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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )

Filed by the Registrant   
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

## H&R BLOCK, INC.

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

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2) Aggregate number of securities to which transaction applies:

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3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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4) Proposed maximum aggregate value of transaction:

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5) Total fee paid:

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Fee paid previously with preliminary materials.

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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

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2) Form, Schedule or Registration Statement No.:

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3) Filing Party:

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4) Date Filed:

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July 31, 2007

Dear Fellow Shareholder:

Your company's Annual Meeting of Shareholders is scheduled for September 6, 2007. At the meeting, three of our independent directors are standing for re-election – Donna R. Ecton, Louis W. Smith and Rayford Wilkins, Jr. We urge you to vote **FOR** these highly qualified, dedicated individuals **TODAY** – by telephone, Internet or by signing, dating and returning the **WHITE** proxy card **TODAY** in the postage-paid envelope.

**We Have An Outstanding Brand and Industry Leadership Position.  
We Are On Track To Grow Shareholder Value.**

This is an important time in H&R Block's history. Your Board and management team are implementing the right strategy to further enhance our brand and to bolster our strong industry leadership position. We have taken important steps to focus on our core tax, accounting and related financial services businesses.

Our Tax Services business experienced strong growth in new clients and revenues this year, significantly aided by the successful debut of H&R Block Bank. We believe the Bank will continue to complement our tax business and in particular allow us to retain and attract early season filers who are critical to our overall success and value creation. (A thorough discussion of the Bank and its important contribution to our growth is presented in the enclosed Annual Report.)

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### **Important Steps Have Been Taken To Create Value.**

H&R Block's Board and management team are intensely focused on continuing the growth and momentum in our core businesses. In addition to the very successful launch of our Bank, we have taken other key actions in the past year:

- § We agreed to sell Option One Mortgage Corp. and have closed H&R Block Mortgage Corp. because these operations were not aligned with our strategic focus or return expectations.
- § We exited selected operations within our core accounting business, RSM McGladrey, that didn't support its profitability or competitive advantage.
- § We continue to examine the strategic importance of all of our businesses and their contribution to overall value.

### **We Expect Improved Financial Results And Increased Shareholder Value In Fiscal Year 2008.**

We expect another year of strong growth in Tax Services, fueled by H&R Block Bank. Expected profits from these and other core businesses will allow H&R Block to rebuild capital and enable share repurchases and further dividend increases.

### **Don't Let Breeden Partners Disrupt Our Momentum.**

It is unfortunate that a dissident hedge fund, Breeden Partners, has chosen to launch a distracting proxy contest. Breeden Partners owns less than 2% of our shares and has been a shareholder for less than a year yet seeks to replace more than 25% of your Board with its own handpicked slate.

In our view, Breeden Partners has put forth no new ideas to improve shareholder value. In fact, many of Breeden Partners' proposed "changes" are identical to actions that your company announced and began implementing before Breeden Partners acquired a single share. We believe that Breeden Partners is advocating a sale or disposition of the Bank. Such an action would deprive H&R Block's shareholders of the Bank's significant potential and would threaten the enhancement of shareholder value.

**Ask yourself whether Breeden Partners' nominees – who have no new ideas other than the ill-advised sale of the Bank – are the right individuals to represent your best interests.**

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**Protect Your Investment – Vote The WHITE Proxy Card Today.**

Your Board is committed to protecting and enhancing the value of your investment in H&R Block. We are confident that the continued implementation of our strategic plan is the best approach to creating value for all H&R Block shareholders. Please use the enclosed **WHITE** proxy card to vote **FOR** your Board's nominees **TODAY**—by telephone, by Internet, or by signing, dating and returning the **WHITE** proxy card.

Thank you for your continued support.

On Behalf of the Board of Directors,



Mark Ernst  
Chairman, President and CEO

**Your Vote Is Important, No Matter How Many Or How Few Shares You Own.**

If you have questions about how to vote your shares, or need additional assistance, please contact the firm assisting us in the solicitation of proxies:

**INNISFREE M&A INCORPORATED**  
**Shareholders call Toll-Free: (877) 456-3463**  
**Banks and Brokers Call Collect: (212) 750-5833**

**Forward Looking Statements**

This letter may contain forward-looking statements, which are any statements that are not historical facts. These forward-looking statements are based upon the current expectations of the company and there can be no assurance that such expectations will prove to be correct. Because forward-looking statements involve risks and uncertainties and speak only as of the date on which they are made, the company's actual results could differ materially from these statements. These risks and uncertainties relate to, among other things, the company's pending sale of Option One Mortgage Corp; competitive factors; regulatory capital requirements; the company's effective income tax rate; litigation; and changes in market, economic, political or regulatory conditions. Information concerning these risks and uncertainties is contained in Item 1-A of the company's 2007 annual report on Form 10-K and in other filings by the company with the Securities and Exchange Commission.