



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

May 3, 2012

Mr. James M. Ash
Husch Blackwell LLP
4801 Main Street, Suite 1000
Kansas City, MO 64112

Re: In the Matter of H&R Block (C-7774)
H&R Block, Inc. – Waiver Request of Ineligible Issuer Status under Rule 405 of the Securities Act

Dear Mr. Ash

This is in response to your letter dated April 27, 2012, written on behalf of H&R Block, Inc. (Company) and its subsidiary Sand Canyon Corporation (Sand Canyon) and constituting an application for relief from the Company being considered an “ineligible issuer” under Rule 405(1)(vi) of the Securities Act of 1933 (Securities Act). On April 24, 2012, the Commission filed a civil injunctive complaint (Complaint), in the United States District Court for the Central District of California, against Sand Canyon. The complaint alleges that Sand Canyon violated Section 17(a) of the Securities Act. Sand Canyon filed a consent in which it agreed, without admitting or denying the allegations of the Complaint, to the entry of a Final Judgment against it. Among other things, the Final Judgment, as entered on May 2, 2012, provides for a permanent injunction from committing future violations of Section 17(a) of the Securities Act.

Based on the facts and representations in your letter, and assuming the Company and Sand Canyon comply with the Final Judgment, the Commission, pursuant to delegated authority has determined that the Company has made a showing of good cause under Rule 405(2) and that the Company will not be considered an ineligible issuer by reason of the entry of the Final Judgment. Accordingly, the relief described above from the Company being an ineligible issuer under Rule 405 of the Securities Act is hereby granted, and the effectiveness of such relief is as of the date of the entry of the Final Judgment. Any different facts from those represented or non-compliance with the Final Judgment might require us to reach a different conclusion.

Sincerely,

/s/

Mary Kosterlitz
Chief, Office of Enforcement Liaison
Division of Corporation Finance

HUSCHBLACKWELL

James M. Ash
Partner

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April 27, 2012

VIA HAND-DELIVERY

Mary Kosterlitz, Esq.
Chief of the Office of Enforcement Liaison,
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

RE: *Securities and Exchange Commission vs. Option One
Mortgage Corporation n/k/a Sand Canyon Corporation*
Case No. SACV12-633 (C.D.Ca. 2012)

Dear Ms. Kosterlitz:

This letter is submitted on behalf of our client, H&R Block, Inc. ("HRB"), in connection with the settlement of an injunction action (the "Proceeding") filed by the U.S. Securities and Exchange Commission (the "Commission") in the United States District Court in California on April 24, 2012, against HRB's indirect, wholly owned subsidiary, Sand Canyon Corporation ("Sand Canyon"). As part of the settlement negotiations, Sand Canyon has executed a Consent, in which it agreed, without admitting or denying any allegations that appear in the Commission's Complaint (the "Complaint"), to the entry of a Final Judgment against it in the action, as described below (the "Final Judgment").

HRB, through its subsidiaries, provides tax preparation, and banking services. Sand Canyon, previously known as Option One Mortgage Corporation ("Option One"), is an indirect, wholly owned subsidiary of HRB, and is the settling party in the Proceeding.¹ HRB qualifies as a well-known seasoned issuer. HRB hereby requests, pursuant to Rule 405 under the Securities

¹ There are a number of relevant Option One-related entities, including Option One Mortgage Acceptance Corporation, Option One Mortgage Corporation, Option One Mortgage Capital Corporation and various Option One Owner Trust entities. All of them are referred to herein collectively as "Option One." Sand Canyon (as Option One) ceased originating mortgage loans in December 2007 and, in April 2008, sold its servicing assets and discontinued its remaining operations.

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Act of 1933 (the "Securities Act"), that the Division of Corporation Finance, on behalf of the Commission, determine that HRB shall not be considered an "ineligible issuer" as defined in Rule 405 as a result of the Proceeding or the Final Judgment, as described below. HRB requests that this determination be made effective upon entry of the Final Judgment.

BACKGROUND

The Proceeding relates to alleged violations of the federal securities laws by Option One, in connection with the offer and sale of certain residential mortgage backed securities ("RMBSs") in 2007 issued by certain common law trusts. In the Complaint, the Commission has alleged that Option One violated Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933 as a result of misstatements, or omissions constituting misstatements, concerning Option One's financial condition and potential inability to pay repurchase obligations that were contained in the prospectus and private placement memorandum related to the sale of the RMBSs.

Option One ceased originating mortgage loans in December 2007 and, in April 2008, sold its servicing assets and discontinued its remaining operations.

Sand Canyon and the Division of Enforcement have reached an agreement to settle the Proceeding, and Sand Canyon, without admitting or denying the factual allegations set forth in the Complaint, has executed a Consent to the entry of a Final Judgment enjoining it from violating Section 17(a)(2) and 17(a)(3) of the Securities Act in the future. We believe the Final Judgment will also order Sand Canyon to disgorge \$14,250,558, pay a civil penalty in the amount of \$10,000,000 and pay prejudgment interest in the amount of \$3,982,027.

DISCUSSION

Under a number of Securities Act rules that became effective in 2005, a company that qualifies as a "well-known seasoned issuer" as defined in Rule 405 is eligible, among other things, to register securities for offer and sale under an "automatic shelf registration statement," as so defined, and to have the benefits of a streamlined registration process under the Securities Act. Companies that qualify as well-known seasoned issuers are entitled to conduct registered offerings more easily and with substantially fewer restrictions, which facilitates the raising of capital by these issuers. Pursuant to Rule 405, however, a company cannot qualify as a well-known seasoned issuer if it is an "ineligible issuer." Similarly, the Securities Act rules permit an issuer and other offering participants to communicate more freely during registered offerings by using free-writing prospectuses, but only if the issuer is not an "ineligible issuer."²

² See Securities Act Rules 164(e), 405 & 433, 17 C.F.R. 230.164(e), 230.405 & 230.433.

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Rule 405 of the Securities Act makes an issuer an “ineligible issuer” if, during the preceding three years, the issuer or any entity that at the time was a subsidiary of the issuer “was made the subject of any judicial or administrative decree or order arising out of a governmental action” that, among other things, “prohibits certain conduct or activities regarding, including future violations of, the anti-fraud provisions of the federal securities laws” or “requires that the person cease and desist from violating the anti-fraud provisions of the federal securities laws.”³ Rule 405 also authorizes the Commission to determine, “upon a showing of good cause, that it is not necessary under the circumstances that the issuer be considered an ineligible issuer.”⁴ The Commission has delegated authority to the Division of Corporation Finance to grant waivers from any of the ineligibility provisions of this definition.⁵

The Final Judgment may be deemed to be the type of decree or order arising out of a governmental action contemplated in Rule 405 that would result in HRB becoming an ineligible issuer for a period of three years after the Final Judgment is entered. As described below, this would be a significant detriment for HRB.

Rule 405 authorizes the Commission to determine that a company shall not be an ineligible issuer, notwithstanding that the company becomes subject to an otherwise disqualifying order arising out of government action. HRB believes that there is good cause, in this case, for the Commission to make such a determination with respect to the Final Judgment on the following grounds:

1. The conduct at the heart of the Proceeding did not involve HRB disclosures

The disqualification of HRB is not warranted given the nature of the alleged conduct described in the draft Final Judgment and included in the Complaint. The alleged conduct does not relate to HRB’s disclosures in its own filings with the Commission, nor does it allege fraud in connection with HRB’s offering of its own securities.

2. The disqualification of HRB would be unduly disproportionate and severe

Being considered an ineligible issuer would preclude HRB from taking advantage of many of the benefits set forth in Rules 405 and 163 and hinder necessary and periodic access to the capital markets through significantly increased time, labor and cost of such access. The disqualification of HRB as a well-known seasoned issuer would be unduly and disproportionately severe, given that the Commission staff has negotiated a settlement with Sand

³ See 17 C.F.R. § 230.405.

⁴ *Id.*

⁵ See 17 C.F.R. § 200.30-1. See also note 215 in Release No. 33-8591 (July 19, 2005).

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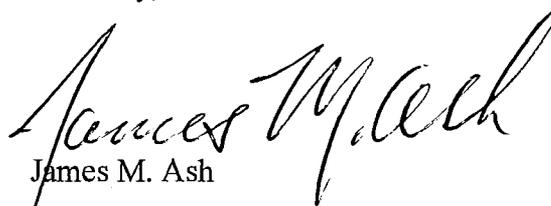
Canyon and reached a satisfactory conclusion to this matter. Applying ineligible issuer status would unfairly impose an additional penalty on HRB.

In addition, as stated above, Sand Canyon (as Option One) ceased originating mortgage loans over four years ago and, in April 2008, sold its mortgage servicing operations and discontinued its remaining operations. Disqualifying HRB from the benefits afforded a well-known seasoned issuer would not serve to protect investors.

In light of the foregoing, we believe that the designation of HRB as an ineligible issuer is not necessary under the circumstances and that HRB has shown good cause for the requested relief to be granted. Accordingly, we respectfully request that the Division of Corporation Finance, on behalf of the Commission, pursuant to Rule 405, determine that it is not necessary under the circumstances that HRB be an "ineligible issuer" within the meaning of Rule 405 as a result of the Final Judgment.

If you have any questions regarding this request, please contact the undersigned at (816) 983-8137 or Steve Hill at (816) 983-8162.

Sincerely,



James M. Ash

JMA/kmk

cc: Ms. Anne C. McKinley (U.S. Securities and Exchange Commission)
Mr. Michael Wells (U.S. Securities and Exchange Commission)
Mr. Dan Ryan (U.S. Securities and Exchange Commission)
Mr. Tom Gerke (H&R Block, Inc.)