

## **H&R Block to Acquire California-Based EquiCo; Acquired Firm to Work Directly with RSM McGladrey as "RSM EquiCo"**

November 19, 2001 5:24 PM ET

KANSAS CITY, Mo.--(BUSINESS WIRE)--Nov. 19, 2001--H&R Block Inc. (NYSE:HRB) announced today that it has reached a definitive agreement to acquire EquiCo Resources, LLC, a business valuation and international investment banking firm that specializes in mergers and acquisitions, divestitures, and corporate finance services for middle-market companies. EquiCo will work directly with RSM McGladrey Inc., an H&R Block subsidiary and leading national consulting, accounting, and tax firm, to help clients realize their potential market value as part of the merger and acquisition consulting process. After the acquisition of EquiCo is completed, the parties plan to operate the acquired business under the name "RSM EquiCo."

"The addition of EquiCo represents a significant step in RSM McGladrey's strategy," said Tom Rotherham, RSM McGladrey chief executive officer. "EquiCo brings us closer to our goal of positioning RSM McGladrey as the leading, full-service business consulting firm serving mid-size companies. And, it expands our capabilities to help existing clients worldwide with the complexities of their business."

"Our mandate is to help closely held, middle-market companies evaluate, improve, grow and sell their businesses," added EquiCo Chief Executive Officer and co-founder, Richard Rodnick. "RSM McGladrey adds substantial value through a variety of consulting services during various stages of the sale process. Our services and focus on the middle market are complementary."

According to Sheila Prell Sonenshine, EquiCo co-founder and president, one of the most important developments in the U.S. business scene in recent years has been the increase in middle-market merger and acquisition activity.

"Public companies are acquiring private companies in record numbers," she noted. "Since 1980, businesses with annual revenues of less than \$100 million represented, on average, 79 percent of all announced deals. That represents an average of 3,200 deals annually."

Audie Dunham, executive vice president of RSM McGladrey's national consulting practice, anticipates RSM McGladrey consultants will work with EquiCo clients during the buy/sell process.

"A company interested in selling may work with our organization to develop plans to maximize the company's value," he explained. "We will help the owner evaluate income tax issues and, when the company is sold, our personal wealth management group will help the owner develop plans for investing proceeds from the sale."

Acquisition terms were not disclosed. The transaction, which is subject to regulatory approval and other normal closing conditions, is expected to be completed by the end of the calendar year.

The information contained in this press release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statements are based upon current information, expectations, estimates and projections regarding H&R Block, Inc., RSM McGladrey, EquiCo, and the industries and markets in which such entities operate, and management's assumptions and beliefs relating thereto. Words such as "will," "expects," "intends" and variations thereof and similar expressions are intended to identify such forward-looking statements. These statements speak only as of the date on which they are made, are not guarantees of future performance, and involve certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results could materially differ from what is expressed, implied or forecast in such forward-looking statements. Such differences could be caused by a number of factors including, but not limited to, the uncertainty of the satisfaction of all closing conditions set forth in the definitive agreement and the completion of the EquiCo transaction; the uncertainty that the acquisition will be accretive to earnings and the extent of any accretion to earnings; changes in economic, political or regulatory environments; changes in competition and the effects of such changes; changes in strategies; and risks described from time to time in reports and registration statements filed by H&R Block and its subsidiaries with the Securities and Exchange Commission. Readers should take these factors and risks into account in evaluating any such forward-looking statements. H&R Block undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

About H&R Block:

H&R Block Inc. is a diversified company with subsidiaries providing a wide range of financial services and products. In 2001, H&R Block served 19.2 million taxpayers - more than any tax or accounting firm - through its more than 10,400 offices located in the United States, Canada, Australia and the United Kingdom. H&R Block served another 2.3 million tax clients through its award-winning TaxCut(R) software program and through its online tax preparation services. Investment services and securities products are offered through H&R Block Financial Advisors Inc., member NYSE, SIPC. H&R Block Inc. is not a registered broker-dealer. H&R Block Mortgage Corporation and Option One Mortgage Corporation offer a wide range of home mortgage products. Quarterly results and other information are available on the company's Web site at [www.hrblock.com](http://www.hrblock.com).

About RSM McGladrey:

RSM McGladrey Inc. is a national business consulting, accounting, and tax firm with more than 100 offices nationwide, as well as an affiliation with 600 offices in 75 countries as the U.S. member of RSM International. RSM McGladrey is also linked with more than 70 independently owned CPA firms in the United States and Puerto Rico through the McGladrey Network. The company's Web site is [www.rsmmcgladrey.com](http://www.rsmmcgladrey.com).

About EquiCo:

Employing approximately 200 people, EquiCo ([www.EquiCo.net](http://www.EquiCo.net)), headquartered in Costa Mesa, Calif., is a leading international investment banking firm specializing in mergers, acquisitions, divestitures and corporate finance for middle-market companies.

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