

Edgar Filing: OMNI ENERGY SERVICES CORP - Form 8-K

OMNI ENERGY SERVICES CORP

Form 8-K

March 03, 2005

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

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): MARCH 3, 2005
(FEBRUARY 25, 2005)

OMNI ENERGY SERVICES CORP.
(Exact name of registrant as specified in its charter)

LOUISIANA	0-23383	72-1395273
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

4500 NE INTERSTATE 49
CARENCRO, LOUISIANA 70520
(Address of principal executive offices) (Zip Code)

(337) 896-6664
(Registrant's telephone number, including area code)

NOT APPLICABLE
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2.below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Edgar Filing: OMNI ENERGY SERVICES CORP - Form 8-K

Item 2.04. Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement

On February 25, 2005, OMNI Energy Services Corp. ("OMNI") received notice of certain alleged events of default (collectively, "Events of Default") under certain of its Debentures (as defined below). As used in this Form 8-K, the following terms are defined as follows:

"Debentures" means the 6.5% Convertible Debentures, dated February 12, 2004 and April 15, 2004, of OMNI issued to Portside Growth and Opportunity Fund ("Portside") in the respective original principal amounts of \$2,500,000 and \$1,250,000.

"Securities Purchase Agreements" means the Securities Purchase Agreements, dated as of February 12, 2004 and April 15, 2004, by and between OMNI and each of the Investors whose names appear on the signature pages thereto.

"Amendment" means the Amendment and Conditional Waiver Agreement, dated as of October 8, 2004, by and between OMNI and each of the Investors whose names appear on the signature pages thereto, that amends, modifies and waives certain terms and conditions of the Securities Purchase Agreements and Debentures.

"Subordination Agreements" means the Subordination and Intercreditor Agreements, dated as of February 12, 2004 and April 15, 2004, among the Subordinated Creditors identified on the signature pages thereto and Webster Business Credit Corporation (the "Agent"), in its capacity as agent under the Senior Credit Agreement (as defined therein).

By letter dated February 25, 2005, Portside notified OMNI of the following alleged Events of Default under the Debentures:

1. Failure to make the October Interest Payment (as defined in the Amendment) and to pay accrued and unpaid interest thereon;
2. Failure to pay the November Put (as defined in the Amendment), plus accrued and unpaid interest thereon;
3. Failure to pay a Put Amount (as defined in the Debentures) with respect to December 2004, plus accrued and unpaid interest thereon;
4. Failure to pay interest with respect to the Debentures on January 1, 2005 and to pay accrued and unpaid interest thereon;
5. Failure to pay a Put Amount with respect to January 2005, plus accrued and unpaid interest thereon;
6. Failure to pay a Put Amount with respect to February 2005, plus accrued and unpaid interest thereon; and
7. Failure to hold a shareholders meeting to seek the Shareholder Approval (as defined in the Securities Purchase Agreements) and as provided in Section 7 of the Amendment.

As a result of these alleged Events of Default, Portside demanded that OMNI redeem all of the Debentures held by it, in the aggregate principal amount of \$2,765,625, on March 2, 2005. Portside also notified OMNI of its intention to commence a civil action against OMNI to obtain a judgment with respect to all amounts owed to it under the Debentures.

Edgar Filing: OMNI ENERGY SERVICES CORP - Form 8-K

Under the Debentures, if an Event of Default occurs, each Debenture holder can require OMNI to redeem all or a portion of its Debentures for an amount equal to the greater of (i) the outstanding principal of and accrued and unpaid interest on the Debentures and (ii) the product of (y) the aggregate number of shares of Common Stock into which the Debentures are convertible (without regard to any limitation on such conversion) and (z) the average of the volume weighted average price of the Common Stock for the five days prior to redemption date as established by the Debenture holder (the "Mandatory Redemption Price").

Under these terms, OMNI is required to pay the Mandatory Redemption Price to Portside no later than March 9, 2005, which is five business days following March 2, 2005. If OMNI fails to pay the Mandatory Redemption Price to Portside by March 9, 2005, Portside is entitled to interest thereon at the lower of ten percent (10%) and the highest rate permitted by applicable law from March 2, 2005 until the Mandatory Redemption Price has been paid in full. To date, no other holder of Debentures has required OMNI to pay the Mandatory Redemption Price.

Portside's acceleration of the maturity of the Debentures and its potential commencement and prosecution of a civil action against OMNI to obtain a judgment with respect to all amounts owed to it under the Debentures are subject to the terms of the Subordination Agreements. Pursuant to the Subordination Agreements, Portside is not authorized to receive any payment in respect to the Debentures as a result of the acceleration of the maturity of the debentures or enforce any such judgment without the prior written consent of Agent, except upon the earliest to occur of, among other things, (i) acceleration of the senior debt, (ii) commencement of enforcement of any rights and remedies under the senior debt documents or applicable law with respect to the senior debt or the senior debt documents, (iii) the institution of any Proceeding (as defined in the Subordination Agreements), or (iv) the passage of 180 days from the date on which Agent receives written notice of the default from Portside.

It should be noted that on January 25, 2005 OMNI announced it had filed suit in the United States District Court for the Western District of Louisiana against the holders of the Debentures. The suit alleges claims arising under Section 16(b) of the Securities Exchange Act of 1934 (the "16(b) Suit"). Should Portside elect to pursue a civil action against OMNI, OMNI intends to assert all available remedies pursuant to and consistent with its claims previously filed against Portside and the other holders of the Debentures in the 16(b) Suit.

The existence of the Events of Default constitutes an event of default under the cross default provisions of OMNI's loan agreement with the Agent, its senior secured lender.

The existence of the Events of Default also constitutes an event of default also under the terms of OMNI's indebtedness to Beal Bank S.S.B. On January 27, 2005, OMNI and Beal Bank, S.S.B. entered into a Forbearance Agreement with respect to the Promissory Note dated as of October 22, 2004 between Maker and Beal Bank S.S.B. dated effective as of January 21, 2005. Pursuant to the Forbearance Agreement, Beal Bank S.S.B. agreed to forbear from exercising any of its rights and remedies arising under the Promissory Note until March 15, 2005.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: March 3, 2005

OMNI ENERGY SERVICES CORP.

By: /s/ G. Darcy Klug

G. Darcy Klug
Executive Vice President

132.56 128.22

H&R BLOCK 2006 Proxy Statement

EQUITY COMPENSATION PLANS

The following table provides information about the Company's Common Stock that may be issued upon the exercise of options, warrants and rights under all of the Company's existing equity compensation plans as of April 30, 2006. The Company currently has four stock-based compensation plans: the 2003 Long-Term Executive Compensation Plan, the 1989 Stock Option Plan for Outside Directors, the 1999 Stock Option Plan for Seasonal Employees, and the 2000 Employee Stock Purchase Plan. The shareholders have approved all of the Company's stock-based compensation plans. The shareholders approved the 2003 Plan in September 2002 to replace the 1993 Long-Term Executive Compensation Plan, effective July 1, 2003. The 1993 Plan terminated at that time, except with respect to outstanding awards thereunder. The shareholders had approved the 1993 Plan in September 1993 to replace the 1984 Long-Term Executive Compensation Plan, which terminated at that time except with respect to outstanding options thereunder.

Plan category	Number of securities to Be Issued Upon Exercise of Outstanding Options, Warrants and Rights (A)	Weighted-average exercise price of outstanding options, warrants and rights (B)	Number of securities remaining available for future issuance under equity compensation plans excluding securities reflected in column (A) (C)
Equity compensation plans approved by security holders	26,048,000	\$21.40	27,355,864
Equity compensation plans not approved by security holders			
Total	26,048,000	\$21.40	27,355,864

EMPLOYMENT AGREEMENTS, CHANGE-IN-CONTROL AND OTHER ARRANGEMENTS

Mark A. Ernst is subject to an Employment Agreement with HRB Management, Inc. (HRB), an indirect subsidiary of the Company, dated July 16, 1998, whereby effective September 1, 1998, he was employed as the Executive Vice President and Chief Operating Officer of the Company. The Agreement provides for an initial base salary at an annual rate of \$400,000; participation in the Company's Short-Term Incentive Plan; 72,000 restricted shares of the Company's Common Stock (Common Stock) (split-adjusted) awarded on the effective date; and a stock option to purchase 300,000 shares of Common Stock (split-adjusted) granted on the effective date. Base salary and incentive bonus compensation are to be reviewed annually by the Compensation Committee. The Agreement provides that it may be terminated by either party at any time for any reason upon 45 days' prior written notice, by HRB for cause, and by Mr. Ernst for good reason, in each case as defined in the Agreement. If the Agreement is terminated by HRB without cause, by Mr. Ernst for good reason, or by either party during the 180-day period following the date of a change of control (as defined in the Agreement) of the Company, HRB is obligated to continue to pay Mr. Ernst's salary (determined as of the termination date) and provide all other benefits for a period of two years following such termination, as well as a pro rata portion of the incentive bonus compensation to which he would have been entitled had he remained employed through the end of the fiscal year in which such termination occurs. In addition, all outstanding stock options become fully vested and are exercisable for the three-month period following termination, and any restrictions upon Common Stock awarded Mr. Ernst on the effective date lapse and such stock becomes fully vested upon the date of termination.

Robert E. Dubrish is subject to an Employment Agreement with Option One Mortgage Corporation (Option One), an indirect subsidiary of the Company, dated February 9, 2002, and effective June 30, 2001. The Agreement provides for a base salary at an annual rate of \$360,000 as of the effective date and a stock option to purchase 60,000 shares of Common Stock (split-adjusted) granted as of the effective date. Base salary and any incentive bonus compensation are to be reviewed annually by the Compensation Committee. The Agreement provides that it may be terminated by either party at any time for any reason upon 45 days' prior written notice. Option One also has the right to terminate the Agreement without notice upon the occurrence of certain stated events. If Mr. Dubrish incurs a qualifying termination, as defined in the H&R Block Severance Plan (the Severance Plan), or if the Agreement is terminated by Mr. Dubrish within 180 days following a change of control (as defined in the Agreement) of the Company, Option One is obligated to pay to Mr. Dubrish his choice of the level of severance compensation and benefits as would be provided under the Severance Plan as such plan exists either on the effective date of the Agreement or on Mr. Dubrish's last

day of employment. As

H&R BLOCK 2006 Proxy Statement

of the effective date, the Severance Plan provides maximum compensation of 18 months of salary and one and one-half times target payout under the STI Program, with the actual amount based upon Mr. Dubrish's salary and target payout, salary grade and length of service with all subsidiaries of the Company at the time of his termination, as well as a discretionary payment, which may be zero. In addition, in such circumstances, Option One is obligated to provide health, life and disability insurance benefits for up to 12 months following such termination, and all outstanding stock options that would have vested in the 18-month period following termination become fully vested and are exercisable for the three-month period following termination or the severance period.

William L. Trubeck is subject to an Employment Agreement with HRB, an indirect subsidiary of the Company, dated October 4, 2004, whereby effective October 4, 2004, he was employed as the Executive Vice President, Chief Financial Officer of the Company. The Agreement provides for an initial base salary at an annual rate of \$450,000; participation in the Company's Short-Term Incentive Plan; a stock option to purchase 50,000 shares of the Company's Common Stock granted on the effective date; and 10,000 shares of Common Stock awarded promptly after the effective date. Base salary is to be reviewed for adjustment no less often than annually. The Agreement provides that it may be terminated by either party at any time for any reason upon 45 days' prior written notice. HRB also has the right to terminate the Agreement without notice upon the occurrence of certain stated events. If Mr. Trubeck incurs a qualifying termination as defined in the Severance Plan, or if the Agreement is terminated by Mr. Trubeck within 180 days following a change in control (as defined in the Agreement) of the Company, HRB is obligated to pay Mr. Trubeck his choice of the level of severance compensation and benefits as would be provided under the Severance Plan as such plan exists either on the effective date of the Agreement or on Mr. Trubeck's last day of employment. As of the effective date, the Severance Plan provides maximum compensation of 18 months of salary and one-twelfth of the target payout under the STI Program multiplied by Mr. Trubeck's years of service (which shall in no event equal less than 12 years) as well as a discretionary payment, which may be zero. In addition, all restrictions on Common Stock awarded to Mr. Trubeck which would have vested within 18 months after the date of termination, shall lapse and such stock becomes fully vested upon the date of termination, and all outstanding stock options that would have vested in the 18-month period following termination become fully vested and are exercisable for the three-month period following termination or the severance period.

Steven Tait is subject to an Employment Agreement with HRB Business Services, Inc. (now RSM McGladrey Business Services, Inc.) (RSM), an indirect subsidiary of the Company, dated April 1, 2003, whereby effective April 1, 2003, he was employed as President of RSM. The Agreement provides for an initial base salary at an annual rate of \$400,000; participation in the Company's Short-Term Incentive Plan with a target bonus for fiscal year 2004 of \$220,000; 7,500 restricted shares of the Company's Common Stock awarded on the effective date; a stock option to purchase 50,000 shares of Common Stock granted on the effective date; and a stock option to purchase 40,000 shares of Common Stock granted on the date in fiscal year 2004 on which options are granted to all or substantially all other senior executives of the Company and its subsidiaries. Base salary is to be reviewed for adjustment no less than annually. The Agreement provides that it may be terminated by either party at any time for any reason upon 45 days' prior written notice. RSM also has the right to terminate the Agreement without notice upon the occurrence of certain stated events. If Mr. Tait incurs a qualifying termination, as defined in the Severance Plan, or if the Agreement is terminated by Mr. Tait within 180 days following a change of control (as defined in the Agreement) of the Company, RSM is obligated to pay to Mr. Tait his choice of the level of severance compensation and benefits as would be provided under the Severance Plan as such plan exists either on the effective date of the Agreement or on Mr. Tait's last day of employment. As of the effective date, the Severance Plan provides maximum compensation of 18 months of salary and one-twelfth of the target payout under the STI Program multiplied by Mr. Tait's years of service, as well as a discretionary payment, which may be zero. In addition, in such circumstances, RSM is obligated to provide medical, dental, vision, employee assistance, life insurance, cafeteria plan and accidental death and dismemberment insurance benefits for up to 12 months following such termination, and all outstanding stock options that would have vested in the 18-month period following termination become fully vested and are exercisable for the three-month period following termination or the severance period.

Nicholas J. Spaeth is subject to an Employment Agreement with HRB, an indirect subsidiary of the Company, dated February 2, 2004, whereby effective February 2, 2004, he was employed as the Senior Vice President, Chief Legal Officer of the Company. The Agreement provides for an initial base salary at an annual rate of \$400,000; participation in the Company's Short-Term Incentive Plan; a \$300,000 bonus upon completion of Fiscal Year 2004; 20,000 restricted shares of the Company's Common Stock awarded on the effective date; and a stock option to purchase 200,000 shares of Common Stock granted on the

H&R BLOCK 2006 Proxy Statement

effective date. Base salary and incentive bonus compensation are to be reviewed annually by the Compensation Committee. The Agreement provides that it may be terminated by either party at any time for any reason upon 45 days prior written notice. HRB also has the right to terminate the Agreement without notice upon the occurrence of certain stated events. If Mr. Spaeth incurs a qualifying termination, as defined in the Severance Plan, or if the Agreement is terminated by Mr. Spaeth within 180 days following a change of control (as defined in the Agreement) of the Company, HRB is obligated to pay to Mr. Spaeth his choice of the level of severance compensation and benefits as would be provided under the Severance Plan as such plan exists either on the effective date of the Agreement or on Mr. Spaeth's last day of employment. As of the effective date, the Severance Plan provides maximum compensation of 18 months of salary and one twelfth of the target payout under the STI Program multiplied by Mr. Spaeth's years of service, as well as a discretionary payment, which may be zero. In addition, in such circumstances, HRB is obligated to provide medical, dental, vision, employee assistance, life insurance, cafeteria plan and accidental death and dismemberment insurance benefits for up to 12 months following such termination, and all outstanding stock options that would have vested in the 18-month period following termination become fully vested and are exercisable for the three-month period following termination or the severance period.

Stock option agreements entered into on or after June 30, 1996 between the Company and the recipients of stock options granted pursuant to the 1993 Long-Term Executive Compensation Plan and the 2003 Long-Term Executive Compensation Plan contain provisions that accelerate the vesting of options held more than six months in the event of certain changes in control. For purposes of such agreements, changes in control include (i) the purchase or other acquisition by a person, entity or group of persons of beneficial ownership of 20% or more of the Company's voting securities, (ii) the turnover of more than a majority of the directors on the Board of Directors as a result of a proxy contest or series of contests, (iii) either approval (for agreements entered into prior to June 30, 2001) by the Company's shareholders or completion (for agreements entered into on or after June 30, 2001) of (A) a reorganization or consolidation such that the shareholders immediately prior to the reorganization or consolidation do not, immediately after such reorganization or consolidation, own more than 50% of the voting securities of the reorganized or consolidated organization, or (B) the sale of all or substantially all of the assets of the Company, or (iv) approval by the Company's shareholders of a liquidation or dissolution of the Company.

INFORMATION REGARDING SECURITY HOLDERS

SECURITY OWNERSHIP OF DIRECTORS AND MANAGEMENT

The following table shows as of June 1, 2006 the number of shares of Common Stock beneficially owned by each director and nominee for election as director, by each of the Named Officers and by all directors and executive officers as a group. The number of shares beneficially owned is determined under rules of the Securities and Exchange Commission. The information is not necessarily indicative of beneficial ownership for any other purpose. Under these rules, beneficial ownership includes any shares as to which the individual has either sole or shared voting power or investment power and also any shares that the individual has the right to acquire within

H&R BLOCK 2006 Proxy Statement

60 days through the exercise of any stock option or other right. Unless otherwise indicated in the footnotes, each person has sole voting and investment power with respect to shares set forth in the following table.

Name	Number of Shares			
	Beneficially Owned ⁽¹⁾	Share Units and Share Equivalents ⁽²⁾	Total	Percent of Class
Thomas M. Bloch	266,024(3)	0	266,024	*
Jerry D. Choate	0	0	0	*
Robert E. Dubrish	897,268(4)	0	897,268	*
Donna R. Ecton	105,268	5,298	110,566	*
Mark A. Ernst	2,484,295(5)	0	2,484,295	*
Henry F. Frigon	64,000(6)	15,040	79,040	*
Roger W. Hale	136,689	5,296	141,985	*
Len J. Lauer	0	0	0	*
David B. Lewis	12,000	0	12,000	*
Tom D. Seip	37,400	2,847	40,247	*
Louis W. Smith	76,000	19,177	95,177	*
Nicholas J. Spaeth	384,455(7)	2,994	387,449	*
Steven Tait	261,736(8)	0	261,736	*
William L. Trubeck	105,060(9)	211	105,271	*
Rayford Wilkins, Jr	44,000	9,388	53,388	*
All directors and executive officers as a group (25 persons)	5,930,873(10)(11)	61,125	5,991,999	1.37%

* Less than 1%

- (1) Includes shares that on June 1, 2006 the specified person had the right to purchase as of June 30, 2006 pursuant to options granted in connection with the Company's 1989 Stock Option Plan for Outside Directors or the Company's Long-Term Executive Compensation Plans, as follows: Mr. Bloch, 44,000 shares; Mr. Dubrish, 704,000 shares; Ms. Ecton, 84,000 shares; Mr. Ernst, 2,193,332 shares; Mr. Frigon, 56,000 shares; Mr. Hale, 92,000 shares; Mr. Lewis, 8,000 shares; Mr. Seip, 32,000 shares; Mr. Smith, 68,000 shares; Mr. Spaeth, 329,999 shares; Mr. Tait, 226,665 shares; Mr. Trubeck, 66,666 shares; and Mr. Wilkins, 44,000 shares.
- (2) These amounts reflect share unit balances in the Company's Deferred Compensation Plan for Directors, the Company's Deferred Compensation Plan for Executives and/or the Company's Stock Plan for Non-Employee Directors. The value of the share units mirrors the value of the Company's Common Stock. The share units do not have voting rights.
- (3) Mr. Bloch has shared voting and shared investment power with respect to 124,800 of these shares. Mr. Bloch disclaims beneficial ownership of 100,000 shares held by M&H Bloch Partners, LP, except to the extent of his partnership interest therein.
- (4) Includes 28,514 shares of restricted stock granted under the Company's Long-Term Executive Compensation Plan.
- (5) Includes 56,666 shares of restricted stock granted under the Company's Long-Term Executive Compensation Plan and 8,014 shares held in the Company's Employee Stock Purchase Plan (the ESPP).
- (6) Mr. Frigon has shared voting and shared investment power with respect to 8,000 of these shares.
- (7) Includes 43,333 shares of restricted stock granted under the Company's Long-Term Executive Compensation Plan and 860 shares held in the ESPP.
- (8) Includes 20,666 shares of restricted stock granted under the Company's Long-Term Executive Compensation Plan.
- (9) Includes 27,333 shares of restricted stock granted under the Company's Long-Term Executive Compensation Plan and 395 shares held in the Company's Retirement Savings Plan.
- (10) Includes shares held by certain family members of such directors and officers or in trusts or custodianships for such members (directly or through nominees) in addition to 4,804,597 shares which such directors and officers have the right to purchase as of June 30, 2006 pursuant to options granted in connection with the Company's stock option plans.
- (11) Includes 5,798,073 shares held with sole voting and investment powers and 132,800 shares held with shared voting and investment powers.

H&R BLOCK 2006 Proxy Statement

PRINCIPAL SECURITY HOLDERS

The following table sets forth the name, address and share ownership of each person or organization known to the Company to be the beneficial owner of more than 5% of the outstanding Common Stock of the Company. The information provided is based upon Schedule 13G filings with the Securities and Exchange Commission

Name and Address of Beneficial Owner	Shares Beneficially Owned	Percent of Common Stock Outstanding
Barclays Global Investors, NA 45 Fremont Street San Francisco, California 94105	16,597,099	5.07% ⁽¹⁾
Warren E. Buffett, Berkshire Hathaway Inc., OBH, Inc., and National Indemnity Company 1440 Kiewit Plaza Omaha, Nebraska 68131	18,538,100	5.70% ⁽²⁾
Franklin Resources, Inc. One Franklin Parkway San Mateo, California 94403-1906	21,796,714	6.70% ⁽³⁾
Harris Associates L.P. Harris Associates Inc. Two North LaSalle Street, Suite 500 Chicago, Illinois 60602-3790	27,362,870	8.35% ⁽⁴⁾
Davis Selected Advisers, L.P. 2949 East Elvira Road, Suite 101 Tucson, Arizona 85706	38,265,934	11.79% ⁽⁵⁾

- (1) Information as to the number of shares and the percent of Common Stock outstanding is as of December 31, 2005 and is furnished in reliance on the last-filed Schedule 13G of Barclays Global Investors, NA filed on January 26, 2006. The Schedule 13G indicates that Barclays Global Investors, NA, Barclays Global Fund Advisors, Barclays Global Investors, Ltd., and Barclays Global Investors Japan Trust and Banking Company Limited each have sole voting and dispositive power over a portion of the shares. The Schedule 13G indicates that the number of shares beneficially owned includes 16,104,247 shares with sole voting power, and 16,597,099 shares with sole dispositive power.
- (2) Information as to the number of shares and the percent of Common Stock outstanding is as of December 31, 2005 and is furnished in reliance on the last-filed Schedule 13G of Berkshire Hathaway Inc., filed on February 14, 2006. The Schedule 13G indicates that Warren E. Buffett, Berkshire Hathaway Inc., OBH, Inc. and National Indemnity Company share voting and dispositive power over the shares.
- (3) Information as to the number of shares and the percent of Common Stock outstanding is as of December 31, 2005 and is furnished in reliance on the last-filed Schedule 13G of Franklin Resources, Inc. filed on February 13, 2006. The Schedule 13G indicates that Templeton Global Advisors Limited has sole voting power with regard to 19,183,574 shares, sole dispositive power with regard to 19,344,974 shares, and shared dispositive power with regard to 38,600 shares.
- (4) Information as to the number of shares and the percent of Common Stock outstanding is as of December 31, 2005 and is furnished in reliance on the Schedule 13G of Harris Associates L.P., Harris Associates Inc., and Harris Associates Investment Trust, 36-4032559 series

Edgar Filing: OMNI ENERGY SERVICES CORP - Form 8-K

- designated The Oakmark Select Fund filed on February 14, 2006. The Schedule 13G indicates that the number of shares beneficially owned includes 27,362,870 shares with shared voting power, 4,884,670 shares with sole dispositive power and 22,478,200 shares with shared dispositive power. The Oakmark Select Fund, as a series of the Harris Associates Investment Trust, owns 16,519,600 shares (5.04%).
- (5) Information as to the number of shares and the percent of Common Stock outstanding is as of December 31, 2005 and is furnished in reliance on the Schedule 13G of Davis Selected Advisers, L.P., filed on February 14, 2006.

H&R BLOCK 2006 Proxy Statement

OTHER MATTERS

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's directors, executive officers and beneficial owners of more than 10% of any class of the Company's equity securities to file reports of ownership and changes in ownership of the Company's Common Stock. To the best of the Company's knowledge, all required reports were filed on time and all transactions by the Company's directors and executive officers were reported on time except for: (1) failure to timely report on Form 4 for David Baker Lewis the purchase of 1,000 shares of the Company's Common Stock on July 15, 2005; and (2) failure to timely report on Form 4 for Henry F. Frigon the acquisition of units of the Company's Common Stock through dividend reinvestment under the H&R Block Stock Plan for Non-Employee Directors and the H&R Block Deferred Compensation Plan for Directors on April 3, 2006. These failures to timely report were inadvertent and, as soon as the oversights were discovered, the transactions were promptly reported.

SHAREHOLDER PROPOSALS AND NOMINATIONS

For a shareholder proposal to be considered for inclusion in the Company's Proxy Statement for the 2007 Annual Meeting pursuant to Rule 14a-8 of the Securities and Exchange Commission, the Company must receive notice at our offices at One H&R Block Way, Kansas City, Missouri 64105, Attention: Corporate Secretary, on or before April 18, 2007. Applicable Securities and Exchange Commission rules and regulations govern the submission of shareholder proposals and our consideration of them for inclusion in next year's proxy statement and form of proxy.

Pursuant to the Company's bylaws, for any business not included in the proxy statement for the 2007 Annual Meeting to be brought before the meeting by a shareholder, the shareholder must give timely written notice of that business to the Corporate Secretary. To be timely, the notice must be received no later than July 2, 2007 (45 days prior to August 16, 2007). The notice must contain the information required by the Company's bylaws. Similarly, a shareholder wishing to submit a director nomination directly at an annual meeting of shareholders must deliver written notice of the nomination within the time period described in this paragraph and comply with the information requirements in our bylaws relating to shareholder nominations.

A proxy may confer discretionary authority to vote on any matter at a meeting if we do not receive notice of the matter within the time frames described above. A copy of the Company's bylaws is available on our website at www.hrblock.com under the tab "Our Company" and then under the heading "Block Investors" and then "Corporate Governance," or upon request to: H&R Block, Inc., 4400 Main Street, Kansas City, Missouri 64111 (such address to change to One H&R Block Way, Kansas City, Missouri 64105 in September 2006), Attention: Corporate Secretary. The Chairman of the meeting may exclude matters that are not properly presented in accordance with the foregoing requirements.

The Board of Directors knows of no other matters which will be presented at the meeting, but if other matters do properly come before the meeting, it is intended that the persons named in the proxy will vote according to their best judgment.

By Order of the Board of Directors

BRET G. WILSON
Secretary

H&R BLOCK 2006 Proxy Statement

APPENDIX A

H&R BLOCK, INC. BOARD OF DIRECTORS INDEPENDENCE STANDARDS

Pursuant to New York Stock Exchange listing standards, no director qualifies as being an independent director unless the Board of Directors affirmatively determines that the director has no material relationship with H&R Block, Inc. or any of its subsidiaries (collectively, the Company), either directly or indirectly as a partner, shareholder or officer of an organization that has a relationship with the Company.

The Board of Directors has established the categorical standards to assist it in determining the independence of directors. Pursuant to these standards, a director will not be considered independent if:

At any time during the three years immediately preceding the date of determination, the director was an employee of the Company or any of the director's immediate family was an executive officer of the Company.

At any time during the three years immediately preceding the date of determination, the director (or any of the director's immediate family) received more than \$100,000 per year in direct compensation from the Company other than (i) director or committee fees (including fees for service on the board of directors of subsidiary or affiliated companies) and (ii) pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).

At any time during the three years immediately preceding the date of determination, the director has been employed by (or affiliated with) a present or former internal or external auditor of the Company that had an auditing relationship with the Company during such three year period or any of the director's immediate family members have been so affiliated or employed in a professional capacity.

At any time during the three years immediately preceding the date of determination, either the director, or any of the director's immediate family members, has been employed as an executive officer of another company for which an executive officer of the Company serves on the compensation (or equivalent) committee.

At any time during the three years immediately preceding the date of determination, the Company made payments to, or received payments from, a company, firm or professional entity of which or in which (i) the director is currently is an executive officer, partner or employee, or owns in excess of a 10% equity interest or (ii) the director's immediate family members currently is an executive officer or partner or owns in excess of a 10% equity interest; provided that such payments are in an amount exceeding the greater of \$1 million or 2% of such other company's consolidated gross revenues for such other company's most recent full fiscal year.

The director (or any of the director's immediate family) serves as an officer, director or trustee of a charitable organization to which the Company gives directly or indirectly through its foundation, more than \$200,000 or 5% of the organization's total annual charitable receipts during its last full fiscal year (whichever is greater).

An individual will be considered to be affiliated with a corporation or other entity if that individual controls, is controlled by or is under common control with the corporation or other entity. An immediate family member includes a person's spouse, parents, children, siblings, mothers in law, fathers in law and any one (other than domestic employees) who shares such person's home.

The Board of Directors will determine the independence of any director with a relationship to the Company that is not covered by the above standards.

A-1

H&R BLOCK 2006 Proxy Statement

APPENDIX B

H&R BLOCK, INC. BOARD OF DIRECTORS AUDIT COMMITTEE CHARTER (AS AMENDED AND RESTATED MARCH 1, 2006)

ROLE OF THE AUDIT COMMITTEE

The role of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities with respect to (1) the integrity of the Company's financial statements, (2) the Company's compliance with legal and regulatory requirements, (3) the independent auditor's qualifications and independence, and (4) the performance of the Company's internal audit function and independent auditor. References to "Company" in this Charter shall refer to the Company and all of its subsidiaries. The Audit Committee shall prepare the report required by the rules of the Securities and Exchange Commission (the "Commission") to be included in the Company's annual proxy statement.

COMMITTEE COMPOSITION

The Audit Committee shall consist of at least three directors, all of whom shall meet the independence, financial literacy and experience requirements of the New York Stock Exchange, Section 10A(m)(3) of the Securities Exchange Act of 1934 (the "Exchange Act") and the rules and regulations of the Commission. At least one member of the Audit Committee shall be an "audit committee financial expert" as defined by the Commission. Audit Committee members shall not simultaneously serve on the audit committees of more than two other public companies unless the Board of Directors shall specifically determine that such simultaneous service shall not impair such member's ability to effectively serve on the Audit Committee and the Company discloses such determination pursuant to New York Stock Exchange listing requirements or other applicable requirements. Committee members shall serve as members until their successors are elected and qualified or until their earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by the Board at any time.

AUDIT COMMITTEE MEETINGS

The Audit Committee shall hold at least four regular meetings annually, and shall meet more frequently as deemed necessary. Special meetings of the Committee may be called by the Chairman of the Audit Committee. A majority of the members of the Committee shall constitute a quorum sufficient for the taking of any action by the Committee.

The Committee shall periodically and at least quarterly meet with the independent auditor, the Director of Internal Audit (or person with similar responsibilities) and management of the Company in separate executive sessions to discuss any matters that the Committee or each such group or person believes should be discussed privately.

The Committee shall request members of management, counsel, the Internal Audit Department and the Company's independent auditor, as applicable, to participate in Committee meetings, as deemed appropriate by the Committee. The Committee shall periodically meet in private session with only Committee members as it deems appropriate.

The Audit Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate.

The Committee shall periodically report on its meetings and other activities to the Board of Directors.

RESPONSIBILITIES AND DUTIES

CHARTER/ REPORT

The Audit Committee shall review and reassess the adequacy of the Audit Committee Charter on an annual basis, or more frequently as needs dictate, and recommend to the Governance and Nominating Committee and/or the Board of Directors any revisions considered appropriate.

INDEPENDENT AUDITOR AND OTHER INDEPENDENT ACCOUNTANTS AND ADVISORS

The independent auditor for the Company is ultimately accountable to the Board of Directors and the Audit Committee of the Company and shall report directly to the Audit Committee.

The Audit Committee shall:

- Have sole authority over the appointment, retention, discharge or replacement of the independent auditor.

B-1

H&R BLOCK 2006 Proxy Statement

Be directly responsible for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work, with the Company providing appropriate funding, as determined by the Audit Committee, for payment of such compensation. Pre-approve all auditing services and permitted non-auditing services (including the fees and terms thereof) to be performed for the Company by its independent auditor as required and permitted by Section 10A(i)(1) of the Exchange Act. Such pre-approvals may be made pursuant to policies and procedures established by the Audit Committee in accordance with the rules and regulations promulgated by the Commission under the Exchange Act, as such rules and regulations may be modified or supplemented from time to time (SEC Rules). Receive and discuss with management and the independent auditor the letter from the independent auditor regarding the auditor's independence required by the Independence Standards Board No. 1 (Independence Discussions with Audit Committees), as such Standard may be modified or supplemented from time to time.

Obtain and review a report from the independent auditor at least annually regarding (a) the independent auditor's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, (c) any steps taken to deal with any such issues, and (d) all relationships between the independent auditor and the Company. Periodically and at least annually review, evaluate and discuss with the independent auditor such auditor's independence, effectiveness and performance, including the lead partner of the independent auditor team and any disclosed relationships or services that may impact the objectivity and independence of the independent auditor.

Ensure the rotation of the audit partners as required by the SEC Rules. Consider whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent auditing firm on a regular basis.

Present its conclusions regarding its evaluation of the independent auditor to the Board of Directors and recommend to the Board any appropriate action to satisfy the Committee and/or the Board of the qualifications, performance and independence of the independent auditor.

Approve the audit plan and the scope of the audit on an annual basis or as otherwise necessary, and approve any modifications thereto.

Review the extent to which independent public accountants other than the principal independent auditor are used by the Company and the rationale for such use.

Recommend to the Board policies for the Company's hiring of employees or former employees of the independent auditor who were engaged on the Company's account consistent with the SEC Rules.

INTERNAL AUDITORS

The Audit Committee shall:

Review and approve the appointment, replacement, reassignment or dismissal of the Director of Internal Audit (or person with similar responsibilities) and periodically and at least annually review the performance of the Director of Internal Audit.

At least annually review and approve the internal audit plan, and periodically ensure adequate resources are available to execute the plan.

Review the results of completed internal audits with the Director of Internal Audit and monitor corrective actions taken by management, as deemed appropriate.

Review with the independent auditor its assessment of Internal Audit Department practices and objectivity.

FINANCIAL REPORTING AND RISK CONTROL

The Audit Committee shall:

Review the coordination of audit efforts of the Internal Audit Department and the independent auditor to assure completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.

Meet to review and discuss with management and the independent auditor the Company's audited financial statements and quarterly financial statements prior to filing with the Commission, including the Company's disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations and the results of the independent auditor's audit or review of such financial statements.

Review with the independent auditor the independent auditor's evaluation of the Company's financial, accounting and internal audit personnel, and the cooperation received by the independent auditor during the course of the audit.

Review any significant disagreement between management and either the independent auditor or the Internal Audit

B-2

H&R BLOCK 2006 Proxy Statement

Department in connection with the preparation of the financial statements.

Discuss with management and the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

Review and discuss reports from the independent auditors on (a) all critical accounting policies and practices to be used, (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor, and (c) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.

Discuss with the independent auditor and management (a) the significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles and (b) the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.

Make recommendations to the Board of Directors as to whether the audited financial statements should be included in the Company's Annual Report on Form 10-K for the last fiscal year for the filing with the Commission.

Receive from management and the independent auditor timely analysis of significant current financial reporting issues.

Review with management, the Internal Audit Department and the independent auditor the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures (including the Company's risk assessment and risk management policies), any major issues as to the adequacy of the Company's internal controls, and any special audit steps adopted in light of any material control deficiencies.

Discuss with management the Company's earnings press releases, including the use of pro forma or other non-GAAP financial measures, as well as financial information and earnings guidance provided to analysts and rating agencies.

Obtain from the independent auditor assurance that Section 10A(b) of the Exchange Act has not been implicated.

Review disclosures made to the Audit Committee by the Company's CEO and CFO during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

ETHICAL AND LEGAL COMPLIANCE AND OTHER RESPONSIBILITIES

The Audit Committee shall:

Establish, review and update (or cause management to update) periodically the H&R Block, Inc. Code of Ethics & Conduct (the Code) and assure that management has established a system to enforce the Code.

Review and approve the appointment, replacement, reassignment or dismissal of the Ethics Program Director under the Code and periodically review his or her performance.

Review reports concerning compliance of the Company's directors, management, associates and others to whom the Code applies.

Review the results of the Internal Audit Department's annual audit of corporate officer expenses and perquisites.

Review with the Company's General Counsel and, when appropriate, outside counsel legal compliance matters and any legal matter that could have a significant impact on the Company's financial statements.

Conduct or authorize investigations into any matters within the scope of the Committee's responsibilities.

As appropriate, obtain advice and assistance from outside legal, accounting or other advisors, with the Company providing for appropriate funding, as determined by the Audit Committee, for payment of compensation to such advisors.

Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

Annually evaluate its own performance.

B-3

H&R BLOCK 2006 Proxy Statement

LIMITATION OF AUDIT COMMITTEE S ROLE

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company s financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditor.

B-4

H&R BLOCK 2006 Proxy Statement

APPENDIX C

H&R BLOCK, INC. 1999 STOCK OPTION PLAN FOR SEASONAL EMPLOYEES (AS AMENDED)

ARTICLE 1. ESTABLISHMENT OF THE PLAN.

H&R BLOCK, INC., a Missouri corporation (the "Company"), hereby formulates and adopts the 1999 Stock Option Plan for Seasonal Employees (the "Plan") whereby there may be granted to seasonal employees of H&R Block Services, Inc. (an indirect subsidiary of the Company) and the direct and indirect, majority-owned subsidiaries of H&R Block Services, Inc. (such corporation, such direct and indirect subsidiaries, and their successor entities, if any, to be referred to herein as "Tax Services"), options to purchase shares of the Company's Common Stock, without par value (such shares being hereinafter sometimes referred to for convenience as "Common Stock" or "stock" or "shares").

ARTICLE 2. PURPOSE OF THE PLAN.

The purpose of the Plan is to advance and promote the interests of the Company, Tax Services and the Company's stockholders by providing a method whereby seasonal employees of Tax Services may acquire Common Stock under options to purchase the same subject to the conditions hereinafter or therein provided. The Plan is further intended to provide seasonal employees who may be granted such options with additional incentive to continue in the employ of Tax Services on a seasonal basis and to increase their efforts to promote the best interests of the Company, Tax Services and the Company's stockholders.

ARTICLE 3. ADMINISTRATION OF THE PLAN.

The Plan shall be administered by the Compensation Committee of the Board of Directors of the Company (the "Committee") consisting of three or more directors of the Company, to be appointed by and to serve at and during the pleasure of the Board of Directors of the Company. All references herein to the Committee shall be deemed to mean the Board of Directors of the Company if the Board has not appointed a Committee. A majority of the Committee shall constitute a quorum and the acts of a majority of the members present at any meeting at which a quorum is present, or acts approved in writing by a majority of the Committee, shall be valid acts of the Committee. The Committee shall have full power and authority to construe, interpret and administer the Plan and, subject to the powers herein specifically reserved to the Board of Directors and to the other provisions of this Plan, to make determinations which shall be final, conclusive and binding upon all persons, including without limitation the Company, Tax Services, the stockholders, the Board of Directors and any persons having any interest in any options which may be granted under the Plan. The Committee may impose such additional conditions upon the grant and exercise of options under this Plan as may from time to time be deemed necessary or desirable, in the opinion of counsel of the Company, to comply with applicable laws and regulations. The Committee from time to time may adopt rules and regulations for carrying out the Plan.

ARTICLE 4. ELIGIBILITY.

Options shall be granted on June 30 of each year the Plan is in effect (the "date of grant") only to Eligible Seasonal Employees of Tax Services for such year. The term "Eligible Seasonal Employees" for any calendar year during which the Plan is in effect shall include all those employees of Tax Services who (a) are hired to perform for limited periods of time during such year jobs specifically designated by Tax Services to be seasonal jobs and (b) have adhered to the working hours agreed upon during such year.

ARTICLE 5. STOCK SUBJECT TO THE PLAN.

The shares of Common Stock to be issued upon exercise of the options granted under the Plan shall be made available, at the discretion of the Board of Directors of the Company, either from authorized but unissued stock of the Company or from shares that have been purchased by the Company from any source whatever, but the aggregate number of shares for which options may be granted under the Plan shall not exceed 46,000,000 shares of Common Stock of the Company. If an option granted under the Plan shall be surrendered or shall for any reason whatsoever expire or terminate in whole or in part without the exercise thereof, then the shares of stock which were subject to any such option shall, if the Plan shall then be in effect, be available for options thereafter granted under the Plan.

C-1

ARTICLE 6. METHOD OF PARTICIPATION.

Each Eligible Seasonal Employee who either (i) is an employee of Tax Services on April 15 (or the next business day if it falls on a Saturday, Sunday or holiday) of each calendar year the Plan is in effect, or (ii) has been an employee of Tax Services for at least an aggregate of 100 working days during the 12-month period ending with the date of grant, shall be granted an option to purchase one share of Common Stock for each \$100 of the total compensation earned by him or her during and throughout the 12-month period ending with the date of grant (such total compensation during such period to be referred to herein as "Total Compensation"), provided, however, that (a) each Eligible Seasonal Employee who is not entitled to an option grant under the provisions of this Article 6 on June 30, 1999 (regardless of whether or not such Eligible Seasonal Employee was employed on or before such date), but who, with respect to any subsequent date of grant during the term of the Plan, otherwise meets the requirements of this Article 6, shall be granted as of such subsequent date of grant an option to purchase one share of Common Stock for each \$200 of Total Compensation in lieu of an option to purchase one share of Common Stock for each \$100 of Total Compensation, (b) no employee shall be granted an option to purchase in excess of 100 of said shares in any calendar year under the Plan, (c) no employee shall be granted an option if such employee's Total Compensation for the applicable year is less than \$4,000 (\$500 for an option granted on June 30, 1999), and (d) any fractional shares which would otherwise be subject to an option under the Plan shall be adjusted to the nearest whole number of shares. As promptly as possible after June 30 of each year the Plan is in effect (but effective as of such date), each Eligible Seasonal Employee shall be notified in writing of the number of shares optioned to him or her under the Plan, the option price and the terms and conditions of said option, as described in Article 9.

ARTICLE 7. ADJUSTMENT UPON CHANGES IN CAPITALIZATION.

In the event a merger, consolidation, reorganization, recapitalization, stock dividend, stock split, or other change in the corporate structure or capitalization affecting the Company's capital stock shall occur, an appropriate adjustment shall be made in (a) the number of shares of stock available for options under the Plan and subject to outstanding options, (b) the purchase price per share for each outstanding option, and (c) the provisions of Article 6, provided that, no adjustment shall be made in the provisions of Article 6 in the event of a stock dividend or stock split. Any adjustment to the Plan shall be made by the Board of Directors and, when so made, shall be effective and binding for all purposes of the Plan and of all options then outstanding.

ARTICLE 8. OPTION PRICE.

Each year this Plan is in effect, the purchase price per share under each option granted during such year shall be equal to the last reported sale price, regular way, for the Common Stock on the New York Stock Exchange (or, if the stock is not then traded on such exchange, the last reported sale price, regular way, on such other national exchange or NASDAQ or other system on which such stock is traded and reported), in each case on the date of grant (or if said date falls on a non-business day then on the next preceding business date on which the stock is quoted) of such year.

ARTICLE 9. TERMS AND CONDITIONS OF OPTIONS.

The terms and conditions of each option granted hereunder shall be set forth in a written notice to the employee to whom such option is granted. Said terms and conditions shall be consistent with the provisions of the Plan and shall include but not be limited to the following:

A. Continuation of Employment. The grant of an option under this Plan shall not confer on the optionee any right to continue in the employ of Tax Services or to be employed by the Company or any of its subsidiaries, nor shall it limit the right of Tax Services to terminate the employment of any optionee at any time.

B. Periods of Exercising Option. An option may be exercised only between the dates of September 1 through November 30 of either of the two calendar years immediately following the calendar year in which said option was granted, and said option shall expire as to all shares subject thereto which are not so exercised.

C. Conditions of Exercising Option. If an optionee shall not be an Eligible Seasonal Employee, as defined in Article 4, for a year in which he or she would be otherwise entitled to exercise an option under this Plan ("Exercise Year"), or shall not have earned actual Total Compensation during the 12-month period ending on June 30 of such Exercise Year which is at least equal to 50% of the actual Total Compensation earned by him or her during the 12-month period ending on June 30 of the year in which the option was granted ("Grant Year"), he or she shall not be entitled to exercise his or her option for such Grant Year; provided, however, if the optionee shall become a full-time employee of the Company or any of its subsidiaries (including, but not limited to, Tax Services) prior to August 1 of such Exercise Year he or she shall be entitled to exercise said option for such Grant Year, provided he or she is a full-time employee of the Company or one of its subsidiaries at the time the option is exercised. The option

H&R BLOCK 2006 Proxy Statement

must be exercised by the optionee in writing (unless otherwise authorized by the Company) within the periods above specified with respect to all or part of the shares optioned and accompanied by full payment of the option price thereof. Only one exercise shall be permitted with respect to a single option. If an optionee exercises an option for less than all of the shares subject to such option, the optionee shall lose all rights to exercise the option for the balance of the shares subject to the option. No optionee will be deemed to be a holder of any shares subject to an option unless and until certificates for such shares are issued to him or her under the terms of the Plan. As used herein, "full-time employee" means an individual in the employ of the Company or one of its subsidiaries in a job designated by the applicable employer to be a full-time job.

D. Non-transferability of Option; Termination upon Death. The option shall be exercisable only by the optionee and shall not be transferable by him or her. The option shall terminate upon the death of the optionee.

E. Qualification of Stock. Each option shall be subject to the requirement that if at any time the Board of Directors of the Company shall determine, in its discretion, that qualification or registration of the shares of stock thereby covered under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of or in connection with the granting of such option or the purchase of shares thereunder, the option may not be exercised in whole or in part unless and until such qualification or registration, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Board of Directors of the Company, at its discretion.

ARTICLE 10. AMENDMENT AND DISCONTINUANCE.

The Board of Directors of the Company shall have the right at any time during the continuance of the Plan to amend, modify, supplement, suspend or terminate the Plan, provided that no employee's rights existing at the effective time of such amendment, modification, supplement, suspension or termination are adversely affected thereby, and provided further that, in the absence of the approval of the holders of a majority of the shares of Common Stock of the Company present in person or by proxy at a duly constituted meeting of the shareholders of the Company, no such amendment, modification or supplement shall (i) increase the aggregate number of shares of Common Stock that may be issued under the Plan, unless such increase is by reason of any change in the capital structure referred to in Article 7 hereof, (ii) materially modify the requirements as to eligibility for participation in the Plan, or (iii) materially increase the benefits accruing to participants under the Plan.

ARTICLE 11. EFFECTIVE DATE; EXPIRATION OF PLAN.

The Plan shall be effective on June 30, 1999 (with the grant of options on that date) and, unless extended, shall terminate on December 31, 2009, but no termination of the Plan, whether under the provisions of this Article 11 or otherwise, shall affect the continuance of any option granted hereunder prior to said date.

IT IS IMPORTANT THAT YOUR SHARES ARE REPRESENTED AT THIS MEETING, WHETHER OR NOT YOU ATTEND THE MEETING IN PERSON. TO MAKE SURE THAT YOUR SHARES ARE REPRESENTED, WE URGE YOU TO VOTE AS SOON AS POSSIBLE BY PROXY BY (A) INTERNET, (B) TELEPHONE, OR (C) MAIL BY FOLLOWING THE INSTRUCTIONS SET FORTH BELOW.

Please Mark Here for Address Change or Comments
SEE REVERSE SIDE

1. ELECTION OF DIRECTORS. INSTRUCTION: To withhold authority to vote for any individual nominee(s), clearly cross out the name below.

FOR all nominees listed (except as marked to the contrary)

WITHHOLD AUTHORITY to vote for all nominee(s) listed

NOMINEES ARE: FOR
 CLASS II DIRECTORS,
 01 JERRY D. CHOATE,
 02 HENRY F. FRIGON,
 03 ROGER W. HALE, AND
 04 LEN J. LAUER

2. Approval of an amendment to the 1999 Stock Option Plan for Seasonal Employees to extend the Plan for three years, such that it will terminate, unless further extended, on December 31, 2009.

FOR

AGAINST

ABSTAIN

3. Approval of the material terms of performance goals for performance shares issued pursuant to the 2003 Long-Term Executive Compensation Plan.

FOR

AGAINST

ABSTAIN

4. Ratification of the appointment of KPMG LLP as the Company's independent accountants for the year ending April 30, 2007.

FOR

AGAINST

ABSTAIN

Choose **MLinkSM** for Fast, easy and secure 24/7 online access to your future proxy materials, investment plan statements, tax documents and more. Simply log on to **Investor ServiceDirect[®]** at www.melloninvestor.com/isd where step-by-step instructions will prompt you through enrollment.

Dated _____ 2006

SIGNATURE

SIGNATURE OF SHAREHOLDER(S)

(Please date and sign exactly as name appears at the left and return in the enclosed postage paid envelope. If the shares are owned in joint names, all joint owners should sign.)

Vote by Internet or Telephone or Mail

24 Hours a Day, 7 Days a Week

Internet and telephone voting is available through 11:59 PM Eastern Time

the day prior to annual meeting day.

Your Internet or telephone vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card.

If you vote your proxy by Internet or by telephone, you do NOT need to mail back your proxy card.

Please consider consenting to receive future annual reports, proxy statements and other Company communications electronically via the Internet by enrolling at www.melloninvestor.com/ISD. Many of our shareholders have expressed a desire to receive these communications electronically instead of by mail. By consenting, the Company will save the expense associated with distributing paper copies of the materials. If you consent, you will receive timely postal notice of the availability of any such communication on the Company's website and upon your written request to the Company you will receive paper copies of such documents. You may wish to view the 2006 annual meeting materials on the Company's website at www.hrblock.com/about/investor/proxy.html to determine if you would like to receive these materials electronically in the future.

You can view the Annual Meeting materials on the Internet at <http://www.hrblock.com/about/investor/proxy.html>

H&R BLOCK, INC.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS AND WILL BE VOTED AS SPECIFIED ON THE REVERSE SIDE HEREOF. IF NO SUCH SPECIFICATION IS MADE, IT WILL BE VOTED FOR PROPOSALS 1, 2, 3 AND 4.

The undersigned hereby appoints Tom D. Seip, Louis W. Smith and Rayford Wilkins, Jr., and each of them, the proxies (acting by a majority, or if only one be present, then that one shall have all of the powers hereunder), each with full power of substitution, for and in the name of the undersigned to represent and to vote all shares of stock of H&R BLOCK, INC., a Missouri corporation, of the undersigned at the annual meeting of shareholders of said corporation to be held in the H&R Block City Stage Theater at Union Station, 30 West Pershing (corner of Pershing and Main), Kansas City, Missouri, on Thursday, September 7, 2006, commencing at 9:00 a.m., Kansas City time (CDT), and at any adjournment thereof, notice of said meeting and the proxy statement furnished herewith having been received by the undersigned and, without limiting the authority hereinabove given, said proxies or proxy are expressly authorized to vote in accordance with the undersigned's direction as to those matters set forth on the reverse side hereof and in accordance with their best judgment in connection with the transaction of such other business, if any, as may properly come before the meeting.

BE SURE TO SIGN AND DATE THE REVERSE SIDE OF THIS FORM
Address Change/Comments (Mark the corresponding box on the reverse side)

August 16, 2006

Dear Shareholder:

The annual meeting of shareholders of H&R Block, Inc. will be held in the H&R Block City Stage Theater at Union Station, 30 West Pershing (corner of Pershing and Main), Kansas City, Missouri, at 9:00 a.m., Kansas City time (CDT), on Thursday, September 7, 2006.

Please note that the number of shares entitled to be voted at the meeting is the number of shares held of record as of the close of business on July 5, 2006. It is important that your shares are represented at this meeting. Whether or not you plan to attend the meeting in person, please review the enclosed proxy material and vote by proxy by promptly (a) calling the number listed on the reverse side, (b) accessing the web site listed on the reverse side or (c) completing the proxy form attached above and returning it in the postage paid envelope provided.

You can now access your H&R Block account online.

Edgar Filing: OMNI ENERGY SERVICES CORP - Form 8-K

Access your H&R Block shareholder/stockholder account online via Investor ServiceDirect® (ISD). Mellon Investor Services LLC, Transfer Agent for H&R Block, now makes it easy and convenient to get current information on your shareholder account.

View account status
View certificate history
View book-entry information

View payment history for dividends
Make address changes
Obtain a duplicate 1099 tax form
Establish/change your PIN

Visit us on the web at <http://www.melloninvestor.com>

For Technical Assistance Call 1-877-978-7778 between 9am-7pm Monday-Friday Eastern Time