

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

**NOTICE OF SETTLEMENT OF COLLECTIVE ACTION**

**Re: Settlement of Collective Action**

**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”).

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?
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 September 30, 2025 (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 January 5, 2026, the Court preliminary approved a Settlement Agreement agreed to by the Parties and authorized the mailing of this Notice to you. You have received this Notice because Defendants’ records indicate you were an agent appointed with Farmers outside of the state of California during the Settlement Period.

## 4. What Settlement Payment Will I Receive If I Send In A Claim?

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 to 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 postmarked by April 9, 2026, 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 postmarked on or before April 9, 2026:

Ruffulo v. Farmers Settlement Administrator  
PO Box 5526  
Portland, OR 97228-5526

Phone: 877-768-6775  
Fax: 1 (833) 485-7489

Email: OptIn@Ruffulo-v-Farmers.com

**If you choose to participate in the Settlement, you should contact the Settlement Administrator before the claim filing deadline of April 9, 2026 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:** If you opt in to the Settlement, 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. (Note that if you do not opt in to the Settlement, your objection will not be considered by the Court.) Your objection, along with a Notice of Appearance, must be filed directly with the United States District Court for the Central District of California, Courtroom 6D by the deadline described below. If you object and the Settlement is approved, you will still 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 choose to object to the Settlement and/or to the requested attorneys' fees, costs, expenses, and/or service payments to the named Plaintiffs, you must, on or before April 9, 2026, file a written objection and Notice of Appearance with the United States District Court for the Central District of California that includes the case name and case number 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. 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 September 30, 2025, 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 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 June 4, 2026 at 10:00 a.m. at Courtroom 6D of the First Street U.S. Courthouse at 350 W. 1st Street, Los Angeles, CA 90012. The purpose of the hearing is for the Court to decide whether the proposed Settlement is fair, reasonable, and adequate and should be approved and, if so, to determine what amount of attorneys' fees, costs and expenses, or service payments to the named Plaintiffs should be awarded. The time and date of this hearing may be changed without further notice.

### **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 [Ruffulo-v-Farmers.com](http://Ruffulo-v-Farmers.com) or by contacting the Settlement Administrator at:

SETTLEMENT ADMINISTRATOR  
PO Box 5526  
Portland, OR 97228-5526  
Phone: 877-768-6775

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

**Do not contact the Court about this matter.**

Dated: February 16, 2026

BY ORDER OF THE COURT  
Clerk of the Court