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## H&R Block Tax Pros File Wage Action Over Training

By Allison Grande

Law360, New York (January 26, 2010) -- Two former H&R Block Inc. tax professionals have launched a putative collective action accusing the tax preparation specialist of violating the Fair Labor Standards Act by refusing to pay the employees for mandatory training sessions held outside tax season.

In a complaint lodged in the U.S. District Court for the Western District of Missouri on Monday, Missouri residents Barbara Petroski and Cathy Camden claim that H&R Block and its subsidiaries H&R Block Enterprises LLC and H&R Block Eastern Enterprises Inc. have failed to pay them and other similarly situated tax professionals the federally required minimum wage for 24 hours of training the company required to prepare workers for the next tax season.

Although the company's roughly 100,000 tax professionals perform their core duties during the approximately 15-week tax season that runs from January to mid-April, H&R Block mandates in accordance with a companywide policy and practice that each tax professional complete 24 hours of training following the tax season in order to be eligible to prepare tax returns for the company's clients during the next tax season.

According to the suit, however, the tax professionals never received any compensation for this training that occurred during the existence of the plaintiffs' continuing employment relationship with the company, a violation of the FLSA's minimum wage provision, which the plaintiffs claim applies to the proposed class of hourly, nonexempt tax professionals.

Because H&R Block "acted willfully and knew, or showed reckless disregard of whether its conduct was prohibited by the FLSA," the complaint claims, the plaintiffs are entitled to damages equal to the unpaid minimum wage associated with these 24 hours of training in the past three years, compensation that ranges from \$5.15 per hour in July 2007 to \$7.25 per hour in July 2009.

The complaint also seeks liquidated and other statutory damages for the company's allegedly willful violations of the FLSA's minimum wage provision, as well as attorneys' fees and costs and prejudgment and post-judgment interest.

Representatives for the parties could not be immediately reached for comment Tuesday.

The tax preparation company — which prepared more than 21 million U.S. tax returns in each of the past three years while generating more than \$8.7 billion in revenue during that time — is currently facing a separate FLSA action brought by a former tax agent in the U.S. District Court for the Southern District of Florida.

In that lawsuit, lead plaintiff Joaquin Llano claimed that his supervisors at H&R Block's Miami-Dade office told employees to clock out after working 40 hours but to continue working so the company did not have to pay overtime.

Llano lodged a renewed bid for class certification on Jan. 18, following a judge's Jan. 12 denial of certification on the grounds that the lead plaintiff had not proven that a nationwide class existed.

The plaintiffs in the current matter are represented by Stueve Siegel Hanson LLP and Lear Werts LLP.

Counsel information for H&R Block was not immediately available.

The case is Petroksi et al. v. H&R Block Inc. et al., case number 10-cv-00075, in the U.S. District Court for the Western District of Missouri.

--Additional reporting by Liz McKenzie

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