EXHIBIT 1 to United States' Response to Public Comment

United States vs. Intuit, Inc., Civil Action No.: 1:20-cv-03441-ABJ

From: [redacted]
To: ATR-Antitrust - Internet (ATR)
Subject: Public Comment on U.S. V. INTUIT INC. AND CREDIT KARMA, INC.
Date: Friday, February 5, 2021 5:36:41 PM

To Whom It May Concern,

My name is Travis Curtis and I write to add public comment to the case United States v. Intuit Inc. and Credit Karma, Inc. according to the Tunney Act. I write today as a taxpayer, DDIY tax prep software user, Credit Karma Tax user, former TurboTax user and employee. I worked for four tax seasons at Intuit TurboTax as a Business Data Analyst. I have also worked at other financial services and tech companies as a data analyst in valuation, operations, marketing, and product. I say this to provide background and for transparency sake as my concerns are honest and sincere and I would like them to be treated as such.

The Proposed Final Judgement states, "D. The divestiture must be made to an Acquirer that, in the United States' sole judgment, has the intent and capability (including the necessary managerial, operational, technical, and financial capability) to compete effectively in the development, provision, operation, and support of digital do-it-yourself personal United States federal or state income tax return preparation and e-filing products and services." I believe that Square does not meet these requirements for an eligible Acquirer and that the Proposed Final Judgement comes short in its requirements and does not adequately provide protection to the consumer for the following reasons:

1. Credit Karma Tax would be moving from a business with 100 million customers to Square's CashApp which is roughly 30 million, more than a two thirds reduction in the available customer base to advertise within the platform.

2. Square user demographic aligns with the tax paying population much less than Credit Karma, which would result in a further reduction of customer base. Poor match of user demographic. CK provides credit scores so one can safely assume a large % of the user base overlaps with the tax paying base. Square provides B2B products to small businesses and provides money transfer services to consumers with CashApp, its largest offering by number of users. This service is marketed to a younger and lower income demographic, including students, often as a substitute to a bank account. Both of these factors lead me to assume the % of the Square user base that can and would use CKT is much smaller

3. Loss of supportive business model. CKT data directly benefits and feeds into the CK business model and revenue generation. CKT does not have any clear

or immediate benefits to the Square model. The lead of Square's Cash App, Brian Grassadonia, has stated, "We're thrilled to bring this easy-to-use tax product to customers as we continue to build out the suite of tools Cash App offers. With this acquisition, we believe Cash App will be able to ease customers' burden of preparing taxes every year."; however, that is the most firm commitment or reasoning announced by Square.

I would like to do a more formal analysis of these two businesses; however, there is little publicly available information and the Competitive Impact Statement provides no details, no metrics, and no analysis of the businesses to support the conclusion that Square meets the requirements of an Acquirer. There is nothing about how much of the CKT customer base came from the CK customer base, retention rates, new customer attraction rates, analysis of marketing channels, the entire document is devoid of any analysis of impact. I am not a lawyer nor do I have any experience with these documents; however, I expected some sort of justification for the decision.

Regardless of the chosen acquirer, I believe that the Proposed Final Judgement's requirements, limitations, and enforcement of the parties fall short in the following ways:

1. No requirements for transitioning the log-in and account environment required to separate CKT accounts from CK accounts with minimal burden to the consumer.

2. Many of the commitments of the Defendant, such as how long they must keep the CKT link on CK, are for only 2 years.

3. Signed 7216 waivers/consents should not transfer over at all.

4. No limitations on the Defendant on paid search terms or other forms of advertising and marketing. As of today, Jan 14th 2021, Intuit has paid to get the top result for the term "credit karma tax".

5. No requirements or commitments from the Acquirer to invest or continue business long term.

6. No limitations on other partnerships between Intuit and the Acquirer industries outside of DDIY tax prep.

These inadequacies in the Proposed Final Judgement at worst allow for blatant corruption as nothing prevents Intuit and Square from having colluded together on this to get rid of CKT and at best do little to ensure the continued success of CKT. While I make no assertion about motives, I cannot help be concerned by the lack of protection provided to CKT, taxpayers, and consumers. Technology companies have been given a large amount of leeway when it comes to regulation out of fear of stifling innovation; however, this has created a completely opaque environment where those same technology companies are taking advantage of the situation.

The following hypothetical scenario would be completely possible under the Proposed Final Judgement: Intuit acquires Credit Karma and sells Credit Karma Tax to Square. Intuit then adds a button to the Credit Karma website directing customers to the TurboTax site to get their taxes done by a tax professional. Since the Proposed Final Judgement only places limitations of DDIY tax preparation software and the current link from CK to CKT, there is nothing to prevent them from adding a new button that links to non-DDIY tax preparation solutions, such as the new TurboTax Live Full Service product which Intuit has launched for the fiscal year 2020 tax season. That change could take place any moment. Credit Karma Tax has also benefited from being able to market to the Credit Karma user base; however, under the rules, Credit Karma Tax will only have access to advertise to the CKT customer base, from 100 million customers to ~2 million, a 98% reduction. After 2 years, even the existing button from Credit Karma to CKT can be changed to go to TurboTax. Worst of all is the possibility that the sale to Square could be paid off elsewhere. Both Intuit and Square are primarily B2B companies, not B2C; Intuit maintains Quickbooks and Square maintains their B2B POS hardware business. Even if Square didn’t want CKT at all, Intuit could easily make up the sale price of CKT to Square by offering a deal or partnership between other, and franky larger, business units as the proposed rules only limit further partnerships between Square and Intuit in the DDIY tax prep space. Since Intuit is now entering the prepared taxes industry with TurboTax Live Full Service, they could even create a partnership in that space without violating the terms laid out. In the end, Intuit would be able to acquire Credit Karma, get rid of a major competitor in CKT, and even get paid $50 million dollars along the way.

While I want to believe in the good intentions of all involved, I cannot overlook the context of the moment and the history of the actors involved. In 2010, Inuit was sued by the DOJ for employee antitrust violations, in 2019 and 2020 there was much reporting about Intuit’s efforts to hide their IRS Free File product from the consumer, and currently Intuit is trying to settle a class action for the same issues with a value that would leave compensation at ~$2.10 per impacted customer. Intuit has also failed to innovate within the Free File Alliance product, a provision of the MOU, for years.

If there truly is concern about ensuring consumers continue to have a free DDIY tax prep solution, there should be consideration to sell Credit Karma Tax to the IRS so that the IRS may directly provide this service to the American people for free. The $50 million sale would account for < 0.5% of the IRS’s operating budget. While this may be an extreme suggestion to some, I believe it is time that the American taxpayers get what they were promised when the industry successfully lobbied and created the Free File Alliance. The FFA program has been a failure since its creation and this is a once in a lifetime opportunity to fix it and truly put the taxpayer first, all for less than one half of a percent of the IRS budget.

Sincerely,
Travis Curtis