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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES, CENTRAL DISTRICT

THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

v.

HRB DIGITAL LLC, a Delaware limited liability company and **HRB TAX GROUP, INC**., a Missouri corporation,

Defendants.

CASE NO.

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

(1) Violation of Business & Professions Code § 17530.5;
(2) Violation of Business & Professions Code § 17500 et seq. (FAL); and
(3) Violation of Business & Professions Code § 17200 et seq. (UCL)

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THE PEOPLE OF THE STATE OF CALIFORNIA

Plaintiff, the People of the State of California, acting by and through Los Angeles County Counsel, Dawyn R. Harrison, ("the People") bring this action against HRB Digital LLC and HRB Tax Group, Inc. (collectively "H&R Block" or "Defendants") for violations of the California Business and Professions Code (Bus. and Prof. Code) section 17530.5; the False Advertising Law ("FAL"), Bus. and Prof. Code section 17500 et seq.; and the Unfair Competition Law ("UCL"), Bus. and Prof. Code section 17200 et seq., following an investigation into H&R Block's practices in connection with its use, sharing and disclosure of California consumers' information.

The People allege the following facts based on investigation, information, or belief:

I. INTRODUCTION

1. This case is about H&R Block's unlawful disclosure of consumers' confidential and private tax return information to unauthorized third-party advertising platforms.

2. H&R Block offers tax preparation services to consumers throughout the United States. H&R Block maintained and operated, and continues to maintain and operate, a website – https://www.hrblock.com – through which consumers can, among other things, learn about H&R Block's services, learn about tax law developments, file federal taxes, file state taxes, receive tax filing advice and help, and otherwise interact with H&R Block.

3. Consumers who signed up for H&R Block's services entrusted Defendants with their confidential tax return information as well as other detailed personal and financial information the Internal Revenue Service ("IRS") and/or California Franchise Tax Board ("Franchise Tax Board") require them to include in their tax filings.

4. Recognizing the sensitivity of this information and its legal obligation not to disclose tax information, H&R Block promised consumers in its privacy policy, during the relevant period, that it would only use their information "as permitted by law" and assured them that "[t]he security of your personal information is important to us."

5. However, unbeknownst to consumers, information regarding their activities on H&R Block's website, including confidential tax return information that they shared with H&R Block while filling out their tax returns on H&R Block's website, was transmitted to and

intercepted by Meta Platforms, Inc. (formerly known as Facebook) ("Meta" or "Facebook") and Google LLC ("Google") which were both unauthorized third parties. H&R Block shared this information as a result of the use of tracking pixels without providing notice to its California consumers and without seeking their consent.

6. Through the use of the Meta Pixel and Google tracking pixels that H&R Block incorporated into its website source code or otherwise permitted on its website, Defendants disclosed to Meta and Google, and aided Meta and Google in the interception of, Defendants' customers' confidential tax return information.

II. PARTIES

A. Plaintiff

7. Plaintiff is the People of the State of California. Plaintiff brings this action by and through the Los Angeles County Counsel. The Los Angeles County Counsel is authorized by Bus. and Prof. Code sections 17204 and 17206 to bring actions to enforce the UCL, by Bus. and Prof. Code sections 17535 and 17536 to bring actions to enforce the FAL, and by Bus. and Prof. Code section 17535 to bring actions to enforce Bus. and Prof. Code section 17530.5.

B. Defendants

8. Defendant HRB Digital LLC is a Delaware limited liability company. HRB Digital LLC is a subsidiary of H&R Block, Inc. that acts as the primary entity responsible for H&R Block's online tax preparation, digital products, and the www.hrblock.com website through which customers are able to prepare and file tax returns online. At all relevant times, HRB Digital LLC has transacted and continues to transact business throughout California, including Los Angeles County.

9. Defendant HRB Tax Group, Inc. is a Missouri Corporation. HRB Tax Group, Inc. is also a subsidiary of H&R Block, Inc. that owns and operates tax preparation locations throughout California and is responsible for services provided by the www.hrblock.com website. At all relevant times, HRB Tax Group, Inc. has transacted and continues to transact business throughout California, including Los Angeles County.

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III. JURISDICTION AND VENUE

10. This court has jurisdiction over this matter, and is a proper venue, as both Defendants have conducted and continue to conduct business within the State of California, including the County of Los Angeles, at all times relevant to this complaint. The violations of law described herein were committed or occurred in the County of Los Angeles and elsewhere in the State of California.

IV. DEFENDANTS' BUSINESS ACTS AND PRACTICES

A. Defendants Provided Tax Preparation Services to California Consumers

11. H&R Block has maintained, offered, and operated websites (including www.hrblock.com), mobile applications, online and offline tax preparation products, and related services, and electronic filing services (collectively, referred to as the "Services") through which Defendants, for a fee or other consideration, assisted consumers in preparing federal and state income tax returns and e-filing federal and state tax returns.

12. H&R Block offered to the general public, including California consumers, through its website, www.hrblock.com, the ability to use its online software to "file my own taxes"[1] For example, a person visiting H&R Block's website could select the "Premium" option, which costs $105, to assist users in preparing and filing their federal tax returns online (with an option to file state taxes at an additional fee). If a California consumer selected that option, the California consumer was given the option to log into their H&R Block account or to create a new account.

13. Once an account was created, the user had the option to use H&R Block's website to prepare and file their federal and state income taxes. Once a user signed into their H&R Block account and elected to start preparing a tax return, various pages would be displayed with prepopulated questions and informational requests, which California consumers were directed and/or requested to answer. In order to complete and file their taxes using Defendants' website or other platforms, California consumers were required to provide the information sought by federal and/or state tax forms. Thus, to use H&R Block's online services to prepare and/or file federal or

[1] https://www.hrblock.com

state tax returns, California consumers were prompted and required by H&R Block's website to enter confidential personal and financial information into the website.

14. Upon California consumers answering and/or responding to H&R Block's prepopulated questions and/or information requests within H&R Block's online tax preparation portal, Defendants caused to be prepared, through the online tax preparation portal, a draft federal and/or state tax return, for review by the respective California consumers.

15. Once the tax returns were prepared and ready to file, H&R Block offered, through its website, the option to California consumers to e-file their respective returns with the IRS and/or the Franchise Tax Board.

16. H&R Block held itself out to the general public as being a tax preparer. H&R Block is engaged in the business of preparing federal and state income tax returns or assisting taxpayers in the preparation of those returns for the purposes of Bus. and Prof. Code section 17530.5.

B. Defendants Had Specific Statutory Obligations Under California Law Not to Disclose California Consumers' Tax Information

17. Pursuant to Bus. and Prof. Code section 17530.5, the California legislature has made it unlawful for any person to "disclose any information obtained in the business of preparing federal or state income tax returns or assisting taxpayers in preparing those returns, including any instance in which this information is obtained through an electronic medium," unless the disclosure falls within certain specified exclusions. None of the specified exclusions apply in this case.

C. Defendants Disclosed and/or Released California Consumers' Confidential Tax Return Information to Third Parties, Including but not Limited to Meta and Google, Without Consent

18. H&R Block represented to consumers on its website, including in its privacy policy, that it was committed to protecting their taxpayer information.

19. Completely unbeknownst to California consumers, until approximately November 23, 2022, H&R Block disclosed and aided and abetted unauthorized third parties

including Meta and Google in intercepting certain confidential tax return information that some California consumers communicated to Defendants through some of the pages on Defendants' website.

20. The "Meta Pixel," which was formerly known as the Facebook Pixel[2], is a snippet of code, that companies, such as Defendants, can integrate into their website and is invisible to consumers, which allows them to track their website users' activities as those users navigate through the website. It can track, for example, each page an individual visits on the website, what buttons the user clicks, as well as specific information an individual may input into the website.[3]

21. When installed on or integrated into a website, Google tracking pixels operate similarly to a Meta Pixel and are similarly able to track the activities of individuals on that website as well as to collect or track specific information an individual may input into that website or specific pages on that website.

22. H&R Block embedded the Meta Pixel and Google tracking pixels on certain pages on its website—www.hrblock.com—and transmitted confidential tax return information shared by California consumers who visited those pages, and their personal identifiers, without their consent, to Meta and Google in accordance with the Meta Pixel's configuration and Google tracking pixels' configuration.

23. When California Consumers used H&R Block's website to prepare and/or assist them in the preparation of their respective tax returns and/or to file their respective tax returns, the Meta Pixel and Google tracking pixels on the website caused the California consumers' personal identifiers to be disclosed to Meta and Google along with confidential tax return information. Defendants disclosed to Meta and Google and allowed Meta and Google to intercept California consumers' confidential tax return information and their personal identifiers.

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[2] Facebook first offered its "Facebook Pixel" in 2013.

[3] *See* Meta, About Meta Pixel, https://www.facebook.com/business/help/742478679120153?id=1205376682832142 (last visited June 23, 2026).

D. Defendants Used and Disclosed California Consumers' Confidential Tax Return Information Without California Consumers' Knowledge or Consent

24. The tracking tools incorporated into, embedded in, or otherwise permitted on H&R Block's website were invisible to users while using that website. The Meta Pixel and other tracking devices from Google on H&R Block's website were seamlessly integrated into the website such that there was no reason for any user to be aware of or to discover their presence.

25. California consumers did not give consent or authorization for Defendants to disclose their confidential tax return information to any third party other than government entities necessary for Defendants to file California consumers' taxes.

26. During the relevant period, H&R Block represented: "We may…share your personal information, and a record of any transactions you conduct on our websites or offline with us with a third-party advertising partner and its service providers to deliver advertising tailored to your interests when you visit certain other websites." However, H&R Block assured consumers that: "Data shared for tailored advertising is made pseudonymous."

27. Nevertheless, H&R Block, through the use of tracking pixels, allowed Meta and Google, on information and belief its service providers for tailored advertising, to intercept California consumers' extremely personal financial information which invaded consumers' privacy by allowing Meta and Google to learn details of specific consumers' finances and other tax-related information.[4]

E. Common Law Invasion of Privacy, Intrusion into Private Matters and Violation of California Constitution, Article 1, Section 1

28. H&R Block's secret disclosure of consumers' confidential tax return information constitutes an intrusion upon California consumers' private matters that were intended to stay private from third parties.

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[4] *Id.*

29. Consumers had a reasonable expectation of privacy in their confidential tax return information. Consumers did not consent to, authorize, or have any reason to know about H&R Block's intrusion into their privacy at the time it occurred.

30. Consumers expected that the confidential tax return information they shared with a tax preparer would not be disclosed to an unauthorized third party. Social norms and industry standards inform the understanding that private personal and financial information, and tax return information in particular, is highly protected and that disclosure of that information to third parties requires consent and authorization. The secret disclosure of confidential tax return information would be highly offensive to a reasonable person.

31. Consumers did not consent to or authorize H&R Block to disclose their confidential tax return information to unauthorized third parties. Indeed, consumers had no knowledge that such information was being so disclosed and, consequently, had no opportunity to deny consent or authorization.

32. Consumers had a reasonable expectation of privacy in their personal information, identities, and financial information pursuant to Article 1, Section 1, of the California Constitution, social norms, and the expectations of privacy that attach to relationships and communications with tax preparers.

33. H&R Block's disclosure of California consumers' confidential tax return information constitutes an invasion of private communications, information, and matters, and a breach of social norms.

34. H&R Block's conduct would be highly offensive to a reasonable person because the data disclosed was highly sensitive and personal, as protected by the California Constitution, and H&R Block lacked consent or authorization to disclose such information.

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FIRST CAUSE OF ACTION

Violation of Bus. and Prof. Code Sections 17530.5 et seq.

35. The People re-allege and incorporate by reference each and every allegation set forth in the preceding paragraphs as if fully set forth herein.

36. Bus. and Prof. Code section 17530.5(a) provides:

> "It is a misdemeanor for any person, including an individual, firm, corporation, association, partnership, or joint venture, or any employee or agent thereof, to disclose any information obtained in the business of preparing federal or state income tax returns or assisting taxpayers in preparing those returns, including any instance in which this information is obtained through an electronic medium, unless the disclosure is within any of the following:
>
> (1) Consented to in writing by the taxpayer in a separate document that states to whom the disclosure will be made and how the information will be used. If the taxpayer agrees, this separate consent document may be in the form of an electronic record, executed by an electronic signature as provided by Title 2.5 (commencing with Section 1633.1) of Part 2 of Division 3 of the Civil Code.
>
> (2) Expressly authorized by state or federal law.
>
> (3) Necessary to the preparation of the return.
>
> (4) Pursuant to court order."

37. Section 17530.5(b) further provides:

> "For the purposes of this section, a person is engaged in the business of preparing federal or state income tax returns or assisting taxpayers in preparing those returns if the person does any of the following:

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(1) Advertises or gives publicity to the effect that the person prepares or assists others in the preparation of state or federal income tax returns.

(2) Prepares or assists others in the preparation of state or federal income tax returns for compensation.

(3) Files a state or federal income tax return by electronic transmittal of return data directly to the Franchise Tax Board or to the Internal Revenue Service."

38. Each Defendants is, and at all relevant times has been, a "person…engaged in the business of preparing federal or state income tax returns or assisting taxpayers in preparing those returns" within the meaning of section 17530.5(b).

39. Defendants have, as alleged above, disclosed information obtained in the business of preparing federal or state income tax returns or assisting taxpayers in preparing those returns to Meta and Google without written consent to that disclosure from consumers, without that disclosure being expressly authorized by state or federal law, without that disclosure being necessary to the preparation of any tax return, and without that disclosure being made pursuant to court order. As a result, Defendants have violated a provision of Chapter 1, Part 3, Division 7, of the Bus. and Prof. Code.

40. Pursuant to Bus. and Prof. Code section 17535, the People seek all available relief from Defendants for the unlawful practices described herein in violation of Bus. and Prof. Code section 17530.5.

SECOND CAUSE OF ACTION

Violation of Bus. and Prof. Code Section 17500

41. The People re-allege and incorporate by reference each and every allegation set forth in the preceding paragraphs as if fully set forth herein.

42. Defendants have engaged in business acts or practices that constitute violations of Bus. and Prof. Code section 17500 by making or disseminating, or causing to be made or disseminated, untrue or misleading statements with the intent to induce members of the public to use H&R Block's services or products when Defendants knew, or by the exercise of reasonable care should have known, that the statements were untrue or misleading.

43. Defendants' untrue or misleading statements include, but are not limited to, their statements regarding their claims that H&R Block would only disclose consumers' information as permitted by law or with consumers' consent. These misrepresentations and/or omissions were material and likely to deceive a reasonable H&R Block customer or prospective customer.

<u>THIRD CAUSE OF ACTION</u>

Violation of Bus. and Prof. Code Sections 17200 et seq.

44. The People re-allege and incorporate by reference each and every allegation set forth in the preceding paragraphs as if fully set forth herein.

45. Defendants engaged in unlawful, unfair or fraudulent acts and practices, which constitute unfair competition within the meaning of Section 17200 of the Bus. and Prof. Code.

46. H&R Block's acts or practices that violate Section 17200 of the Bus. and Prof. Code include, but are not limited to, sharing consumers' confidential taxpayer information without their consent. These acts also include but are not limited to violations of the following:

a) Making false or misleading statements in violation of Bus. and Prof. Code section 17500 by sharing consumers' information inconsistent with their representations to the contrary as set forth in this complaint;

b) Violating Bus. and Prof. Code section 17530.5, as alleged above, by disclosing information - obtained from consumers in the business of preparing their federal or state income tax returns or assisting taxpayers in preparing those returns - to Meta and Google without written consent to that disclosure from consumers, without that disclosure being expressly authorized by state or federal law, and without disclosure being made pursuant to court order; and

c) Violating common law invasion of privacy laws and the right to privacy under the California Constitution, Article 1, Section 1, as detailed above, by disclosing confidential tax return information without consent.

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47. Defendants' acts, omissions, practices, and non-disclosures as alleged herein constituted unlawful, unfair, and fraudulent business acts and practices within the meaning of Bus. and Prof. Code sections 17200 et seq.

PRAYER FOR RELIEF

WHEREOF, the People pray for judgment against Defendants as follows:

1. Pursuant to Bus. and Prof. Code sections 17203 and 17535, that Defendants, their successors, agents, representatives, employees, and all persons who act in concert with them be permanently enjoined from committing any acts of unfair competition or false advertising as defined in Bus. and Prof. Code sections 17200 and 17500, respectively, including, but not limited to, the acts and practices alleged in this Complaint;

2. Awarding Plaintiff all relief available for Defendants' violations of Bus. and Prof. Code sections 17200, 17500, and 17530.5;

3. That, for each violation of Bus. and Prof. Code section 17200, the Court requires each Defendant to pay up to $2,500 per violation in an amount according to proof, under the authority of Bus. and Prof. Code section 17206;

4. That, for each violation of Bus. and Prof. Code section 17500, the Court requires each Defendant to pay up to $2,500 for each violation of Bus. and Prof. Code section 17500 in an amount according to proof, under the authority of Bus. and Prof. Code section 17536;

5. That the Court enter an order granting injunctive relief as permitted by law or equity, including enjoining Defendants from continuing any unlawful practices as set forth herein, and directing Defendants to identify, with Court supervision, victims of their conduct and pay them all the money they are required to pay;

6. That the People recover their costs of suit;

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7. That the People receive all other relief to which they are legally entitled; and

8. Awarding such other and further relief, at law and in equity, as the nature of this case may require or as this Court deems just and proper.

DATED: July 22, 2026

Respectfully submitted,

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