

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA**

UNITED STATES OF AMERICA,

*Plaintiff,*

v.

H&R BLOCK, INC.;  
2SS HOLDINGS, INC.; and  
TA IX L.P.,

*Defendants.*

Civil Action No. 11-00948 (BAH)  
Judge Beryl A. Howell

**JOINT MEET AND CONFER REPORT**

Pursuant to Rule 26(f) of the Federal Rules of Civil Procedure, Rule 16.3(d) of the Local Civil Rules of the United States District Court for the District of Columbia, and Paragraph 5 of this Court's Standing Order for Civil Cases, Plaintiff United States of America and Defendants H&R Block, Inc., 2SS Holdings, Inc., and TA IX L.P. jointly submit this Meet and Confer Report, and move for the entry of the Proposed Joint Scheduling and Case Management Order, which is attached hereto as Exhibit 1.

**A. BRIEF STATEMENT OF THE CASE**

This action has been brought by the United States in order to both preliminarily and permanently enjoin H&R Block, Inc. from acquiring 2SS Holdings, Inc., an entity partially owned by TA IX L.P., because the United States contends that the proposed acquisition would substantially lessen competition in the alleged market for digital do-it-yourself tax preparation products in violation of Section 7 of the Clayton Act, 15 U.S.C. § 18. Defendants disagree with the United States' contention and alternatively contend that the proposed transaction would be

good for competition and consumers. This Court has subject matter jurisdiction to hear this suit under 15 U.S.C. § 25, and 28 U.S.C. §§ 1331, 1337, and 1345.

**B. MATTERS LISTED LOCAL CIVIL RULE 16.3(C)**

The parties have submitted to the Court a Joint Scheduling and Case Management Order that the parties believe addresses the majority of the subjects listed in Local Civil Rule 16.3(c) and paragraph 5(b) of this Court's Standing Order for Civil Cases with regard to the Plaintiff's request to preliminarily enjoin the proposed transaction. The parties are in agreement on all matters contained in that document except the following:

1. Date for Submission of Declarations to be Included in Preliminary Injunction Papers (Excluding Declarations of Counsel)
2. Number of Document Requests/Interrogatories/RFAs per side
3. Preliminary Injunction Hearing Length

The parties are continuing to negotiate those remaining issues. If the parties are able to reach resolution on those issues by Tuesday, June 28, 2011, the parties will submit to the Court a Proposed Joint Supplemental Scheduling and Case Management Order addressing these issues. If the parties are not able to reach resolution on those issues by that time, the parties will submit their respective proposals to the Court in a joint submission.

For those matters not covered in the Joint Scheduling and Case Management Order that are referenced in the Court's Standing Order for Civil Cases, the parties note the following:

- With respect to paragraph 5(b)(i)(A), the parties believe that discovery will be needed on issues related to proving and disproving whether Defendants' proposed transaction violates Section 7 of the Clayton Act, including but not limited to: the nature and history of competition in the alleged market; the effects and efficiencies

that would result from Defendants' proposed transaction; and the likelihood that entry and/or expansion would negate any purported harm to competition.

- With respect to paragraphs 5(b)(i)(B) and (C) of this Court's Standing Order for Civil Cases, the parties note that on June 15, 2011, this Court entered a protective order that controls the production of confidential information in this litigation.
- With respect to paragraph 5(b)(iv) of this Court's Standing Order for Civil Cases, the parties do not believe that phased discovery would be beneficial.
- With respect to the remaining relevant items listed under LCvR 16.3(c) (specifically LCvR 16.3(c)(1), (3), (4), and (5)), the parties agree as follows (numbering corresponds to the relevant Local Rule sub-paragraph number): (1) the case is likely to be disposed of based on this Court's ruling on the Preliminary Injunction motion; (3) the case should not be assigned to a magistrate judge; (4) there is little realistic possibility of settling the case; and (5) the case would not benefit from the Court's ADR procedures or any other form of ADR.

### **C. PROPOSED JOINT SCHEDULING ORDER**

In accordance with Local Civil Rule 16.3(d), the parties hereby submit a Proposed Joint Scheduling and Case Management Order. The Proposed Joint Scheduling and Case Management Order is attached hereto as Exhibit 1. The current remaining areas of disagreement between the parties are noted *supra* in Section B.

D. INITIAL STATUS CONFERENCE

While the parties are available at the Court's convenience to participate in a status conference, the parties respectfully submit that no such conference is necessary at this time.

Dated June 24, 2011

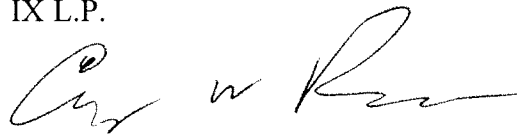
Respectfully submitted,

FOR THE UNITED STATES  
DEPARTMENT OF JUSTICE'S  
ANTITRUST DIVISION

/s/ Lawrence E. Buterman

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