

DEPARTMENT OF CONSUMER AFFAIRS
CITY OF NEW YORK

NYC DEPARTMENT OF CONSUMER AFFAIRS,

Complainant,

-against-

H&R BLOCK EASTERN ENTERPRISES, INC.
One H&R Block Way
Kansas City, Missouri 64105,

Respondent.

SUPPLEMENTAL
ASSURANCE OF
DISCONTINUANCE

Violation Nos.

CL005199346	CL005199401
CL005199112	CL005199329
CL005199127	CL005199512
OL006001046	OL006001048
OL006001078	OL006001080
OL006001092	OL006001093
OL006001094	

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COUNSEL
DEPT. OF CONSUMER AFFAIRS

H&R Block Eastern Enterprises, Inc. ("Respondent") consents to this Supplemental Assurance of Discontinuance ("Supplemental AOD") with the New York City Department of Consumer Affairs ("the Department") to settle the above violations.

1. Respondent is a Missouri corporation with at least 188 tax office locations open in New York City during the 2012 tax season.
2. Respondent previously entered into an Assurance of Discontinuance in 2010 ("2010 AOD") to settle violations issued to several of Respondent's tax office locations in 2009 and 2010. (The 2010 AOD is attached as Exhibit A.)
3. The terms of this Supplemental AOD are in addition to the terms of the 2010 AOD, unless a term is explicitly superseded by a term in this Supplemental AOD.
4. The Department served Respondent's tax office locations with the following violations on the noted dates, which cite specific tax office locations for violations of Section 20-739 et seq. of the New York City Administrative Code ("Code") and Title 6 of the Rules of the City of New York (the "Rules") Section 5-66 and Section 5-171 et seq. ("Tax Preparation Law and Rules"); and Code Section 20-700 et seq. and Section 5-01 et seq. of the Rules ("Consumer Protection Law and Rules");

- a. CL000211638 served on February 17, 2011 at 44 East 23rd Street, New York, NY 10010
- b. CL005199112 served on February 22, 2011 at 249-16 Hillside Avenue, Queens, NY 11426
- c. CL005199127 served on February 22, 2011 at 462 East Fordham Road, Bronx, NY 10468
- d. CL005199157 served on February 26, 2011 at 8506 4th Avenue, Brooklyn, NY 11209
- e. CL005199193 served on March 1, 2011 at 218 Atlantic Avenue, Brooklyn, NY 11201
- f. CL005199314 served on February 17, 2011 at 781 Broadway, Brooklyn, NY 11206
- g. CL005199329 served on February 28, 2011 at 1312 Broadway, Brooklyn, NY 11221
- h. CL005199346 served on February 23, 2011 at 869 Utica Avenue, Brooklyn, NY 11203
- i. CL005199401 served on February 17, 2011 at 4188 White Plains Road, Bronx, NY 10466
- j. CL005199451 served on March 1, 2011 at 1943 Westchester Avenue, Bronx, NY 10462
- k. CL005199512 served on February 23, 2011 at 2342 Frederick Douglas Boulevard, New York, NY 10027
- l. CL005199538 served on February 23, 2011 at 345 East 94th Street, New York, NY 10128
- m. CL005199579 served on February 24, 2011 at 2040 Forest Avenue, Staten Island, NY 10303
- n. CL005199587 served on March 2, 2011 at 2503 Adam Clayton Powell JR Boulevard, New York, NY 10039
- o. CL005199598 served on February 25, 2011 at 52 Duane St., New York, NY 10007
- p. OL006001046 served on February 15, 2012 at 2791 Richmond Avenue, Staten Island, NY 10314
- q. OL006001048 served on February 14, 2012 at 345 East 94th Street, New York, NY 10128
- r. OL006001078 served on February 8, 2012 at 2040 Forest Ave, Staten Island, NY 10303
- s. OL006001080 served on February 9, 2012 at 250 Houston St., New York, NY 10002
- t. OL006001092 served on February 10, 2012 at 3495 Broadway, New York, NY 10031
- u. OL006001093 served on February 13, 2012 at 2342 Frederick Douglas Boulevard, New York, NY 10027
- v. OL006001094 served on February 13, 2012 at Adam Clayton Powell JR Boulevard, New York, NY 10039

5. Default decisions on violation numbers OL006001078, OL006001080, and OL006001092 were issued by the Department's Adjudication Tribunal ("Tribunal") on March 30, 2012. Default decisions on violation numbers OL006001046 and

OL006001048 were issued by the Tribunal on April 11, 2012. Default decisions on violation numbers OL006001093 and OL006001094 were issued by the Tribunal on April 12, 2012.

Definitions

6. The following definition supersedes the definition set forth in paragraph 6(a) of the 2010 AOD and shall apply to both the 2010 AOD and this Supplemental AOD.
7. "Advertisement" shall mean all labels, packaging, promotional materials, statements, visual descriptions, or other representations of any kind disseminated in print, orally, or electronically by or on behalf of Respondent to New York City consumers including, but not limited to, mailings, postcards, signs, flyers, hand-outs, brochures, business cards, banners, billboards, awnings, window signs, in-store signs, store-front signs, newspaper print advertisements, television advertisements, radio advertisements and internet advertisements.

Compliance

8. Respondent shall comply fully with all relevant portions of the Administrative Code and the Rules that apply to tax preparation, including but not limited to the Tax Preparation Law and Rules and the Consumer Protection Law and Rules.
9. Respondent shall appoint a Compliance Officer to monitor and execute compliance with the 2010 AOD and this Supplemental AOD, and shall provide the name and contact information of this Compliance Officer to the Department within thirty days of the execution of this Supplemental AOD.
10. For each of its locations, Respondent shall provide to the Department, before March 31st of each year, a list of all languages other than English that are 1) used in any advertisement that references the location; or 2) spoken to customers seeking tax preparation services at the location.
11. Respondent shall provide to the Department, before March 31st of each year, an affidavit by the Compliance Officer stating that each location has made all disclosures required by the law and rules in each language used in the advertisement(s) referencing that location, and in each language in which Respondent initially communicates with consumers at each location.
12. Upon written demand by the Department, Respondent shall provide to the Department, within fifteen (15) days of the demand, photographs, invoices, receipts, copies of advertisements or other proof of compliance with this Supplemental AOD as requested by the Department.

Training

13. Respondent shall conduct an annual training before January 31st of every calendar year to ensure that all New York City employees are familiar and in compliance with this Supplemental AOD, the 2010 AOD, and the law and rules governing tax preparers in New York City.
14. Respondent shall train all newly hired New York City employees on the requirements of this Supplemental AOD, the 2010 AOD, and the law and rules governing tax preparers in New York City within two days of the employees' start date.
15. Paragraphs 13 and 14 of this Supplemental AOD shall supersede the terms of paragraphs 34 and 35 of the 2010 AOD.

Fines

16. Respondent shall pay to the Department upon execution of this agreement the full amount of \$17,000 via a bank check, certified check, or money order made payable to "the NYC Department of Consumer Affairs."

Consequences of Breach

17. Respondent acknowledges that in the event of any breach of a provision of this Supplemental AOD or the 2010 AOD, Respondent shall pay to the Department a penalty of \$750.00 for each breach, in addition to any other penalties authorized by law. In the event Respondent fails to comply with the terms of paragraph 12 of this Supplemental AOD, Respondent shall pay to the Department a penalty of \$3,000.00 in addition to the penalties provided for in this paragraph for a breach of any provision of this Supplemental AOD.
18. The terms of paragraph 17 above shall supersede the terms in paragraph 41 of the 2010 AOD.
19. Nothing in this Supplemental AOD shall waive the Department's right to impose additional fines for violations of the Consumer Protection Law and Rules, the Tax Preparer Law and Rules, and other provisions of the Administrative Code and/or the Rules.

Other Terms and Conditions

20. This Supplemental AOD resolves only those violations listed in the caption of this Supplemental AOD. Respondent is independently responsible for resolving any other outstanding violations with the Department.

21. Upon execution of this Supplemental AOD, the Department shall withdraw the following violations: CL005199314, CL00211638, CL005199538, CL005199579, CL005199598, CL005199157, CL005199451, CL005199193, and CL005199587.
22. Upon execution of this Supplemental AOD, the Department shall submit to the Tribunal a request to vacate the Default Decisions on violation numbers OL006001094, OL006001046, OL006001048, OL006001080, OL006001078, OL006001093, and OL006001092. Settlement of these violations shall take effect upon notification to both parties by the Tribunal that these decisions have been vacated.
23. This Supplemental AOD does not resolve any consumer complaints filed against Respondent and does not waive the Department's right to seek relief for aggrieved consumers, nor the right of individual consumers to bring a civil action for redress pursuant to Section 20-743.1 of the Administrative Code or any other laws.
24. Respondent waives the right to a hearing on, or appeal of, the charges in the above-captioned Notices of Hearing.
25. The acceptance of this Supplemental AOD by the Department shall not be deemed approval by the Department of any of Respondent's business practices, and Respondent shall make no representation to the contrary.
26. By signing below, I affirm that I am authorized to enter into this Supplemental AOD on behalf of Respondent.

Agreed to for Respondent

by:

BRUCE DUIGNAN

Print Name

B. Duignan 1/30/13

Signature

Date

Accepted for Jonathan Mintz
Commissioner of Consumer Affairs
for the City of New York by:

[REDACTED]

Signature

[REDACTED]
Date

EXHIBIT A

DEPARTMENT OF CONSUMER AFFAIRS
CITY OF NEW YORK

NYC DEPARTMENT OF CONSUMER
AFFAIRS,

-against- Complainant,

H&R BLOCK EASTERN ENTERPRISES, INC.
One H&R Block Way
Kansas City, Missouri 64105,

Respondent.

ASSURANCE OF
DISCONTINUANCE

Violation Nos. CL 69577
CL 76658
CL 76699
CL 77706
CL 79961
CL 79972

Respondent H&R Block Eastern Enterprises, Inc. ("Respondent") consents to this Assurance of Discontinuance ("Assurance") with the New York City Department of Consumer Affairs ("the Department") to settle the above captioned violations.

1. Respondent is a Missouri corporation with at least one hundred and seventy-eight (178) tax office locations open in New York City during the 2010 tax season.
2. The Department served Respondent's tax office locations with the following Notices of Violation on the noted dates, which cite specific tax office locations for violations of Section 20-700 et seq. of the New York City Administrative Code ("the Administrative Code" or "the Consumer Protection Law") and Section 20-739 et seq. of the Administrative Code:
 - a. CL 69577 served on January 22, 2009 at 175 East 116th Street, New York, NY 10029
 - b. CL 76658 served on January 20, 2009 at 716 Lydig Avenue, Bronx, NY 10462
 - c. CL 76699 served on January 12, 2009 at 3425 East Tremont Avenue, Bronx, NY 10465
 - d. CL 77706 served on January 30, 2009 at 116 West 72nd Street, New York, NY 10023
 - c. CL 79961 served on January 20, 2010 at 279 East 204th Street, Bronx, NY 10467
 - f. CL 79972 served on January 19, 2010 at 3425 East Tremont Avenue, Bronx, NY 10465

3. Respondent's tax office locations that received the aforementioned Notices of Violation failed to (one or more of the following applies to each violation listed):
 - a. Comply with the Consumer Protection Law as required by Section 20-700 of the Administrative Code;
 - b. Provide receipts in compliance with Section 20-740(b) of the Administrative Code;
 - c. Provide a copy of the Consumer Bill of Rights Regarding Tax Preparers as required by Section 20-740.1(b) of the Administrative Code; and
 - d. Comply with Section 20-741.1(2) of the Administrative Code in that Respondent's aforementioned tax office locations failed to provide to taxpayers the written Refund Anticipation Loan Disclosure Form in Spanish.
4. Respondent is a tax preparer as defined by Section 20-739 of the Administrative Code. Respondent is not exempt under Section 20-742 of the Administrative Code.
5. The parties are entering into this Assurance of Discontinuance ("Assurance") in order to dispose of the above captioned matters without the necessity of legal proceedings.

Definitions

6. For the purposes of this Assurance, the following definitions shall apply:
 - a. "Advertisement" shall mean all labels, packaging, promotional materials, statements, visual descriptions, or other representations of any kind disseminated in print, orally, or electronically by or on behalf of Respondent including, but not limited to, mailings, newspapers, magazines, circulars, pamphlets, catalogues, store displays, posters, banners, letters, handbills, television advertisements, internet advertisements, and/or radio advertisements.
 - b. "Clear and conspicuous" and "clearly and conspicuously" shall mean that the statement, representation, term or signage is so presented as to be easily readable, readily apparent, and understood by the audience to whom it is addressed. Factors to be considered for this purpose include, but are not limited to, clarity of language, relative type size, font, color contrast, location within an advertisement, visibility of signage and proximity to the statement or representation to which it applies.
 - c. "Refund anticipation loan" shall mean any loan a taxpayer may receive against his or her anticipated income tax return.

Disclosures

7. Respondent shall comply fully with all relevant portions of the Administrative Code, the Consumer Protection Law, and Title 6 of the Rules of the City of New York (“the Rules”) in all advertisements.
8. Specifically, Respondent shall comply fully with Section 20-741.1 of the Administrative Code by disclosing clearly and conspicuously in all advertisements for a refund anticipation loan:
 - a. That it is a loan;
 - b. That a fee or interest will be charged on the loan; and
 - c. The name of the lending institution.
9. Respondent shall provide a complete and accurate disclosure substantially similar to the sample Refund Anticipation Loan disclosure form attached as Exhibit 1 and as required by Section 20-741.1(2) of the Administrative Code (“RAL Disclosure Form”) to each taxpayer before he or she enters into a refund anticipation loan. Such disclosure shall be signed and dated by the taxpayer before he or she enters into a refund anticipation loan, and Respondent shall provide the taxpayer with a copy of the same.
10. Respondent shall provide a complete and accurate disclosure substantially similar to the RAL Disclosure Form in Spanish to each Spanish-speaking taxpayer before he or she enters into a refund anticipation loan, as required by Section 20-741.1(2). Such disclosure shall be reviewed in English and/or Spanish, then signed and dated by the taxpayer before he or she enters into a refund anticipation loan, and Respondent shall provide the taxpayer with a copy of the same.
11. In the event that the taxpayer does not understand English or Spanish, and Respondent transacts business with the taxpayer in another language understood by the taxpayer, Respondent shall provide a point-by-point oral explanation of the RAL disclosure form in a language understood by the taxpayer.
12. Respondent shall make accessible in both hard copy and electronic format, at all of its New York City locations, the RAL disclosure form in English and in Spanish.
13. Respondent shall maintain all RAL Disclosure Forms signed by taxpayers for a period of three years from the signature date and shall produce all such RAL Disclosure Forms upon demand by the Department.
14. Respondent shall ensure that all disclosures required by the Section 20-739 et seq. of the Administrative Code and Section 5-66 of the Rules are clear and conspicuous to consumers.

15. All disclosures required by the law and rules must be made in writing, in English, and in any other language Respondent uses orally, in signs or in advertising to attract or solicit consumers and/or the language in which Respondent initially communicates with consumers in its tax preparation business.

Advertising

16. Respondent shall comply fully with all relevant portions of the Administrative Code, including the Consumer Protection Law, and the Rules in all advertisements.
17. All disclosures required by the Consumer Protection Law shall be clear and conspicuous.
18. Respondent shall not directly or indirectly represent a refund anticipation loan as a refund in its advertisements.
19. Any advertisement that mentions a refund anticipation loan must state conspicuously:
 - a. That it is a loan;
 - b. That a fee or interest will be charged on the loan; and
 - c. The name of the lending institution.
20. Respondent shall maintain a master copy of all advertisements published by Respondent for a period of three years from its publication date and produce such advertisements with an affidavit stating the date, medium, and place of publication upon demand by the Department.
21. If Respondent advertises the availability of or offers refund anticipation loans to consumers, Respondent shall comply with all requirements related to refund anticipation loans under the law.

Receipts

22. Respondent shall provide taxpayers with a written statement of charges or an itemized receipt for each tax return or schedule prepared.
23. Respondent shall print its name, address, and year-round telephone number on every written statement of charges or receipt.
24. The written statement of charges or receipt shall be an individual document that is separate from any other document given to a taxpayer.
25. Respondent shall print its divisional office address and year-round telephone number on every written statement of charges or receipt.

Identity Theft

26. Respondent shall not reveal any information appearing on or gathered for the preparation of a tax return, including the fact of preparation and the content of solicitation lists, to any person or business other than:
 - a. The taxpayer;
 - b. A person designated in writing by the taxpayer; or
 - c. Anyone authorized to receive such information by court order or by law.
27. Respondent shall dispose of records containing personal identifying information such as social security numbers, driver's license numbers, non-driver identification card numbers, mother's maiden names, financial services account numbers or codes, savings account numbers or codes, checking account numbers or codes, debit card numbers or codes, automated teller machine numbers or codes, electronic serial numbers, and/or personal identification numbers by:
 - a. Shredding the records before disposal;
 - b. Destroying the personal identifying information contained in the record; and/or
 - c. Modifying the record to make the personal identifying information unreadable.
28. Respondent shall shorten (truncate) the account information on electronically printed credit and debit card receipts given to consumers. Respondent shall not include more than the last five digits of the credit or debit card number, and shall delete the card's expiration date.
29. Nothing in this agreement shall be construed as waiving or abrogating Respondent's responsibilities under federal, state or local law concerning record-keeping or record maintenance.

Department Training

30. All of Respondent's New York City District Managers shall attend a training, conducted by the Department, on the Law and Rules Regarding Income Tax Preparation, and other provisions enforced by the Department that apply to income tax preparers.
31. Respondent's New York City District Managers who attend the Department training shall conduct a training for their employees, and shall ensure that all employees are familiar and in compliance with the law and rules discussed in the Department training, as well as any other law and rules governing tax preparers in New York City.

Compliance

32. Respondent shall immediately provide to its Refund Anticipation Loan lender a copy of any violations received during the 2010 tax season relating to refund anticipation loans with this agreement, and shall provide to the lender any such future violations on an on-going basis. Respondent shall also inform the lender of the resolution or disposition of such violations, and Respondent shall carbon-copy the Department on Respondent's notification to lenders.
33. Respondent shall provide its District Managers with a copy of this Assurance and require that the District Managers familiarize themselves with the requirements of this Assurance and the laws and rules applicable to tax preparers in New York City.
34. Respondent shall conduct an annual training before January 31 of every calendar year to ensure that all New York City employees are familiar and in compliance with this Assurance and the laws and rules governing tax preparers in New York City.
35. Respondent shall train all new employees on the requirements of this Assurance and the laws and rules governing tax preparers in New York City within two days of the employees' start date for preparing taxes.
36. Respondent shall maintain for inspection by the Department files of all New York State consumer complaints related to the violative conduct cited in this Assurance, including Respondent's responses to the consumer complaints, it receives from any federal, state or local agency, including the Department, in a manner that is organized and readily accessible. Such complaints shall be made available to the Department within ten (10) days of the Department's request.
37. Respondent shall provide to the Department, within ten (10) days of the Department's request, copies of any New York City and/or New York State lawsuits related to the violative conduct cited in this Assurance filed against Respondent or settlements entered into by Respondent with any New York City and/or New York State enforcement agencies.
38. Respondent shall make all possible efforts in good faith to resolve all consumer complaints filed with the Department within twenty (20) days of receipt of copies of said complaints, but in all instances, it shall respond in writing to the Department regarding such consumer complaints within twenty (20) days of receipt of any complaints.

Fines and other Terms and Conditions

39. Respondent shall pay to the Department, by the date of **May 28, 2010**, the full amount of **\$2000.00** via a bank check, certified check, or money order for made payable to "the NYC Department of Consumer Affairs" in resolution of **CLs 69577, 76658, 76699, 77706, 79961 and 79972**.

40. If the Respondent's payment is late, the Department shall add a late fee of \$100.00 to the amount owed by the Respondent and the entire balance (including late fee) due under this Assurance shall be due immediately.
41. A violation, if proven, of any part of this Assurance by any of Respondent's New York City locations shall be treated as a separate knowing violation of the Consumer Protection Law by Respondent under Section 20-704 of the Administrative Code and a succeeding violation under Section 20-743 of the Administrative Code. Respondent shall be liable for a civil penalty of \$750 per violation for each violation of this Assurance by any of Respondent's New York City locations. Nothing in this Assurance shall waive the Department's right to impose additional fines for violations of other provisions of the Administrative Code or the Rules.
42. Respondent acknowledges that any material breach of a provision of this Assurance by Respondent or its agents shall, if proven, be assessed at the maximum penalties allowed by law as knowing violations of the Consumer Protection Law, the Tax Preparers Law and/or the Rules of the City of New York.
43. This Assurance does not resolve any consumer complaints filed against Respondent and does not waive the Department's right to seek relief for aggrieved consumers, nor the right of individual consumers to bring a civil action for redress pursuant to Section 20-743.1 of the Administrative Code or any other laws.
44. By entering into this Assurance, Respondent waives all rights to having this case heard or to an appeal.
45. All of Respondent's New York City locations, not only the locations denoted in this Assurance of Discontinuance, are bound by the terms of this Assurance.

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46. This Assurance shall constitute the final disposition of the above captioned matters only if the Assurance is fully executed and received by the Department by **August 16, 2010**.

Agreed to for Respondent H&R Block
Eastern Enterprises, Inc. by:

Accepted for Jonathan Mintz,
Commissioner of Consumer Affairs
for the City of New York by:

Robert Moretti
Vice President



Signature

8/17/10

Date

[Redacted] Esq.
Staff Counsel

Dawn Yuster 1st Deputy Director



Signature

8/26/10

Date

Please remit payment of violation and a signed copy of this Assurance of Discontinuance to:

The New York City Department of Consumer Affairs
Research & Investigations Division
Attn: Penney Vachirapapun, Esq.
42 Broadway, 9th Floor
New York, New York 10004

EXHIBIT 1

NAME OF TAX PREPARER
ADDRESS OF TAX PREPARER

- You are not required to enter into this refund anticipation loan agreement merely because you have received this information.
- If you do sign a contract for a refund anticipation loan, you will be taking out a loan. You will be responsible for repayment of the entire loan amount and all related costs and fees, regardless of how much money you actually receive in your tax refund.
- If you do not take out this refund anticipation loan, you are eligible to receive a gross tax refund of approximately \$ [insert amount].
- If you do take out this refund anticipation loan, you will be responsible to pay \$ [insert amount] in fees for the loan. After these fees are paid, you will receive approximately \$ [insert amount] as your loan.
- The estimated annual percentage rate of your refund anticipation loan is [insert amount]%. This is based on the actual amount of time you will be lent money through this refund anticipation loan.
- If you do take out this refund anticipation loan, you can expect to receive your loan within approximately two business days of [insert date].
- If you do not take out this refund anticipation loan, you can still receive your tax refund quickly. If you file your tax return electronically and receive your tax refund through the mail, you can expect to receive your refund within approximately two business days of [insert date]. If you file your tax return electronically and have your tax refund directly deposited into a bank account, you can expect to receive your refund within approximately two business days of [insert date].

NAME OF TAX PAYER

SIGNATURE OF TAX PAYER

DATE