

1 EDMUND G. BROWN JR.  
Attorney General of California  
2 FRANCES T. GRUNDER  
Senior Assistant Attorney General  
3 ALYCE C. SANDBACH  
Deputy Attorney General  
4 AMY C. TENG  
Deputy Attorney General  
5 SHELDON H. JAFFE  
Deputy Attorney General  
6 State Bar No. 200555  
455 Golden Gate Avenue, Suite 11000  
7 San Francisco, CA 94102-7004  
Telephone: (415) 703-5500  
8 Fax: (415) 703-5480  
E-mail: sheldon.jaffe@doj.ca.gov  
9 *Attorneys for Plaintiff*

ENDORSED  
FILED  
Superior Court of California  
County of San Francisco

DEC 31 2006

GORDON PARK-LI, Clerk  
BY: WESLEY RAMIREZ  
Deputy Clerk

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
11 COUNTY OF SAN FRANCISCO  
12  
13

14 **THE PEOPLE OF THE STATE OF**  
15 **CALIFORNIA,**

16 Plaintiff,

17 v.

18 **H&R BLOCK, INC., a foreign corporation;**  
19 **H&R BLOCK SERVICES, INC., a foreign**  
20 **corporation; H&R BLOCK**  
21 **ENTERPRISES, INC., a foreign**  
22 **corporation; H&R BLOCK TAX**  
23 **SERVICES, INC., a foreign corporation,**  
**BLOCK FINANCIAL CORPORATION, a**  
**foreign corporation; HRB ROYALTY,**  
**INC., a foreign corporation; and DOES**  
**1 through 50, inclusive,**

24 Defendants.  
25

CTC 06-449461

**STIPULATION TO ENTRY OF**  
**JUDGMENT**

Judge: The Hon. Richard A. Kramer

Action Filed: February 15, 2006

26 Plaintiff, the People of the State of California through Attorney General Edmund G. Brown  
27 Jr. and his attorneys ("the People" or "the Attorney General"), and Defendants HRB Tax Group,  
28 Inc. (f/k/a H&R Block Services, Inc.), H&R Block Enterprises, LLC (f/k/a H&R Block

1 Enterprises, Inc.), H&R Block Tax Services, LLC (f/k/a H&R Block Tax Services, Inc.), and  
2 Block Financial, LLC (f/k/a Block Financial Corporation) (collectively, "Defendants"), appearing  
3 through counsel, hereby stipulate to the entry of the Judgment attached hereto as Exhibit A (the  
4 "Judgment"), and to the following:

5 1. Defendants acknowledge that they have received a copy of the Complaint, this  
6 Stipulation for the Entry of Judgment (the "Stipulation"), and the Judgment.

7 2. The Judgment does not constitute an adjudication of the substantive merits of any  
8 claim or defense in this case. Neither this Stipulation nor the Judgment constitutes an admission  
9 of liability or wrongdoing by the Defendants. Defendants denied, and continue to deny, all  
10 liability with respect to any and all facts or claims alleged in the Complaint filed in this action,  
11 deny they have engaged in any wrongdoing, and deny that they act improperly in any way.

12 3. Defendants represent that the execution and delivery of this Stipulation is a free and  
13 voluntary act, and the Stipulation and Judgment are the result of good faith settlement  
14 negotiations.

15 4. Defendants further acknowledge that they have been represented by independent legal  
16 counsel of their own choice throughout all negotiations which preceded the execution of this  
17 Stipulation, and on the advice of their legal counsel and through their counsel Defendants have  
18 independently reviewed this Stipulation and Judgment.

19 5. On or before the execution of this Stipulation, Defendants will deliver a confirmation  
20 of a wire transfer to a California Department of Justice bank account, or a bank check payable to  
21 the California Attorney General's Office, in the amount of two million four hundred thousand  
22 dollars (\$2,400,000) to Senior Assistant Attorney General Frances Grunder, five hundred  
23 thousand dollars (\$500,000) of which shall be in satisfaction of the amount to be paid for civil  
24 penalties in favor of the People under the Judgment and one million nine hundred thousand  
25 dollars (\$1,900,000) of which shall be for costs of investigation and attorney's fees.

26 6. On or before the execution of this Stipulation, Defendants shall also deliver a  
27 confirmation of a wire transfer to a California Department of Justice bank account, or a bank  
28 check payable to the California Attorney General's Office, in the amount of two million four

1 hundred fifty thousand dollars (\$2,450,000) to Senior Assistant Attorney General Frances  
2 Grunder, which shall be used to effect restitution to consumers as provided in the Judgment.


3 7. On or before the execution of this Stipulation, Defendants shall deliver a list of all of  
4 Defendants' corporate-owned stores in the State of California to Senior Assistant Attorney  
5 General Frances Grunder.

6 8. Except as otherwise provided herein, the parties hereby waive the right to appeal, to  
7 set aside or vacate, or otherwise attack, directly or collaterally, the Judgment entered on this  
8 Stipulation or any provision thereof.

9  
10 Dated: December 31, 2008

Respectfully Submitted,

11 EDMUND G. BROWN JR.  
12 Attorney General of California  
13 FRANCES T. GRUNDER  
14 Senior Assistant Attorney General  
15 ALYCE C. SANDBACH  
16 Deputy Attorney General  
17 AMY C. TENG  
18 Deputy Attorney General

19 

20 SHELDON H. JAFFE  
21 Deputy Attorney General  
22 *Attorneys for Plaintiff*

23 Dated: December \_\_, 2008

MUNGER, TOLLES & OLSON LLP

24 JEFFREY L. BLEICH  
25 *Attorneys for Defendants*



1 hundred fifty thousand dollars (\$2,450,000) to Senior Assistant Attorney General Frances  
2 Grunder, which shall be used to effect restitution to consumers as provided in the Judgment.

3 7. On or before the execution of this Stipulation, Defendants shall deliver a list of all of  
4 Defendants' corporate-owned stores in the State of California to Senior Assistant Attorney  
5 General Frances Grunder.

6 8. Except as otherwise provided herein, the parties hereby waive the right to appeal, to  
7 set aside or vacate, or otherwise attack, directly or collaterally, the Judgment entered on this  
8 Stipulation or any provision thereof.

9  
10 Dated: December \_\_, 2008

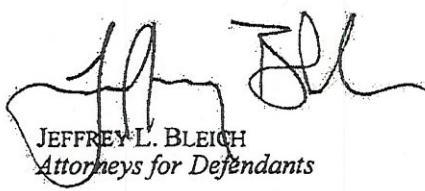
Respectfully Submitted,

11 EDMUND G. BROWN JR.  
12 Attorney General of California  
13 FRANCES T. GRUNDER  
14 Senior Assistant Attorney General  
15 ALYCE C. SANDBACH  
16 Deputy Attorney General  
17 AMY C. TENG  
18 Deputy Attorney General

19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
SHELDON H. JAFFE  
Deputy Attorney General  
*Attorneys for Plaintiff*

Dated: December 31, 2008

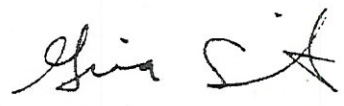
MUNGER, TOLLES & OLSON LLP

  
JEFFREY L. BLEICH  
*Attorneys for Defendants*

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Dated: December 31, 2008

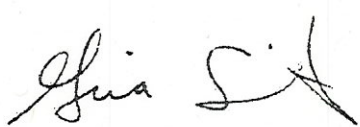
HRB TAX GROUP, INC. (F/K/A H&R  
BLOCK SERVICES, INC.)



GINA GUPTA SRIVASTAVA  
Assistant General Counsel

Dated: December 31, 2008

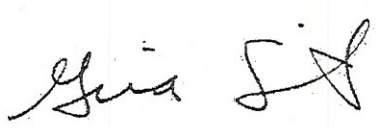
H&R BLOCK ENTERPRISES, LLC  
(F/K/A H&R BLOCK ENTERPRISES,  
INC.)



GINA GUPTA SRIVASTAVA  
Assistant General Counsel

Dated: December 31, 2008

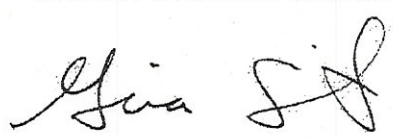
H&R BLOCK TAX SERVICES, LLC  
(F/K/A H&R BLOCK TAX SERVICES,  
INC.)



GINA GUPTA SRIVASTAVA  
Assistant General Counsel

Dated: December 31, 2008

BLOCK FINANCIAL, LLC (F/K/A  
BLOCK FINANCIAL CORPORATION)



GINA GUPTA SRIVASTAVA  
Assistant General Counsel

SF2006600363  
40298797.doc