



H&R BLOCK®

Secure Your Place with the Industry Leader.



TAX BUSINESS OPTIONS AND SUPPORT FOR ENTREPRENEURS

GREAT OPPORTUNITIES - YOUR FUTURE



H&R BLOCK®

H&R Block is a brand steeped in history and founded on the timeless principles of quality service and client focus. This foundation has served our brand well for more than five decades and will continue to guide us for years to come.

- 1955 H&R Block establishes the first national assisted tax preparation company
- 1958 Pioneers tax preparation franchise network
- 1964 H&R Block becomes the first tax preparation company to open international offices
- 1965 Launches nation's first tax training school
- 1969 The first tax preparation company to be listed on the New York Stock Exchange
- 1973 The first tax preparation company to file the 1040 short form
- 1986 Develops e-filing in cooperation with the IRS
- 1997 H&R Block becomes the first company to offer both retail and digital tax products
- 2005 H&R Block celebrates 50 years in business
- 2006 Establishes the H&R Block Bank and offers clients banking products
- 2009 H&R Block renews its focus on its core tax business

WHO IS H&R BLOCK?

WE'RE THE WORLD'S LARGEST TAX SERVICES PROVIDER

H&R Block has more than 100,000 dedicated people, committed to delivering superior tax services and advice to clients in the United States and 15 other countries. We were the first company to provide a nationwide tax office network and we have prepared more than 500 million tax returns since 1955. We realize that it is our people, including our 4,000 franchise locations and their employees, who make the difference to our clients who trust us with their tax preparation needs.

- **Best brand recognition in the industry** - 99% brand recognition.
- **Innovative products and services** - Anticipating industry changes, **H&R Block** meets the changing needs of clients with a full complement of competitive products and services designed to maximize client acquisition and retention.
- **Nationally recognized franchise opportunity** - Recognized by Forbes Magazine, Fortune, Entrepreneur Magazine, Franchise Times, and other leading franchise publications.
- **Comprehensive training and support** - Year round instructor led and online training courses provide business management, customer service and tax training.



*“I have been a franchisee with **H&R Block** for 21 years. I have expanded my business to 17 locations and plan to continue to add more. When you join **H&R Block**, you are getting a well thought out, successful franchise system that provides the tools and support you will need to grow your business.”*

Tony Zabaneh – Illinois

*“Converting my CPA firm to **H&R Block** has allowed me to target and attract a broad range of new clients while I continue to service my existing business including my international clients. **H&R Block's** online efforts drive new business to my offices. This helps my tax professionals build their own client base.”*

Tai Sung – Maryland



OPPORTUNITY KNOCKS

OPEN THE DOOR TO AN EXCITING FUTURE

Whether you are interested in options to take your existing tax business to the next level, acquiring an established office, starting a new tax business or making sure your business is in good hands when you retire, **H&R Block** can help you achieve your goals.

- **Join forces with H&R Block** - Convert your existing tax business to an **H&R Block** franchise location. Stay in business for yourself while you gain the advantages of joining the **H&R Block** family.
- **Acquire an existing H&R Block office** - Purchase an established **H&R Block** office that includes the equipment, systems and experienced professionals needed to ensure a smooth transition.
- **Start a new franchise location** - We can help you start a tax business with industry leading training, systems and support. Territories are available in select markets.
- **Create your exit strategy** - Our acquisition program allows you to stay involved with the business until you retire, preserving seasoned staff and client relationships while you maximize the value of your business.

YOUR BUSINESS, YOUR FUTURE

WE SUPPORT YOU THROUGH THE LIFECYCLE OF YOUR BUSINESS

If you are already in the tax business, consider joining the tax industry leader. Converting your existing tax business to an **H&R Block** franchise could be the key to growing your business. Your business skills and local market knowledge, combined with the resources of **H&R Block**, may be a winning combination.

Expand Your Firm

Your staff and client relationships remain intact while you benefit from being aligned with the industry leader and a proven franchise system. Our conversion program includes:

- **Financial incentives for you to join our franchise network, including a conversion payment, royalty rebate on existing clients and designated territories.**
- **Growth programs with financial incentives for you to add offices and services.**
- **Co-branding during the transition.**
- **Professional certification and training programs designed to keep you compliant with new regulations.**



Backed by our marketing programs, business management tools and dedicated local support, you can stay in business for yourself without having to go it alone. We have years of experience converting tax businesses. This experience provides for a smooth and seamless transition.

Develop A Transition Plan

If you are considering retirement or other changes, now may be the perfect time to review the options **H&R Block** has available. Our acquisition program allows you to stay involved with the business until you retire. It also ensures the preservation of seasoned staff and the continued high level of service your customers have experienced.

- **Receive fair value for your business.**
- **Remain involved on your time frame.**
- **Leave your clients and staff in capable hands.**

“*Converting my tax business to **H&R Block** has been great for me. After nine years in the industry it was time to take advantage of opportunities to quickly grow my business. Since joining I have acquired 3,000 new clients through the growth programs available with **H&R Block**.*”*

Kimberly Holladay – Mississippi

***H&R Block** franchisees who participate in the growth programs average 2,839 new clients in a 12 month time period.



ACQUIRE AN EXISTING H&R BLOCK OFFICE

GROW YOUR BUSINESS WITH A NEW LOCATION

H&R Block has select opportunities for existing tax business owners and entrepreneurs to acquire and franchise established **H&R Block** offices. You could propel your business to a new level of success when you convert your tax business to an **H&R Block** franchise and acquire an established location.

- **Clients, facilities, staff and equipment are already in place.**
- **Dedicated year-round technical and business management support.**
- **Financing available to qualified applicants.**
- **Attractive financial incentives.**

“After working at **H&R Block** for 27 years, I had confidence in the business model and found the franchise opportunity too good to pass up. The national and local marketing support I received has helped me gain new clients and increase repeat business. Going with a recognizable name along with the highly trained tax associates is the only way to go in this business.”

Bruce Johansson – New Hampshire

OPEN A NEW LOCATION

BE IN BUSINESS FOR YOURSELF NOT BY YOURSELF

If you have ever thought about being in business for yourself, but don't like the idea of going it alone, consider the opportunities **H&R Block** has available for savvy entrepreneurs interested in opening new office locations. When you open your new office, you will be in business for yourself with the strength and support of the **H&R Block** brand.

- **A low cost franchise opportunity.**
- **National and local marketing programs designed to help build your business.**
- **Best in class training and support.**
- **Designated territory.**



BUSINESS OWNERSHIP

ALIGN WITH THE INDUSTRY LEADER TO GET THE EDGE YOU NEED TO SUCCEED

When you are looking at business opportunities, consider the strength and stability of **H&R Block**. We continue to adapt to evolving market conditions, increased tax regulations, growing client needs and a changing economy.

- **Recession resistant industry** – income taxes have been around for centuries and have grown more complex each year.
- **Firmly established franchise organization** – **H&R Block** has franchised locations for more than 53 years.
- **Best in class training and support** – We want you to be successful and have dedicated internal resources to ensure that you receive the support you need.

Owning and operating an **H&R Block** franchise opens the door to a wealth of opportunities.

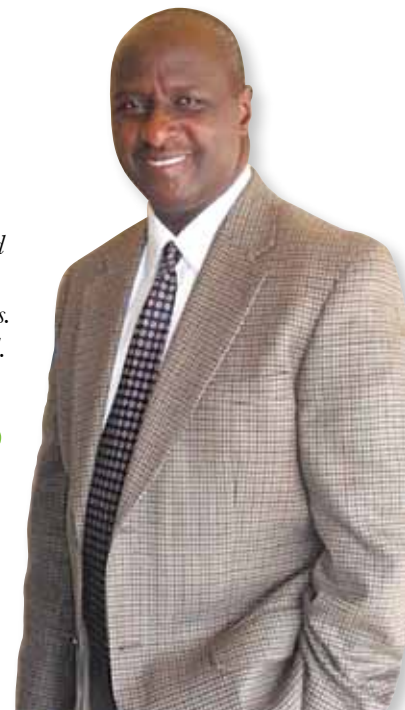


“ I converted my existing tax business to **H&R Block** to gain additional financial security for my retirement. They have helped me reach my short and long term business goals. I am 100% satisfied with my decision to become a franchisee with **H&R Block!** ”

Monica Ordaz – California

“ Converting my business to **H&R Block** is the single best decision I have made recently. My client retention has dramatically improved because of the breadth of products and additional services I am able to offer my clients. My revenue and profits have increased as well. I have added business services including bookkeeping and payroll. I am now able to run my business year round. ”

Mohamed Jalloh EA – California



“ When we converted our 6,000 return tax business, the objective was to expand by acquiring more offices, making our existing business more valuable. An added benefit we received was additional support with employee education and tax research through the training programs and the **H&R Block Tax Institute**. The Tax Institute is an excellent resource for answering tough tax questions. They have tax experts you can call and they will help answer your questions. I receive weekly newsletters and updates outlining the tax changes that impact my clients. I used to spend a lot of time searching for these answers. Now they do all the work so I can focus on serving my clients. ”

Robert Hemenway – Michigan



Convert your tax business to H&R Block

Support throughout the lifecycle of your business

If you are already in the tax business, consider joining forces with the tax industry leader. Becoming an **H&R Block** franchisee could be the key to growing your business. Your business skills and local business knowledge, coupled with the resources of **H&R Block**, could be a winning combination. Backed by our marketing programs, management tools and support, you can stay in business for yourself without having to go it alone.

Financial incentives available when you join our franchise network

- **Conversion payment** - Leverage the equity in your business to acquire an established H&R Block office or reinvest in your business. The choice is yours! H&R Block will pay you when you convert your established business to an H&R Block franchise while you remain owner of your franchise business.
- **Royalty rebate** - For the life of the agreement, get a substantial break on the royalties due when your existing clients return to your franchise office.
- **Designated territory** - Security and flexibility to develop your area.
- **Customized Marketing** - Supplement the national marketing campaign with a local marketing plan designed to help you attract new clients to your franchise. Advertising dollars are provided to you by H&R Block. We also provide you with a Playbook that includes demographic and competitor information for your franchise territory to give you the edge when developing your local marketing strategy.
- **Brand Recognition** - Marketing studies show that H&R Block is the #1 recognized brand in the tax industry; however, we also recognize the importance of your brand. Retain your identity through co-branded signage. Leverage your brand along with the H&R Block brand to maximize the performance of your franchise.
- **Year Round Revenue** - With our Business Services program we support your efforts to generate year round revenue through payroll and bookkeeping. Studies show client retention improves when client touch points increase.

Growth programs to help you meet your business objectives

- **Acquire a competitor** - H&R Block will contribute up to 80% of the purchase price of an established tax business in your franchise territory. Qualified franchisees may finance the remainder through Franchise Partner, Inc., an affiliate of H&R Block. With this it is possible to grow your business with *no out of pocket expense*.
- **Acquire an established office** - Franchising company offices allows a qualified franchisee to acquire an established client base, equipment, systems and experienced tax professionals to make growing the business easier!

Comprehensive Training and Dedicated Support for your business is available year round

- **Professional certification and training** - You and your staff will have access to all of the training materials needed to help you stay ahead of changing tax laws, manage your business and remain legally compliant.
- **Systems to manage your office** - Comprehensive business management systems, tools and back office support will help you run and grow your business.
- **Local and Corporate support** - You will have designated field management teams that can assist you grow and develop your business.

Innovative Products and Services - Including tax refund-related products and the exclusive H&R Block Emerald Prepaid MasterCard.®



Succession Planning - When the time is right for you, H&R Block will work with you to develop an exit strategy to help you maximize your return on investment. We provide you with the tools needed to successfully transition your business.

All products and services are subject to availability and specifications which may change from time to time. The products and services described herein may be covered by one or more of the following U.S. Patents: 5,706,442; 6,000,608; 6,014,645; 6,189,787; 6,131,115; 7,010,507; 7,032,008; 7,072,862; 7,127,425; 7,177,829; 7,310,617; 7,296,065. The H&R Block Emerald Prepaid MasterCard is issued by H&R Block Bank, a Federal Savings Bank and a member of FDIC pursuant to a license from MasterCard International Incorporated. The Emerald Advance line of credit is subject to credit and underwriting approval. Fees may apply. These products may not be available at all locations. H&R Block Emerald Card and Emerald Card, are registered trademarks of HRB Innovations, Inc. MasterCard is a registered trademark of MasterCard International Incorporated.

Sell your business to H&R Block

Succession planning made easy

The ever changing tax industry or personal circumstances may find you thinking about your exit strategy. If you are thinking about retirement or just looking to be less involved in the day-to-day operation of the business, now may be the perfect time to talk to **H&R Block**. We can help you develop your plan for a smooth transition designed to fit your timeline. With **H&R Block**, your clients and employees will be valued and respected.

Sell your business with no hassles

- **Receive fair value for your business** – **H&R Block** has a reputation of paying fair market value.
- **No broker or commission payments** – We will deal directly with you, putting more money in your pocket.
- **Qualified buyer** – **H&R Block** has the resources to purchase your business or we can facilitate the transaction between you and one of our existing **H&R Block** franchisees.

Stay as involved with your business as you desire

- **Flexible transition period** – Continue to stay engaged with the business until you are ready to retire. In fact, we encourage you to stay engaged to maximize the value of your business.
- **Personalized transition plan** – Whether you have worked your last tax season or want to continue preparing taxes for years to come, we can design a plan for you.

Leave your clients and staff in capable hands

- **Your reputation is important to us** – Our client focus means your clients will be well cared for.
- **Your staff will be in good hands** – They can join the **H&R Block** family.



Industry Leading Products

Products and services to meet your client's needs

H&R Block Franchisees enjoy access to these products and services, assets that help differentiate us from the competition and attract clients.

- **hrblock.com** – Has all of the business building tools and information you need for a dynamic presence on the internet. This includes maps locating your office, appointment making tools that help increase your business, tax calculators and our unique Tax Professional Finder resource.
- **Financial Products** – Many clients enjoy receiving their funds at tax time with the speed and convenience of Refund Anticipation Checks (RACs).
- **H&R Block Emerald Prepaid MasterCard®** – Attract and retain clients while you help them save with an Emerald Card that can be used year-round. Clients can use it to make purchases or access their cash. They can even add money to the card through payroll direct deposits, reload networks or their tax refund.
- **Emerald Advance®** – Start building your business before tax season. Those who qualify may access a year-round line of credit that allows them to continually borrow and repay money.
- **Second Look® Review** – Conduct a professional review of your new client's tax return (up to three prior years) for a reasonable fee. Clients appreciate finding out if their taxes were done right. Many get the bonus of additional refund dollars when filing an amended return.
- **Peace of Mind® Extended Service Plan** – For a reasonable fee, you can offer your clients a worry-free guarantee that covers any additional taxes assessed, up to \$5,500 if it results from an error made by **H&R Block**. With this service, a client is represented at an audit by a qualified **H&R Block** Enrolled Agent.
- **H&R Block Guarantee** – Included in every tax return. Clients are reimbursed penalties and interest charges due to any **H&R Block** error. Audit assistance is also provided to clients who need this coverage for the life of the return.
- **W-2 Early AccessSM** – This **FREE** online W-2 Early Access service allows clients to electronically send a copy of W-2s to an **H&R Block** tax office up to 3 weeks earlier than if they would receive them in the mail. As a result, they can file sooner and receive their refund faster. **H&R Block** has access to approximately 80 million W-2s through this service.
- **Business Services** – Let **H&R Block** help you grow revenues after tax season by providing valuable services to small businesses with our payroll and bookkeeping services.
- **Tax Preparation Software with Fast and Reliable E-filing** – Ensure your clients' returns are done right and they get their refunds fast with our easy to learn software. TPS is our proprietary software used for federal and state individual returns. TaxWorks is also provided to franchisees at no charge for the preparation of business and entity returns.



All products and services are subject to availability and specifications which may change from time to time. Refund Anticipation Checks (RACS) are offered by H&R Block Bank, a Federal Savings Bank, Member FDIC. The H&R Block Emerald Prepaid MasterCard is issued by H&R Block Bank, a Federal Savings Bank, Member FDIC, pursuant to a license from MasterCard International Incorporated. Fees may apply. MasterCard is a registered trademark of MasterCard International Incorporated. Emerald Card is a trademark of HRB Innovations, Inc. This product is covered by one or more of the following U.S. patents: 6,000,608, 6,189,787, 7,072,862, 7,127,425 and 7,177,829. These products may not be available at some locations. The H&R Block Emerald Advance line of credit is offered by H&R Block Bank, a Federal Savings Bank, Member FDIC and is subject to credit and underwriting approval. These products may not be available at all locations. Second Look and Peace of Mind are registered service marks of HRB Royalty, Inc. ©2011 HRB Tax Group, Inc.

Training and Support

Supporting the development of you and your business

You will benefit from training and support that reflects the experience of over 55 years in business and preparing 500 million tax returns and counting. Leveraging the systems, support and brand will give you more time to focus on growing the business.

Take a look at what we have to offer!

- **Start-up Assistance** – New Franchisee Orientation is just the beginning of the professional start-up assistance you receive. At **H&R Block** you have a dedicated field manager who will assist you with on-going systems and management training. You will also have an opportunity to increase your learning about our company, products and services and leadership development through:

- On-site training
- Computer based training
- Regional and district meetings
- National conventions

- **Peer Networking** – Your affiliation with **H&R Block** provides you the opportunity to share Best Practices with franchisees across the country. Nothing is better than the support of a peer.

- **Training** – **H&R Block** is recognized as the industry leader in all aspects of training for individual and business tax returns. We help franchisees and their associates stay ahead of changing tax laws with continuing professional education and certification programs provided in instructor led or computer based training sessions. *Choose the way you want to learn!*

- **H&R Block Call Center** – Your customers have toll-free, access to help, even when you are out of your office. This includes scheduling an office appointment, locating an office or phone number, even checking on their e-file status.

- **National Marketing** – Each year, **H&R Block** is one of the biggest advertisers in the United States in the first calendar quarter. In addition to our award winning TV ads, we also help build your business using all forms of new and evolving media such as Internet advertising, search optimization and social media.

- **Local Marketing** – We support our franchisees with their local marketing and advertising needs. We provide planning, creative and execution support to help you increase your business. You also receive an advertising budget from **H&R Block** that may be used to supplement the national advertising campaign and help you gain new clients. *Ask us for more information!*

- **H&R Block Tax Institute and Research Center** – A leading resource for all things related to taxes. Get answers to those tough tax questions and stay ahead of changes in laws and tax policy. The Tax Institute supports independent tax businesses throughout the country by answering tough tax questions for a fee. **H&R Block** Franchisees enjoy the benefits of this support for FREE.

- **My Block for the Tax Office** – This innovative online resource is a “one stop shop” for everything you need to know about **H&R Block** programs and resources as well as professional and industry information.

- **Franchise Equity Lending Program** – In these tough times it isn't always easy to find the financing you need to continue to manage and grow your business. As an **H&R Block** franchisee you will have access to Franchise Partners, Inc., an affiliate of **H&R Block**. Qualifying franchisees can access working capital at reasonable rates through this business partner.



Capturing Multicultural Markets

The growth opportunity in tax preparation

Like other products and services, the market for tax preparation is rapidly becoming more ethnically diverse. Tax businesses face a complex, evolving world with more distinctive cultural values and customs. Many immigrants are new to the very idea of filing taxes. Understanding cultural nuances in this diverse market place is key to successfully attracting and retaining multicultural tax preparation clients. **H&R Block** can help navigate this challenging environment with the tools and materials you need to attract clients who speak languages other than English.

Products and services designed for multicultural markets

- **Certifying Acceptance Agent** – Process made easy to help your clients sign up for an ITIN.
- **Income tax course** – Our income tax preparation courses are available in Spanish and are taught by Spanish speaking instructors.
- **Spanish only website** – www.hrblock.com/espanol serves the Spanish speaking market in their own language.
- **On-line Locator** – With our on-line office and tax professional locator, clients are able to find tax professionals who provide services in their preferred language. For convenience, clients can quickly schedule their appointment for your office from the same webpage.



Comprehensive multicultural marketing programs

- **Dedicated multicultural advertising agencies** – Focus on understanding, attracting and serving key ethnic markets in the United States.
- **Programs developed with multicultural sensitivity** – Key messages developed and delivered via national and local television, radio, outdoor, public relations, print, direct mail and the internet.
- **Latino public relations assistance** – Dedicated public relations professionals provide assistance that can help your business connect with Latino taxpayers.
- **Local marketing collateral** – Customized bilingual marketing collateral and office signage available to franchisees to address local needs, including translation and interpreting services in over 90 languages. We make it easy for you to develop your local marketing plan to reach your target client group.

Get the Facts From our Franchisees

You can enjoy the same benefits and success

Read what our existing franchisees are saying about their decision to join **H&R Block**. Then decide for yourself if you want to continue on your own or enjoy the benefits of being associated with a company that in 2010 was ranked:

- **One of America's most resilient brands** - Forbes Magazine
- **#1 Tax Industry Franchise** - Entrepreneur Magazine
- **#1 Low Cost Franchise** - Entrepreneur Magazine
- **A Fortune 500 Company** - Fortune Magazine

Sandra Fernandez - California

"I am so thankful for this opportunity. I have worked for **H&R Block** for 19 years and I am proud to represent the brand. Ownership was the most natural next step in my career. I feel like a partner and **H&R Block** really wants me to succeed."

Lena Bahri - Michigan

"The support I received from **H&R Block** when I opened my first office was fantastic. They helped me overcome the hurdles of starting a new business. We lean on our local support teams for guidance and advice. They always find a way to help and are a key component in my continued success."

Fatima Quadri - Illinois

"The only way to compete in this business is to offer competitive products and excellent customer service. I have been able to do this with **H&R Block's** innovative products and providing year round customer support. The continuing education and training has helped me stay ahead of the competition. They offer instructor lead and computer based training. The courses have helped me improve my business management skills, making my office run in a more efficient and cost effective manner."

Kim Pascali - Georgia

"After 25 years with **H&R Block** as a manager supporting tax offices, the decision to buy an established office fulfilled my desire of becoming a Franchisee. The decision of "should I or shouldn't I" came at a point when I had to make the decision and just do it! This is a great opportunity and financing with Franchise Partner, Inc. an affiliate of **H&R Block**, helped make the decision even easier."

Anteneh Dejene - California

"**H&R Block** has many business management tools that have improved my productivity. The online tools they have for consumers has increased the number of new clients as well. We have been able to acquire a lot of new clients because of the Tax Pro Finder tool. The Appointment Manager is a fantastic time management tool also. It has helped my staff manage their time and increase their productivity. The Playbook they provided at the New Franchise Orientation was helpful. It provided some insight into my local competition and potential customers."

I'm Interested in H&R Block

What happens next?

We're glad that you are interested in **H&R Block** and want to take the next step. Following is a timeline of next steps involved in joining our franchise community. We want our franchisees to be successful. Working through these next steps will ensure you have the information you need to make an informed decision.

An **H&R Block** Developer will be assigned to guide you through the process. The Developer is available to answer your questions and help you understand the opportunities that align with your interests and business objectives. Make note of any questions you have about the opportunity or the process and be sure to ask these during the one-on-one meetings you will have with your Developer.

- **Tell us about yourself** – After you have talked to a Developer, we will ask you to complete a confidential data request form – this form supplies us more detailed information about you and your current business, if applicable. With this information we will evaluate the opportunities available to you and determine next steps.
- **Discovery** – You will receive a Franchise Disclosure Document (FDD) which includes a copy of all Agreements you will be asked to sign should you decide to join **H&R Block**. You will also receive complete corporate financial statements and other important information to help you evaluate **H&R Block** and our business model and available opportunities. During this time **H&R Block** will also evaluate you and your existing business, if applicable, to determine suitability.
- **Commitment** – Next, we will send you an offer letter that details the basic components of our proposal. If you are ready to move forward, you will sign the offer letter so we can proceed with more detailed reviews and discussions.
- **Approvals** – After evaluating your information a decision will be made by our Executive Approval Committee. Following approval, you are one step closer to formalizing the new business relationship.
- **Contracting** – Once approval has been received, your Agreements will be sent to you for review and signature. This is the last step in the process. We encourage you to carefully review the Agreements and provide them to your personal advisors (attorney, accountant) to review and ensure your complete understanding. Once your Agreements are signed by you and **H&R Block** it is official – you are well on your way to achieving your business goals.
- **Financing** – If you need financing our affiliate, Franchise Partners, Inc. offers reasonable rates and fair terms.
- **Franchise Training** – As you onboard you will receive a **Welcome Kit** that will provide you with initial training materials and information needed to get started with our franchise program. **New Franchise Orientation (NFO)** continues the training for you and your key associates. This training will introduce you to our company as well as the systems and support you will now receive. To help you refine your business plan you will receive a Playbook for your market which includes market demographics and competitor information specific to your territory. You will also receive a variety of business tools to help you prepare for the tax season. This will include a calendar that contains key events, launch dates of marketing campaigns and more.
- **Tax Season Readiness** – After NFO, it is back to your office to continue training and preparation for the upcoming tax season. Your Franchise Consultant will work closely with you to ensure the transition is smooth and you are prepared for a successful tax season.



H&R BLOCK®