

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

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 Rule 14a-12

H&R BLOCK, INC.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Breeden Capital Management LLC

Breeden Partners L.P.

Breeden Partners (California) L.P.

Breeden Partners Holdco Ltd.

Richard C. Breeden

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

(2) Aggregate number of securities to which transaction applies:

(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):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- Fee paid previously with preliminary materials:
- 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:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:

On June 27, 2007 Breeden Partners, L.P. announced its intent to nominate Richard C. Breeden and two other nominees to the Board of Directors of H&R Block, Inc. at the company's next annual meeting of shareholders, scheduled to be held on September 6, 2007. Information regarding Breeden Capital Management LLC, Breeden Partners L.P., Breeden Partners (California) L.P., Breeden Partners Holdco Ltd., Richard C. Breeden and other potential participants in the intended solicitation of proxies is filed herewith as Exhibit 1. A copy of the press release announcing the nominations is filed herewith as Exhibit 2.

SECURITY HOLDERS ARE ADVISED TO READ THE PROXY STATEMENT AND OTHER DOCUMENTS RELATED TO THE SOLICITATION OF PROXIES BY BREEDEN CAPITAL MANAGEMENT LLC, BREEDEN PARTNERS L.P., BREEDEN PARTNERS (CALIFORNIA) L.P., BREEDEN PARTNERS HOLDCO LTD. AND RICHARD C. BREEDEN FROM THE SHAREHOLDERS OF H&R BLOCK FOR USE AT THE 2007 ANNUAL MEETING OF SHAREHOLDERS OF H&R BLOCK WHEN THEY ARE AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. A DEFINITIVE PROXY STATEMENT AND FORM OF PROXY WILL BE MAILED TO SHAREHOLDERS OF H&R BLOCK AND WILL, ALONG WITH OTHER RELEVANT DOCUMENTS, BE AVAILABLE AT NO CHARGE AT THE SECURITIES AND EXCHANGE COMMISSION'S WEBSITE AT [HTTP://WWW.SEC.GOV](http://www.sec.gov) OR BY CONTACTING MORROW & CO., INC. BY TELEPHONE AT (203) 658-9400 OR BY E-MAIL AT H&RBLOCKINFO@MORROWCO.COM. INFORMATION RELATING TO THE PARTICIPANTS IN SUCH PROXY SOLICITATION IS CONTAINED IN EXHIBIT 1 HEREWITH.

PARTICIPANTS

The participants in the solicitation of proxies (the "Participants") include the following: Breeden Capital Management LLC, Breeden Partners L.P., Breeden Partners (California) L.P., Breeden Partners Holdco Ltd. and Richard C. Breeden.

The Breeden Parties:

Breeden Partners L.P. is a Delaware limited partnership (the "Delaware Fund"), Breeden Partners (California) L.P. is a Delaware limited partnership (the "California Fund") and Breeden Partners Holdco Ltd., is a Cayman Islands exempt limited company ("Holdco"). Breeden Capital Partners LLC, a Delaware limited liability company (the "General Partner"), is the general partner of each of the Delaware Fund and the California Fund. Breeden Partners (Cayman) Ltd., a Cayman Islands exempt limited company ("BPC") (together with Holdco, the "Offshore Investors Fund") is the feeder fund for Holdco. The Delaware Fund, the California Fund and the Offshore Investors Fund are herein sometimes referred to collectively as the "Funds." Breeden Capital Management LLC, a Delaware limited liability company (the "Advisor") is principally involved in the business of providing investment advisory and investment management services to the Funds and, among other things, exercises all voting and other powers and privileges attributable to any securities held for the accounts of the Funds. Richard C. Breeden is a citizen of the United States of America and is the Managing Member of each of the General Partner and the Advisor and the Key Principal of the Offshore Investors Fund. Executives and employees of the Advisor may also be deemed to be participants in the solicitation of proxies. The foregoing are sometimes herein referred to collectively as the "Breeden Parties."

The Delaware Fund owns 53,861 shares of common stock ("Common Stock") of H&R Block, Inc. (the "Issuer") representing approximately 0.02% of the outstanding shares of Common Stock, the California Fund owns 3,821,440 shares of Common Stock representing approximately 1.18% of the outstanding shares of Common Stock and Holdco owns 2,124,699 shares of Common Stock representing approximately 0.66% of the outstanding shares of Common Stock. As of the date hereof, the 3,875,301 aggregate shares of Common Stock directly owned by the Delaware Fund and the California Fund, which shares of Common Stock may be deemed to be beneficially owned by the General Partner, represent approximately 1.20% of the Company's outstanding shares of Common Stock. As of the date hereof, the 6,000,000 aggregate shares of Common Stock directly owned by the Delaware Fund, the California Fund and Holdco, which shares of Common Stock may be deemed to be beneficially owned by the Advisor and Mr. Breeden, represent approximately 1.86% of the Company's outstanding shares of Common Stock. All percentages set forth in this paragraph relating to beneficial ownership of Common Stock are based upon 322,926,550 shares outstanding, which was the total number of shares of Common Stock outstanding as of February 28, 2007 as reported in the Company's Quarterly Report on Form 10-Q for the quarterly period ended January 31, 2007.

Richard C. Breeden:

Richard C. Breeden is an intended nominee to the Issuer's board of directors, along with two other nominees to be named at a later date.

Other than as described above, Mr. Breeden does not own, directly or indirectly, any Common Stock. Mr. Breeden will not receive any compensation from the Breeden Parties or such parties' affiliates in connection with the solicitation or for his services as director of the Issuer if elected. If elected, Mr. Breeden will be entitled to such compensation from the Issuer as is consistent with that paid to other non-employee directors.

Other Parties:

Morrow & Co. ("Morrow") is serving as an advisor and is providing consulting and analytic services and solicitation services in connection with the solicitation of proxies. Morrow does not believe that any of its directors, officers, employees, affiliates or controlling persons, if any, is a "participant" in this proxy solicitation. In addition, regular employees of the Breeden Parties may assist in the solicitation of proxies and will receive no additional consideration therefor.

Contacts:

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For Investors:

Morrow & Co.
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FOR IMMEDIATE RELEASE

Breeden Capital Management LLC Announces It Will Nominate Director Slate for H&R Block

--Action Necessary Due to Company's Long Term Underperformance--

Greenwich, CT, June 27, 2007. Breeden Capital Management LLC, a Greenwich, CT., based investment fund manager, announced today that Breeden Partners LP will nominate three candidates for election to the Board of Directors of H&R Block Inc. ("H&R Block"), (NYSE: HRB) at the company's 2007 annual meeting. The 2007 annual meeting is scheduled for September 6, 2007. Due to H&R Block's staggered board, only 3 of the company's 11 incumbent directors are up for re-election in 2007. Breeden Partners and affiliated domestic and offshore investment funds managed by Breeden Capital Management LLC (all collectively, "Breeden Partners") own 6 million shares, or 1.86 %, of H&R Block.

Richard C. Breeden, Chairman and Chief Executive Officer of Breeden Capital Management LLC, will seek election to the H&R Block board, along with two other individuals to be announced by Breeden Partners later this week.

Mr. Breeden said, "While H&R Block is widely known for its market-leading tax preparation services, its efforts to diversify into activities including subprime mortgage lending, securities brokerage and banking have resulted in substantial lost shareholder value. H&R Block's stock has significantly underperformed the S&P 500 Index for the five years ended June 15, 2007. As shareholders, we believe that five years is long enough to wait for H&R Block to achieve attractive returns for shareholders. This board needs fresh perspectives and new energy, which we intend to supply, to tackle the company's problems."

About Breeden Partners, LP

Breeden Partners is a private investment partnership that was formed for purposes of investing in companies that are underperforming in terms of earnings and share price. Breeden Partners invests solely in the equity securities of publicly traded companies headquartered in the United States or Canada, and it does not use either leverage or derivatives. Breeden Partners' governing policies also prohibit it from taking a majority equity interest in any portfolio company.

Breeden Partners seeks to invest in companies with strong cash flows and underlying asset values where it can be a catalyst for change that will enhance market value. Breeden Partners seeks to maximize returns by persuading portfolio companies to adopt new strategies to increase

earnings and rates of return, improve capital allocation, strengthen accountability for performance, enhance transparency and adopt healthier governance practices, among other things. Breeden Partners believes that implementing improved management and governance practices will help portfolio companies achieve higher earnings and command a higher multiple on such earnings in the marketplace.

About Breeden Capital Management LLC

Breeden Capital Management is based in Greenwich, Connecticut. Both Breeden Partners and Breeden Capital Management were founded by Richard C. Breeden, former Chairman of the U.S. Securities and Exchange Commission. The firm has a total of approximately 20 professionals, and, together with its affiliates, it has more than \$1 billion in committed capital under management.

EXCEPT FOR THE HISTORICAL INFORMATION CONTAINED HEREIN, THE MATTERS ADDRESSED IN THIS PRESS RELEASE ARE FORWARD-LOOKING STATEMENTS THAT INVOLVE CERTAIN RISKS AND UNCERTAINTIES. YOU SHOULD BE AWARE THAT ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE CONTAINED IN THE FORWARD-LOOKING STATEMENTS. BREEDEN PARTNERS ASSUMES NO OBLIGATION TO UPDATE THE FORWARD-LOOKING INFORMATION.

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