

H&R BLOCK INC  
Form 424B5  
October 22, 2008

**Table of Contents**

**Filed pursuant to Rule 424(b)(5)  
Registration No. 333-154611**

**Calculation of Registration Fee**

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered</b>	<b>Proposed Maximum Offering Price Per Share</b>	<b>Proposed Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee(1)</b>
Common Stock, without par value	8,285,714 Shares	\$17.50	\$144,999,995.00	\$5,698.50

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended.

**PROSPECTUS SUPPLEMENT (TO PROSPECTUS DATED OCTOBER 22, 2008)**

**8,285,714 Shares of Common Stock**

**H&R Block, Inc.**

We are offering up to 8,285,714 shares of our common stock in this offering. Our common stock is quoted on the New York Stock Exchange under the symbol HRB. On October 21, 2008, the closing price of our common stock on the New York Stock Exchange was \$17.97 per share.

We are offering these shares of common stock on a best efforts basis to one or more institutional investors. We have retained Lazard Capital Markets LLC to act as placement agent in connection with this offering.

**Investing in our common stock involves significant risks. See Risk Factors beginning on page S-3 of this prospectus supplement for more information.**

**Neither the Securities and Exchange Commission nor any state securities commission or other regulatory body has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

<b>Per Common Share</b>	<b>Maximum Offering Amount</b>
---------------------------------	------------------------------------

Public offering price	17.50	144,999,995
Placement agent's fees	0.525*	2,849,999.78*
Proceeds, before expenses, to us	16.975	142,149,995.22

\* The placement agent's fee set forth above does not apply to the investment in 2,857,143 shares of common stock by certain existing investors, upon which no fee is payable.

We estimate that the total expenses of this offering, excluding the placement agent's fees, will be approximately \$540,000. Because there is no minimum offering amount required as a condition to closing in this offering, the actual offering amount, placement agent's fees and net proceeds to us, if any, in this offering are not presently determinable and may be substantially less than the total maximum offering amount set forth above. We are not required to sell any specific number or dollar amount of the shares of common stock offered in this offering, but the placement agent will use its commercially reasonable best efforts to arrange for the sale of all of the common stock offered. Pursuant to an escrow agreement among us, the placement agent and an escrow agent, some or all of the funds received in payment for the shares of common stock sold in this offering will be wired to a non-interest bearing escrow account and held until we and the placement agent notify the escrow agent that this offering has closed, indicating the date on which the shares are to be delivered to the purchasers and the proceeds are to be delivered to us.

**Lazard Capital Markets**

Prospectus Supplement dated October 22, 2008

---

**TABLE OF CONTENTS**

**Prospectus Supplement**

	<b>Page</b>
<u>ABOUT THIS PROSPECTUS SUPPLEMENT</u>	S-ii
<u>FORWARD-LOOKING STATEMENTS</u>	S-ii
<u>PROSPECTUS SUPPLEMENT SUMMARY</u>	S-1
<u>H&amp;R Block, Inc.</u>	S-1
<u>The Offering</u>	S-2
<u>RISK FACTORS</u>	S-3
<u>USE OF PROCEEDS</u>	S-3
<u>DESCRIPTION OF SECURITIES WE ARE OFFERING</u>	S-3
<u>PLAN OF DISTRIBUTION</u>	S-3
<u>LEGAL MATTERS</u>	S-4
<u>EXPERTS</u>	S-4
<u>HOW TO OBTAIN MORE INFORMATION</u>	S-5
<u>INCORPORATION OF INFORMATION FILED WITH THE SEC</u>	S-5

**Prospectus**

	<b>Page</b>
ABOUT THIS PROSPECTUS	1
HOW TO OBTAIN MORE INFORMATION	1
INCORPORATION OF INFORMATION FILED WITH THE SEC	1
FORWARD-LOOKING STATEMENTS	2
RISK FACTORS	4
H&R BLOCK, INC	5
USE OF PROCEEDS	5
DESCRIPTION OF CAPITAL STOCK	5
PLAN OF DISTRIBUTION	9
LEGAL MATTERS	9
EXPERTS	10

---

**Table of Contents**

**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and certain other matters and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, gives more general information about us and the common stock offered hereby. Generally, when we refer to the prospectus, we are referring to both parts of this document combined. To the extent the description of this offering in the prospectus supplement differs from the description of our common stock in the accompanying prospectus or any document incorporated by reference filed prior to the date of this prospectus supplement, you should rely on the information in this prospectus supplement.

We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The distribution of this prospectus and the offering of the common stock in certain jurisdictions may be restricted by law. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the common stock and the distribution of this prospectus outside the United States. This prospectus does not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, any securities offered by this prospectus by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference therein, in making your investment decision. You should rely only on the information contained in, or incorporated by reference in, this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus. This prospectus may only be used where it is legal to sell these securities. You should not assume that the information that appears in this prospectus supplement, the accompanying prospectus and any document incorporated by reference is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since the date of such information.

In this prospectus supplement, we use the terms H&R Block, we, us, and our to refer to H&R Block, Inc.

**FORWARD-LOOKING STATEMENTS**

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein may include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. All statements other than statements of historical fact should be considered to be forward-looking statements.

Forward-looking statements can often be identified by the use of forward-looking terminology, such as expects, anticipates, intends, plans, believes, seeks, estimates, may, will be and variations of these words and similar expressions. Any forward-looking statement speaks only as of the date on which it is made and is qualified in its entirety by reference to the factors discussed throughout this prospectus supplement, the accompanying prospectus and in documents incorporated by reference. We do not undertake to update any forward-looking statement to reflect events or circumstances after the date on which it is made.

Forward-looking statements are not guarantees of future performance or results, and are subject to known and unknown risks and uncertainties. Forward looking statements necessarily are dependent on assumptions, data or methods that may be incorrect or imprecise. Actual results may vary materially and adversely from

S-ii

---

**Table of Contents**

those anticipated in the forward-looking statements. Some of the factors that could cause actual results to differ include:

the uncertainty that we will achieve our revenue, earnings and earnings per share expectations for fiscal year 2009, or subsequent fiscal years, or any quarter thereof, and that actual financial results for fiscal year 2009, or subsequent fiscal years, or any quarter thereof, will fall within the guidance provided by us;

the uncertainty of our ability to purchase shares of our common stock pursuant to our Board's repurchase authorization;

our involvement in lawsuits, including those involving our refund anticipation loan product (RALs);

changes in federal and state government regulations concerning the banking industry in general;

changes in federal and state government regulations related to RALs, privacy of client information, the practice of public accounting and auditor independence rules;

changes in federal and state government regulations that may result in a significant simplification of the tax return preparation or filing process, or that may reduce the need for third-party tax return preparers;

changes in loan loss reserves and litigation reserves;

a significant or unanticipated increase in loss related to mortgage loans we own;

our ability to remain in compliance with the terms of our credit facility;

the effect of changes in delinquency rates or collateral values relating to mortgage loans;

our ability to complete evaluations of internal controls and provide related certifications in accordance with various Securities and Exchange Commission (SEC) rules and the risk that we may identify material deficiencies in our internal controls and may be unable to correct such deficiencies in a timely manner;

our ability to borrow in the future;

our ability to continue to facilitate the offering of, and purchase a participation interest in, refund anticipation loans;

increased competition for tax preparation clients in our retail offices, online and software channels;

delays by the Internal Revenue Service in accepting certain electronically filed tax returns;

risk of loss resulting from inadequate or failed processes or systems, theft or fraud;

risks associated with litigation and other contingent liabilities arising from the historical and ongoing operations of Sand Canyon Corporation, formerly Option One Mortgage Corporation (SCC);

a significant or unanticipated increase in repurchase obligations related to mortgage loans which SCC originated and sold to third parties;

if a downgrade in our credit ratings were to occur, the effect of such down grade on our liquidity, capital resources and cost of capital;

the possibility that the sale of our brokerage and financial advisor business, H&R Block Financial Advisors, Inc., is delayed or is not completed; and

S-iii

---

**Table of Contents**

other risks referenced from time to time in filings with the SEC and those factors listed or incorporated by reference into this prospectus supplement and the accompanying prospectus under the heading under Risk Factors.

Additional factors that could cause actual results to differ materially from those expressed in the forward-looking statements are discussed in the reports we file with the SEC and are incorporated by reference herein. See Incorporation of Information Filed with the SEC. In addition, other factors not identified could also have such an effect. We cannot give you any assurance that the forward-looking statements included or incorporated by reference in this prospectus supplement or the accompanying prospectus will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included or incorporated by reference in this prospectus supplement or the accompanying prospectus, you should not regard the inclusion of this information as a representation by us or any other person that the results or conditions described in those statements or objectives and plans will be achieved.

S-iv

---

**Table of Contents**

**PROSPECTUS SUPPLEMENT SUMMARY**

*This summary highlights information contained elsewhere or incorporated by reference in this prospectus supplement. Because this is a summary, it does not contain all of the information that may be important to you. For a more complete understanding of our business and this offering, you should read the entire prospectus supplement and the accompanying prospectus and the financial statements and other documents incorporated by reference in this prospectus supplement, including our Risk Factors.*

**H&R Block, Inc.**

H&R Block, Inc. provides tax services, certain financial and banking services, and business and consulting services. H&R Block, Inc. was organized as a corporation in 1955 under the laws of the State of Missouri.

*Tax Services.* Our Tax Services segment is primarily engaged in providing tax return preparation and related services and products in the United States, Canada, and Australia. Revenues include fees earned for services performed at company-owned retail tax offices, royalties from franchise retail tax offices, sales of Peace of Mind guarantees, sales of tax preparation and other software, fees from online tax preparation, and participation in RALs and Emerald Advance lines of credit. Retail income tax return preparation and related services is our original business. These services are provided by tax professionals via a system of retail offices operated directly by us or by franchisees. In addition to our retail offices, we offer digital tax preparation alternatives.

*Business Services.* Our Business Services segment offers accounting, tax and business consulting services, wealth management, and capital markets services to middle-market companies.

*Consumer Financial Services.* Our Consumer Financial Services segment provides retail banking services including checking and savings accounts, lines of credit, individual retirement accounts, certificates of deposit and prepaid debit cards. On August 12, 2008, we announced the signing of a definitive agreement to sell our brokerage and financial advisor business operated through H&R Block Financial Advisors, Inc. to Ameriprise Financial, Inc. Either party may terminate the agreement if the transaction does not close by February 12, 2009, provided that either party may extend the termination date to June 28, 2009 to satisfy regulatory approval closing conditions.

*Discontinued Operations.* During fiscal year 2008, we exited the mortgage business operated through our subsidiary, SCC, and sold its loan servicing assets.

H&R Block's principal executive office is located at One H&R Block Way, Kansas City, Missouri 64105. The telephone number for H&R Block's principal executive office is (816) 854-3000. Our website is [www.hrblock.com](http://www.hrblock.com). The information contained in, or that can be accessed through, our website is not incorporated by reference into this prospectus and is not part of this prospectus.

**Table of Contents**

**The Offering**

*The following is a brief summary of some of the terms of this offering. For a more complete description of the terms of the common stock see Description of Capital Stock in the accompanying prospectus.*

Issuer	H&R Block, Inc., a Missouri corporation.
Securities offered	8,285,714 shares of common stock, without par value
Common stock to be outstanding after this offering	338,511,039 shares
Risk Factors	See Risk Factors beginning on page S-3 for a discussion of factors you should consider carefully before deciding to invest in our common stock.
Use of proceeds	We currently intend to use the net proceeds from the sale of common stock offered hereby for general corporate purposes, funding contractual commitments, funding capital expenditures, and providing working capital. General corporate purposes may include selling, general and administrative expenses. See Use of Proceeds.
Market and trading symbol for the common stock	Our common stock is traded on the New York Stock Exchange under the symbol HRB.

The information above is based on 330,225,325 shares of common stock outstanding as of September 30, 2008, and excludes:

21.6 million shares of our common stock subject to options outstanding as of September 30, 2008 having a weighted average exercise price of \$22.06 per share;

2.0 million non-vested shares and performance non-vested share units of our common stock at September 30, 2008, issuable upon lapse of restrictions, having a weighted-average grant date fair value of \$22.56; and

20.6 million shares of our common stock that have been reserved for issuance in connection with future grants under our stock option plans as of September 30, 2008.

**Table of Contents**

**RISK FACTORS**

*Investing in our common stock involves a high degree of risk and uncertainty. In addition to the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, you should carefully consider the risks described in the Risk Factors section of our Annual Report on Form 10-K for the year ended April 30, 2008, including Section 3 of our Form 10-K concerning Legal Proceedings, all of which are incorporated by reference herein, and including our financial statements and related notes, before making an investment decision with respect to the common stock. If any of such risks and uncertainties actually occurs, our business, financial condition, and results of operations could be severely harmed. This could cause the trading price of our common stock to decline, and you could lose all or part of your investment.*

**USE OF PROCEEDS**

We expect that the net proceeds to us from the sale of 8,285,714 shares of common stock in this offering, after deducting the placement agent's fees and all estimated offering expenses payable by us, will be approximately \$141.6 million.

We currently intend to use the net proceeds from the sale of common stock in this offering for general corporate purposes, funding contractual commitments, funding capital expenditures, and providing working capital to, among other things, enhance capital and maintain financial flexibility. General corporate purposes may include selling, general and administrative expenses. The amounts and timing of the uses of the proceeds will vary significantly depending on numerous factors, some of which are outside our control. We will retain broad discretion as to the use of the net proceeds from this offering.

**DESCRIPTION OF SECURITIES WE ARE OFFERING**

In this offering, we are offering a maximum of 8,285,714 shares of common stock. The material terms and provisions of our common stock and each other class of our securities which qualifies or limits our common stock are described under the caption Description of Capital Stock starting on page 5 of the accompanying prospectus.

**PLAN OF DISTRIBUTION**

We are offering the shares of our securities through a placement agent. Subject to the terms and conditions contained in the placement agent agreement, dated October 22, 2008, Lazard Capital Markets LLC has agreed to act as the placement agent for the sale of up to 8,285,714 shares of common stock. The placement agent, in its role as placement agent, is not purchasing or selling any shares of common stock covered by this prospectus supplement or the accompanying prospectus, nor is it required to arrange for the purchase or sale of any specific number or dollar amount of common stock, but it has agreed to use its commercially reasonable best efforts to arrange for the sale of all 8,285,714 shares of common stock offered hereby.

The placement agent agreement provides that the obligations of the placement agent and the investors are subject to certain conditions precedent, including the absence of any material adverse change in our business and the receipt of customary legal opinions, letters and certificates.

Confirmations and the definitive prospectus will be distributed to all investors who agree to purchase the common stock, informing investors of the closing date as to the common stock. We currently anticipate that closing of the sale of the common stock offered hereby will take place on or about October 27, 2008. Investors will also be informed of

the date and manner in which they must transmit the purchase price for their common stock.

S-3

---

## **Table of Contents**

On the scheduled closing date, the following will occur:

we will receive funds in the amount of the aggregate purchase price for the common stock we issue and sell; and

Lazard Capital Markets LLC will receive the placement agent's fee in accordance with the terms of the placement agent agreement.

We will pay the placement agent an aggregate commission equal to three percent (3%) of the gross proceeds of the sale of common stock in the offering, except that no fees or commissions will be payable in respect of any proceeds in amounts up to an aggregate of \$50 million invested by certain existing investors. We may also reimburse the placement agent for certain expenses incurred by it in connection with the offering. In no event will the total amount of compensation paid to the placement agent and other securities brokers and dealers upon completion of this offering exceed 8% of the gross proceeds of the offering. The estimated offering expenses payable by us, in addition to the placement agent's fee of approximately \$2.85 million, are approximately \$540,000, which includes legal, accounting and printing costs and various other fees associated with registering and listing the common stock. After deducting certain fees due to the placement agent and our estimated offering expenses, we expect the net proceeds from this offering to be approximately \$141.6 million.

Lazard Frères & Co. LLC referred this transaction to Lazard Capital Markets LLC and will receive a referral fee from Lazard Capital Markets LLC in connection therewith.

We have agreed to indemnify the placement agent and Lazard Frères & Co. LLC against certain liabilities, including liabilities under the Securities Act, and liabilities arising from breaches of representations and warranties contained in the placement agent agreement. We have also agreed to contribute to payments the placement agent and Lazard Frères & Co. LLC may be required to make in respect of such liabilities.

We have, along with our executive officers and directors, agreed to certain lock-up provisions with regard to future sales of our common stock and other securities convertible into or exercisable or exchangeable for common stock for a period of sixty (60) days after the offering as set forth in the placement agent agreement.

The placement agent agreement is included as an exhibit to our Current Report on Form 8-K that we will file with the Commission in connection with the consummation of this offering.

The transfer agent for our common stock to be issued in this offering is BNY Mellon Shareowner Services LLC located at 480 Washington Boulevard, Jersey City, New Jersey 07310-1900.

Our common stock is traded on the New York Stock Exchange under the symbol HRB.

## **LEGAL MATTERS**

The validity of the shares offered hereby has been passed upon for us by Husch Blackwell Sanders LLP in Kansas City, Missouri. Proskauer Rose LLP in New York, New York is acting as counsel for the placement agent in connection with various matters related to the securities offered by this prospectus supplement.

## **EXPERTS**

The consolidated financial statements and the related financial statement schedule, incorporated by reference in this prospectus and in the registration statement of which this prospectus is a part from the Company's Annual Report on

Edgar Filing: H&R BLOCK INC - Form 424B5

Form 10-K for the year ended April 30, 2008, and the effectiveness of H&R Block, Inc.'s internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such financial statements and financial statement schedule have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The consolidated balance sheet of H&R Block and its subsidiaries as of April 30, 2007 and the related consolidated statements of operations and comprehensive income (loss), stockholders' equity, and cash flows

S-4

---

**Table of Contents**

for the years ended April 30, 2007 and 2006, and financial statement schedule as of April 30, 2007 and 2006 have been incorporated by reference in this prospectus and in the registration statement of which this prospectus is a part, in reliance upon the report of KPMG LLP, an independent registered public accounting firm, incorporated herein by reference, and upon the authority of said firm as experts in accounting and auditing.

H&R Block has agreed to indemnify and hold KPMG LLP harmless against and from any and all legal costs and expenses incurred by KPMG LLP in successful defense of any legal action or proceeding that arises as a result of KPMG LLP's consent to the incorporation by reference of its audit report on the H&R Block's past financial statements included in this prospectus and in the registration statement of which this prospectus is a part.

**HOW TO OBTAIN MORE INFORMATION**

We file annual, quarterly and interim reports, proxy and information statements and other information with the SEC. These filings contain important information, which does not appear in this prospectus supplement. The reports and other information can be inspected and copied at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Copies of this material can be obtained by mail from the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet website (<http://www.sec.gov>) that contains reports, proxy and information statements and other materials that are filed through the SEC's Electronic Data Gathering, Analysis and Retrieval (EDGAR) system.

We have filed with the SEC a registration statement on Form S-3 under the Securities Act with respect to the common stock offered by this prospectus supplement. This prospectus supplement does not contain all of the information contained or incorporated by reference in that registration statement and its exhibits. You may inspect and copy the registration statement, including exhibits, at the SEC's public reference facilities or website. Statements contained in this prospectus supplement concerning the contents of any document we refer you to are not necessarily complete and in each instance we refer you to the applicable document filed with the SEC for more complete information.

**INCORPORATION OF INFORMATION FILED WITH THE SEC**

The SEC allows us to incorporate by reference into this prospectus, which means that we may disclose important information to you by referring you to other documents that we have filed or will file with the SEC. We incorporate by reference the documents listed below and any future filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act until this offering has been completed. We are not, however, incorporating by reference any documents or portions thereof whether specifically listed below or filed in the future, that are not deemed filed with the SEC, including any information furnished pursuant to Items 2.02 or 7.01 of Form 8-K.

Annual Report on Form 10-K for the year ended April 30, 2008, as filed on June 30, 2008.

Quarterly Report on Form 10-Q for the quarter ended July 31, 2008, as filed on September 3, 2008.

**Table of Contents**

Current Reports on Form 8-K or 8-K/A dated and filed on the following dates:

<b>Dated</b>	<b>Filed</b>
May 6, 2008*	May 6, 2008*
May 28, 2008	May 28, 2008
June 17, 2008	June 17, 2008
June 30, 2008	June 30, 2008
July 3, 2008	July 3, 2008
July 23, 2008	July 23, 2008
July 24, 2008	July 25, 2008
August 5, 2008	August 5, 2008
August 13, 2008	August 13, 2008
September 3, 2008*	September 3, 2008*

\* Other than information that has been furnished to, and not filed with, the SEC, which information is not incorporated into this prospectus.

The description of our common stock which is contained in our registration statement on Form 8-C dated August 6, 1969, the description of our common stock contained in the prospectus which is part of our registration statement on Form S-14 (File No. 2-66751) effective April 7, 1980, and any amendment or report filed for the purpose of updating such description.

We will provide you without charge, upon your written or oral request, a copy of any of the documents incorporated by reference in this prospectus, other than exhibits to such documents which are not specifically incorporated by reference into such documents or this prospectus. Please direct your requests to Investor Relations, 1-800-869-9220, ext. 4513, or by mail to One H&R Block Way, Kansas City, Missouri 64105.

Our SEC filings also are available through our Internet website at [www.hrblock.com](http://www.hrblock.com). The information on such website is not, and you must not consider the information to be, a part of this prospectus supplement or the accompanying prospectus.

As you read these documents, you may find some differences in information from one document to another. You should assume that the information appearing in the prospectus supplement or the accompanying prospectus is accurate only as of the date on their respective covers, and you should assume the information appearing in any document incorporated or deemed to be incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate only as of the date that document was filed with the SEC. Our business, financial condition, results of operations and prospects may have changed since those dates.

**Table of Contents**

**H&R Block, Inc.**

**Common Stock**

H&R Block, Inc. may offer and sell, from time to time, in one or more offerings, shares of our common stock. The specific terms of the common stock with respect to which this prospectus is being delivered will be set forth in one or more supplements to this prospectus.

You should read this prospectus and any prospectus supplement carefully before you purchase any of our common stock. This prospectus may not be used to sell common stock unless accompanied by a prospectus supplement.

We may sell the common stock directly to you, through agents we select, or through underwriters or dealers we select. If we use agents, underwriters or dealers to sell the common stock, they will be named and their compensation will be described in one or more prospectus supplements. The net proceeds we expect to receive from such sales will be set forth in the respective prospectus supplements.

Our common stock is traded on the New York Stock Exchange under the symbol HRB. On October 22, 2008, the closing price of our common stock on the New York Stock Exchange was \$17.97 per share.

Our headquarters are located at One H&R Block Way, Kansas City, Missouri 64105, and our telephone number is (816) 854-3000. Our website address is: [www.hrblock.com](http://www.hrblock.com). The reference to our website address does not constitute incorporation by reference of the information contained on the website, which should not be considered part of this prospectus.

**Investing in our securities involves risks. You should carefully consider the Risk Factors beginning on page 4 of this prospectus before you make an investment in our common stock.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

Prospectus dated October 22, 2008

---

**TABLE OF CONTENTS**

	<b>Page</b>
<u>ABOUT THIS PROSPECTUS</u>	1
<u>HOW TO OBTAIN MORE INFORMATION</u>	1
<u>INCORPORATION OF INFORMATION FILED WITH THE SEC</u>	1
<u>FORWARD-LOOKING STATEMENTS</u>	2
<u>RISK FACTORS</u>	4
<u>H&amp;R BLOCK, INC</u>	5
<u>USE OF PROCEEDS</u>	5
<u>DESCRIPTION OF CAPITAL STOCK</u>	5
<u>PLAN OF DISTRIBUTION</u>	9
<u>LEGAL MATTERS</u>	9
<u>EXPERTS</u>	10

---

**Table of Contents**

**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement we filed with the Securities and Exchange Commission, or SEC, using a shelf registration process. Under the shelf registration process, using this prospectus, together with a prospectus supplement, we may sell, from time to time, in one or more offerings, the common stock described in this prospectus. This prospectus provides you with a general description of the common stock we may offer. Each time we offer common stock, a prospectus supplement will be provided that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read this prospectus, the applicable prospectus supplement and the information incorporated by reference in this prospectus or a prospectus supplement before making an investment in our common stock. See **How to Obtain More Information** and **Incorporation of Information Filed with the SEC** for more information.

You should rely only on the information contained in, or incorporated by reference into, this prospectus or a prospectus supplement. We have not authorized anyone to provide you with different information. This document may be used only in jurisdictions where offers and sales of these securities are permitted. You should not assume that information contained in this prospectus, in any supplement to this prospectus, or in any document incorporated by reference is accurate as of any date other than the date on the front page of the document that contains the information, regardless of when this prospectus is delivered or when any sale of our common stock occurs.

In this prospectus, we use the terms **H&R Block**, **we**, **us**, and **our** to refer to H&R Block, Inc.

**HOW TO OBTAIN MORE INFORMATION**

We file annual, quarterly and interim reports, proxy and information statements and other information with the SEC. These filings contain important information, which does not appear in this prospectus. The reports and other information can be inspected and copied at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Copies of this material can be obtained by mail from the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet website (<http://www.sec.gov>) that contains reports, proxy and information statements and other materials that are filed through the SEC's Electronic Data Gathering, Analysis and Retrieval (EDGAR) system.

We have filed with the SEC a registration statement on Form S-3 under the Securities Act of 1933, as amended, or the Securities Act, with respect to the common stock offered by this prospectus. This prospectus does not contain all of the information in the registration statement. We have omitted certain parts of the registration statement, as permitted by the rules and regulations of the SEC. You may inspect and copy the registration statement, including exhibits, at the SEC's public reference facilities or website. Statements contained in this prospectus concerning the contents of any document we refer you to are not necessarily complete and in each instance we refer you to the applicable document filed with the SEC for more complete information.

**INCORPORATION OF INFORMATION FILED WITH THE SEC**

The SEC allows us to incorporate by reference into this prospectus, which means that we may disclose important information to you by referring you to other documents that we have filed or will file with the SEC. We incorporate by reference the documents listed below and any future filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, until this offering has been completed. We are not, however, incorporating by reference any documents or portions thereof whether specifically

Edgar Filing: H&R BLOCK INC - Form 424B5

listed below or filed in the future, that are not deemed filed with the SEC, including any information furnished pursuant to Items 2.02 or 7.01 of Form 8-K.

Annual Report on Form 10-K for the year ended April 30, 2008, as filed on June 30, 2008.

Quarterly Report on Form 10-Q for the quarterly period ended July 31, 2008, as filed on September 3, 2008.

**Table of Contents**

Current Reports on Form 8-K or 8-K/A dated and filed on the following dates:

<b>Dated</b>	<b>Filed</b>
May 6, 2008*	May 6, 2008*
May 28, 2008	May 28, 2008
June 17, 2008	June 17, 2008
June 30, 2008	June 30, 2008
July 3, 2008	July 3, 2008
July 23, 2008	July 23, 2008
July 24, 2008	July 25, 2008
August 5, 2008	August 5, 2008
August 13, 2008	August 13, 2008
September 3, 2008*	September 3, 2008*

\* Other than information that has been furnished to, and not filed with, the SEC, which information is not incorporated into this prospectus.

The description of our common stock which is contained in our registration statement on Form 8-C dated August 6, 1969, the description of our common stock contained in the prospectus which is part of our registration statement on Form S-14 (File No. 2-66751) effective April 7, 1980, and any amendment or report filed for the purpose of updating such description.

We will provide you without charge, upon your written or oral request, a copy of any of the documents incorporated by reference in this prospectus, other than exhibits to such documents which are not specifically incorporated by reference into such documents or this prospectus. Please direct your requests to Investor Relations, 1-800-869-9220, ext. 4513, or by mail to One H&R Block Way, Kansas City, Missouri 64105.

**FORWARD-LOOKING STATEMENTS**

This prospectus, any prospectus supplement, and the documents incorporated by reference herein and therein may include forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. All statements other than statements of historical fact should be considered to be forward-looking statements.

Forward-looking statements can often be identified by the use of forward-looking terminology, such as expects, anticipates, intends, plans, believes, seeks, estimates, may, will be and variations of these words and similar expressions. Any forward-looking statement speaks only as of the date on which it is made and is qualified in its entirety by reference to the factors discussed throughout this prospectus, any prospectus supplement, and in documents incorporated by reference. We do not undertake to update any forward-looking statement to reflect events or circumstances after the date on which it is made.

Forward-looking statements are not guarantees of future performance or results, and are subject to known and unknown risks and uncertainties. Forward looking statements necessarily are dependent on assumptions, data or methods that may be incorrect or imprecise. Actual results may vary materially and adversely from those anticipated

in the forward-looking statements. Some of the factors that could cause actual results to differ include:

the uncertainty that we will achieve our revenue, earnings and earnings per share expectations for fiscal year 2009, or subsequent fiscal years, or any quarter thereof, and that actual financial results for fiscal year 2009, or subsequent fiscal years, or any quarter thereof, will fall within the guidance provided by us;

the uncertainty of our ability to purchase shares of our common stock pursuant to our Board's repurchase authorization;

**Table of Contents**

our involvement in lawsuits, including those involving our refund anticipation loan product ( RALs );

changes in federal and state government regulations concerning the banking industry in general;

changes in federal and state government regulations related to RALs, privacy of client information, the practice of public accounting and auditor independence rules;

changes in federal and state government regulations that may result in a significant simplification of the tax return preparation or filing process, or that may reduce the need for third-party tax return preparers;

changes in loan loss reserves and litigation reserves;

a significant or unanticipated increase in losses related to mortgage loans we own;

our ability to remain in compliance with the terms of our credit facility;

the effect of changes in delinquency rates or collateral values relating to mortgage loans;

our ability to complete evaluations of internal controls and provide related certifications in accordance with various SEC rules and the risk that we may identify material deficiencies in our internal controls and may be unable to correct such deficiencies in a timely manner;

our ability to borrow in the future;

our ability to continue to facilitate the offering of, and purchase a participation interest in, refund anticipation loans;

increased competition for tax preparation clients in our retail offices, online and software channels;

delays by the Internal Revenue Service in accepting certain electronically filed tax returns;

risk of loss resulting from inadequate or failed processes or systems, theft or fraud;

risks associated with litigation and other contingent liabilities arising from the historical and ongoing operations of Sand Canyon Corporation, formerly Option One Mortgage Corporation ( SCC );

a significant or unanticipated increase in repurchase obligations related to mortgage loans which SCC originated and sold to third parties;

if a downgrade in our credit ratings were to occur, the effect of such down grade on our liquidity, capital resources and cost of capital;

the possibility that the sale of our brokerage and financial advisor business, H&R Block Financial Advisors, Inc., is delayed or is not completed; and

other risks referenced from time to time in filings with the SEC and those factors listed or incorporated by reference into this prospectus under Risk Factors.

Additional factors that could cause actual results to differ materially from those expressed in the forward-looking statements are discussed in the reports we file with the SEC and are incorporated by reference herein. See

Incorporation of Information Filed with the SEC. In addition, other factors not identified could also have such an effect. We cannot give you any assurance that the forward-looking statements included or incorporated by reference in this prospectus or any prospectus supplement will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included or incorporated by reference in this prospectus or any prospectus supplement, you should not regard the inclusion of this information as a representation by us or any other person that the results or conditions described in those statements or objectives and plans will be achieved.

**Table of Contents**

**RISK FACTORS**

Investing in our common stock involves a risk of loss. Before investing in our common stock, you should carefully consider the risk factors described in Risk Factors in our Annual Report on Form 10-K filed with the SEC for the fiscal year ended April 30, 2008, and subsequent filings containing updated disclosures of such factors, together with all of the other information included in this prospectus and any prospectus supplement and the other information that we have incorporated by reference. These risks are not the only ones facing us. Additional risks not currently known to us or that we currently deem immaterial also may impair or harm our business and financial results. Statements in or portions of a future document incorporated by reference in this prospectus, including, without limitation, those relating to risk factors, may update and supersede statements in and portions of this prospectus or such incorporated documents.

**Risks Relating to Our Common Stock**

*Our stock price is subject to fluctuation, which may cause an investment in our stock to suffer a decline in value.*

The market price of our common stock may fluctuate significantly in response to factors that are beyond our control. The stock market in general has recently experienced extreme price and volume fluctuations. The market prices of securities of companies involved in certain financial and banking services have been extremely volatile, and have experienced fluctuations that often have been unrelated or disproportionate to the operating performance of these companies. These broad market fluctuations could result in extreme fluctuations in the price of our common stock, which could cause a decline in the value of our common stock.

*Investors in an offering of common stock by us may pay a much higher price than the book value of our stock.*

If you purchase common stock in an offering by us, you may incur immediate and substantial dilution representing the difference between our net tangible book value and the as adjusted net tangible book value per share after giving effect to the offering price. We may also in the future issue additional shares of our authorized and unissued common stock in connection with compensation of our management, future acquisitions, future private placements of our securities for capital raising purposes, or for other business purposes, all of which will result in the dilution of the ownership interests of holders of our common stock. Issuance of additional shares of common stock may also create downward pressure on the trading price of our existing common stock that may in turn require us to issue additional shares to raise funds through sales of our securities. This will further dilute the ownership interests of holders of our common stock.

*Our management may have broad discretion over the use of the net proceeds from this offering.*

Our management may have broad discretion as to the use of the proceeds from any offering by us. Accordingly, you may be relying on the judgment of our management with regard to the use of these net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. It is possible that the proceeds will be invested in a way that does not yield a favorable, or any, return for our company. The prospectus supplement relating to an offering may contain a detailed description of the use of proceeds.

**Risks Relating to Our Business**

*Our businesses may be adversely affected by conditions in the global financial markets and economic conditions generally.*

Our business may be materially affected by conditions in the global financial markets and economic conditions generally, and these conditions may change suddenly and dramatically. For example, beginning in the second half of 2007, difficulties in the mortgage and broader credit markets in the United States and elsewhere resulted in a relatively sudden and substantial decrease in the availability of credit and a corresponding increase in funding costs. In addition, the recent downturn in the residential housing market and

## **Table of Contents**

increase in mortgage defaults, negatively impacted prices and liquidity of mortgage loans. The sudden decline in liquidity and prices of these types of securities and loans made it generally more difficult to value them. These conditions have persisted during 2008 and we cannot predict how long these conditions will exist or how our business or financial statements may be affected. Increases in interest rates or credit spreads, as well as limitations on the availability of credit, such as has occurred recently, may affect our ability to borrow on a secured or unsecured basis, which may adversely affect our liquidity and results of operations. This could cause us to curtail our business activities and could increase our cost of funding, both of which could reduce our profitability.

### **H&R BLOCK, INC.**

H&R Block provides tax services, certain financial and banking services, and business and consulting services. H&R Block, Inc. was organized as a corporation in 1955 under the laws of the State of Missouri.

*Tax Services.* Our Tax Services segment is primarily engaged in providing tax return preparation and related services and products in the United States, Canada, and Australia. Revenues include fees earned for services performed at company-owned retail tax offices, royalties from franchise retail tax offices, sales of Peace of Mind guarantees, sales of tax preparation and other software, fees from online tax preparation, and participation in RALs and Emerald Advance lines of credit. Retail income tax return preparation and related services is our original business. These services are provided by tax professionals via a system of retail offices operated directly by us or by franchisees. In addition to our retail offices, we offer digital tax preparation alternatives.

*Business Services.* Our Business Services segment offers accounting, tax and business consulting services, wealth management, and capital markets services to middle-market companies.

*Consumer Financial Services.* Our Consumer Financial Services segment provides retail banking services including checking and savings accounts, lines of credit, individual retirement accounts, certificates of deposit and prepaid debit cards. On August 12, 2008, we announced the signing of a definitive agreement to sell our brokerage and financial advisor business operated through H&R Block Financial Advisors, Inc. to Ameriprise Financial, Inc. Either party may terminate the agreement if the transaction does not close by February 12, 2009, provided that either party may extend the termination date to June 28, 2009 to satisfy regulatory approval closing conditions.

*Discontinued Operations.* During fiscal year 2008, we exited the mortgage business operated through our subsidiary, SCC, and sold its loan servicing assets.

### **USE OF PROCEEDS**

Except as otherwise described in the applicable prospectus supplement, we intend to use the net proceeds from the sale of the common stock offered by this prospectus for general corporate purposes, including, without limitation, capital expenditures and working capital. The prospectus supplement relating to an offering may contain a more detailed description of the use of proceeds.

### **DESCRIPTION OF CAPITAL STOCK**

The following is a summary of the material rights of our capital stock and related provisions of our amended and restated articles of incorporation, amended and restated bylaws and the provisions of applicable law. The following description of our capital stock does not purport to be complete and is subject to, and qualified in its entirety by, our amended and restated articles of incorporation and amended and restated bylaws, which we have included as exhibits to the registration statement of which this prospectus is a part.

Our authorized capital stock consists of 800 million shares of common stock, without par value, and six million shares of preferred stock, without par value, 1,200,000 shares of which have been designated as Participating Preferred Stock, and 500,000 shares of which have been designated as Delayed Convertible

## **Table of Contents**

Preferred Stock. As of September 30, 2008, an aggregate of 330,225,325 shares of common stock, no shares of Participating Preferred Stock, and 152 shares of Delayed Convertible Preferred Stock were issued and outstanding.

### **Common Stock**

As of September 30, 2008, 330,225,325 shares of common stock were issued and outstanding.

As of September 30, 2008, there were awards outstanding to issue approximately 23.7 million shares of common stock under the 2003 Long-Term Executive Compensation Plan, the 1989 Stock Option Plan for Outside Directors (terminated by the Board in June 2008), the 1999 Stock Option Plan for Seasonal Employees, the 2000 Employee Stock Purchase Plan and the 2008 Deferred Stock Unit Plan for Outside Directors.

### ***Voting Rights***

The holders of our common stock are entitled to one vote per share on any matter to be voted upon by shareholders. The holders of common stock are not entitled to cumulative voting rights with respect to the election of directors, which means that the holders of a majority of the shares voted can elect all of the directors then standing for election.

### ***Dividends***

The holders of our common stock are entitled to such dividends as our Board of Directors may declare from time to time from legally available funds, subject to limitations under Missouri law and the preferential rights of the holders of any outstanding shares of preferred stock.

### ***Liquidation***

Upon any voluntary or involuntary liquidation, dissolution or winding up of our affairs, the holders of our common stock are entitled to share, on a pro rata basis, in all assets remaining after payment to creditors and subject to prior distribution rights granted to the holders of any outstanding shares of preferred stock.

### ***No Preemptive or Similar Rights***

Our common stock is not entitled to preemptive rights, conversion or other rights to subscribe for additional securities and there are no redemption or sinking fund provisions applicable to our common stock.

### ***Fully Paid and Non-assessable***

All of the outstanding shares of common stock are fully paid and non-assessable.

### **Preferred Stock**

Our Board of Directors is authorized, without any further action by our shareholders, but subject to the limitations imposed by The General and Business Corporation Law of the State of Missouri, to issue up to six million shares of preferred stock in one or more classes or series. Our Board of Directors may fix the rights, preferences and privileges of the preferred stock, along with any limitations or restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences of each class or series of preferred stock. The preferred stock could have voting or conversion rights that could adversely affect the voting power or other rights of holders of our common stock. Also, the issuance of preferred stock could decrease the amount of earnings and assets available for distribution to holders of our common stock.



## **Table of Contents**

As of September 30, 2008, 152 shares of our Delayed Convertible Preferred Stock were issued and outstanding (convertible into 2,432 shares of common stock on a split-adjusted basis). Holders of the Delayed Convertible Preferred Stock have no voting rights and are not entitled to receive dividends. Upon any voluntary or involuntary liquidation, dissolution or winding up of our affairs, the holders of our Delayed Convertible Preferred Stock are entitled to share, ratably with the holders of our common stock, in all assets remaining after payment to creditors and subject to prior distribution rights granted to the holders of any outstanding shares of stock with preference over the common stock.

At the option of the holder, each share of Delayed Convertible Preferred Stock is convertible into four shares of common stock, subject to adjustment. As of September 30, 2008, each issued and outstanding share of Delayed Convertible Preferred Stock is convertible into sixteen shares of common stock on a split-adjusted basis.

## **Anti-Takeover Effects of Provisions of Our Articles of Incorporation and Bylaws**

### ***Special Meetings of Shareholders***

Our amended and restated articles of incorporation and our amended and restated bylaws provide that special meetings of our shareholders may be called only by our chairman of the board, our president, our chief executive officer, a majority of our Board of Directors, or by the holders of not less than 80% of our issued and outstanding shares of capital stock entitled to vote in an election of directors. As a result, shareholders must rely on management or the holders of at least 80% of our capital stock entitled to vote in an election of directors to call a special meeting or wait until the next annual meeting to hold a vote on extraordinary matters like a significant transaction.

### ***Removal of Directors; Vacancies***

Our amended and restated articles of incorporation and our amended and restated bylaws provide that directors may be removed, with or without cause, upon by affirmative vote of holders of at least 80% of the shares of each class of stock entitled to vote generally in the election of directors. Our amended and restated bylaws also provide that any vacancies on our Board of Directors and newly created directorships will be filled by the affirmative vote of a majority of the remaining directors, although less than a quorum, or by a sole remaining director.

### ***No Cumulative Voting***

Our amended and restated bylaws do not provide for cumulative voting for our directors. The absence of cumulative voting may make it more difficult for shareholders owning less than a majority of our common stock to elect any directors to our Board.

### ***Limitations on Liability of Directors***

Missouri law authorizes corporations to limit the personal liability of directors to corporations and shareholders for monetary damages for breaches of directors' fiduciary duties. Our amended and restated bylaws limit, to the fullest extent permitted by Missouri law, the liability of our directors to us or our shareholders for monetary damages for any breach of fiduciary duty as a director; provided that the foregoing does not eliminate or limit the liability of a director who has not met the applicable standard of conduct set forth in Sections 351.355.1 or 351.355.2 of The General and Business Corporation Law of the State of Missouri.

### ***Indemnification of Directors and Officers***

Subject to certain limitations, our amended and restated bylaws provide that our directors must be indemnified and our officers may be indemnified and provide for the advancement to them of expenses

## **Table of Contents**

incurred in connection with actual or threatened proceedings and claims arising out of their status as such to the fullest extent permitted by Missouri law. In addition, Missouri law expressly authorizes us to purchase and maintain directors and officers insurance providing indemnification for our directors and officers. We believe that these indemnification provisions and insurance are useful to attract and retain qualified directors and officers.

The limitation of liability and indemnification provisions in our amended and restated bylaws may discourage shareholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our shareholders. In addition, your investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

Except for the advancement to certain of our current and former officers and directors of expenses incurred in connection with the securities litigation and the RSM EquiCo, Inc. litigation disclosed in our Annual Report on Form 10-K for the year ended April 30, 2008, there is currently no pending material litigation or proceeding involving any of our directors, officers, employees or agents for which indemnification is sought.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and/or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

## ***Approval of Transactions with Related Parties***

Our amended and restated articles of incorporation require the approval of the holders of not less than 80% of our issued and outstanding shares of capital stock entitled to vote in an election of directors to approve certain transactions with any shareholder owning 15% or more of our outstanding shares of capital stock at the time of approval of the transaction (a Related Person ). The covered transactions include a merger, sale of 20% or more of the fair market value of our assets, issuance of securities, a reclassification that increases the voting power of the Related Person, any liquidation or dissolution, or any agreement to do the foregoing. Approval by an 80% supermajority is not required in certain circumstances, including, if the transaction has been approved by two-thirds of our directors who were also directors prior to the time that the Related Person became a Related Person or who subsequently became a director whose election was approved by a vote of a majority of such directors or if the transaction is a merger and the consideration is at a specified level.

The General and Business Corporation Law of the State of Missouri contains a business combination statute containing freeze-out and fair price provisions that prohibit certain transactions with shareholders owning 20% or more of our outstanding stock unless certain conditions are met, including approval by a simple majority of disinterested shares or a transaction offering specified levels of consideration. We have not excluded ourselves from the coverage of this business combination provision.

## **Amendments to our Amended and Restated Bylaws**

Our amended and restated articles of incorporation grant our Board of Directors the authority to amend and repeal our amended and restated bylaws without a shareholder vote.

## **Listing**

Our common stock is traded on the New York Stock Exchange under the symbol HRB.



**Table of Contents**

**Transfer Agent and Registrar**

The transfer agent and registrar for our common stock is Mellon Investor Services LLC.

**PLAN OF DISTRIBUTION**

We may sell the common stock offered by this prospectus to one or more underwriters for public offering and sale by them or may sell the common stock to investors directly or through dealers or agents, or through a combination of methods. Any underwriter, dealer or agent involved in the offer and sale of the common stock will be named in the applicable prospectus supplement.

We may distribute our common stock from time to time in one or more transactions at: (1) a fixed price or prices, which may be changed, (2) market prices prevailing at the time of sale, (3) prices related to the prevailing market prices at the time of sale, or (4) negotiated prices. We also may, from time to time, authorize underwriters acting as our agents to offer and sell the common stock upon the terms and conditions as set forth in the applicable prospectus supplement. In connection with the sale of common stock, underwriters may be deemed to have received compensation from us in the form of underwriting discounts or commissions and may also receive commissions from purchasers of common stock for whom they may act as agent. Underwriters may sell common stock to or through dealers, and the dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or commissions from the purchasers for whom they may act as agent.

Any underwriting compensation paid by us to underwriters, dealers or agents in connection with the offering of common stock, and any discounts, concessions or commissions allowed by underwriters to participating dealers, will be set forth in the applicable prospectus supplement. Dealers and agents participating in the distribution of the common stock may be deemed to be underwriters, and any discounts and commissions received by them and any profit realized by them on resale of the common stock may be deemed to be underwriting discounts and commissions under the Securities Act. Underwriters, dealers and agents may be entitled, under agreements entered into with us, to indemnification against and contribution toward civil liabilities, including liabilities under the Securities Act.

To facilitate the offering of the common stock, certain persons participating in the offering may engage in transactions that stabilize, maintain, or otherwise affect the price of the common stock. This may include over-allotments or short sales of the common stock, which involves the sale by persons participating in the offering of more common stock than we sold to them. In these circumstances, these persons would cover the over-allotments or short positions by making purchases in the open market or by exercising their over-allotment option. In addition, these persons may stabilize or maintain the price of the common stock by bidding for or purchasing common stock in the open market or by imposing penalty bids, whereby selling concessions allowed to dealers participating in the offering may be reclaimed if common stock sold by them is repurchased in connection with stabilization transactions. The effect of these transactions may be to stabilize or maintain the market price of the common stock at a level above that which might otherwise prevail in the open market. These transactions may be discontinued at any time.

The underwriters, dealers and agents and their affiliates may engage in transactions with and perform services for us in the ordinary course of business for which they receive compensation.

Any common stock sold pursuant to a prospectus supplement will be eligible for listing and trading on the New York Stock Exchange, subject to official notice of issuance.

**LEGAL MATTERS**

The validity of the shares offered hereby has been passed upon for us by Husch Blackwell Sanders LLP in Kansas City, Missouri.

**Table of Contents**

**EXPERTS**

The consolidated financial statements and the related financial statement schedule, incorporated by reference in this prospectus and in the registration statement of which this prospectus is a part from the Company's Annual Report on Form 10-K for the year ended April 30, 2008, and the effectiveness of H&R Block, Inc.'s internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such financial statements and financial statement schedule have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The consolidated balance sheet of H&R Block and its subsidiaries as of April 30, 2007 and the related consolidated statements of operations and comprehensive income (loss), stockholders' equity, and cash flows for the years ended April 30, 2007 and 2006, and financial statement schedule as of April 30, 2007 and 2006 have been incorporated by reference in this prospectus and in the registration statement of which this prospectus is a part, in reliance upon the report of KPMG LLP, an independent registered public accounting firm, incorporated herein by reference, and upon the authority of said firm as experts in accounting and auditing.

H&R Block has agreed to indemnify and hold KPMG LLP harmless against and from any and all legal costs and expenses incurred by KPMG LLP in successful defense of any legal action or proceeding that arises as a result of KPMG LLP's consent to the incorporation by reference of its audit report on the H&R Block's past financial statements included in this prospectus and in the registration statement of which this prospectus is a part.

**Table of Contents**

**8,285,714 Shares of Common Stock**

**PROSPECTUS SUPPLEMENT**

**Lazard Capital Markets**

October 22, 2008