

MORRIS MICHAEL G  
Form 4  
January 04, 2005

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
MORRIS MICHAEL G

2. Issuer Name and Ticker or Trading Symbol  
CINCINNATI BELL INC [CBB]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
201 EAST FOURTH STREET  
(Street)

3. Date of Earliest Transaction  
(Month/Day/Year)  
01/03/2005

Director  10% Owner  
 Officer (give title below)  Other (specify below)

CINCINNATI, OH 45202

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (D) Price			
Common Stock	01/03/2005		A	3,003.641 A \$ 4.119	8,350.609	I	By Deferred Compensation Plan (1)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares	
				Code	V	(A)	(D)	Title	Amount or Number of Shares
Phantom Shares <sup>(2)</sup>	<u>(3)</u>	01/03/2005		A		6,000	<u>(4)</u>	<u>(4)</u>	Common Stock 6,000
Option to Buy <sup>(6)</sup>	\$ 5.655					12/04/2003	12/04/2013	Common Stock	25,000
Option to Buy <sup>(6)</sup>	\$ 4.245					04/23/2004	04/23/2014	Common Stock	9,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MORRIS MICHAEL G 201 EAST FOURTH STREET CINCINNATI, OH 45202			X	

## Signatures

Amy Collins by Power of Attorney for Michael G. Morris 01/04/2005

\_\_\_\_\_  
\*\*Signature of Reporting Person

\_\_\_\_\_  
Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- Under the terms of the Cincinnati Bell Inc. Deferred Compensation Plan for Outside Directors, which is a Rule 16b-3 Plan, reporting
- (1) person elected to defer a percentage of his annual retainer fee and per meeting fee in 2004. These shares were acquired pursuant to the terms of the Deferred Compensation Plan for Outside Directors
  - (2) Phantom shares held through the Cincinnati Bell Inc. Deferred Compensation Plan for Outside Directors, which is a Rule 16b-3 Plan.
  - (3) Phantom shares convert 1 for 1 in common shares.
  - (4) Phantom shares are payable in common stock following retirement or termination of the reporting person's employment/affiliation with the Company.
  - (5) Phantom shares are valued at the fair market price of the Issuer's common stock price on grant date.
  - (6) Option shares granted under the 1997 Stock Option Plan for Non-Employee Directors which is a Rule 16b-3 Plan.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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Less than two years

0

%

Two, but less than three years

25

%

Three, but less than four years

50

%

Four, but less than five years

75

%

Five years or more

100

%

Amounts forfeited upon termination are used to reduce future Company contributions.

The salary deferral contributions are fully vested and non-forfeitable at all times.

*Distributions* Upon normal retirement, permanent disability, death or termination of employment the participant or his or her designated beneficiary will receive his or her interest in the Plan in the form of either a lump-sum payment or an annuity.

Explanation of Responses:

*Loans and Withdrawals* A participant may request a loan equal to part or all of the value of his or her salary deferral contributions and Company matching contributions subject to a minimum of \$1,000, but not to exceed the lesser of (1) one-half of the participant's vested percentage of his account or (2) \$50,000. Such loans bear interest at a fixed rate for the term of the loan, based on the prime rate plus 1% (5.00% and 5.25% at December 31, 2003 and 2002, respectively). The loan balance is collateralized by the participant's account. Upon retirement or termination of the participant distributions are made net of the outstanding loan balance. The loans are repaid through salary withholdings over periods generally ranging from 1 to 5 years.

*Administrative Expenses* All administrative costs and expenses are paid by the Company, with the exception of a record keeping charge per participant per year (\$15 for 2003 and \$20 for 2002), and miscellaneous charges for loans and distributions.

## **2. Summary of Significant Accounting Policies**

*Basis of Accounting* The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States.

*Investments* Investments are stated at fair market value based on quoted market prices in an active market. Investments in common trust funds are stated at estimated fair value, as determined by the trustee. These values are determined based upon the unit values of the funds. Net appreciation or depreciation in the fair value of investments represents the change in fair value during the year, including realized gains and losses on investments sold during the period. The fair value of participant loans represent the original loan amount adjusted for all principal payments made during the period.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

*Use of Estimates* The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates. The Plan utilizes various investment instruments, including mutual funds and common trust funds. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

**3. Investments**

The following table presents the investments that represent 5% or more of the Plan's net assets (at fair value):

At fair value	Year ended December 31,	
	2003	2002
Beazer Homes USA, Inc. Company Stock Fund (546,291 and 565,977 fund units in 2003 and 2002, respectively)	\$ 26,844,719	\$ 18,727,940*
INVESCO Stable Value Trust (7,535,894 and 4,381,275 units in 2003 and 2002, respectively)	7,535,894	4,381,275
AIM Large Cap Basic Value Fund (516,936 and 324,431 units in 2003 and 2002, respectively)	6,394,496	3,039,919
American Growth Fund of America (260,357 and 164,083 units in 2003 and 2002, respectively)	6,389,170	3,030,611
INVESCO Total Return Fund (215,434 and 0 units in 2003 and 2002, respectively)	5,157,486	
Franklin Small-Mid Cap Growth Fund (130,531 and 117,796 units in 2003 and 2002, respectively)	3,944,655	2,585,623
American EuroPacific Growth Fund (129,131 and 115,448 units in 2003 and 2002, respectively)	3,901,049	2,651,846
INVESCO 500 Index Trust Fund (138,726 and 87,376 units in 2003 and 2002, respectively)	3,881,542	1,899,544
Invesco Balanced Fund (0 and 259,937 units in 2003 and 2002, respectively)		3,116,644

\* Includes non-participant directed investments.

Net appreciation (depreciation) in fair value of investments is comprised of the following:

	Year ended December 31,	
	2003	2002
Beazer Homes USA, Inc. Company Stock Fund	\$ 10,752,039	\$ (2,817,954)
AIM Large Cap Basic Value Fund	1,498,823	
American Growth Fund of America	1,341,525	
INVESCO Total Return Fund	208,583	
Franklin Small-Mid Cap Growth Fund	1,003,683	(571,021)
American EuroPacific Growth Fund	883,581	
INVESCO 500 Index Trust	751,520	(430,482)
PIMCO Total Return Fund	(6,442)	
Royce Low-Priced Stock Fund	177,949	
Dow Jones Quantidex 60 Fund	148,018	(36,589)
Dow Jones Quantidex 100 Fund	154,614	(60,598)
Columbia Acorn Fund - A	96,145	

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MAS Mid Cap Value - Advisor Class Fund	164,873	(71,948)
INVESCO Dynamics Fund	113,210	(54,659)
Putnam Research Fund	67,910	(30,375)
Dow Jones Quantidex 20 Fund	32,853	7,952
INVESCO Balanced Fund	568,589	(663,334)
One Group Bond Fund		39,928
AIM International Equity Fund		(291,578)
One Group Large Cap Value Fund		(910,631)
One Group Large Cap Growth Fund		(1,145,382)
Total	\$ 17,957,473	\$ (7,036,671)

**4. Income Tax Status**

The Plan uses a prototype plan document sponsored by INVESCO Trust Company ( INVESCO ). INVESCO received an opinion letter from the Internal Revenue Service ( IRS ), dated August 30, 2001 which states that the prototype document satisfies the applicable provisions of the Internal Revenue Code ( IRC ). The Plan itself has not received a determination letter from the IRS. However, the Plan's management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income tax has been included in the Plan's financial statements.

**5. Party-In-Interest Transactions**

Party-in-interest investments held by the Plan included 262,780 shares and 294,718 shares of Beazer Homes USA, Inc. Company stock at December 31, 2003 and 2002, with a fair value of approximately \$25,663,095 and \$17,859,911.

**6. Plan Termination**

The Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

**7. Beazer Homes USA, Inc. Company Stock Fund**

The Beazer Homes USA, Inc. Company Stock Fund is a fund investing in Beazer Homes USA, Inc. common stock, which includes a cash component to meet liquidity needs. All Company matching contributions and Company discretionary contributions, if any, are made into the Company Stock Fund. Effective January 17, 2002, the Company Stock Match accounts for all participants were split in two. From January 17, 2002 through December 31, 2002, those participants who are 100% vested were allowed to redirect half of their Company Matching balances into any investment option offered by the Plan. Beginning January 1, 2003, all participants were allowed to redirect all of their Company Matching balances into any investment option offered by the Plan. At December 31, 2003 and 2002, participant-directed funds in the Beazer Homes USA, Inc. Company Stock Fund totaled \$26,844,719 and \$11,363,209, respectively, and non-participant-directed funds totaled \$0 and \$7,364,731, respectively. The following table reflects activity in the Beazer Homes USA, Inc. Company Stock Fund:



**Beazer Homes USA, Inc. Company Stock Fund Activity**

	Year ended December 31,	
	2003	2002
Contributions:		
Participant contributions	\$ 1,131,039	\$ 731,914
Employer contributions	3,546,173	2,207,478
Rollovers	263,318	8,612
Assets transferred from another plan		2,249,533
Total contributions	4,940,530	5,197,537
Investment Income:		
Earnings on investments of cash in other than BeazerHomes USA, Inc. Company Stock	35,698	22,450
Dividends	26,277	-
Net appreciation (depreciation) in fair value of investments	10,752,039	(2,817,954)
Total investment income	10,814,014	(2,795,504)
Total additions	15,754,544	2,402,033
Deductions:		
Distributions to participants	(2,015,107)	(1,402,423)
Fees	(23,422)	(17,142)
Other	-	(47)
Total deductions	(2,038,529)	(1,419,612)
Net increase in assets available for benefits	13,716,015	982,421
Interfund transfers	(5,599,236)	(2,046,503)
Net assets available for benefits:		
Beginning of year	18,727,940	19,792,022
End of year	\$ 26,844,719	\$ 18,727,940

**SUPPLEMENTAL SCHEDULE**

**(See Report of Independent Registered Public  
Accounting Firm)**

## Beazer Homes USA, Inc.

## 401(k) PLAN

## SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS

## HELD FOR INVESTMENT PURPOSES AT END OF YEAR

DECEMBER 31, 2003

(a)	Identity of Issuer	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Cost	Current Value
		<b>EMPLOYER SECURITIES:</b>		
*	Beazer Homes USA, Inc.	Beazer Homes USA, Inc. Stock Fund, 546,921 units	** \$	26,844,719
		<b>COMMON/COLLECTIVE TRUSTS:</b>		
*	INVESCO	INVESCO Stable Value Trust, 7,535,894 units	**	7,535,894
*	INVESCO	INVESCO 500 Index Trust, 138,725 units	**	3,881,542
	State Street Bank & Trust	Dow Jones Quantidex 60 Fund, 39,296 units	**	775,659
	State Street Bank & Trust	Dow Jones Quantidex 100 Fund, 34,787 units	**	720,620
	State Street Bank & Trust	Dow Jones Quantidex 20 Fund, 22,709 units	**	383,232
		<b>REGISTERED INVESTMENT COMPANY:</b>		
*	INVESCO	AIM Large Cap Basic Value Fund, 516,936 units	**	6,394,496
	American Funds	American Growth Fund of America, 260,357 units	**	6,389,170
*	INVESCO	INVESCO Total Return Fund, 215,434 units	**	5,157,486
	Franklin Templeton Investments	Franklin Small-Mid Cap Growth Fund, 130,531 units	**	3,944,655
	American Funds	American EuroPacific Growth Fund, 129,131 units	**	3,901,049
	PIMCO Advisors	PIMCO Total Return Fund, 309,936 units	**	3,319,416
	Royce Funds	Royce Low-Priced Stock Fund, 78,362 units	**	1,095,503
	Morgan Stanley	MAS Mid Cap Value- Advisor Class Fund, 36,816 units	**	752,518
	Columbia Funds	Columbia Acorn Fund - A, 28,611 units	**	635,166
*	INVESCO	INVESCO Dynamics Fund, 37,289 units	**	549,643
	Putnam Investments	Putnam Research Fund, 26,553 units	**	343,065
		<b>PARTICIPANT LOANS:</b>		
*	Various participants	Participants loans made to participants, with interest accruing at rates from 5.25% to 6%	**	1,620,558
			\$	74,244,391

\* Column (a) indicates each identified person/entity known to be a party in interest.

\*\* Cost information is not required for participant-directed investments and, therefore, is not included.

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM S CONSENT**

We consent to the incorporation by reference in Registration Statements No. 33-91904, No. 333-86558, No. 333-24765, No. 333-69398, No. 333-101142, and No. 333-116573 of Beazer Homes USA, Inc. on Form S-8 of our report dated June 25, 2004 appearing in this Annual Report on Form 11-K of Beazer Homes USA, Inc. 401(k) Plan for the year ended December 31, 2003.

/s/ DELOITTE & TOUCHE LLP

Atlanta, Georgia  
June 25, 2004