

H&R BLOCK INC  
Form 8-K  
May 10, 2010

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

**FORM 8-K  
CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (date of earliest event reported): May 4, 2010**

**H&R BLOCK, INC.**

(Exact name of registrant as specified in charter)

**Missouri**

**1-6089**

**44-0607856**

(State of Incorporation)

(Commission File Number)

(I.R.S. Employer  
Identification Number)

**One H&R Block Way, Kansas City, MO 64105**

(Address of Principal Executive Offices) (Zip Code)

**(816) 854-3000**

(Registrant's telephone number, including area code)

**Not Applicable**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

(e) On May 4, 2010, H&R Block Management, LLC ( H&R Block ), a subsidiary of H&R Block, Inc. (the Company ), entered into a Separation and Release Agreement with Becky Shulman (the Separation Agreement ), in connection with Ms. Shulman s departure from H&R Block effective April 30, 2010 (the Separation Date ), as previously reported in a Current Report on Form 8-K filed on April 12, 2010.

Pursuant to the Separation Agreement, Ms. Shulman s separation of employment is treated as a qualifying termination under the H&R Block Severance Plan entitling her to the following benefits: (i) a lump-sum cash severance payment of \$610,560, and (ii) a lump-sum payment of \$10,219, equaling 12 months of COBRA premiums approximating non-employee-paid health and welfare benefits.

The Separation Agreement also provides for: (i) full vesting for 148,725 outstanding stock options not previously vested; (ii) certain specified outstanding stock options granted previously to Ms. Shulman to remain exercisable through a date to be elected by Ms. Shulman on or before the Separation Date; (iii) termination of restrictions on 720 shares of previously granted restricted stock, resulting in such shares becoming fully vested; (iv) a payout of approximately 8,138 performance shares (pro-rated) based on the Company s performance against previously established performance-goals for the 2007 and 2008 grant performance periods (which end on April 30, 2010 and 2011, respectively); (v) outplacement services; and (vi) payment for accrued, unused paid time off earned by Ms. Shulman.

Under the Separation Agreement, Ms. Shulman may not: (i) recruit, solicit or hire certain H&R Block employees for one year following the Separation Date; (ii) solicit or enter into certain types of business transactions with clients of H&R Block for two years following the Separation Date; or (iii) engage in certain activities competitive with the Company s tax preparation business for two years following the Separation Date.

In addition, H&R Block agrees to provide Ms. Shulman with certain indemnification rights in accordance with the terms of the Separation Agreement. The Separation Agreement includes a general release of claims by Ms. Shulman against the Company and its subsidiaries.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**H&R BLOCK, INC.**

Date: May 10, 2010

By: /s/ Andrew J. Somora  
Andrew J. Somora  
Assistant Secretary