

H&R BLOCK INC
Form 424B2
October 23, 2012
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Filed Pursuant to Rule 424(b)(2)

Registration Nos. 333-184343 and 333-184343-01

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Offered	Maximum Aggregate Offering Price	Amount of Registration Fee
5.50% Notes due 2022 Guarantees of 5.50% Notes due 2022(2)	\$500,000,000	\$68,200(1)

- (1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended.
- (2) Pursuant to Rule 457(n) of the Securities Act, no separate registration fee is payable for the guarantees.

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The notes will mature on November 1, 2022. We may redeem some or all of the notes at any time at the redemption price described in this prospectus supplement. If we experience a change of control triggering event, we may be required to offer to purchase the notes from holders as described in this prospectus supplement. The interest rate payable on the notes will be subject to adjustments from time to time if either Moody's Investors Service, Inc. or Standard & Poor's Ratings Services (or, in either case if applicable, any Substitute Rating Agency (as defined herein)) downgrades (or subsequently upgrades) the debt rating assigned to the notes as described in this prospectus supplement. There is no sinking fund for the notes.

The notes will be unsecured obligations of Block Financial LLC and will rank equally with all of its other existing and future unsecured and unsubordinated senior indebtedness. The notes will be fully and unconditionally guaranteed by H&R Block, Inc. The guarantee will rank equally with all of H&R Block, Inc.'s existing and future unsecured and unsubordinated senior indebtedness and guarantees. The notes will be issued in registered form only, in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

Investing in our notes involves risks. See Risk factors beginning on page S-8 of this prospectus supplement for more information.

	Per note	Total
Public offering price(1)	99.437%	\$ 497,185,000
Underwriting discount	0.65%	\$ 3,250,000
Proceeds, before expenses, to Block Financial LLC	98.787%	\$ 493,935,000

(1) Plus accrued interest from October 25, 2012, if settlement occurs after that date.

Neither the Securities and Exchange Commission nor any state securities commission or other regulatory body has approved or disapproved of these notes or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The notes will be ready for delivery in book-entry form only through The Depository Trust Company, Clearstream and Euroclear on or about October 25, 2012.

Joint bookrunners

J.P. Morgan

Crédit Agricole CIB

SunTrust Robinson Humphrey

TD Securities

Co-managers

BMO Capital Markets
October 22, 2012

CIBC

US Bancorp

RBC Capital Markets

RBS

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You should rely only on the information contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus, and any free writing prospectus we may authorize to be delivered to you. We have not, and the underwriters have not, authorized anyone else to provide you with any other information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making offers to sell these notes in any jurisdiction in which an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make an offer or solicitation. You should assume that information contained in this prospectus supplement, the accompanying prospectus, any free writing prospectus and the documents incorporated by reference herein and therein is accurate only as of their respective dates. Our business, financial

condition, results of operations and prospects may have changed since those dates.

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About this prospectus supplement

This prospectus supplement relates to a prospectus which is part of an automatic shelf registration statement on Form S-3 that we filed with the Securities and Exchange Commission, or SEC, as a well-known seasoned issuer as defined in Rule 405 under the Securities Act of 1933, as amended, or the Securities Act. By using a shelf registration statement, we may sell, at any time and from time to time, in one or more offerings, the debt securities described in the accompanying prospectus. As allowed by SEC rules, this prospectus supplement does not contain all of the information included in the registration statement. For further information, we refer you to the registration statement, including its exhibits, the documents incorporated by reference therein and herein, as well as the accompanying prospectus and any free writing prospectus. The accompanying prospectus provides you with a general description of the debt securities we may offer. This prospectus supplement contains specific information about the terms of this offering. This prospectus supplement may add, update or change information contained in the accompanying prospectus. If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on the information contained in this prospectus supplement.

You should read this prospectus supplement, the accompanying prospectus and any free writing prospectus. You should also read and carefully consider the information in the documents we have referred you to under the caption Where you can find more information. Information incorporated by reference after the date of this prospectus supplement is considered a part of this prospectus supplement and may add, update or change information contained in this prospectus supplement. The information in this prospectus supplement and the accompanying prospectus, any free writing prospectus or any document incorporated herein or therein by reference is accurate as of the date contained on the cover of the applicable document. Neither the delivery of this prospectus supplement and the accompanying prospectus, nor any sale made under this prospectus supplement and the accompanying prospectus will, under any circumstances, imply that the information in this prospectus supplement and the accompanying prospectus is correct as of any date after the date of this prospectus supplement and the accompanying prospectus. Any information in subsequent filings that is inconsistent with this prospectus supplement and the accompanying prospectus will supersede the information in this prospectus supplement or the accompanying prospectus. You should rely only on the information incorporated by reference or provided in this prospectus supplement and the accompanying prospectus.

We have not, and the underwriters have not, authorized anyone else to provide you with any other information. We are not, and the underwriters are not, making offers to sell these securities in any jurisdiction in which an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make an offer or solicitation.

This prospectus supplement offers a series of notes to be issued by Block Financial LLC, a Delaware limited liability company. Block Financial LLC is also referred to as Block Financial in this prospectus supplement. The notes are fully and unconditionally guaranteed by H&R Block, Inc., a Missouri corporation. H&R Block, Inc. is also referred to as H&R Block in this prospectus supplement. Unless otherwise expressly stated herein or the context otherwise requires, references in this prospectus supplement to us, we or our are collectively to Block Financial and H&R Block.

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Where you can find more information

H&R Block files annual, quarterly and current reports, proxy statements and other information with the SEC. These filings contain important information that does not appear in this prospectus supplement or the accompanying prospectus. You may read and copy materials on file with the SEC at the SEC's Public Reference Room, located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of its Public Reference Room. The SEC maintains an Internet site at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding H&R Block. H&R Block's SEC filings can also be found on its website (www.hrblock.com). However, the information on H&R Block's website is not incorporated by reference in, and is not a part of, this prospectus supplement, the accompanying prospectus or H&R Block's SEC filings.

We have filed with the SEC a registration statement on Form S-3 covering the securities offered by this prospectus supplement. You should be aware that this prospectus supplement does not contain all of the information contained or incorporated by reference in that registration statement and its exhibits and schedules. You may inspect and obtain the registration statement, including exhibits, schedules, reports and other information that we have filed with the SEC, as described in the preceding paragraph. Statements contained in this prospectus supplement concerning the contents of any document to which we refer you are not necessarily complete and in each instance we refer you to the applicable document filed with the SEC for more complete information.

Incorporation by reference

The SEC allows us to incorporate by reference information that is filed with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus supplement and the accompanying prospectus. The information that Block Financial or H&R Block file later with the SEC may update and supersede the information in this prospectus supplement and the accompanying prospectus and in the information we incorporate by reference. We incorporate by reference the documents listed below and any filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, after the date of this prospectus supplement and before the termination of the offering of the securities offered by this prospectus supplement and the accompanying prospectus (excluding any portions of such documents that have been furnished but not filed for purposes of the Exchange Act):

H&R Block's Annual Report on Form 10-K for the fiscal year ended April 30, 2012 (the 2012 Annual Report);

H&R Block's Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2012 (the July 2012 10-Q);

H&R Block's Definitive Proxy Statement on Schedule 14A filed on July 31, 2012, as amended, but only to the extent that such information was incorporated by reference into H&R Block's 2012 Annual Report; and

H&R Block's Current Reports on Form 8-K filed on May 11, 2012, May 23, 2012, June 18, 2012, June 26, 2012, August 20, 2012, September 14, 2012, September 28, 2012 and October 9, 2012 (the October 2012 8-K).

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We will provide without charge to each person, including any beneficial owner, to whom this prospectus supplement is delivered, upon written or oral request, a copy of any or all of the foregoing documents, and any other documents that are incorporated herein by reference (other than exhibits unless we specifically have incorporated those exhibits by reference in this prospectus supplement and the accompanying prospectus). Requests for such documents should be directed to H&R Block's principal executive office, located at:

H&R Block, Inc.

One H&R Block Way

Kansas City, Missouri 64105

Attention: Corporate Secretary

Telephone: (816) 854-3000

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Forward-looking statements

This prospectus supplement, the accompanying prospectus and the documents that we incorporate by reference herein and therein may contain forward-looking statements within the meaning of Section 27A of Securities Act and Section 21E of the Exchange Act. Forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended.

Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words or variations of words such as expects, anticipates, intends, plans, believes, seeks, estimates, projects, forecasts, targets, would or may or other similar expressions. Forward-looking statements provide management's current expectations or predictions of future conditions, events or results. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements. They may include, among others, estimates of revenues, income, earnings per share, cost savings, capital expenditures, dividends, liquidity, capital structure or other financial items, descriptions of management's plans or objectives for future operations, products or services, or descriptions of assumptions underlying any of the above.

All forward-looking statements speak only as of the date they are made, and they are not guarantees of future performance or events. By their nature, forward-looking statements are subject to risks and uncertainties that could cause actual results to differ adversely and materially from those anticipated by the forward-looking statements. Factors that might cause such differences include, but are not limited to:

increased competition for tax preparation clients;

failure to comply with laws and regulations that protect our clients' and employees' personal and financial information;

security concerns related to our online financial services;

an interruption in or breach of our information systems;

the effect of government initiatives that simplify tax return preparation or expedite refunds;

new capital requirements for savings and loan holding companies (SLHCs) pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act);

compliance with extensive federal banking laws and regulations;

the effect of regulations promulgated by the Consumer Financial Protection Bureau;

the effect of significant delays in launching our tax service and product offerings;

our ability to hire, train and retain sufficient qualified seasonal tax personnel;

risks related to material litigations;

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risks related to disruptions in the credit market and our ability to access liquidity;

risks related to difficult economic conditions;

the effects of the deterioration in credit quality of our loan portfolio primarily held by H&R Block Bank (HRB Bank);

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risks related to the discontinued mortgage loan origination and servicing business of Sand Canyon Corporation, a subsidiary of ours, previously known as Option One Mortgage Corporation (including its subsidiaries, collectively, SCC), including contingent losses related to representation and warranty claims, indemnity claims and securitization transactions, H&R Block s payment guarantees of certain limited claims against SCC and H&R Block s potential liability to unpaid creditors of SCC if SCC were to become insolvent; and

risks related to our exploration, and any subsequent implementation, of alternatives to cease being an SLHC.

Additional factors that could cause actual results to differ materially from those expressed in the forward-looking statements are described in H&R Block s 2012 Annual Report, H&R Block s July 2012 10-Q, H&R Block s October 2012 8-K, the risk factors described under the caption

Risk factors, as well as additional factors we may describe from time to time in other filings with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, as referenced in Where you can find more information. You should understand that it is not possible to predict or identify all such factors and, consequently, you should not consider any such list to be a complete set of all potential risks or uncertainties. In light of the significant uncertainties inherent in the forward-looking statements included or incorporated by reference in this prospectus supplement or the accompanying prospectus, you should not regard the inclusion of this information as a representation by us or any other person that the performance, events or developments described in those statements or objectives and plans will occur. For these reasons, we caution you against relying on forward-looking statements. The forward-looking statements included or incorporated by reference in this prospectus supplement and the accompanying prospectus are made only as of the date of this prospectus supplement, the accompanying prospectus or the relevant incorporated document, as the case may be, and, except as required by law, neither we nor the underwriters undertake any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions, factors, or expectations, new information, data or methods, future events or other changes.

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Summary

This summary highlights information contained elsewhere or incorporated by reference in this prospectus supplement. Because this is a summary, it does not contain all the information that may be important to you. For a more complete understanding of our business and this offering, you should read the entire prospectus supplement and the accompanying prospectus and the documents incorporated by reference in this prospectus supplement, including the risk factors described under the caption "Risk factors" and H&R Block's consolidated financial statements and related notes.

H&R Block, Inc.

H&R Block is the direct or indirect parent to subsidiaries that principally provide tax preparation and financial services. H&R Block's Tax Services segment provides assisted income tax return preparation, digital tax solutions and other services and products related to income tax return preparation to the general public primarily in the United States and its territories, and also in Canada and Australia. This segment also offers financial services including the H&R Block Prepaid Emerald MasterCard® (the "Emerald Card") and Emerald Advance lines of credit through HRB Bank, along with other retail banking services. H&R Block's Corporate operations include net interest margin and gains or losses relating to mortgage loans held for investment, real estate owned and residual interests in securitizations, along with interest expense on borrowings and other corporate expenses.

H&R Block was organized as a corporation in July 1955 under the laws of the State of Missouri. H&R Block's principal executive office is located at One H&R Block Way, Kansas City, Missouri 64105. H&R Block's telephone number is (816) 854-3000.

Block Financial LLC

Block Financial is an indirect wholly-owned subsidiary of H&R Block. Block Financial's principal business activities include:

offering lines of credit and term loans to H&R Block's tax preparation franchisees;

issuing commercial paper and corporate debt obligations and borrowing under its 2012 Credit Facility (as defined below) to finance our working capital needs; and

providing full-service banking operations through HRB Bank, its subsidiary.

Franchise Lines of Credit and Term Loans. Block Financial offers to H&R Block's tax preparation franchisees lines of credit and term loans under a program designed to better enable the franchisees to refinance existing business debt, finance the purchase of additional H&R Block franchises, expand or renovate offices or meet off-season cash flow needs. A franchise loan is secured by the H&R Block franchise and underlying business.

HRB Bank. HRB Bank, our savings bank subsidiary, offers traditional consumer banking services, including checking and savings accounts, individual retirement accounts, certificates of deposit and prepaid debit card accounts. HRB Bank offers, through H&R Block retail tax offices, the

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Emerald Card, a stored value card with the H&R Block brand name, and the Emerald Advance Line of Credit, a unique revolving line of credit linked to the Emerald Card.

Block Financial was organized in May 1992 and was converted to a Delaware limited liability company in January 2008. Like H&R Block, Block Financial is an SLHC and is subject to supervision and regulation by the Board of Governors of the Federal Reserve System (Federal Reserve). Block Financial's principal executive office is located at One H&R Block Way, Kansas City, Missouri 64105. Block Financial's telephone number is (816) 854-3000.

Recent developments

2012 Credit Facility. On August 17, 2012, Block Financial entered into a new five-year, \$1.5 billion Credit and Guarantee Agreement (the 2012 Credit Facility), among Block Financial, as borrower, H&R Block, as guarantor, the lenders that are party thereto from time to time, and JPMorgan Chase Bank, N.A., as administrative agent. The 2012 Credit Facility will expire on August 17, 2017, unless extended pursuant to its terms. The 2012 Credit Facility bears interest at an annual rate of LIBOR plus an applicable rate ranging from 0.750% to 1.45% or prime plus an applicable rate ranging from 0.000% to 0.450% (depending on the type of borrowing and H&R Block's then current credit ratings) and includes an annual facility fee ranging from 0.125% to 0.300% of the committed amounts (also depending on H&R Block's then current credit ratings). The 2012 Credit Facility is subject to various conditions, triggers, events or occurrences that could result in earlier termination and contains customary representations, warranties, covenants and events of default. For a more detailed discussion of the 2012 Credit Facility, see H&R Block's Current Report on Form 8-K filed on August 20, 2012, which is incorporated by reference into this prospectus supplement.

Exploration of alternatives to cease being a SLHC. Our subsidiary, HRB Bank, is a federal savings bank chartered under the Home Owner's Loan Act of 1933, as amended. H&R Block, H&R Block Group, Inc. and Block Financial (our Holding Companies) are SLHCs because they control HRB Bank.

The Dodd-Frank Act requires the Federal Reserve to promulgate minimum capital requirements for SLHCs, including leverage and risk-based capital requirements that are no less stringent than those applicable to insured depository institutions at the time the Dodd-Frank Act was enacted. On June 7, 2012, the Federal Reserve issued a notice of proposed rulemaking on regulatory capital requirements, implementing changes required by the Dodd-Frank Act and aspects of the Basel III regulatory capital reforms, portions of which would apply to our Holding Companies (Proposed Capital Rules). The Office of the Comptroller of the Currency, which regulates HRB Bank, and the Federal Deposit Insurance Corporation joined the Federal Reserve in requesting comments on the Proposed Capital Rules, and on August 8, 2012, the comment period was extended until October 22, 2012. We intend to provide formal comments on the Proposed Capital Rules. It is currently unclear what the regulatory capital requirements for SLHCs will be and when such capital requirements will become effective.

In connection with its first examination of H&R Block, which we believe is close to completion, the Federal Reserve Bank of Kansas City (the Reserve Bank), H&R Block's primary banking regulator, has requested that H&R Block include in its policies the guidance set forth in

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Supervisory Letter SR 09-4 (March 27, 2009) regarding the payment of dividends, stock redemptions and stock repurchases by bank holding companies. In Supervisory Letter SR 11-11 (July 21, 2011), the Federal Reserve described the supervisory approach it would use to examine SLHCs and directed examiners to apply the principles of SR 09-4 to SLHCs.

This guidance would require our Holding Companies to retain significant additional capital, even though HRB Bank has regulatory capital substantially above the well capitalized level. We have discussed our concerns with the Reserve Bank regarding the negative impact of such guidance and the Proposed Capital Rules. However, at this time, we do not foresee regulatory flexibility in this regard in light of the Federal Reserve's views of the statutory requirements imposed under the Dodd-Frank Act. Accordingly, while our current belief is that dividends at current levels would continue to be permitted as long as HRB Bank remains well capitalized, the Federal Reserve will closely supervise and likely restrict other capital allocation decisions, including stock repurchases, acquisitions and other forms of strategic investment. We believe that such regulatory constraints are inconsistent with our strategic plans, operational needs and growth objectives.

We are in the process of evaluating alternative means of ceasing to be an SLHC, in which case we would no longer be subject to regulation by the Federal Reserve as an SLHC. In connection with that evaluation, we are exploring alternatives to continue to enhance our growth by delivering financial products and services to our customers.

Our evaluation of alternatives is in its early stages and therefore we cannot predict the timing, the circumstances, or the likelihood of us ceasing to be regulated as an SLHC, or whether cessation of SLHC status would have a material adverse effect on our business and results of operations.

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The offering

The following is a brief summary of some of the terms of this offering. For a more complete description of the terms of the notes, see Description of notes in this prospectus supplement and Description of debt securities in the accompanying prospectus. References in this summary to we, us, our or the Company are to Block Financial LLC only.

Issuer	Block Financial LLC, a Delaware limited liability company.
Guarantor	H&R Block, Inc., a Missouri corporation.
Notes offered	\$500,000,000 initial principal amount of 5.50% notes due 2022, fully and unconditionally guaranteed by H&R Block.
Maturity date	November 1, 2022, unless earlier redeemed by us at our option.
Interest	Subject to Interest rate adjustment below, the notes will bear interest at the rate of 5.50% per annum from October 25, 2012 or from the most recent interest payment date on which we paid or provided for interest on the notes until their principal is paid.
Interest payment dates	The May 1 and November 1 of each year, beginning May 1, 2013 to holders of record at the close of business on the preceding April 15 and October 15, respectively.
Interest rate adjustment	The interest rate payable on the notes will be subject to adjustments from time to time if either Moody's Investors Service, Inc. or Standard & Poor's Ratings Services (or, in either case if applicable, any Substitute Rating Agency (as defined herein)) downgrades or subsequently upgrades the debt rating assigned to the notes as described under Description of notes Interest rate adjustment.
Optional redemption	At our option, we may redeem the notes, in whole or in part, at any time at a redemption price equal to the greater of (a) 100% of the principal amount of the notes to be redeemed or (b) a make-whole amount described herein, plus in either case accrued and unpaid interest to the redemption date. See Description of notes Optional redemption.
	In addition, at our option, we may redeem the notes, in whole or in part, at any time on or following May 1, 2022 (the date falling six months prior to the maturity date) at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest to the redemption date.
Mandatory offer to repurchase	If we experience a Change of Control Triggering Event (as defined in this prospectus supplement), we will be required, unless we have exercised our right to redeem the notes, to offer to purchase the notes at a purchase price equal to 101% of the aggregate principal amount

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thereof, plus accrued and unpaid interest to the repurchase date. See Description of notes Change of control triggering event.

Ranking

The notes will be general unsecured obligations of Block Financial and will rank equal in right of payment, on a pari passu basis, with all of its other existing and future unsecured and unsubordinated senior indebtedness. The notes will be fully and unconditionally guaranteed on a senior unsecured basis by H&R Block. The guarantee will rank equal in right of payment, on a pari passu basis, with all of H&R Block's existing and future unsecured and unsubordinated senior indebtedness and guarantees. The notes and the guarantee will be effectively junior to any secured debt of Block Financial or H&R Block and effectively junior to liabilities of the subsidiaries of Block Financial or H&R Block (other than Block Financial), in each case as may be outstanding from time to time.

As of July 31, 2012, Block Financial and its subsidiaries had outstanding approximately \$882.7 million of liabilities effectively ranking senior to the notes and approximately \$999.0 million of indebtedness ranking pari passu with the notes. As of the same date, H&R Block (excluding Block Financial and its subsidiaries) had outstanding approximately \$1.2 billion of liabilities effectively ranking senior to the guarantee of the notes and approximately \$10.0 million of indebtedness ranking pari passu with the guarantee of the notes.

Covenants

We will issue the notes under an indenture containing covenants for your benefit. These covenants will, among other things, restrict (in each case with certain exceptions) the ability of:

H&R Block and Block Financial to consolidate with or merge with or into any person, or convey, transfer, or lease all or substantially all of the assets of H&R Block on a consolidated basis to any person; and

H&R Block and any of its subsidiaries to create or permit to exist liens.

Additional notes

We may, without the consent of holders, issue additional notes in the future on the same terms and conditions (except for any differences in the issue price and interest accrued prior to the issue date of the additional notes, and with the same CUSIP number as the notes offered hereby), provided that such additional notes are fungible with the notes for U.S. federal income tax purposes. The notes offered by this prospectus supplement and any such additional notes would rank equally and ratably and would be treated as a single series for all purposes under the indenture.

Denomination and form

We will issue the notes in the form of one or more fully registered global notes registered in the name of the nominee of The Depository

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Trust Company (DTC). Beneficial interests in the notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Clearstream Banking, société anonyme, and Euroclear Bank, S.A./N.V., as operator of the Euroclear System, will hold interests on behalf of their participants through their respective U.S. depositaries, which in turn will hold such interests in accounts as participants of DTC. Except in the limited circumstances described in this prospectus supplement, owners of beneficial interests in the notes will not be entitled to have notes registered in their names, will not receive or be entitled to receive notes in definitive form and will not be considered holders of notes under the indenture. The notes will be issued only in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

Designated trustee

Deutsche Bank Trust Company Americas.

Governing law

The notes, the guarantee and the indenture will be governed by New York law.

Use of proceeds

The net proceeds to us from the sale of the notes offered hereby are expected to be approximately \$492.5 million, after deducting the underwriting discount and our estimated offering expenses. We intend to use the net proceeds from this offering, together with approximately \$107.5 million of cash on hand, to redeem the \$600 million aggregate principal amount of outstanding 7.875% Senior Notes due 2013 (the 2013 Notes), before payment of premium and accrued interest. See Use of proceeds.

Risk factors

Investing in our notes involves risks. See the Risk factors section of this prospectus supplement, the Risk Factors section of the accompanying prospectus, the Risk Factors section of H&R Block s 2012 Annual Report, the Risk Factors section of H&R Block s July 2012 10-Q and the risk factor contained in H&R Block s October 2012 8-K, together with all other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, for a discussion of factors you should carefully consider before deciding to invest in the notes.

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Ratio of earnings to fixed charges

As adjusted to give effect to the sale of the notes and the application of the estimated net proceeds as if they had occurred at the beginning of the respective periods, (1) Block Financial LLC's fixed charges would have exceeded earnings by approximately \$19 million for the three months ended July 31, 2012 and approximately \$3 million for the year ended April 30, 2012 and (2) H&R Block's fixed charges would have exceeded earnings by approximately \$169 million for the three months ended July 31, 2012 and its ratio of earnings to fixed charges would have been approximately 5.0x for the year ended April 30, 2012.

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Risk factors

Investing in our notes involves a risk of loss. In addition to the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, you should carefully consider the risks described below and in the Risk Factors section of H&R Block's 2012 Annual Report, in the Risk Factors section of H&R Block's July 2012 10-Q and in H&R Block's October 2012 8-K, all of which are incorporated by reference herein, before making an investment decision with respect to the notes.

Risks relating to the notes

We may not be able to repurchase the notes upon a change of control.

Upon the occurrence of a change of control event that constitutes a Change of Control Triggering Event (as defined in this prospectus supplement), unless Block Financial has exercised its right to redeem the notes, each holder of notes will have the right to require it to repurchase all or any part of such holder's notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of purchase. If a Change of Control Triggering Event occurs, there can be no assurance that Block Financial (or H&R Block as guarantor) would have sufficient financial resources available to satisfy the obligation to repurchase the notes. Block Financial's failure to purchase the notes as required under the indenture governing the notes would result in a default under the indenture, which could have material adverse consequences for us and the holders of the notes. See Description of notes Change of control triggering event.

We may be unable to pay interest on or repay the notes; our subsidiaries will have no obligations to the holders of the notes and the liabilities of our subsidiaries will be effectively senior to the notes and the guarantee.

The notes will mature on November 1, 2022. In addition, Block Financial will be obligated to pay interest on the notes semiannually on May 1 and November 1 each year, beginning May 1, 2013. On July 31, 2012, H&R Block and Block Financial (without duplication and excluding their respective subsidiaries) had an aggregate of approximately \$1.0 billion of total indebtedness outstanding. Our ability to make interest payments on this debt will depend in part on our cash flow. Each of H&R Block and Block Financial is a holding company that operates through its subsidiaries. Our cash flow and, consequently, our ability to pay interest in cash and to service our debt, including the notes, will be dependent upon the cash flow of our subsidiaries and the payment of funds to us by those subsidiaries in the form of loans, dividends or otherwise. Our subsidiaries are separate and distinct legal entities and will have no obligation, contingent or otherwise, to pay any amounts due on the notes or to make cash available for that purpose. In addition, there are various regulatory restrictions on the ability of our savings bank subsidiary, HRB Bank, to pay dividends or make other payments to us. These subsidiaries may use the earnings they generate, as well as their existing assets, to fulfill their own direct obligations. As of July 31, 2012, H&R Block's subsidiaries (other than Block Financial) had outstanding liabilities of approximately \$1.7 billion. Our subsidiaries may incur additional liabilities. The liabilities of our subsidiaries (other than Block Financial) will be effectively senior to the notes and the guarantee.

The indenture governing the notes will not limit our ability to incur future indebtedness, pay dividends, repurchase securities, engage in transactions with affiliates or engage in other activities, which could adversely affect our ability to pay our obligations under the notes.

The indenture governing the notes does not contain any financial covenants and contains only limited restrictive covenants. The indenture will not limit our or our subsidiaries' ability to incur

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additional indebtedness, issue or repurchase securities, pay dividends or engage in transactions with affiliates. We, therefore, may pay dividends and incur additional debt, including secured indebtedness in certain circumstances or indebtedness by, or other obligations of, our subsidiaries to which the notes would be structurally subordinate. Our ability to incur additional indebtedness and use our funds for a wide range of purposes may limit the funds available to pay our obligations under the notes.

Our credit ratings may not reflect all risks of an investment in the notes.

We expect that the notes will be rated by two nationally recognized statistical rating organizations at issuance. These credit ratings are limited in scope and do not address all material risks related to an investment in the notes but rather reflect only the view of each rating agency at the time the rating is issued. There can be no assurance that such credit ratings will remain in effect for any given period of time or that a rating will not be lowered, suspended or withdrawn entirely by the applicable rating agency if, in such rating agency's judgment, circumstances so warrant. Agency ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization. Each agency's rating should be evaluated independently of any other agency's rating.

No prior market exists for the notes and you cannot be sure that an active trading market will develop for those notes.

No public market exists for the notes and we cannot assure you as to the liquidity of any market that may develop for the notes, the ability of the holders to sell their notes or the price at which holders will be able to sell their notes. We do not intend to apply for listing of the notes on any securities exchange. Future trading prices of the notes will depend on many factors including, among other things, prevailing interest rates, our credit ratings, our operating results and the market for similar securities.

The underwriters have informed us that they intend to make a secondary market in the notes. They are not, however, obligated to do so, and they may discontinue any such market making activity at any time without notice to the holders of the notes. See Underwriting.

Federal and state statutes allow courts, under specific circumstances, to avoid guarantees, subordinate claims in respect of guarantees and require noteholders to return payments received from guarantors.

The notes will be guaranteed by H&R Block. The issuance of the guarantee by H&R Block may be subject to review under state and federal laws if a bankruptcy, liquidation or reorganization proceeding or a lawsuit, including in circumstances in which bankruptcy is not involved, were commenced at some future date by, or on behalf of, the unpaid creditors of H&R Block, or if H&R Block were to voluntarily commence a bankruptcy, liquidation or reorganization case for itself. Under the federal bankruptcy laws and comparable provisions of state fraudulent transfer laws, a court may avoid or otherwise decline to enforce a guarantor's guarantee, or subordinate such guarantee to such guarantor's existing and future indebtedness. In addition, any payment by a guarantor pursuant to its guarantee could be avoided and required to be returned to such guarantor or to a fund for the benefit of such guarantor's creditors. While the relevant laws may vary from state to state, a court might do so if it found that when a guarantor entered into its guarantee or, in some jurisdictions, when payments became due under such guarantee, such guarantor received less than reasonably equivalent value or fair consideration and either:

was insolvent or rendered insolvent by reason of such incurrence;

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was engaged in a business or transaction for which the guarantor's remaining assets constituted unreasonably small capital; or

intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

The measures of insolvency for purposes of the fraudulent transfer laws discussed above will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a guarantor would be considered insolvent if:

the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all of its assets;

if the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they become due.

A court may also avoid a guarantee, without regard to the above factors, if it found that a guarantor entered into its guarantee with actual intent to hinder, delay or defraud its creditors. Under the law of Missouri, where H&R Block is organized, a court could also avoid a guarantee as fictitious indebtedness without regard to the above factors, if it found that a guarantor did not receive reasonably equivalent value or fair consideration in exchange for such guarantee or that such guarantor did not substantially benefit directly or indirectly from the issuance of such guarantee. A court would likely find that H&R Block did not receive reasonably equivalent value or fair consideration for such guarantee if H&R Block did not substantially benefit directly or indirectly from the issuance of the notes.

To the extent a court avoids the guarantee as a fraudulent transfer or holds the guarantee unenforceable for any other reason, you would no longer have a claim against H&R Block. Sufficient funds to repay the notes may not be available from other sources. In addition, a court might direct you to repay any amounts, including any interest, that you already received from H&R Block.

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Set forth below are selected consolidated financial data of H&R Block for the periods indicated. H&R Block's selected consolidated financial data as of the end of, and for each year in, the three-year period ended April 30, 2012 have been derived from H&R Block's audited consolidated financial statements.

The selected consolidated financial data for H&R Block as of and for the three months ended July 31, 2012 and 2011 are derived from H&R Block's unaudited consolidated financial statements. In the opinion of management, such unaudited financial information contains all adjustments, consisting only of normal, recurring items, necessary to present fairly the financial information for such periods. Due to the seasonal nature of our business, the results for the three months ended July 31, 2012 and 2011 are not indicative of the results of operations for a full fiscal year.

This table should be read in conjunction with H&R Block's consolidated financial statements, including the related footnotes and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in H&R Block's 2012 Annual Report and in H&R Block's July 2012 10-Q, which are incorporated by reference herein and available as described under Incorporation by reference and Where you can find more information. All periods presented have been reclassified to reflect the sale in November 2011 of RSM McGladrey, Inc., a national tax and consulting firm primarily serving mid-sized businesses, as discontinued operations.

Income statement data	2010	Fiscal years ended April 30,		Three months ended	
		2011	2012	2011	July 31, 2012
					(Unaudited)
					(In thousands, except per share data)
Revenues	\$ 3,014,835	\$ 2,944,980	\$ 2,893,771	\$ 100,623	\$ 96,489
Net income (loss) from continuing operations	\$ 455,123	\$ 392,547	\$ 345,968	\$ (119,155)	\$ (105,650)
Net income (loss)	\$ 479,242	\$ 406,110	\$ 265,932	\$ (175,098)	\$ (107,441)
Basic earnings (loss) per share:					
Net income from continuing operations	\$ 1.37	\$ 1.27	\$ 1.16	\$ (0.39)	\$ (0.38)
Net income (loss)	\$ 1.44	\$ 1.31	\$ 0.89	\$ (0.57)	\$ (0.39)
Diluted earnings (loss) per share:					