

IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION

IN RE H&R BLOCK SECURITIES)
LITIGATION,) Case No. 06-0236-CV-W-ODS
)

ORDER APPOINTING LEAD PLAINTIFF

In the Court's September 25, 2006 Order, the parties were instructed to supply the number of shares purchased, the number of net shares purchased, the total net funds expended by the plaintiffs during the class period, the approximate losses suffered by the plaintiffs and previous experience serving as lead plaintiff, citing well-established case law. The Court also announced its preliminary intent to appoint *one* institutional plaintiff and *one* individual plaintiff as co-lead plaintiffs.

After reviewing the competing motions for appointment of Lead Plaintiff along with the suggestions and exhibits, Horizon Asset Management ("Horizon") is the only party to comply with the Court's Order. Horizon submitted its brief, alleging it purchased 2,722,696 total shares, purchased 2,670,099 net shares, expended \$66,663,473.00 total funds to purchase shares and it suffered a loss of \$6,602,249.17. Instead of complying, Iron Workers, joined by Momentum Partners, submitted briefs and affidavits suggesting it presently holds 5,600 shares and has held over 5,000 shares since the beginning of this litigation, and contended this was all the information the Court required. Individual Plaintiffs Gottlieb and Lebowitz did not provide information about their individual circumstances. Instead, they filed a joint motion to serve as joint representatives of nominal defendant H&R Block against the individual defendants, but do not seek appointment as lead plaintiff. Both individuals assert owning an unspecified number of shares, but do not indicate when the shares were purchased or the price paid. Accordingly, the Court is abandoning its earlier plan of appointing two co-lead plaintiffs, consisting of one individual and one institutional plaintiff, and appoints Horizon as lead plaintiff in this matter.

Pursuant to PSLRA, once the most adequate plaintiffs are selected, the "most adequate plaintiff[s]" shall, subject to the approval of the court, select and retain counsel

to represent the class.” 15 U.S.C. § 78u-4(a)(3)(B)(v). Lead Plaintiffs seek approval of their selection of the law firm of Gold Bennet Cera & Sidener LLP (“Gold Bennet”) to serve as Lead Counsel. Upon review of the firm résumé, it appears Gold Bennet has significant experience litigating securities class actions, employs several qualified attorneys, and possesses ample resources to effectively manage the class litigation and protect the class’s interests. Thus, Gold Bennet is appointed as Lead Counsel for the Plaintiff Class.

Lead Plaintiff also requests the Court approve Stueve Siegel Hanson Woody LLP (“Stueve Siegel”) to serve as local counsel. Lead Plaintiffs are free to choose whomever they wish to represent them locally. Therefore, this request is denied as moot.

Within thirty days, Lead Plaintiff shall file an Amended Complaint. In preparing the Amended Complaint, Lead Counsel should consider claims that have been asserted in all the cases that have been consolidated into this proceeding. All defendants named in the Amended Complaint shall have thirty days to file an Answer or Amended Answer as the case may be. Within thirty days of defendants’ Answer, the parties shall file a Joint Proposed Scheduling Order to establish Rule 26 deadlines and requirements.

Counsel are reminded that the undersigned prefers to receive courtesy copies of all operative pleadings, dispositive motions, and pleadings exceeding ten pages in length.

IT IS SO ORDERED.

Date: November 3, 2006

/s/ Ortrie D. Smith
ORTRIE D. SMITH, JUDGE
UNITED STATES DISTRICT COURT