

CINCINNATI BELL INC  
Form 8-K  
December 13, 2010

**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: December 7, 2010**

**CINCINNATI BELL INC.**

(Exact name of registrant as specified in its charter)

Ohio (State or other jurisdiction of incorporation)	1-8519 (Commission File Number)	31-1056105 (IRS Employer Identification No.)
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221 East Fourth Street Cincinnati, Ohio (Address of principal executive offices)	45202 (Zip Code)
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Registrant's telephone number, including area code: (513) 397-9900

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))
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**Form 8-K****Cincinnati Bell Inc.****Section 5 Corporate Governance and Management****Item 5.02(e) Brief Description of Material Plan, Contract or Arrangement with Principal Officer**

On December 7, 2010, the Compensation Committee (the *Committee*) of the Board of Directors (*Board*) of Cincinnati Bell Inc. (the *Company*) approved a new long-term incentive program to be implemented under the *Company's* 2007 Long Term Incentive Plan (the *Plan*). The program is primarily intended to (i) encourage rapid and profitable growth of revenue and earnings before interest, taxes, depreciation and amortization (*EBITDA*) in the Technology Solutions segment of the *Company's* business (*TSS Business*), (ii) create significant enterprise value through the growth of the *TSS Business*, (iii) bring about a significant change in the strategic direction of the *Company's* business in a short time frame and (iv) provide management and the Board with strategic flexibility.

The program will be implemented through the grant of performance units. A form of award agreement (the *Agreement*) for such performance units was approved by the Committee on December 7, 2010. The *Agreement* provides for a specified cash payment to the participating employee in the event that (i) the employee is continuously employed for a three year period after the date of grant, (ii) specified *EBITDA* targets for the *TSS Business* are met over such three year period, (iii) a *qualifying transaction* is consummated within ten years of the date of grant and (iv) at least \$1,000,000,000 of equity value is created in the *TSS Business* prior to the *qualifying transaction*. The *Agreement* also gives the Committee discretion to make fractional payments in an amount up to, but not more than, the base payout amount in the event there is either: (a) a *qualifying transaction* before the fifth anniversary of the initial award grant date; or (b) there is a *qualifying transaction* after the fifth anniversary of the initial award grant date and the equity value created is at least \$500,000,000. If a *qualifying transaction* does not occur within 10 years of the grant date, the *Agreement* terminates with no payment to the participating employee. Moreover, if the participating employee's employment is terminated for any reason (other than a termination for the Employee's retirement, death or disability), prior to the consummation of a *qualifying transaction*, then the employee will not receive any payment under the *Agreement* (other than with respect to previously vested performance units, if any). *Qualifying transaction* includes certain sales of the *TSS Business* (including an initial public offering), certain transactions that would result in the *Company* ceasing to own its other businesses, and a change in control of the *Company*.

Pursuant to the terms of the *Plan*, no employee may receive performance units in any calendar year with a value in excess of \$5,000,000. While the Committee has not yet finalized specific grants of performance units to any employee, it is expected that the *Company's* named executive officers (with the exception of the *Company's* chief executive officer) will be among the employees who receive such grants.

The foregoing summary is qualified in its entirety by reference to the form *Agreement*, which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

**Section 9 Financial Statements and Exhibits****Item 9.01 Financial Statements and Exhibits**

**Form 8-K**

**Cincinnati Bell Inc.**

(c) Exhibits

Exhibit	Description
10.1	Form of Award Agreement

**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.

**CINCINNATI BELL INC.**

By: /s/ Christopher J. Wilson  
Christopher J. Wilson  
Vice President, General Counsel and  
Secretary

Date: December 13, 2010

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**Exhibit Index**

<b>Exhibit No.</b>	<b>Exhibit</b>
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