

CINCINNATI BELL ANY DISTANCE INC

Form 424B5

October 08, 2010

Table of Contents

Filed pursuant to Rule 424(b)(5)

SEC File No. 333-162211

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered ⁽¹⁾	Proposed Maximum Offering Price	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee ⁽¹⁾
8 ³ / ₈ % Senior Notes due 2020	\$500,000,000	100%	\$500,000,000	\$35,650 ⁽¹⁾
Guarantees of 8 ³ / ₈ % Senior Notes due 2020				⁽²⁾

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended. This Calculation of Registration Fee table shall be deemed to update the Calculation of Registration Fee table in the registrant's Registration Statement on Form S-3 (File No. 333-162211).

(2) In accordance with Rule 457(n), no separate fee is payable with respect to the guarantees of the 8³/₈% Senior Subordinated Notes due 2020.

Table of Contents

PROSPECTUS SUPPLEMENT

(To Prospectus dated September 30, 2009)

\$500,000,000

CINCINNATI BELL INC.

8 ³/₈% Senior Notes due 2020

We are offering \$500,000,000 aggregate principal amount of senior notes due 2020 bearing interest at 8³/₈% per year. We will pay interest on the notes on April 15 and October 15 of each year, commencing on April 15, 2011. The notes will mature on October 15, 2020.

We may redeem some or all of the notes at any time on or after October 15, 2015 at the redemption prices set forth in this prospectus supplement, plus accrued and unpaid interest. We may also redeem some or all of the notes prior to such date pursuant to a make-whole provision. In addition, prior to October 15, 2013 we may redeem up to 35% of the aggregate principal amount of the notes using the net cash proceeds of certain equity offerings at the redemption price set forth in this prospectus supplement, plus accrued and unpaid interest. If we undergo certain change of control transactions we may be required to offer to purchase the notes from holders.

The notes will be unsecured senior obligations, will rank equally with all of our existing and future senior indebtedness and will rank senior to all of our existing and future subordinated indebtedness. The notes will be effectively subordinated to all of our and our guarantor subsidiaries existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness. The notes will be fully and unconditionally guaranteed on a senior unsecured basis by each of our current and future restricted subsidiaries that is a guarantor under our senior credit facilities. The notes will also be effectively subordinated to all existing and future obligations of our non-guarantor subsidiaries.

For a more detailed description of the notes, see *Description of Notes*, beginning on page S-18.

Investing in the notes involves risks. See Risk Factors beginning on page S-8.

	Per Note	Total
Price to the public ⁽¹⁾	\$ 1,000.00	\$ 500,000,000
Underwriting discounts and commissions	\$ 17.50	\$ 8,750,000
Proceeds to Issuer (before expenses)	\$ 982.50	\$ 491,250,000

(1) Plus accrued interest, if any, from October 13, 2010.

Edgar Filing: CINCINNATI BELL ANY DISTANCE INC - Form 424B5

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The notes offered by this prospectus supplement will not be listed on any securities exchange and there is no existing trading market for the notes.

Barclays Capital, on behalf of the underwriters, expects to deliver the notes in book-entry form on or about, October 13, 2010.

Joint Book-Running Managers

Barclays Capital
Morgan Stanley

RBS

BofA Merrill Lynch

Deutsche Bank Securities

Wells Fargo Securities

Co-Managers

Fifth Third Securities, Inc.

Prospectus Supplement dated October 7, 2010

PNC Capital Markets LLC

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

<u>About this Prospectus Supplement</u>	S-ii
<u>Market Data</u>	S-ii
<u>Cautionary Statement Regarding Forward-Looking Statements</u>	S-ii
<u>Prospectus Supplement Summary</u>	S-1
<u>Summary Consolidated Financial Data</u>	S-7
<u>Risk Factors</u>	S-8
<u>Use of Proceeds</u>	S-15
<u>Ratio of Earnings to Fixed Charges</u>	S-16
<u>Capitalization</u>	S-17
<u>Description of Notes</u>	S-18
<u>Material United States Federal Income Tax Considerations</u>	S-59
<u>Underwriting</u>	S-62
<u>Validity of the Notes</u>	S-66
<u>Independent Registered Public Accounting Firms</u>	S-66
<u>Where You Can Find More Information</u>	S-67

Prospectus

<u>About this Prospectus</u>	1
<u>The Company</u>	2
<u>Risk Factors</u>	3
<u>Cautionary Statement Regarding Forward-Looking Statements</u>	4
<u>Use of Proceeds</u>	6
<u>Ratio of Earnings to Fixed Charges</u>	7
<u>Description of Debt Securities and Guarantees</u>	8
<u>Plan of Distribution</u>	9
<u>Legal Matters</u>	11
<u>Experts</u>	12
<u>Where You Can Find More Information</u>	13

Unless we have indicated otherwise or the context otherwise requires, references in this prospectus supplement to **Cincinnati Bell, Company, we, us, our** and similar terms refer to Cincinnati Bell Inc., an Ohio corporation, and its consolidated subsidiaries. The term **Issuer** refers to Cincinnati Bell Inc. and none of its subsidiaries.

See **Risk Factors** beginning on page S-8 of this prospectus supplement, on page 3 of the accompanying prospectus, in the Company's Annual Report on Form 10-K for the year ended December 31, 2009 and in the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010 for a description of certain factors relating to an investment in the notes, including information about our business. None of us, the underwriters, or any of our or their representatives are making any representation to you regarding the legality of an investment by you under applicable legal investment or similar laws. You should consult with your own advisors as to legal, tax, business, financial and related aspects of a purchase of the notes. You should not assume that the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate as of any date other than the date of such information.

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering, as well as general information about the Company and the securities being offered hereunder. The second part, the accompanying prospectus, gives more general information about us and our debt securities. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. To the extent information in this prospectus supplement conflicts with information in the accompanying prospectus, you should rely on the information in this prospectus supplement. You should read this entire prospectus supplement, as well as the accompanying prospectus and the documents incorporated by reference that are described under the heading *Where You Can Find More Information* in this prospectus supplement.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus or any free writing prospectus prepared by or on behalf of us. We have not, and the underwriters have not, authorized any other person to provide you with additional or different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these notes in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus supplement or the accompanying prospectus is accurate only as of the date on the front of this prospectus supplement and that any information we have incorporated by reference is accurate only as of the date of the document incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since these dates.

MARKET DATA

We obtained the market and competitive position data used throughout this prospectus supplement and the documents incorporated herein by reference from internal surveys, as well as market research, publicly available information and industry publications as indicated herein. Industry publications, including those referenced herein, generally state that the information presented therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Similarly, internal surveys and market research, while believed to be reliable, have not been independently verified, and neither we nor the underwriters make any representation as to the accuracy of such information.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

The statements contained in or incorporated by reference in this prospectus supplement include certain forward-looking statements, as defined in federal securities laws including the Private Securities Litigation Reform Act of 1995, which are based on our current expectations, estimates and projections. Statements that are not historical facts, including statements about our beliefs, expectations and future plans and strategies, are forward-looking statements. These include any statements regarding:

future revenue, operating income, profit percentages, income tax refunds, realization of deferred tax assets (including net operating loss carryforwards), earnings per share or other results of operations;

the continuation of historical trends;

the sufficiency of cash balances and cash generated from operating and financing activities for future liquidity and capital resource needs;

the effect of legal and regulatory developments;

the economy in general or the future of the communications services industries; and

Edgar Filing: CINCINNATI BELL ANY DISTANCE INC - Form 424B5

our expectations about the consummation of the acquisition of Cyrus Networks, LLC and the performance of the combined business thereafter.

S-ii

Table of Contents

Actual results may differ materially from those expressed or implied in forward-looking statements. The following important factors, among others, could cause or contribute to actual results being materially different from those described or implied by such forward-looking statements:

changing market conditions and growth rates within the telecommunications industry or generally within the overall economy;

changes in competition in markets in which we operate;

pressures on the pricing of our products and services;

advances in telecommunications technology;

the ability to generate sufficient cash flow to fund our business plan, repay debt and interest obligations and maintain our networks;

the ability to refinance our indebtedness when required on commercially reasonable terms;

changes in the telecommunications regulatory environment;

changes in the demand for our services and products;

the demand for particular products and services within the overall mix of products sold, as our products and services have varying profit margins;

our ability to introduce new service and product offerings on a timely and cost effective basis;

work stoppages caused by labor disputes;

restrictions imposed under various credit facilities and debt instruments;

our ability to attract and retain highly qualified employees;

our ability to access capital markets and the successful execution of restructuring initiatives;

changes in the funded status of our retiree pension and healthcare plans;

Edgar Filing: CINCINNATI BELL ANY DISTANCE INC - Form 424B5

disruption in operations caused by a health pandemic, such as the H1N1 influenza virus;

changes in our relationships with our current large customers, a small number of whom account for a significant portion of our revenues;

disruption in our back-office information technology systems, including our billing system;

our ability to integrate successfully the business of Cyrus Networks, LLC with our existing operations and to achieve the anticipated benefits of the acquisition of Cyrus Networks, LLC; and

failure of or disruption in the operation of our data centers.

Additional important factors that could cause actual results and outcomes to differ materially from estimates or projections contained in the forward-looking statements include those factors described in the section titled "Risk Factors" beginning on page S-8 of this prospectus supplement, on page 3 of the accompanying prospectus, in the Company's Annual Report on Form 10-K for the year ended December 31, 2009 and in the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010 and other reports and documents we file with the Securities and Exchange Commission, or the SEC, and that are incorporated by reference herein.

Statements, projections or estimates that include or reference the words "believes," "anticipates," "plans," "intends," "expects," "will" or any similar expression may fall within the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are found at various places throughout this prospectus supplement and the other documents incorporated herein by reference. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this prospectus supplement or the date of the other documents incorporated by

Table of Contents

reference herein. Readers also should understand that it is not possible to predict or identify all such factors and that the risk factors as listed in our filings with the SEC should not be considered a complete statement of all potential risks and uncertainties. Readers should also realize that if underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could vary materially from our projections. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

S-iv

Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information from this prospectus supplement and may not contain all the information that may be important to you. Accordingly, you should read this entire prospectus supplement, the accompanying prospectus and the information incorporated by reference herein and therein, including the financial data and related notes, before making an investment decision. You may obtain a copy of the documents incorporated by reference by following the instructions in the section titled "Where You Can Find More Information" in this prospectus supplement. You should pay special attention to the "Risk Factors" sections of this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein to determine whether an investment in the notes is appropriate for you.

The Business

We are a full-service regional provider of data and voice communications services over wireline and wireless networks and a full-service provider of data center operations, related managed services and equipment. We provide telecommunications service to businesses and consumers in the Greater Cincinnati and Dayton areas primarily on our owned wireline and wireless networks with a well-regarded brand name and reputation for service. We also provide business customers with outsourced data center operations including related managed services in world class, state-of-the-art data center facilities located in Ohio, Kentucky, Illinois, Indiana and Texas.

We are an Ohio corporation. Our principal executive offices are located at 221 East Fourth Street, Cincinnati, Ohio 45202, and our telephone number is (513) 397-9900.

Recent Events The CyrusOne Transaction

On June 11, 2010, we and our wholly owned subsidiary Cincinnati Bell Technology Solutions Inc. acquired the equity interests of Cyrus Networks, LLC, which we refer to as "CyrusOne". The acquisition was funded with borrowings under our senior credit facilities. We intend to use the net proceeds from the sale of the notes to repay outstanding borrowings under our senior credit facilities. See "Use of Proceeds."

Founded in 2000 and based in Houston, Texas, CyrusOne is a premium carrier-neutral provider of data center services. CyrusOne provides collocation services through seven premium data center facilities with approximately 176,000 square feet of space, which it operates in the Houston, Dallas and Austin markets. Colocation services enable customers to colocate their servers and other telecommunications equipment within CyrusOne's data centers to run critical applications and processes.

CyrusOne currently has approximately 220 global and domestic enterprise customers, including some of the largest companies in the world. CyrusOne has long-term contracts with most of its customers, with a contract term of generally three to five years. Historically, CyrusOne has experienced high contract renewal rates with annual churn of less than 1%. As a result of these characteristics, approximately 98% of CyrusOne's revenue base is recurring in nature and approximately 60% of new sales come from existing customers.

Acquisition Rationale

Leveraging Existing Core Competencies. Over the course of our 135-year history, we believe we have developed a reputation for managing highly reliable telecommunications networks and providing high-quality services for our customers. We believe that providing data center services is a natural extension of our expertise in our wireline business and that we have demonstrated this by organically building our Technology Solutions segment into a business with revenues of \$303.1 million in 2009.

Table of Contents

Diversifying Revenue Sources. The acquisition of CyrusOne diversifies our revenue sources. Giving effect to the Acquisition as of January 1, 2009, the Acquisition would have increased the contribution of revenue from our Technology Solutions segment to our total revenue (before intercompany eliminations) to 26% from 22% in 2009. In addition, the Acquisition will enable us to continue our expansion outside our traditional geographic territory and reduce our reliance on our wireline and wireless businesses.

Attractive Growth Characteristics. The data center industry has attractive industry fundamentals in terms of growth rates relative to the wireline and wireless industries in which we also operate. Growth in the data center sector is driven by favorable secular trends including the rapid growth in digital information traffic and the increased demand from enterprises to outsource their information technology needs.

Enhancing the Scale and Reach of the Technology Solutions Segment. The acquisition provides us with entry into new geographic markets. To date, our Technology Solutions segment has been primarily focused on serving customers in the Cincinnati, Ohio area. We believe that the enhanced scale and geographic reach will better position the Technology Solutions segment for future success as customers seek data center solutions in multiple geographies.

Outstanding Management Team. The 6 members of the senior management team of CyrusOne collectively have approximately 115 years of relevant industry experience. Under the leadership of the existing senior management team, CyrusOne has experienced revenue growth at a compound annual growth rate of approximately 60% between 2005 and 2009.

Corporate Structure

The chart below depicts our summary and simplified corporate structure and our outstanding indebtedness, adjusted to reflect this offering and the intended use of proceeds as set forth in [Use of Proceeds](#) , as of June 30, 2010.

Table of Contents

THE OFFERING

The following summary is provided solely for your convenience. This summary is not intended to be complete. You should read the full text and more specific details contained elsewhere in this prospectus supplement. For a more detailed description of the notes, see Description of Notes.

Issuer	Cincinnati Bell Inc.
Securities Offered	\$500,000,000 principal amount of 8 ³ / ₈ % Senior Notes due 2020 (the notes).
Maturity	The notes will mature on October 15, 2020.
Interest Rate and Payment Dates	The notes will have an interest rate of 8 ³ / ₈ % per annum, payable in cash on April 15 and October 15 of each year, beginning April 15, 2011.
Optional Redemption	We may redeem some or all of the notes prior to October 15, 2015 by paying either 101% of the principal amount of the notes or a make whole premium, whichever is greater, plus, in each case, accrued and unpaid interest, if any, as set forth in this prospectus supplement. We may also redeem some or all of the notes on or after October 15, 2015 at redemption prices, plus accrued and unpaid interest, if any, as set forth under Description of Notes Optional Redemption.
Optional Redemption After Certain Equity Offerings	At any time prior to October 15, 2013, we may redeem up to 35% of the aggregate principal amount of the notes with the net cash proceeds of certain equity offerings of our common stock at a redemption price of 108.375% of the principal amount of the notes plus accrued and unpaid interest, if any, to the redemption date, so long as (1) at least 65% of the original aggregate amount of the notes remains outstanding after each such redemption and (2) any such redemption is made within 60 days of such public equity offering. See Description of Notes Optional Redemption.
Change of Control	If we experience specific kinds of changes in control, holders of the notes will have the right to require us to purchase their notes, in whole or in part, at a price equal to 101% of the principal amount, together with any accrued and unpaid interest to the date of such purchase.
Note Guarantees	The notes will be fully and unconditionally guaranteed (each, a note guarantee) on an unsecured senior basis by each of the Issuer's current and future restricted subsidiaries that is a guarantor under our senior credit facilities (each, a note guarantor).
Ranking	The notes and the note guarantees will be unsecured senior obligations of the Issuer and the note guarantors, respectively, will

Table of Contents

rank equally with all of their existing and future senior indebtedness, will rank senior to all of their existing and future senior subordinated and subordinated indebtedness and will be effectively subordinated to all of their existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness. The notes and the note guarantees will also be effectively subordinated to all existing and future obligations of the subsidiaries of the Issuer that are not note guarantors.

After giving effect to the offering of the notes and the application of the proceeds as set forth in Use of Proceeds, as of June 30, 2010, there would have been outstanding:

\$1,555.7 million in aggregate principal amount of senior indebtedness of the Issuer, of which \$308.1 million in aggregate principal amount would have been secured indebtedness (excluding unused commitments under our senior credit facilities);

no senior indebtedness of the note guarantors (excluding the guarantees of our senior credit facilities, our 7% Senior Notes due 2015, our 8 1/4% Senior Notes due 2017 and the notes offered hereby and \$129.2 million of capital leases and other debt);

\$225.7 million in aggregate principal amount of indebtedness of non-guarantor subsidiaries effectively ranking senior to the notes and the note guarantees to the extent of the value of the assets of such non-guarantor subsidiaries;

\$832.5 million in aggregate principal amount of indebtedness of the Issuer that is subordinated or junior in right of payment to the notes (consisting of \$625.0 million in aggregate principal amount of our 8 3/4% Senior Subordinated Notes due 2018 and \$207.5 million in aggregate principal amount of the Issuer's subordinated guarantees of Cincinnati Bell Telephone Company LLC's 6.30% Debentures due 2028 and medium term notes); and

no indebtedness of the note guarantors that is subordinated or junior in right of payment to the note guarantees (excluding the guarantees of our 8 3/4% Senior Subordinated Notes due 2018).

Negative Covenants

The indenture governing the notes will have certain covenants that limit, among other things, our ability and the ability of our restricted subsidiaries to:

incur additional indebtedness or issue preferred stock,

create liens,

make investments,

enter into transactions with affiliates,

sell assets,

S-4

Table of Contents

guarantee indebtedness,

declare or pay dividends or other distributions to shareholders,

repurchase equity interests,

redeem debt that is junior in right of payment to the notes,

enter into agreements that restrict dividends or other payments from subsidiaries,

issue or sell capital stock of certain of our subsidiaries, and

consolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis.

These covenants are subject to a number of important exceptions and qualifications. See Description of Notes Certain Covenants.

Termination of Covenants

If, on any date following the date of the indenture, the notes have an investment grade rating from both Standard & Poor's Rating Group, Inc. and Moody's Investor Services, Inc., and no default or event of default has occurred and is continuing, most of the covenants under the indenture will be terminated. See Description of Notes Certain Covenants.

Denominations

The notes will be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

Taxation

For a summary of the U.S. federal income tax considerations relating to an investment in the notes, see Material United States Federal Income Tax Considerations.

Trading and Listing

The notes will not be listed on any securities exchange. There is no existing trading market for the notes.

Use of Proceeds

We intend to use the net proceeds from the sale of the notes to repay outstanding borrowings under our senior credit facilities and pay the transaction fees and expenses incurred by us in connection with this offering. See Use of Proceeds. Affiliates of certain of the underwriters are agents and/or lenders under our senior credit facilities and will receive a portion of the proceeds from this offering. See Underwriting Other Relationships .

DTC Eligibility

The notes will be issued in book-entry form only and will be represented by one or more global certificates, without interest coupons, deposited with the trustee on behalf of DTC

and registered in the name of a nominee of DTC. Beneficial interests in the notes will be shown on, and transfers will be effected only through, records maintained by DTC and its direct and indirect participants. See Description of Notes Book-Entry, Delivery and Form.

S-5

Table of Contents

Risk Factors

See "Risk Factors" beginning on page S-8 of this prospectus supplement, on page 3 of the accompanying prospectus, in the Company's Annual Report on Form 10-K for the year ended December 31, 2009 and in the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010 for a description of certain factors relating to an investment in the notes, including information about our business.

S-6

Table of Contents**SUMMARY CONSOLIDATED FINANCIAL DATA**

The following summary historical consolidated financial data for the six-month periods ended June 30, 2010 and June 30, 2009 and as of June 30, 2010 are derived from, and qualified by reference to, our unaudited condensed consolidated financial statements incorporated by reference in this prospectus supplement, which have been prepared on a basis consistent with our annual audited financial statements. The following summary historical consolidated financial data for each of the years in the three-year period ended December 31, 2009 and as of December 31, 2009 and 2008 are derived from, and qualified by reference to, our audited consolidated financial statements incorporated by reference in this prospectus supplement. The summary data below should be read in conjunction with the financial statements, the related notes and the report of Deloitte & Touche LLP incorporated by reference in this prospectus supplement. Operating results for the six months ended June 30, 2010 are not necessarily indicative of the results that may be expected for the year ended December 31, 2010 or any other future periods.

(dollars in millions)	Six Months Ended June 30,		Years ended December 31,		
	2010	2009	2009	2008	2007
	(Unaudited)				
Consolidated statement of operations data:					
Total revenue	\$ 662.3	\$ 653.1	\$ 1,336.0	\$ 1,403.0	\$ 1,348.6
Total operating costs and expenses	510.1	497.2	1,040.5	1,097.8	1,066.2
Net income	32.4	55.1	89.6	102.6	73.2

(dollars in millions)	June 30,		December 31,		
	2010	2009	2009	2008	
	(Unaudited)				
Consolidated balance sheet data:					
Cash and cash equivalents			\$ 17.1	\$ 23.0	\$ 6.7
Total assets			2,602.9	2,064.3	2,086.7
Total debt			2,491.6	1,979.1	1,960.7
Total shareowner s deficit			(624.9)	(654.6)	(709.3)

(dollars in millions)	Six Months Ended June 30,		Years ended December 31,		
	2010	2009	2009	2008	2007
	(Unaudited)				
Other financial data:					
Net cash provided by operating activities	\$ 125.4	\$ 170.5	\$ 265.6	\$ 403.9	\$ 308.8
Net cash used in investing activities	582.8	96.6	93.8	250.5	263.5
Net cash provided by (used in) financing activities	451.5	(78.0)	(155.5)	(172.8)	(98.6)
Capital expenditures	58.2	94.2	195.1	230.9	233.8
Interest expense	79.5	63.1	130.7	139.7	154.9
Preferred stock dividends	5.2	5.2	10.4		