing of the Notice Packets to each Settlement Class Member’s last known address
3 together with the mailing of a reminder postcard is the best notice practicable under
4 the circumstances, and when completed, shall constitute due and sufficient notice of
5 the class action, proposed Settlement, and the final approval hearing to all persons
6 entitled to such notice in full compliance with the requirements of due process and the
7 Federal Rules of Civil Procedure.

8 3. The Court finds, for settlement purposes only, that the FEHA Class meets the
9 requirements for certification under Federal Rules of Civil Procedure, Rule 23, in that:
10 (1) the class is so numerous that joinder of all FEHA Class Members is impracticable;
11 (2) there are questions of law and fact common to the FEHA Class Members; (3)
12 Plaintiffs’ claims are typical of the claims of the FEHA Class Members; (4) Plaintiffs
13 and their counsel will fairly and adequately protect the interests of the FEHA Class
14 Members; (5) questions of law and fact common to FEHA Class Members
15 predominate over any questions affecting only individual FEHA Class Members; and
16 (6) a class action is superior to other available methods for fairly and efficiently
17 adjudicating the controversy.

18 4. The Court hereby provisionally certifies the following class:

19 all individuals not excluded pursuant to Section 4 of the Settlement Agreement
20 who (i) signed a Farmers Agent Appointment Agreement or a Farmers
21 Corporate Agent Appointment Agreement; (ii) worked as a Farmers agent or
22 Supervising Agent for an incorporated Farmers agency outside of the state of
23 California at any time during the Settlement Class Period (as defined in Section
24 1.34 of the Settlement Agreement); (iii) whose appointment was terminated by
25 Farmers in connection with the Managing Underperforming Agents Process (as
26 defined in Section 1.20 of the Settlement Agreement); and (iv) who was 40
27 years of age or older on the effective date of their appointment’s termination.
28

1 5. The Court finds that the members of the FLSA Collective are similarly
2 situated and hereby provisionally certifies the following FLSA Collective pursuant to
3 29 U.S.C. § 216(b):

4 all individuals not excluded pursuant to Section 5 of the Settlement Agreement
5 who (i) signed a Farmers Agent Appointment Agreement or a Farmers
6 Corporate Agent Appointment Agreement not containing an agreement to
7 arbitrate; and (ii) worked as a Farmers agent or Supervising Agent for an
8 incorporated Farmers agency outside of the state of California at any time
9 during the Settlement Class Period (as defined in Section 1.34 of the Settlement
10 Agreement).

11 6. The Court appoints Plaintiffs James Ruffulo and Valerie Yankus as class
12 representatives.

13 7. The Court appoints Klafter Lesser LLP and Shegerian Law Firm to serve as
14 Settlement Class Counsel.

15 8. The Court appoints Epiq Class Action & Claims Solutions, Inc. as the
16 Settlement Administrator. The Court authorizes the Settlement Administrator to mail
17 the Notice Packets to the Settlement Class Members, pursuant to the terms of the
18 Settlement Agreement. The proposed payment to the Settlement Administrator for the
19 cost of administration of the Settlement, not to exceed \$114,000.00, is conditionally
20 approved.

21 9. A hearing to determine whether the Settlement is fair, reasonable and
22 adequate to the Class Members and whether the Settlement should be finally approved
23 (“Final Approval Hearing”) shall be held on _____, 2025 at
24 _____ .m., in Courtroom 6D of the United States District Court for the
25 Central District of California, located at 350 West 1st Street, Los Angeles, CA, 90012.
26 The Court reserves the right to adjourn or continue the date of the Final Approval
27 Hearing without further notice to Settlement Class Members, and retains jurisdiction
28

1 to consider all further applications or motions arising out of or connected with the
2 Settlement.

3 10. The Parties are ordered to carry out the Settlement according to the terms of
4 the Settlement.

5 11. The Court sets the following deadlines:
6
7

Event	Date
9 Defendants to provide Settlement 10 Administrator the last known contact 11 information (mailing address, personal 12 email and telephone number) and social 13 security number for each of the FEHA 14 Class and FLSA Collective Members	within ten (10) business days of entry of the Court’s Order Granting Preliminary Approval
15 The Settlement Administrator shall mail 16 the Notices to all identified FEHA Class 17 Members	within ten (10) calendar days of the Court’s Order Granting Preliminary Approval
18 The Settlement Administrator shall mail 19 the Notices to all identified FLSA 20 Collective Members	within ten (10) calendar days of the Court’s Order Granting Preliminary Approval
21 Deadline for objecting or opting out of 22 the Settlement for FEHA Class members 23	forty-five (45) calendar days after the date that the FEHA Class Notice is initially mailed
24 Deadline for objecting or opting out of 25 the Settlement for FLSA Collective 26 members 27	forty-five (45) calendar days after the date that the FLSA Collective Notice is initially mailed

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

<p>The Settlement Administrator shall prepare and deliver to the Parties a declaration, which Settlement Class Counsel will file, providing the information listed in Section 6.2 of the Settlement Agreement, including the number of FEHA Exclusion Forms and the number of Participating FLSA Collective Members</p>	<p>No later than thirty (30) calendar days prior to the Final Approval Hearing</p>
<p>Final Approval Hearing</p>	<p>[]</p>

IT IS SO ORDERED.

Dated: _____

HON. FERNANDO M. OLGUIN
UNITED STATES DISTRICT JUDGE

1 UNITED STATES DISTRICT COURT
2 CENTRAL DISTRICT OF CALIFORNIA

3 JAMES RUFFULO and VALERIE
4 YANKUS, individually and on behalf of all
5 others similarly situated,
6 Plaintiff,

) Case No. 2:23-cv-01796-FMO-MAAx

7 vs.

) Complaint filed: March 9, 2023

8 FARMERS INSURANCE EXCHANGE,
9 FARMERS GROUP INC., TRUCK
10 INSURANCE EXCHANGE, FIRE
11 INSURANCE EXCHANGE, and DOES 1
12 through 10 inclusive
13 Defendants.

14 **[PROPOSED] FINAL APPROVAL ORDER**

15 This matter comes before the Court on Plaintiffs’ Motion for Final Approval of
16 the Proposed Settlement of the above captioned actions (the “Motion for Final
17 Approval”). The parties have duly consented, pursuant to Fed. R. Civ. P. 73, to this
18 Court’s authority to conduct all proceedings concerning approval of the proposed
19 Settlement set forth in the parties’ Settlement Agreement (the “Settlement
20 Agreement”), attached as Exhibit A to the Declaration of Seth R. Lesser (“Lesser
21 Dec.”) filed herewith. After review and consideration of the Settlement Agreement,
22 the papers in support of the Motion for Final Approval, including the Lesser Dec. and
23 all of its accompanying exhibits, it is hereby ordered as follows:

24 **BACKGROUND**

25 1. On March 9, 2023, Plaintiffs James Ruffulo and Valerie Yankus filed a
26 putative class and collective action against Defendants Farmers Insurance Exchange,
27 Fire Insurance Exchange, Truck Insurance Exchange, and Farmers Group, Inc.
28 (collectively, “Defendants”) for: (1) failure to pay overtime wages in violation of the

1 Fair Labor Standards Act (“FLSA”); (2) disparate impact age discrimination in
2 violation of California’s Fair Employment and Housing Act (“FEHA”); (3) disparate
3 treatment age discrimination in violation of FEHA; (4) failure to prevent
4 discrimination in violation of FEHA; and (5) violation of California Business &
5 Professions Code section 17200 (the “UCL”) pursuant to Defendants’ alleged
6 violation of FEHA (collectively, the “Action”). The claims in the Action are brought
7 on behalf of non-California insurance agents appointed with Defendants Farmers
8 Insurance Exchange, Fire Insurance Exchange, and Truck Insurance Exchange
9 (collectively, “Farmers”).

10 2. In connection with these claims, Plaintiffs allege that they and members
11 of the putative class were misclassified as independent contractors, and that
12 Defendants terminated their alleged employment based on age. Plaintiffs further
13 allege that Defendants denied overtime pay to putative members of the FLSA
14 collective.

15 3. Following a private mediation on June 23, 2025, the parties reached an
16 agreement in principle to fully and finally settle the entire Action. The parties
17 subsequently filed a Notice of Settlement on June 25, 2025 to inform this Court of the
18 settlement (ECF Doc. 96.)

19 4. On August 27, 2025, Plaintiffs filed their unopposed Motion for
20 Preliminary Approval of Collective and Class Action Settlement (ECF Doc. []). On [],
21 [], the Court granted preliminary approval of the parties’ Settlement Agreement,
22 appointed Epiq Class Action & Claims Solutions, Inc. (“Epiq”) as the Settlement
23 Administrator, and directed Epiq to mail Notice Packets to Settlement Class Members.
24 (ECF Doc. []). The Court set [] as the date for the Final Approval Hearing. (*Id.*)

25 **DISCUSSION**

26 5. The Court has jurisdiction over the subject matter of the above-captioned
27 action (the “Action”), all Participating FLSA Collective Members as defined in
28 Section 1.26 of the Settlement Agreement (i.e., those FLSA Collective Members who

1 opted in to the Settlement), and Participating FEHA Class Members as defined in
2 Section 1.25 of the Settlement Agreement (i.e., those FEHA Class Members who did
3 not opt out of the Settlement), and Defendants.

4 6. All defined terms in the Settlement Agreement shall have the same
5 meaning in this Final Approval Order and Judgment.

6 7. In accordance with Federal Rule of Civil Procedure 23 and the
7 requirements of due process, the Participating FLSA Collective Members and the
8 Participating FEHA Class Members (hereinafter, collectively referred to as the
9 “Settlement Classes” or “Settlement Class Members”) have been given proper and
10 adequate notice of the Settlement and the Fairness Hearing, and, such notice was
11 carried out in accordance with the Order Approving Settlement Notice and the
12 Settlement Agreement.

13 8. The Notice and notice methodology implemented pursuant to the
14 Settlement Agreement and the Court’s Order Approving Settlement Notice (a) were
15 appropriate and reasonable and constituted due, adequate and sufficient notice to all
16 persons entitled to notice; and (b) met all applicable requirements of the Federal Rules
17 of Civil Procedure and any other applicable law.

18 9. The Court approves the proposed Settlement of the Action. The Court
19 finds, for the reasons set forth in Plaintiffs’ Memorandum in Support of Final
20 Approval insofar as it would resolve the Action, it meets all of the requirements of
21 Fed. R. Civ. Pro. 23(e)(2).

22 10. The Settlement was negotiated with the assistance of an experienced
23 mediator, at arm’s-length, by experienced counsel who were fully informed of the
24 facts and circumstances of the Action and of the strengths and weaknesses of their
25 respective positions. The Settlement was reached after the parties had completed
26 extensive discovery and investigation, conducted legal research, and exchanged
27 written discovery, and reviewed hundreds of thousands of pages worth of documents,
28 including trial transcripts from a similar action. Counsel for both sides were well

1 positioned to evaluate the benefits of the Settlement, taking into account the expense,
2 risk, and uncertainty of protracted litigation over numerous questions of fact and law.
3 The Settlement is therefore fair, reasonable and adequate.

4 11. The Court further finds, for the reasons set forth in Plaintiffs’
5 Memorandum in Support of Final Approval, that the proposed Settlement of the FLSA
6 claims asserted on behalf of the FLSA Collective Members is a settlement of a bona-
7 fide dispute, is a fair and reasonable compromise of the FLSA claims asserted that is
8 in the best interests of the FLSA Collective Members and comports with the factors
9 set forth in *Lynn's Food Stores, Inc. v. United States*, 679 F.2d 1350, 1351 (11th Cir.
10 1982).

11 12. The Court finds that for the purpose of this Settlement only, the
12 requirements of Rule 23 of the Federal Rules of Civil Procedure are satisfied, and that
13 a class action is an appropriate method for resolving the FEHA state law claims
14 asserted. All the prerequisites for class certification under Rule 23 are present. The
15 FEHA Class Members are ascertainable and too numerous to be joined. For
16 settlement purposes only, questions of law and fact common to all FEHA Class
17 Members predominate over individual issues and should be determined in one
18 proceeding with respect to all of the FEHA Class Members. Plaintiffs’ claims are
19 typical of those of the FEHA Class for settlement purposes. Plaintiffs and Settlement
20 Class Counsel meet the adequacy requirements of Fed. R. Civ. P. 23(a)(4). For
21 settlement purposes, the class action mechanism is superior to alternative means for
22 adjudicating and resolving the state law FEHA claims asserted.

23 13. The Court finally certifies the following FEHA Class for purposes of this
24 Settlement only:

- 25 a. all individuals not excluded pursuant to Section 4 of the Settlement
26 Agreement who (i) signed a Farmers Agent Appointment Agreement or a
27 Farmers Corporate Agent Appointment Agreement; (ii) worked as a Farmers
28 agent or Supervising Agent for an incorporated Farmers agency outside of the
state of California at any time during the Settlement Class Period (as defined in
Section 1.34 of the Settlement Agreement); (iii) whose appointment was

1 terminated by Farmers in connection with the Managing Underperforming
2 Agents Process (as defined in Section 1.20 of the Settlement Agreement); and
3 (iv) who was 40 years of age or older on the effective date of their
4 appointment’s termination.

4 14. The Court finally certifies the following FLSA Collective pursuant to 29
5 U.S.C. § 216(b) for purposes of this Settlement only:

6 all individuals not excluded pursuant to Section 5 of the Settlement Agreement
7 who (i) signed a Farmers Agent Appointment Agreement or a Farmers
8 Corporate Agent Appointment Agreement not containing an agreement to
9 arbitrate; and (ii) worked as a Farmers agent or Supervising Agent for an
10 incorporated Farmers agency outside of the state of California at any time
11 during the Settlement Class Period (as defined in Section 1.34 of the Settlement
12 Agreement).

12 15. The Court also appoints Plaintiffs James Ruffulo and Valerie Yankus, as
13 Representatives of the Settlement Classes (“Settlement Class Representatives”) as
14 they meet the requirements of Fed. R. Civ. Pro. 23(a)(4) for the purposes of settlement
15 and Klafter Lesser LLP and Shegerian Law Firm as Settlement Class Counsel for the
16 Settlement Classes as they meet the requirements of Fed. R. Civ. Pro. 23(g) for the
17 purposes of settlement.

18 16. Settlement Class Counsel, are hereby awarded attorneys’ fees in the
19 amount of \$ _____, which the Court finds to be fair and reasonable,
20 and \$ _____ in reimbursement of reasonable expenses incurred in
21 prosecuting the Actions. The attorneys’ fees and expenses so awarded shall be paid
22 from the Total Settlement Payment pursuant to the terms of the Settlement Agreement
23 and these sums are to be paid to Klafter Lesser LLP to be distributed to the other Class
24 Counsel.

25 17. The Court finds that Plaintiffs have conferred a substantial benefit on the
26 Settlement Class Members by initiating the Action and assisting in the prosecution of
27 the claims asserted in the Action and hereby directs payment as provided under the
28 terms of the Settlement Agreement from the Total Settlement Payment to Plaintiffs

1 James Ruffulo and Valerie Yankus of \$ _____ to each, as service award
2 payments.

3 18. The Court finds that the Settlement Administrator’s fees and expenses are
4 reasonable and approves the payment of \$ _____ to the Settlement
5 Administrator from the Total Settlement Payment in accordance with the terms of the
6 Settlement Agreement.

7 19. Certification of the Settlement Classes is for settlement purposes only
8 and shall not constitute, nor be construed as, an admission on the part of Defendants
9 that these claims are appropriate for class treatment pursuant to Federal Rule of Civil
10 Procedure 23, collective treatment, or any other similar class rule. Nor shall this Final
11 Approval Order and Judgment be construed, used, offered, or admitted into evidence
12 as an admission or concession by Defendants of the validity of any claim or any actual
13 or potential liability or fault.

14 20. Final Judgment is entered in the above-captioned case in accordance with
15 this Final Approval Order and the Settlement Agreement.

16 21. Following the Effective Date as provided for in the Settlement
17 Agreement and receipt of the Total Maximum Settlement Amount from Defendants as
18 provided for in the Settlement Agreement, the Settlement Administrator shall
19 effectuate distribution of the settlement funds to the FLSA Collective and FEHA
20 Class Members in accordance with the terms of the Settlement Agreement.

21 22. Upon the Effective Date provided for in Section 1.4 the Settlement
22 Agreement, all FEHA Class Members other than those who have timely and validly
23 excluded themselves from the Settlement (who are identified in Exhibit A hereto) will
24 be deemed to have released the claims included in the FEHA Class Member Release
25 as set forth in Section 13.3 of the Settlement Agreement as to the Released Parties (as
26 set forth in Section 13.1 of the Settlement Agreement), and which is incorporated
27 herein:
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

In exchange for the consideration set forth in the Settlement Agreement, all Participating FEHA Class Members and each of his or her respective agents, companies (e.g., the Participating FEHA Class Member’s incorporated agency, if applicable), representatives, assigns, spouses, and heirs, past and present, and any and all other persons or entities who could claim through him or her (collectively, the “FEHA Class Releasers”) 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 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.

23. Upon the Effective Date provided for in Section 1.4 of the Settlement Agreement, all Participating FLSA Collective Members will be deemed to have released the claims included in the FLSA Collective Member Release as set forth in Section 13.4 of the Settlement Agreement as to the Released Parties (as set forth in Section 13.1 of the Settlement Agreement), and which is incorporated herein:

In exchange for the consideration set forth in the Settlement Agreement, all Participating FLSA Collective Members and each of his or her respective agents, companies (e.g., the Participating FLSA Collective Member’s incorporated agency, if applicable), representatives, assigns,

1 spouses, and heirs, past and present, and any and all other persons or
 2 entities who could claim through him or her (collectively, the “FLSA
 3 Collective Releasers”) hereby release and forever discharge the Released
 4 Parties with respect to any and all claims, demands, liabilities,
 5 obligations, debts, attorneys’ fees, costs of suit, actions or causes of
 6 action of every kind and nature whether at common law, pursuant to
 7 statute, ordinance, or regulation, in equity or otherwise, whether arising
 8 under federal, state, or other applicable law, whether known or unknown,
 9 actual or potential, suspected or unsuspected, direct or indirect, or
 10 contingent or fixed that have been alleged, could have been alleged, or in
 11 the future might be alleged, that reasonably arise out of or reasonably
 12 relate to the facts and/or claims set forth in the Operative Complaint
 13 during the Settlement Class Period relating to Plaintiffs’ first cause of
 14 action under the FLSA for alleged unpaid overtime and corresponding
 15 portions of Plaintiffs’ fifth cause of action for violation of the UCL,
 16 including, but not limited to: a) Plaintiffs’ claims that they and the FLSA
 17 Collective Members were misclassified as independent contractors, rather
 18 than employees; and b) that Defendants failed to fully, completely, and
 19 timely compensate Plaintiffs and the FLSA Collective Members for all
 20 hours of overtime worked.

21 24. Upon the Effective Date provided for in Section 1.4 of the Settlement
 22 Agreement, Plaintiffs/the Settlement Class Representatives will be deemed to have
 23 released the claims as set forth in Section 13.2 of the Settlement Agreement and as to
 24 the Released Parties (as set forth in Section 13.1 of the Settlement Agreement), and
 25 which is incorporated herein:

26 In exchange for the consideration set forth in the Settlement Agreement,
 27 Plaintiffs and each of his or her respective agents, representatives,
 28 assigns, spouses, and heirs, past and present, and any and all other
 persons who could claim through him or her (collectively, the “Plaintiff
 Releasers”) 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 that the Plaintiff Releasers have or could claim to have
 in law or equity, whether known or unknown, against the Released
 Parties up to and including the Effective Date, including, but not limited
 to, claims under Title VII of the Civil Rights Act of 1964, as amended,
 the Civil Rights Act of 1991, Sections 1981 through 1988 of Title 42 of
 the United States Code, as amended, the Employee Retirement Income

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Security Act of 1974, the Fair Labor Standards Act, the Immigration Reform and Control Act the Americans with Disabilities Act of 1990, as amended, the Rehabilitation Act, the Age Discrimination in Employment Act, the Workers Adjustment and Retraining Notification Act, the Family and Medical Leave Act, the Occupational Safety and Health Act, the Sarbanes-Oxley Act of 2002, the Fair Credit Reporting Act, the Equal Pay Act, the Genetic Information Nondiscrimination Act of 2008, Executive Order 11246, the National Labor Relations Act, the Rehabilitation Act, the Illinois Human Rights Act, the Illinois WARN Act, the Connecticut Fair Employment Practices Act, the California Constitution, the California Fair Employment and Housing Act and California Family Rights Act, the California Unruh Civil Rights Act, the California Confidentiality of Medical Information Act, the California Parental Leave Law, the California Military Personnel Bias Law, the California Occupational Safety and Health Act, as amended, and any applicable regulations thereunder, the California Consumer Credit Reporting Agencies Act, the California Investigative Consumer Reporting Agencies Act, the California Health and Safety Code, the California Business & Professions Code, Industrial Welfare Commission Wage Orders, the California Labor Code that lawfully may be released, any basis for recovering costs, fees or other expenses including attorneys’ fees incurred in these matters, and all other federal, state and local statutes, laws, regulations, ordinances, orders, or state or local civil or human rights law, and claims arising under common law, contract, implied contract, public policy or tort (collectively, the “Plaintiffs Released Claims”). Nothing in this Agreement shall be construed as releasing any rights or claims, whether specified above or not, that cannot be waived as a matter of law pursuant to federal, state, or local statute. If it is determined that any claim covered by this Agreement cannot be waived as a matter of law, Plaintiffs each expressly disclaim and waive their respective rights to relief of any kind (including, without limitation, monetary damages, injunctive relief, attorney fees or costs) in any charge or lawsuit filed by or on behalf of Plaintiff(s) for any of the Released Claims. The Parties also understand that this Agreement does not prohibit Plaintiffs from filing any other administrative charge under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, or the Equal Pay Act, or equivalent state law. However, as permitted by law, including, for example, under Title VII of the Civil Rights Act of 1964, Plaintiffs waive their respective rights to monetary, injunctive, or other recovery should any federal, state, or

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

local administrative agency pursue any claims on their behalf arising out of and relating to any of Plaintiffs’ respective relationships, individually and/or through their corporations, with the Released Parties up to and including the Effective Date, including the termination of the relationship of Plaintiffs and/or their corporations with any of the Released Parties.

Plaintiffs’ waiver and release applies to any and all pending class or collective action litigation against the Released Parties of which Plaintiffs may claim to be class members or members of the collective.

In addition to Plaintiffs’ covenants and agreements related to the Action, Plaintiffs further agree not to institute or continue any claim or file a civil lawsuit of any kind against the Released Parties arising out of or related to the respective relationships of Plaintiffs and/or their corporations with the Released Parties and/or concerning any facts occurring at any time through the date Plaintiffs execute this Agreement, including, without limitation, any claim for civil penalties pursuant to California Labor Code section 2699 *et seq.*, the California Private Attorneys General Act of 2004, against the Released Parties. Plaintiffs further agree not to voluntarily join as a party in any litigation brought by any other individual or entity against the Released Parties. This does not prohibit Plaintiffs from truthfully testifying in another party’s proceeding if compelled to do so.

25. The entire Action is hereby dismissed with prejudice.

26. The Court shall retain exclusive and continuing jurisdiction over the Action, the Participating FLSA Collective Members, the Participating FEHA Class Members, and Defendants, to interpret and enforce the terms, conditions, and obligations of the Settlement Agreement.

IT IS SO ORDERED.

Dated: _____

HON. FERNANDO M. OLGUIN
UNITED STATES DISTRICT JUDGE