M I HOMES INC
Form 424B5
September 06, 2012
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Registration File No. 333-176088

PROSPECTUS SUPPLEMENT

(To Prospectus dated September 30, 2011)

2,200,000 shares

M/I Homes, Inc.

Common Shares

We are offering 2,200,000 of our common shares. We have granted the underwriters an option, exercisable for up to 30 days from the date of this prospectus supplement, to purchase up to 330,000 additional common shares at the public offering price less the underwriting discounts to cover over-allotments, if any.

Our common shares are listed on the New York Stock Exchange under the symbol MHO. On September 5, 2012, the last reported sales price of our common shares on the New York Stock Exchange was $17.63 per share.

Concurrently with this offering, under a separate prospectus supplement, we are offering up to $50,000,000 aggregate principal amount of our 3.25% Convertible Senior Subordinated Notes due 2017 (the 2017 Notes). Neither this offering nor the offering of the 2017 Notes is contingent on the completion of the other.

	Per share	Total
Public offering price	$ 17.63	$ 38,786,000
Underwriting discounts	$ 0.96965	$ 2,133,230
Proceeds to M/I Homes, Inc., before expenses	$ 16.66035	$ 36,652,770

Investing in our common shares involves a high degree of risk. See Risk Factors beginning on page S-7.

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

The underwriters expect to deliver the common shares on or about September 11, 2012.

Joint book-running managers

Citigroup **J.P. Morgan**

Lead manager

JMP Securities

Co-managers

Comerica Securities **PNC Capital Markets LLC** **The Huntington Investment Company**

September 5, 2012

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized anyone to provide you with different information or represent anything about us, our financial results or this offering that is not contained or incorporated by reference in this prospectus supplement and the accompanying

prospectus. We are not, and the underwriters are not, making an offer to sell these securities or soliciting an offer to buy these securities in any state or other jurisdiction where the offer or solicitation is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate on any date subsequent to the date set forth on the front of this prospectus supplement or the date of incorporation by reference, even though this prospectus supplement and the accompanying prospectus may be delivered or securities may be sold on a later date.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the terms of the offering of common shares and also adds to and updates information contained in the accompanying prospectus as well as the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, gives more general information about securities we may offer from time to time, some of which information does not apply to the common shares we are offering. To the extent any inconsistency or conflict exists between the information included in this prospectus supplement and the information included in the accompanying prospectus, the information included or incorporated in this prospectus supplement updates and supersedes the information in the accompanying prospectus. This prospectus supplement incorporates by reference important business and financial information about us that is not included in or delivered with this prospectus supplement.

Unless otherwise indicated or unless the context requires otherwise, all references in this prospectus supplement and the accompanying prospectus to M/I, us, we, our or the Company mean M/I Homes, Inc., an Ohio corporation, and our consolidated subsidiaries, except where made clear that the terms mean M/I Homes, Inc. only.

Unless otherwise indicated, all information in this prospectus supplement assumes the underwriters option to purchase additional shares will not be exercised.

INDUSTRY AND MARKET DATA

We obtained the market and competitive position data used throughout this prospectus supplement, the accompanying prospectus and the documents incorporated by reference from our own research, surveys or studies conducted by third parties and industry or general publications. Industry publications and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. While we believe that each of these studies and publications is reliable, neither we nor the underwriters have independently verified such data and neither we nor the underwriters make any representation as to the accuracy of such information. Similarly, we believe our internal research is reliable, but it has not been verified by any independent sources.

FORWARD-LOOKING STATEMENTS

Certain information contained or incorporated by reference in this prospectus supplement contains forward-looking statements, including, but not limited to, statements regarding our future financial performance and financial condition. Words such as expects, anticipates, envisions, targets, goals, projects, intends, plans, believes, seeks, estimates, variations of such words and similar expressions are intended to id forward-looking statements. These statements involve a number of risks and uncertainties. Any forward-looking statements that we make or incorporate herein are not guarantees of future performance, and actual results may differ materially from those in such forward-looking statements as a result of various factors, including, but not limited to, those referred to below:

- the homebuilding industry has experienced a prolonged and severe downturn, and the volume of new home sales in most markets remains at historically depressed levels despite recent signs of a modest recovery in housing, and such conditions could adversely affect our business and results of operations;

further tightening of residential consumer mortgage lending or mortgage financing requirements or further volatility in credit and consumer lending markets could adversely affect the availability of residential consumer mortgage loans for some potential purchasers of our homes and thereby reduce our sales;

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our strategies in responding to the adverse conditions in the homebuilding industry over the past several years and the implementation of additional strategies may not be successful, despite signs of modest recovery in the housing industry in 2012;

our land investment exposes us to significant risks, including potential impairment write-downs, that could negatively impact our profits if the market value of our inventory declines;

if we are unable to successfully compete in the highly competitive homebuilding industry, our financial results and growth may suffer;

if economic conditions worsen or the current challenging economic conditions continue for an extended period of time, this could have continued negative consequences on our operations, financial position, and cash flows;

interest rate increases could lower demand for our homes;

tax law changes could make home ownership more expensive or less attractive;

inflation can adversely affect us, particularly in a period of declining home sale prices;

our limited geographic diversification could adversely affect us if the homebuilding industry in our markets declines;

we may not be successful in integrating acquisitions or implementing our growth strategies;

if we are unable to obtain suitable financing, our business may be negatively impacted;

the mortgage warehousing agreement of our financial services segment will expire in March 2013;

reduced numbers of home sales may force us to absorb additional carrying costs;

we could be adversely affected by a negative change in our credit rating;

errors in estimates and judgments that affect decisions about how we operate and on our reported amounts of assets, liabilities, revenues and expenses could have a material impact on us;

if our ability to resell mortgages to investors is impaired, we may be required to broker loans;

mortgage investors could seek to have us buy back loans or compensate them for losses incurred on mortgages we have sold based on claims that we breached our limited representations or warranties;

we compete on several levels with homebuilders that may have greater sales and financial resources than us, which could hurt our future earnings;

we may not be able to benefit from net operating loss carryforwards;

our net operating loss carryforwards could be substantially limited if we experience an ownership change as defined in Section 382 of the U.S. Internal Revenue Code of 1986, as amended (the Code);

our results of operations, financial condition and cash flows could be adversely affected if pending or future legal claims against us are not resolved in our favor;

the terms of our indebtedness may restrict our ability to operate and, if our financial performance declines, we may be unable to maintain compliance with the covenants in the documents governing our indebtedness;

our indebtedness could adversely affect our financial condition, and we and our subsidiaries may incur additional indebtedness, which could increase the risks created by our indebtedness;

in the ordinary course of business, we are required to obtain performance bonds, the unavailability of which could adversely affect our results of operations and/or cash flows;

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changes in accounting principles, interpretations and practices may affect our reported revenues, earnings and results of operations;

we can be injured by failures of persons who act on our behalf to comply with applicable regulations and guidelines;

we experience fluctuations and variability in our operating results on a quarterly basis and, as a result, our historical performance may not be a meaningful indicator of future results;

homebuilding is subject to warranty and liability claims in the ordinary course of business which may lead to additional reserves or expenses;

natural disasters and severe weather conditions could delay deliveries, increase costs and decrease demand for homes in affected areas;

supply shortages and other risks related to the demand for skilled labor and building materials could increase costs and delay deliveries;

we are subject to extensive government regulations, which could restrict our homebuilding or financial services business;

information technology failures and data security breaches could harm our business;

we are dependent on the services of certain key employees, and the loss of their services could hurt our business; and

such other factors as may be described from time to time in our filings with the Securities and Exchange Commission (the SEC).

The factors identified in this section are not intended to represent a complete list of all the factors that could adversely affect our business, operating results, financial condition or cash flows. Other factors not presently known to us or that we currently deem immaterial to us may also have an adverse effect on our business, operating results, financial condition or cash flows, and the factors we have identified could affect us to a greater extent than we currently anticipate. Many of the important factors that will determine our future financial performance and financial condition are beyond our ability to control or predict. You are cautioned not to put undue reliance on any forward-looking statements, which speak only as of the date they are made. Except as required by applicable law or the rules and regulations of the SEC, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. However, any further disclosures made on related subjects in our subsequent filings and reports with the SEC should be consulted. This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995, and all of our forward-looking statements are expressly qualified in their entirety by the cautionary statements contained or referenced in this section.

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SUMMARY

This summary highlights selected information about us. It may not contain all the information that may be important to you in deciding whether to invest in our common shares. You should read this entire prospectus supplement and the accompanying prospectus, together with the information incorporated by reference, including the financial data and related notes and the Risk Factors sections, before making an investment decision.

The Company

M/I Homes, Inc. is one of the nation s leading builders of single-family homes. We were incorporated, through predecessor entities, in 1973 and commenced homebuilding activities in 1976. Since that time, we have sold and delivered over 81,500 homes. We design, market, construct and sell single-family homes, attached townhomes, and condominiums to first-time, move-up, empty-nester and luxury buyers under the M/I Homes, Showcase Homes, TriStone Homes and Triumph Homes trade names.

Our homes are sold in the following geographic markets: Columbus and Cincinnati, Ohio; Indianapolis, Indiana; Chicago, Illinois; Tampa and Orlando, Florida; Houston and San Antonio, Texas; Charlotte and Raleigh, North Carolina; and the Virginia and Maryland suburbs of Washington, D.C. We support our homebuilding operations by providing mortgage financing services through our wholly-owned subsidiary, M/I Financial Corp. (M/I Financial), and title services through subsidiaries that are either wholly- or majority-owned by us.

Our financial reporting segments consist of: Midwest homebuilding; Southern homebuilding; Mid-Atlantic homebuilding; and financial services. Our homebuilding operations comprise the most substantial part of our business, representing 97% of consolidated revenue for the year ended December 31, 2011. Our financial services operations generate revenue from originating and selling mortgages and collecting fees for title insurance and closing services.

For additional information regarding our business, financial condition, results of operations and cash flows, please see our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 and our Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2012 and June 30, 2012, each of which is incorporated by reference in this prospectus supplement.

Recent Developments

For the two-months ended August 31, 2012, our new contracts were 535, a 43% increase over our 373 new contracts in the same period in 2011.

Concurrent Notes Offering

Concurrently with this offering of our common shares, under a separate prospectus supplement, we are offering up to $50,000,000 aggregate principal amount of our 2017 Notes ($57,500,000 aggregate principal amount of our 2017 Notes if the option granted to the underwriters to purchase up to an additional $7,500,000 aggregate principal amount of the 2017 Notes, solely to cover over-allotments, is exercised in full) in an underwritten public offering, which we refer to as the notes offering. Neither this offering nor the notes offering is contingent on the completion of the other. The foregoing description and other information regarding the notes offering is included herein solely for informational purposes. Nothing in this prospectus supplement should be construed as an offer to sell, or the solicitation of an offer to buy, any 2017 Notes in the notes offering.

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Corporate Information

M/I Homes, Inc. is an Ohio corporation incorporated through predecessor entities in 1973. Our executive offices are located at 3 Easton Oval, Suite 500, Columbus, Ohio 43219, and our telephone number is (614) 418-8000. Our website address is www.mihomes.com. Information on our website is not incorporated by reference in or otherwise a part of this prospectus supplement.

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The Offering

The following summary contains basic information about this offering and our common shares. It may not contain all the information that is important to you. For a more complete understanding of our common shares, please refer to the section of the accompanying prospectus entitled Description of Capital Stock and our articles of incorporation and code of regulations, copies of which have been filed with the SEC and are available upon request.

Issuer	M/I Homes, Inc.
Common Shares Offered	2,200,000
Common Shares Outstanding Immediately After the Offering	21,059,699 shares. The number of common shares outstanding immediately after the offering is based on the number of common shares outstanding at June 30, 2012, and excludes (1) 330,000 common shares that may be sold by us if the underwriters exercise their over-allotment option in full, (2) 2,204,440 common shares underlying awards outstanding as of June 30, 2012 granted under our incentive compensation plans and (3) assuming completion of the notes offering, the common shares issuable upon conversion of the 2017 Notes.
Use of Proceeds	We estimate that the net proceeds to us from the sale of the common shares offered hereby will be approximately $36.6 million (or $41.1 million if the underwriters over-allotment option to purchase up to 330,000 additional common shares is exercised in full) after deducting underwriting discounts and the estimated offering expenses payable by us. We intend to use the net proceeds of this offering for general corporate purposes, which may include acquisitions of land, land development, home construction, capital expenditures, increasing our working capital, repayment of indebtedness and other related purposes.
Dividends	We have no immediate plans to pay dividends.
Listing	Our common shares are listed on the New York Stock Exchange under the symbol MHO.
Concurrent Notes Offering	Concurrently with this offering of our common shares, under a separate prospectus supplement, we are offering up to $50,000,000 aggregate principal amount of our 2017 Notes ($57,500,000 aggregate principal amount of our 2017 Notes if the underwriters over-allotment option to purchase up to an additional $7,500,000 aggregate principal amount of our 2017 Notes is exercised in full) in an underwritten public offering. Neither this offering nor the notes offering is contingent on the completion of the other. For more information, see Concurrent Notes Offering.
Risk Factors	**An investment in our common shares involves various risks, and prospective investors should carefully consider the matters discussed under the caption entitled Risk Factors beginning on page S-7 of this prospectus supplement.**

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Summary Consolidated Financial Data

The following table sets forth summary consolidated financial data for the periods indicated. You should read the following summary consolidated financial data in conjunction with our consolidated financial statements and the notes thereto and Management s Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 and our Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2012, which are incorporated by reference in this prospectus supplement. Results for the six months ended June 30, 2012 are not necessarily indicative of results for the full year or for future periods.

The summary consolidated net income data for the fiscal years ended December 31, 2009, 2010 and 2011 and the summary consolidated balance sheet data as of December 31, 2009, 2010 and 2011 have been derived from our historical audited consolidated financial statements. The summary consolidated net income data for the six months ended June 30, 2011 and 2012 and the summary consolidated balance sheet data as of June 30, 2011 and 2012 have been derived from our unaudited consolidated financial statements.

	Year Ended December 31,			Six Months Ended June 30,	
(in thousands, except per share amounts)	**2009**	**2010**	**2011**	**2011**	**2012**
Net income data:					
Revenue	$ 569,949	$ 616,377	$ 566,424	$ 248,014	$ 302,119
Land and housing costs[1]	494,989	511,408	467,130	206,617	244,441
Impairment of inventory and investment in unconsolidated LLCs	55,421	12,538	21,993	16,316	567
Gross margin	19,539	92,431	77,301	25,081	57,111
General and administrative expenses[2]	59,170	53,958	52,664	24,168	26,283
Selling expenses	43,950	48,084	43,534	19,408	23,836
Interest expense	8,467	9,415	15,005	7,500	8,067
Other loss	941	8,378			
Loss before income taxes[3]	(92,989)	(27,404)	(33,902)	(25,995)	(1,075)
(Benefit) provision for income taxes[4]	(30,880)	(1,135)	(25)	188	(1,093)
Net income (loss)[4][5]	$ (62,109)	$ (26,269)	$ (33,877)	$ (26,183)	$ 18
Net income (loss) available to common shareholders[4][5]	$ (62,109)	$ (26,269)	$ (33,877)	$ (26,183)	$ 18
Per share data:					
Earnings (loss) per share to common shareholders:					
Basic[4][5]	$ (3.71)	$ (1.42)	$ (1.81)	$ (1.40)	$
Diluted[4][5]	$ (3.71)	$ (1.42)	$ (1.81)	$ (1.40)	$
Weighted average shares outstanding:					
Basic	16,730	18,523	18,698	18,663	18,803
Diluted	16,730	18,523	18,698	18,663	18,998
Dividends per common share	$	$	$	$	$

	December 31,			June 30,	
(in thousands)	**2009**	**2010**	**2011**	**2011**	**2012**
Balance sheet data:					
Cash and cash equivalents	$ 109,930	$ 81,208	$ 59,793	$ 44,900	$ 44,297
Restricted cash[6]	22,302	41,923	41,334	68,902	12,593
Inventory	420,289	450,936	466,772	462,796	521,956
Total assets[7]	663,828	661,894	664,485	653,283	670,760
Note payable bank-financial service operations	24,142	32,197	52,606	32,133	46,343
Notes payable banks-other	6,160	5,853	5,801	5,801	10,766
Total shareholders equity[4]	$ 326,763	$ 303,491	$ 273,350	$ 280,028	$ 275,146

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(1) Includes the following impact of charges related to the repair of certain homes in Florida where certain of our subcontractors installed defective imported drywall: (i) $12.2 million for the year ended December 31, 2009; and (ii) $0.6 million for the year ended December 31, 2010. The year ended December 31, 2010 also includes a $2.4 million recovery of such charges as a result of a settlement with a provider of certain of the defective imported drywall.

(2) Includes the impact of write-off of land deposits and pre-acquisition costs of: (i) $1.7 million, $0.6 million and $1.0 million for the years ended December 31, 2009, 2010 and 2011, respectively; and (ii) $0.3 million for the six months ended June 30, 2011 and 2012.

(3) Includes the sum of the impact described in notes (1) and (2) above and the impairment of inventory and investment in unconsolidated LLCs for all periods presented.

(4) Includes the impact of net valuation allowances on our deferred tax assets of: (i) $8.2 million, $10.8 million and $12.9 million for the years ended December 31, 2009, 2010 and 2011, respectively; and (ii) $10.3 million and $0.1 million for the six months ended June 30, 2011 and 2012, respectively.

(5) The charges in notes (1) and (2) above, along with the impairment of inventory and investment in unconsolidated LLCs:

increased loss from continuing operations by $42.9 million, $7.1 million and $14.2 million for the years ended December 31, 2009, 2010 and 2011, respectively; and

increased loss from continuing operations by $10.3 million and $0.5 million for the six months ended June 30, 2011 and 2012, respectively.

(6) At December 31, 2009, 2010 and 2011 and June 30, 2011 and June 30, 2012, restricted cash primarily consisted of homebuilding cash the Company had designated as collateral in accordance with the secured credit agreements to which it is a party for the issuance of letters of credit outside of the Company s secured revolving credit facility (the Letter of Credit Facilities). At December 31, 2011, restricted cash also included $25.0 million the Company was required to pledge as security to the lenders under the Company s $140 million secured revolving credit facility (the Credit Facility). Restricted cash also included cash held in escrow of $3.1 million at both December 31, 2009 and 2010, and less than $0.1 million at December 31, 2011, June 30, 2011 and June 30, 2012.

(7) Total assets at December 31, 2009, 2010 and 2011 include gross deferred tax assets of $117.1 million, $127.9 million and $140.8 million, respectively, that were fully reserved. Total assets at June 30, 2011 and 2012 include gross deferred tax assets of $138.2 million and $140.7 million, respectively, that were fully reserved.

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Summary Homebuilding Operations Data

The following table sets forth summary information by region regarding our homebuilding activities for the periods indicated. Results for the six months ended June 30, 2012 are not necessarily indicative of results for the full year or for future periods. The following data have been derived from our unaudited financial records for the periods indicated.

	Year Ended December 31,			Six Months Ended June 30,	
(Dollars in thousands)	**2009**	**2010**	**2011**	**2011**	**2012**
Midwest Region:					
Homes delivered	1,282	1,296	991	487	488
New contracts, net	1,334	1,215	1,042	595	639
Backlog at end of period	417	336	387	444	538
Aggregate sales value of homes in backlog	$ 100,623	$ 83,061	$ 100,096	$ 110,215	$ 141,687
Southern Region:					
Homes delivered	428	429	571	233	320
New contracts, net	406	461	607	302	483
Backlog at end of period	55	87	164	197	361
Aggregate sales value of homes in backlog	$ 12,088	$ 19,006	$ 39,540	$ 44,354	$ 87,316
Mid-Atlantic Region:					
Homes delivered	699	709	716	309	324
New contracts, net	753	640	732	392	468
Backlog at end of period	178	109	125	192	269
Aggregate sales value of homes in backlog	$ 63,988	$ 33,179	$ 41,019	$ 59,450	$ 91,385
Total:					
Homes delivered	2,409	2,434	2,278	1,029	1,132
New contracts, net	2,493	2,316	2,381	1,289	1,590
Backlog at end of period	650	532	676	833	1,168
Aggregate sales value of homes in backlog	$ 176,698	$ 135,246	$ 180,655	$ 214,019	$ 320,388

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RISK FACTORS

An investment in our common shares involves material risks. You should carefully consider the risks set forth below, as well as the other information contained in this prospectus supplement and the accompanying prospectus, before deciding to invest in our common shares. The occurrence of any of the following risks could materially and adversely affect our business, financial condition, prospects, results of operations and cash flows. In such case, the trading price of our common shares could decline, and you could lose all or part of your investment. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business, prospects, financial condition, results of operations and cash flows.

Risks Related to Our Business

Homebuilding Market and Economic Risks

The homebuilding industry has experienced a prolonged and severe downturn, and the volume of new home sales in most markets remains at historically depressed levels despite recent signs of a modest recovery in housing, and such conditions could adversely affect our business and results of operations.

Since 2006, many of our markets and the U.S. homebuilding industry as a whole have experienced a significant and sustained decrease in demand for new homes and an oversupply of new and existing homes available for sale. These conditions have shown modest signs of improvement in recent months, but demand for new homes remains at historically low levels. In many markets, a rapid increase in new and existing home prices in the years leading up to and including 2006 reduced housing affordability relative to consumer incomes and tempered buyer demand. Also since the downturn began, investors and speculators reduced their purchasing activity and instead accelerated their efforts to sell residential property they had previously acquired. These trends, which were more pronounced in markets that had experienced the greatest levels of price appreciation, resulted in fewer overall home sales, greater cancellations of home purchase agreements by buyers, higher inventories of unsold homes and the increased use by homebuilders, speculators, investors and others of discounts, incentives, price concessions and other marketing efforts to close home sales in the years following 2006. These negative supply and demand trends were exacerbated further beginning in 2008 by increasing sales of lender-owned homes, a severe downturn in general economic conditions, increased unemployment, turmoil in credit and consumer lending markets and tighter mortgage lending standards.

Reflecting the impact of this difficult environment, we, like many other homebuilders, experienced declines in new contracts, decreases in the average selling price of new homes sold and reduced margins through 2010 relative to years prior to the housing market downturn, and we generated operating losses through 2011. Despite recent signs of a modest recovery in housing conditions, we can provide no assurances that the homebuilding market or our business will improve substantially in the near future. If economic conditions and employment remain weak and mortgage foreclosures, delinquencies and short sales remain at heightened levels, there would likely be a corresponding adverse effect on our business and our results of operations, including, but not limited to, our number of homes delivered and the amount of revenues we generate.

Further tightening of residential consumer mortgage lending or mortgage financing requirements or further volatility in credit and consumer lending markets could adversely affect the availability of residential consumer mortgage loans for some potential purchasers of our homes and thereby reduce our sales.

Since 2008, the residential consumer mortgage lending and mortgage finance industries have experienced significant instability due to, among other things, relatively high rates of delinquencies, defaults and foreclosures on residential consumer mortgage loans and a resulting decline in their market value and the market value of securities backed by such loans. The delinquencies, defaults and foreclosures have been driven in part by persistent poor economic and employment conditions, which have negatively affected borrowers incomes, and

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by a decline in the values of many existing homes in various markets below the principal balance of the residential consumer mortgage loans secured by such homes. A number of providers, purchasers and insurers of residential consumer mortgage loans and residential consumer mortgage-backed securities have gone out of business or exited the market, and lenders, investors, regulators and others have questioned the oversight and the adequacy of lending standards for several residential consumer mortgage loan programs made available to borrowers in recent years, including programs offered or supported by the Federal Housing Administration (the FHA), the U.S. Department of Veterans Affairs (the VA) and the federal government sponsored enterprises, the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). Compared to periods prior to 2008, this has led to reduced investor demand for residential consumer mortgage loans and residential consumer mortgage-backed securities, tightened credit requirements, reduced liquidity and availability of residential consumer mortgage loan products (particularly subprime and nonconforming loans), and increased down payment requirements and credit risk premiums related to home purchases. It has also led to enhanced regulatory and legislative actions, and government programs focused on modifying the principal balances, interest rates and/or payment terms of existing residential consumer mortgage loans and preventing residential consumer mortgage loan foreclosures, which have achieved somewhat mixed results.

The reduction in the availability of residential consumer mortgage loan products and providers and tighter residential consumer mortgage loan qualifications and down payment requirements have made it more difficult for some categories of borrowers to finance the purchase of our homes or the purchase of existing homes from potential move-up buyers who wish to purchase one of our homes. Overall, these factors have slowed the general improvement in the housing market, and although they have shown recent signs of stabilizing, they have resulted in reduced demand for our homes and for residential consumer mortgage loans originated through our M/I Financial subsidiary. These reductions in demand have had a materially adverse effect on our business and results of operations which may continue.

Potentially exacerbating the foregoing trends, in 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) was signed into law and established several new standards and requirements (including risk retention obligations) relating to the origination, securitizing and servicing of, and consumer disclosures for, residential consumer mortgage loans. In addition, United States and international banking regulators have proposed or enacted higher capital standards and requirements for financial institutions. These standards and requirements, as and when implemented, are expected to further reduce the availability of loans to borrowers and/or increase the costs to borrowers to obtain such loans.

As a result of the volatility and uncertainty in the credit markets and in the residential consumer mortgage lending and mortgage finance industries since 2008, the federal government has taken on a significant role in supporting residential consumer mortgage lending through its conservatorship of Fannie Mae and Freddie Mac, both of which purchase or insure residential consumer mortgage loans and residential consumer mortgage-backed securities, and its insurance of residential consumer mortgage loans through the FHA and the VA. In the last few years, the FHA, Fannie Mae and Freddie Mac have purchased or insured substantially all new residential consumer mortgage loans originated by lenders and other mortgage banking services providers. FHA-backing of residential consumer mortgage loans has been particularly important to the residential consumer mortgage finance industry and to our business. In the first six months of 2012, approximately 46% of our homebuyers (compared to approximately 56% in the first six months of 2011) that chose to finance with our M/I Financial subsidiary purchased a home using an FHA- or VA-backed loan. Federal regulators and legislators are discussing steps that may significantly reduce the ability or authority of the FHA, Fannie Mae and Freddie Mac to purchase or insure residential consumer mortgage loans. In addition, due to growing federal budget deficits, the U.S. Treasury may not be able to continue supporting the residential consumer mortgage-related activities of Fannie Mae, Freddie Mac, the FHA and the VA at present levels. The availability and affordability of residential consumer mortgage loans, including interest rates for such loans, could be adversely affected by a scaling back or termination of the federal government s mortgage-related programs or policies.

Since 2010, investors in residential consumer mortgage-backed securities, as well as the FHA, Fannie Mae and Freddie Mac, have increasingly demanded that lenders and other mortgage banking services providers, brokers and other institutions, or their agents, repurchase the loans underlying the securities based on alleged

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breaches of underwriting standards or of representations and warranties made in connection with transferring the loans. We expect these put-back demands will continue and, to the extent successful, could cause lenders and other mortgage banking services providers and brokers to further curtail their residential consumer mortgage loan origination activities due to reduced liquidity. Concerns about the soundness of the residential consumer mortgage lending and mortgage finance industries have also been heightened due to allegedly widespread errors by lenders and other mortgage banking services providers or brokers, or their agents, in the processing of residential consumer mortgage loan foreclosures and sales of foreclosed homes, leading to voluntary or involuntary delays and higher costs to finalize foreclosures and foreclosed home sales, and greater court and regulatory scrutiny. In addition to having a potential negative impact on the origination of new residential consumer mortgage loans, these disruptions in residential consumer mortgage loan foreclosures and lender-owned home sales can make it more difficult for us to accurately assess the supply of and prevailing prices for unsold homes and/or the overall health of particular housing markets.

Many of our homebuyers obtain financing for their home purchases from our M/I Financial subsidiary. If, due to higher costs, reduced liquidity, heightened risk retention obligations and/or new operating restrictions or regulatory reforms related to or arising from compliance with the Dodd-Frank Act, limitations or restrictions in the availability of government-backed financing, residential consumer mortgage loan put-back demands or internal or external reviews of its residential consumer mortgage loan foreclosure processes, or other factors or business decisions, M/I Financial is limited or unable to make loan products available to our homebuyers, our home sales and our homebuilding and financial services results of operations may be adversely affected. We can provide no assurance that the trend of tighter residential consumer mortgage lending standards will slow or reverse in the foreseeable future.

Our strategies in responding to the adverse conditions in the homebuilding industry over the past several years and the implementation of additional strategies may not be successful, despite signs of modest recovery in the housing industry in 2012.

In an effort to generate higher revenues and restore and maintain our homebuilding operations profitability, beginning in late 2008 and continuing through the second quarter of 2012, we have (1) invested in new communities in our markets with higher margins, (2) rolled out new, more flexible product designs, including our Eco Series product line, (3) continued to take steps to reduce our selling, general and administrative expenses and (4) redeployed our capital into housing markets with perceived higher future growth prospects, such as our entry into the Houston and San Antonio, Texas markets.

We believe these steps helped us increase our homes delivered and new contracts and margins in the first six months of 2012 compared to the same period in 2011, as well as increase the number of homes in backlog, the average sales price of the homes in backlog and the overall sales value of our backlog. However, there can be no assurance that these trends will continue, that we will successfully increase our average active community count and inventory base with desirable land assets at a reasonable cost, or that we will maintain profitability in the future.

In addition, notwithstanding our sales strategies, we have experienced volatility in our new contracts throughout the housing downturn, and continuing during 2012. The relatively tight consumer mortgage lending environment and the inability of some homebuyers to sell their existing homes have also led to lower demand for new homes. It is uncertain how long and to what degree these factors, and the volatility in new contracts we have experienced, will continue. To the extent that these factors continue, and to the extent that they limit our average selling prices, we expect that they may have a negative effect on our business and our results of operations.

Our land investment exposes us to significant risks, including potential impairment write-downs, that could negatively impact our profits if the market value of our inventory declines.

We must anticipate demand for new homes several years prior to homes being sold to homeowners. There are significant risks inherent in controlling or purchasing land, especially as the demand for new homes fluctuates. There is often a significant lag time between when we acquire land for development and when we sell

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homes in neighborhoods we have planned, developed and constructed. The value of undeveloped land, building lots and housing inventories can fluctuate significantly as a result of changing market conditions. In addition, inventory carrying costs can be significant, and fluctuations in value can result in reduced profits. Economic conditions could result in the necessity to sell homes or land at a loss, or hold land in inventory longer than planned, which could significantly impact our financial condition, results of operations, cash flows and stock performance. Additionally, if conditions in the homebuilding industry worsen in the future, we may be required to evaluate our inventory for potential impairment, which may result in additional valuation adjustments, which could be significant and could negatively impact our financial results and condition. We cannot make any assurances that the measures we employ to manage inventory risks and costs will be successful.

If we are unable to successfully compete in the highly competitive homebuilding industry, our financial results and growth may suffer.

The homebuilding industry is highly competitive. We compete for sales in each of our markets with national, regional and local developers and homebuilders, foreclosures sales, existing home resales and, to a lesser extent, condominiums and available rental housing. Some of our competitors have significantly greater financial resources or lower costs than we do. Competition among both small and large residential homebuilders is based on a number of interrelated factors, including location, reputation, amenities, design, quality and price. Competition is expected to continue and may become more intense, and there may be new entrants in the markets in which we currently operate and in markets we may enter in the future. If we are unable to successfully compete, our financial results and growth could suffer.

If economic conditions worsen or the current challenging economic conditions continue for an extended period of time, this could have continued negative consequences on our operations, financial position and cash flows.

The homebuilding industry is cyclical and is significantly affected by changes in industry conditions, as well as by general and local economic conditions, such as:

- employment levels and job and personal income growth;
- availability and pricing of financing for homebuyers;
- short and long-term interest rates;
- overall consumer confidence and the confidence of potential homebuyers in particular;
- demographic trends;
- housing demand from population growth, household formation and other demographic changes, among other factors;
- U.S. and global financial system and credit market stability;

private party and governmental residential consumer mortgage loan programs, and federal and state regulation of lending and appraisal practices;

federal and state personal income tax rates and provisions, including provisions for the deduction of residential consumer mortgage loan interest payments and other expenses;

the supply of and prices for available new or existing homes (including lender-owned homes acquired through foreclosures and short sales) and other housing alternatives, such as apartments and other residential rental property;

homebuyer interest in our current or new product designs and community locations, and general consumer interest in purchasing a home compared to choosing other housing alternatives; and

real estate taxes.

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Adverse changes in economic conditions may affect our business nationally or may be more prevalent or concentrated in particular regions or localities in which we operate. In recent years, unfavorable changes in many economic factors negatively affected all of our served markets, and the widespread nature of the housing downturn may result in an extended recovery period. Continued weakness in the economy, employment levels and consumer confidence would likely exacerbate the unfavorable trends the housing market generally experienced beginning in the latter half of 2006.

Potential difficulties in the economy can cause demand and prices for our homes to fall or cause us to take longer and incur more costs to build our homes. We may not be able to recover these increased costs by raising prices because of market conditions and because the price of each home we sell is usually set several months before the home is delivered, as our customers typically sign their home purchase contracts before construction begins. The potential difficulties could also lead some homebuyers to cancel or refuse to honor their home purchase contracts altogether. Reflecting the difficult economic conditions in our served markets over the past several years, we have experienced volatility in our new contracts in recent years, and despite recent signs of a modest improvement in new home demand in many of our markets, we may experience similar or increased volatility in the future.

Interest rate increases could lower demand for our homes.

Nearly all of our customers finance the purchase of their homes. Before the housing downturn began, low interest rates and the increased availability of specialized residential consumer mortgage loan products, including products requiring no or low down payments, and interest-only and adjustable-rate residential consumer mortgage loans, made purchasing a home more affordable for a number of customers and more available to customers with lower credit scores. Increases in interest rates or decreases in the availability of residential consumer mortgage loan financing or of certain residential consumer mortgage loan products or programs may lead to fewer residential consumer mortgage loans being provided, higher down payment requirements or borrower costs, or a combination of the foregoing, and, as a result, reduce demand for our homes and increase our home purchase contract cancellation rates.

Tax law changes could make home ownership more expensive or less attractive.

Under current U.S. tax law and policy, significant expenses of owning a home, including residential consumer mortgage loan interest costs and real estate taxes, generally are deductible expenses for the purpose of calculating an individual s federal, and in some cases state, taxable income, subject to various limitations. If the federal government or a state government changes income tax laws, as some policy makers and a presidential commission have proposed, by eliminating or substantially reducing these income tax benefits, the after-tax cost of owning a home could increase substantially. This could adversely impact demand for and/or sales prices of new homes.

Inflation can adversely affect us, particularly in a period of declining home sale prices.

Inflation can have a long-term impact on us because, if the costs of land, materials and labor increase, this would require us to attempt to increase the sale prices of homes in order to maintain satisfactory margins. Although an excess of supply over demand for new homes, such as the environment in which we are currently operating, generally requires that we reduce prices, rather than increase them, it does not necessarily result in reductions, or prevent increases, in the costs of materials, labor and land development costs. Under those circumstances, the effect of cost increases is to reduce the margins on the homes we sell. Reduced margins in such cases make it more difficult for us to recover the full cost of previously purchased land.

Our limited geographic diversification could adversely affect us if the homebuilding industry in our markets declines.

We have operations in Ohio, Indiana, Illinois, Maryland, Virginia, North Carolina, Florida and Texas. Our limited geographic diversification could adversely impact us if the homebuilding business in our current markets should continue to decline, since there may not be a balancing opportunity in a stronger market in other geographic regions.

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Operational Risks

We may not be successful in integrating acquisitions or implementing our growth strategies.

In April 2011, we acquired the assets of TriStone Homes, a privately-held homebuilder based in San Antonio, Texas. In April 2012, we expanded our Houston, Texas operations by acquiring the assets of Triumph Homes, a privately-held homebuilder based in Houston, Texas. We may in the future consider growth or expansion of our operations in our current markets or in other areas of the country, whether through strategic acquisitions of homebuilding companies or otherwise. The magnitude, timing and nature of any future expansion will depend on a number of factors, including our ability to identify suitable additional markets and/or acquisition candidates, the negotiation of acceptable terms, our financial capabilities and general economic and business conditions. Our expansion into new or existing markets, whether through acquisition or otherwise, could have a material adverse effect on our liquidity and/or profitability, and any future acquisitions could result in the dilution of existing shareholders if we issue our common shares as consideration. Acquisitions also involve numerous risks, including difficulties in the assimilation of the acquired company s operations, the incurrence of unanticipated liabilities or expenses, the risk of impairing inventory and other assets related to the acquisition, the diversion of management s attention and resources from other business concerns, risks associated with entering markets in which we have limited or no direct experience and the potential loss of key employees of the acquired company.

If we are unable to obtain suitable financing, our business may be negatively impacted.

The homebuilding industry is capital intensive because of the length of time from when land or lots are acquired to when the related homes are constructed on those lots and delivered to homebuyers. Our business and earnings depend on our ability to obtain financing to support our homebuilding operations and to provide the resources to carry inventory. We may be required to seek additional capital, whether from sales of equity or debt, or additional bank borrowings, to support our business. Our ability to secure the needed capital on terms that are acceptable to us may be impacted by factors beyond our control. In the event we are unable to obtain suitable financing, our future liquidity may be impacted, which could have a material adverse effect on our financial condition or results of operations and require us to use cash or other sources of capital to fund our business operations.

The mortgage warehousing agreement of our financial services segment will expire in March 2013.

M/I Financial is party to a $70 million secured mortgage warehousing agreement dated April 18, 2011, as amended on March 23, 2012, among M/I Financial, the lenders party thereto and Comerica Bank, as administrative agent (the MIF Mortgage Warehousing Agreement). M/I Financial uses the MIF Mortgage Warehousing Agreement to finance its lending activities until the loans are delivered to third party buyers. The MIF Mortgage Warehousing Agreement will expire on March 30, 2013. If we are unable to renew or replace the MIF Mortgage Warehousing Agreement when it matures, the activities of our financial services segment could be seriously impeded.

Reduced numbers of home sales may force us to absorb additional carrying costs.

We incur many costs even before we begin to build homes in a community. These include costs of preparing land and installing roads, sewage and other utilities, as well as taxes and other costs related to ownership of the land on which we plan to build homes. Reducing the rate at which we build homes extends the length of time it takes us to recover these additional costs. Also, we frequently enter into contracts to purchase land and make deposits that may be forfeited if we do not fulfill our purchase obligation within specified periods.

We could be adversely affected by a negative change in our credit rating.

Our ability to access capital on favorable terms is a key factor in growing our business and operations in a profitable manner. Our debt and the company have credit ratings issued by Fitch, Moody s and Standard & Poor s. Downgrades of our credit rating by one or more of these credit agencies may make it more difficult and costly for us to access external financing.

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Errors in estimates and judgments that affect decisions about how we operate and on our reported amounts of assets, liabilities, revenues and expenses could have a material impact on us.

In the ordinary course of business, we must make estimates and judgments that affect decisions about how we operate and the reported amounts of assets, liabilities, revenues and expenses. These estimates include, but are not limited to, those related to: recognition of income and expenses; impairment of assets; estimates of future improvement and amenity costs; estimates of sales levels and sales prices; capitalization of costs to inventory; provisions for litigation, insurance and warranty costs; cost of complying with government regulations; and income taxes. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. On an ongoing basis, we evaluate and adjust our estimates based upon the information then currently available. Actual results may differ from these estimates, assumptions and conditions.

If our ability to resell mortgages to investors is impaired, we may be required to broker loans.

We sell substantially all of the loans we originate within a short period of time in the secondary mortgage market on a servicing released, non-recourse basis, although we remain liable for certain limited representations and warranties related to loan sales. If we are unable to sell to viable purchasers in the marketplace, our ability to originate and sell mortgage loans at competitive prices could be limited which would negatively affect our operations and our profitability. Additionally, if there is a significant decline in the secondary mortgage market, our ability to sell mortgages could be adversely impacted and we would be required to make arrangements with banks or other financial institutions to fund our buyers closings. If we became unable to sell loans into the secondary mortgage market or directly to Fannie Mae and Freddie Mac, we would have to modify our origination model, which, among other things, could significantly reduce our ability to sell homes.

Mortgage investors could seek to have us buy back loans or compensate them for losses incurred on mortgages we have sold based on claims that we breached our limited representations or warranties.

M/I Financial originates mortgages, primarily for our homebuilding customers. Substantially all of the mortgage loans originated are sold within a short period of time in the secondary mortgage market on a servicing released, nonrecourse basis, although we remain liable for certain limited representations, such as fraud, and warranties related to loan sales. Accordingly, mortgage investors have in the past and could in the future seek to have us buy back loans or compensate them for losses incurred on mortgages we have sold based on claims that we breached our limited representations or warranties. We believe there continues to be an industry-wide issue with the number of purchaser claims in which purchasers purport to have found inaccuracies related to sellers representations and warranties in particular loan sale agreements. In 2011 and to date in 2012, we have not repurchased any loans and we have established reserves for potential losses. However, there can be no assurance that we will not have significant liabilities in respect of such claims in the future, which could exceed our reserves, or that the impact of such claims on our results of operations will not be material.

We compete on several levels with homebuilders that may have greater sales and financial resources than us, which could hurt our future earnings.

We compete not only for homebuyers but also for desirable properties, financing, raw materials and skilled labor, often within larger subdivisions designed, planned and developed by other homebuilders. Our competitors include other local, regional and national homebuilders, some of which have greater sales and financial resources than us. The competitive conditions in the homebuilding industry, together with current market conditions, have resulted in and could continue to result in:

difficulty in acquiring suitable land at acceptable prices;

lower selling prices;

increased selling incentives;

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lower sales;

lower profit margins;

impairments in the value of inventory; and

delays in construction.

If we are unable to successfully compete within the homebuilding industry, this could lead to increased costs and/or lower profit margins.

We may not be able to benefit from net operating loss carryforwards.

We suffered losses in each fiscal year from 2007 through 2011 for tax (as well as for financial statement) purposes. We were able to carryback 100% of our tax loss in the 2007 fiscal year to recover tax we had paid with regard to a prior year. However, we would not have been able to carryback 100% of our 2008 fiscal year tax loss without legislation enacted in November 2009 that extended the net operating loss (NOL) carryback period to five years. We were unable to carryback our tax losses for the fiscal years from 2009 through 2011. We will not receive any tax benefits with regard to tax losses we could not carryback unless we have taxable income in the 20-year NOL carryforward period. In our financial statements, we have fully reserved against all our deferred tax assets due to the possibility that we may not have taxable income that will enable us to benefit from our tax losses for the fiscal years from 2009 through 2011. However, those reserves will be reversed when it becomes more likely than not that we will have sufficient future taxable income to take advantage of the deferred tax assets.

Our net operating loss carryforwards could be substantially limited if we experience an ownership change as defined in Section 382 of the Internal Revenue Code.

Based on recent impairments and our current financial performance, we generated NOL carryforwards for the years ending December 31, 2009, 2010 and 2011, and it is possible that we will generate net NOL carryforwards in future years. Under the Code, we may use these NOL carryforwards to offset future earnings and reduce our federal income tax liability. As a result, we believe these NOL carryforwards could be a substantial asset for us.

Section 382 of the Code contains rules that limit the ability of a company that undergoes an ownership change, which is generally defined as any change in ownership of more than 50% of its common stock over a three-year period, to utilize its NOL carryforwards and certain built-in losses recognized in years after the ownership change. These rules generally operate by focusing on ownership changes among shareholders owning, directly or indirectly, 5% or more of the company s common stock (including changes involving a shareholder becoming a 5% shareholder) or any change in ownership arising from a new issuance of stock by the company.

In March 2009, we amended our code of regulations to impose certain restrictions on the transfer of our common shares to preserve the tax treatment of our NOLs and built-in losses (the NOL Protective Amendment). The transfer restrictions imposed by the NOL Protective Amendment generally restrict (unless otherwise approved by our board of directors) any direct or indirect transfer if the effect would be to: (1) increase the direct or indirect ownership of our shares by any person or group of persons from less than 5% to 5% or more of our common

shares; or (2) increase the percentage of our common shares owned directly or indirectly by a person or group of persons owning or deemed to own 5% or more of our common shares. Although the NOL Protective Amendment is intended to reduce the likelihood of an ownership change that could adversely affect us, we cannot provide assurance that the restrictions on transferability in the NOL Protective Amendment will prevent all transfers that could result in such an ownership change. There also can be no assurance that the transfer restrictions in the NOL Protective Amendment will be enforceable against all of our shareholders absent a court determination confirming such enforceability. The transfer restrictions may be subject to challenge on legal or equitable grounds.

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The acquisition of common shares in this offering is not subject to the NOL Protective Amendment. The NOL Protective Amendment may, however, limit the ability of a person who acquires common shares in this offering to dispose of those common shares because it reduces the class of potential acquirers of such common shares. See the risk factor below captioned The NOL Protective Amendment may limit your ability to dispose of the common shares and adversely impact the value of the common shares for more information.

If we undergo an ownership change for purposes of Section 382 of the Code as a result of future transactions involving our common shares, including transactions initiated by the Company, and including transactions involving a shareholder becoming an owner of 5% or more of our common shares and purchases and sales of our common shares by existing 5% shareholders, our ability to use our NOL carryforwards and recognize certain built-in losses could be limited by Section 382 of the Code. Depending on the resulting limitation, a significant portion of our NOL carryforwards could expire before we would be able to use them. Our inability to utilize our NOL carryforwards could have a material adverse affect on our financial condition and results of operations.

Our results of operations, financial condition and cash flows could be adversely affected if pending or future legal claims against us are not resolved in our favor.

On March 5, 2009, a resident of Florida and an owner of one of our homes filed a complaint in the United States District Court for the Southern District of Ohio, on behalf of himself and other similarly situated owners and residents of homes in the United States or alternatively in Florida, against the Company and certain other identified and unidentified parties (the Initial Action). The plaintiff alleged that the Company built his home with defective drywall, manufactured and supplied by certain of the defendants, that contains sulfur or other organic compounds capable of harming the health of individuals and damaging property. The plaintiff alleged physical and economic damages and sought legal and equitable relief, medical monitoring and attorney s fees. The Company filed a responsive pleading on or about April 30, 2009. The Initial Action was consolidated with other similar actions not involving the Company and transferred to the Eastern District of Louisiana pursuant to an order from the United States Judicial Panel on Multidistrict Litigation for coordinated pre-trial proceedings (collectively, the In Re: Chinese Manufactured Drywall Product Liability Litigation). In connection with the administration of the In Re: Chinese Manufactured Drywall Product Liability Litigation, the same homeowner and nine other homeowners were named as plaintiffs in omnibus class action complaints filed in and after December 2009 against certain identified manufacturers of drywall and others (including the Company), including one homeowner named as a plaintiff in an omnibus class action complaint filed in March 2010 against various unidentified manufacturers of drywall and others (including the Company) (collectively, the MDL Omnibus Actions). As they relate to the Company, the Initial Action and the MDL Omnibus Actions address substantially the same claims and seek substantially the same relief. The Company has entered into agreements with several of the homeowners named as plaintiffs pursuant to which the Company agreed to make repairs to their homes consistent with repairs made to the homes of other homeowners. As a result of these agreements, the Initial Action has been resolved and dismissed, and seven of the nine other homeowners named as plaintiffs in omnibus class action complaints have dismissed their claims against the Company. One of the two remaining plaintiffs has also filed a complaint in Florida state court asserting essentially the same claims and seeking substantially the same relief as asserted in the MDL Omnibus Action. The MDL Court recently preliminarily approved a global class action settlement, which is intended to resolve all Chinese drywall-related claims of and against those who participate in the settlement. A final fairness and approval hearing is currently scheduled for November 2012. The Company intends to vigorously defend against the claims of any plaintiffs who are not bound by or elect to opt out of the class action settlement. Given the inherent uncertainties in this litigation, there can be no assurance that the ultimate resolution of the MDL Omnibus Actions, or any other actions or claims relating to defective drywall that may be asserted in the future, will not have a material adverse effect on our results of operations, financial condition, and cash flows. See the risk factor below captioned Homebuilding is subject to warranty and liability claims in the ordinary course of business which may lead to additional reserves or expenses for more information.

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The Company and certain of its subsidiaries have also been named as defendants in other claims, complaints and legal actions which are routine and incidental to our business. While management currently believes that the ultimate resolution of these other matters, individually and in the aggregate, will not have a material adverse effect on our results of operations, financial condition or cash flows, such matters are subject to inherent uncertainties. We have recorded a liability to provide for the anticipated costs, including legal defense costs, associated with the resolution of these other matters. However, it is possible that the costs to resolve these other matters could differ from the recorded estimates and, therefore, have a material adverse effect on our results of operations, financial condition and cash flows for the periods in which the matters are resolved. Similarly, if additional claims are filed against us in the future, the negative outcome of one or more of such matters could have a material adverse effect on our results of operations, financial condition and cash flows.

The terms of our indebtedness may restrict our ability to operate and, if our financial performance declines, we may be unable to maintain compliance with the covenants in the documents governing our indebtedness.

The Credit Facility and the indenture governing our outstanding 8.625% Senior Notes due 2018 (the 2018 Senior Notes) impose restrictions on our operations and activities. These restrictions, and/or our failure to comply with the terms of our indebtedness, could have a material adverse effect on our results of operations, financial condition and ability to operate our business.

The Credit Facility requires compliance with certain financial covenants, including a minimum consolidated tangible net worth requirement and a maximum permitted leverage ratio. Currently, we believe the most restrictive covenant of the Credit Facility is to maintain a minimum consolidated tangible net worth of at least $193.3 million. Failure to comply with this covenant or any of the other restrictions or covenants of the Credit Facility, whether because of a decline in our operating performance or otherwise, could result in a default under the Credit Facility. If a default occurs, the affected lenders could elect to declare the indebtedness, together with accrued interest and other fees, to be immediately due and payable, which in turn could cause a default under the documents governing any of our other indebtedness that is then outstanding if we are not able to repay such indebtedness from other sources. If this happens and we are unable to obtain waivers from the required lenders, the lenders could exercise their rights under such documents, including forcing us into bankruptcy or liquidation. Also, while the aggregate commitment of the Credit Facility is $140 million (with the ability to increase the amount of the Credit Facility up to $175 million in aggregate, contingent on obtaining additional commitments from lenders), we can only borrow up to the amount we have secured by real estate and/or cash in accordance with the provisions of the Credit Facility. This secured borrowing base limitation could preclude us from incurring additional borrowings, which could impair our ability to maintain sufficient working capital. In such a situation, there can be no assurance that we would be able to obtain alternative financing.

The indenture governing the 2018 Senior Notes also contains covenants that restrict our ability to, among other things:

- pay dividends on, and repurchase, our common shares and our 9.75% Series A Preferred Shares;
- incur additional indebtedness or liens;
- make investments;
- consolidate or merge with or into other companies; or
- liquidate or sell all or substantially all of our assets.

These restrictions may limit our ability to operate our business and may prohibit or limit our ability to enhance our operations or take advantage of potential business opportunities as they arise. Failure to comply with these covenants or any of the other restrictions or covenants contained in the indenture governing the 2018 Senior Notes could result in a default under such document, in which case holders of the 2018 Senior Notes may be entitled to cause the sums evidenced by such notes to become due immediately. This acceleration of our obligations under the 2018 Senior Notes could force us into bankruptcy or liquidation and we may be unable to

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repay those amounts without selling substantial assets, which might be at prices well below the long-term fair values and carrying values of the assets. Our ability to comply with the foregoing restrictions and covenants may be affected by events beyond our control, including prevailing economic, financial and industry conditions.

In addition, while the indenture governing the 2017 Notes does not contain any financial or operating covenants or restrictions on the payment of dividends, the incurrence of indebtedness or the repurchase or issuance of securities by us or any of our subsidiaries, the indenture imposes certain requirements on us, such as the requirement to offer to repurchase the 2017 Notes upon a fundamental change, as defined in the indenture. Assuming we consummate the notes offering, failure to comply with the requirements contained in the indenture governing the 2017 Notes could result in a default under such document, in which case holders of the 2017 Notes may be entitled to cause the sums evidenced by such notes to become due immediately. This acceleration of our obligations under the 2017 Notes could have the same effect as an acceleration of the 2018 Senior Notes described above.

Our indebtedness could adversely affect our financial condition, and we and our subsidiaries may incur additional indebtedness, which could increase the risks created by our indebtedness.

As of June 30, 2012, after giving effect to the issuance of the 2017 Notes in the notes offering, we had approximately $288.2 million of indebtedness outstanding (excluding issuances of letters of credit and the MIF Mortgage Warehousing Agreement), $238.2 million of which was senior indebtedness, including $6.4 million of which was senior secured indebtedness, and $52.0 million of available borrowings with respect to secured indebtedness under the Credit Facility. In addition, under the terms of the Credit Facility, the indenture governing our 2018 Senior Notes, the indenture governing the 2017 Notes and the documents governing our other indebtedness, we have the ability, subject to applicable debt covenants, to incur additional indebtedness. The incurrence of additional indebtedness could magnify other risks related to us and our business. Our indebtedness and any future indebtedness we may incur could have a significant adverse effect on our future financial condition. For example:

- a significant portion of our cash flow may be required to pay principal and interest on our indebtedness, which could reduce the funds available for working capital, capital expenditures, acquisitions or other purposes;
- borrowings under the Credit Facility bear, and borrowings under any new facility could bear, interest at floating rates, which could result in higher interest expense in the event of an increase in interest rates;
- the terms of our indebtedness could limit our ability to borrow additional funds or sell assets to raise funds, if needed, for working capital, capital expenditures, acquisitions or other purposes;
- our debt level and the various covenants contained in the Credit Facility, the indenture governing our 2018 Senior Notes, the indenture governing the 2017 Notes and the documents governing our other indebtedness could place us at a relative competitive disadvantage as compared to some of our competitors; and
- the terms of our indebtedness could prevent us from raising the funds necessary to repurchase all of the 2018 Senior Notes or the 2017 Notes tendered to us upon the occurrence of a change of control or a fundamental change, respectively, which would constitute a default under the applicable indenture, which in turn could trigger a default under the Credit Facility and the documents governing our other indebtedness.

In the ordinary course of business, we are required to obtain performance bonds, the unavailability of which could adversely affect our results of operations and/or cash flows.

As is customary in the homebuilding industry, we are often required to provide surety bonds to secure our performance under construction contracts, development agreements and other arrangements. Our ability to obtain surety bonds primarily depends upon our credit rating, capitalization, working capital, past performance,

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management expertise and certain external factors, including the overall capacity of the surety market and the underwriting practices of surety bond issuers. The ability to obtain surety bonds also can be impacted by the willingness of insurance companies to issue performance bonds. If we were unable to obtain surety bonds when required, our results of operations and/or cash flows could be adversely impacted.

Changes in accounting principles, interpretations and practices may affect our reported revenues, earnings and results of operations.

Generally accepted accounting principles and the accompanying standards, implementation guidelines, interpretations and practices for certain aspects of our business are complex and may involve subjective judgments, estimates and assumptions, such as revenue recognition, inventory valuations and income taxes. Changes in interpretations could significantly affect our reported revenues, earnings and operating results, and could add significant volatility to those measures without a comparable underlying change in cash flows from operations. The imposition of new accounting standards (*e.g.*, International Financial Reporting Standards) could result in increased expenses as we may be required to modify our current practices and systems in order to comply with such standards.

We can be injured by failures of persons who act on our behalf to comply with applicable regulations and guidelines.

There are instances in which subcontractors or others through whom we do business engage in practices that do not comply with applicable regulations or guidelines. When we learn of practices relating to homes we build or financing we provide that do not comply with applicable laws, rules or regulations, we actively move to stop the non-complying practices as soon as possible. However, regardless of the steps we take after we learn of practices that do not comply with applicable laws, rules or regulations, we can in some instances be subject to fines or other governmental penalties, and our reputation can be injured, due to the practices having taken place.

We experience fluctuations and variability in our operating results on a quarterly basis and, as a result, our historical performance may not be a meaningful indicator of future results.

We historically have experienced, and expect to continue to experience, variability in home sales and results of operations on a quarterly basis. As a result of such variability, our historical performance may not be a meaningful indicator of future results. Factors that contribute to this variability include:

- the timing of home deliveries and land sales;
- delays in construction schedules due to strikes, adverse weather, acts of God, reduced subcontractor availability and governmental restrictions;
- our ability to acquire additional land or options for additional land on acceptable terms;
- conditions of the real estate market in areas where we operate and of the general economy;

the cyclical nature of the homebuilding industry, changes in prevailing interest rates and the availability of mortgage financing; and

costs and availability of materials and labor.

Historically, a significant percentage of our home purchase contracts are entered into in the spring and summer months, and we deliver a corresponding significant percentage of our homes in the fall and winter months. Construction of our homes typically requires approximately four to six months and weather delays that often occur in late winter and early spring may extend this period. As a result of these combined factors, we historically have experienced uneven quarterly results, with lower revenues and operating income generally during the first and second quarters of the year.

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Homebuilding is subject to warranty and liability claims in the ordinary course of business which may lead to additional reserves or expenses.

As a homebuilder, we are subject to home warranty and construction defect claims arising in the ordinary course of business. We record warranty and other reserves for homes we sell based on historical experience in our markets and our judgment of the qualitative risks associated with the types of homes built. We have, and require the majority of our subcontractors to have, general liability, workers compensation and other business insurance. These insurance policies protect us against a portion of our risk of loss from claims, subject to certain self-insured retentions, deductibles and other coverage limits. We reserve for the costs to cover our self-insured retentions and deductible amounts under these policies and for any costs of claims and lawsuits based on an analysis of our historical claims, which includes an estimate of claims incurred but not yet reported. Because of the uncertainties inherent to these matters, we cannot provide assurance that our insurance coverage, our subcontractors arrangements and our reserves will be adequate to address all of our warranty and construction defect claims in the future. For example, contractual indemnities can be difficult to enforce, we may be responsible for applicable self-insured retentions and some types of claims may not be covered by insurance or may exceed applicable coverage limits. Additionally, the coverage offered and the availability of general liability insurance for construction defects are currently limited and costly. As a result, in some cases, we have reduced our customary insurance requirements. We have responded to the increases in insurance costs and coverage limitations by increasing our self-insured retentions. There can be no assurance that coverage will not be further restricted and may become even more costly or may not be available at rates that are acceptable to us.

There has been significant publicity about homes constructed with defective drywall. Since the discovery of defective drywall, we implemented procedures in every division to investigate homes for signs of the presence of defective drywall. As of June 30, 2012, the Company has identified 93 homes that have been confirmed as having defective drywall installed by our subcontractors. All of these homes are located in Florida. As of June 30, 2012, we have completed the repair of 88 homes and are in the process of repairing two homes. The remaining three homeowners have not granted us authority to repair their homes. In consideration for performing these repairs, we received from the homeowner a full release of claims (excluding, in nearly all cases, personal injury claims) arising from the defective drywall. Since 2009, the Company has accrued approximately $13.0 million for the repair of these 93 homes. The remaining balance in this accrual was $0.8 million as of June 30, 2012. Based on our investigation to date and our evaluation of the defective drywall issue, we believe our existing accrual is sufficient to cover costs and claims associated with the repair of these homes. However, if and to the extent the scope of the defective drywall issue proves to be significantly greater than we currently anticipate, or in the event defective drywall is, through credible evidence, linked to significant adverse health effects of the occupants of the homes containing such defective drywall, or if it is determined that our accrual for costs of repair attributable to defective drywall together with recoveries from our insurance carrier and from other responsible parties and their insurance carriers are not sufficient to cover claims, losses or other issues related to defective drywall, then it is possible that we could incur additional costs or liabilities related to this issue that may have a material adverse effect on our results of operations, financial position and cash flows. See the risk factor above captioned Our results of operations, financial condition and cash flows could be adversely affected if pending or future legal claims against us are not resolved in our favor for more information.

Natural disasters and severe weather conditions could delay deliveries, increase costs and decrease demand for homes in affected areas.

Several of our markets, specifically our operations in Florida, North Carolina, Washington, D.C. and Texas, are situated in geographical areas that are regularly impacted by severe storms, including hurricanes, flooding and tornadoes. In addition, our operations in the Midwest can be impacted by severe storms, including tornados. The occurrence of these or other natural disasters can cause delays in the completion of, or increase the cost of, developing one or more of our communities, and as a result could materially and adversely impact our results of operations.

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Supply shortages and other risks related to the demand for skilled labor and building materials could increase costs and delay deliveries.

The residential construction industry has, from time to time, experienced significant material and labor shortages in insulation, drywall, brick, cement and certain areas of carpentry and framing, as well as fluctuations in lumber prices and supplies. Any shortages of long duration in these areas could delay construction of homes, which could adversely affect our business and increase costs.

We are subject to extensive government regulations, which could restrict our homebuilding or financial services business.

The homebuilding industry is subject to numerous and increasing local, state and federal statutes, ordinances, rules and regulations concerning zoning, resource protection, building design and construction, and similar matters. This includes local regulations that impose restrictive zoning and density requirements in order to limit the number of homes that can eventually be built within the boundaries of a particular location. Such regulation also affects construction activities, including construction materials that must be used in certain aspects of building design, as well as sales activities and other dealings with homebuyers. We must also obtain licenses, permits and approvals from various governmental agencies for our development activities, the granting of which are beyond our control. Furthermore, increasingly stringent requirements may be imposed on homebuilders and developers in the future. Although we cannot predict the impact on us to comply with any such requirements, such requirements could result in time-consuming and expensive compliance programs. In addition, we have been, and in the future may be, subject to periodic delays or may be precluded from developing certain projects due to building moratoriums. These moratoriums generally relate to insufficient water supplies or sewage facilities, delays in utility hookups or inadequate road capacity within the specific market area or subdivision. These moratoriums can occur prior or subsequent to commencement of our operations, without notice or recourse.

We are also subject to a variety of local, state and federal statutes, ordinances, rules and regulations concerning consumer protection matters and the protection of health and the environment. These statutes, ordinances, rules and regulations, and any failure to comply therewith, could give rise to additional liabilities or expenditures and have an adverse effect on our results of operations, financial condition or business. The particular consumer protection matters regulate the marketing, sales, construction, closing and financing of our homes. The particular environmental laws that apply to any given project vary greatly according to the project site and the present and former uses of the property. These environmental laws may result in delays, cause us to incur substantial compliance costs (including substantial expenditures for pollution and water quality control), and prohibit or severely restrict development in certain environmentally sensitive regions.

In addition to the laws and regulations that relate to our homebuilding operations, M/I Financial is subject to a variety of laws and regulations concerning the underwriting, servicing and sale of mortgage loans, as well as anti-money laundering compliance obligations applicable to non-bank residential mortgage lenders.

Information technology failures and data security breaches could harm our business.

We use information technology, digital communications and other computer resources to carry out important operational and marketing activities and to maintain our business records. Many of these resources are provided to us and/or maintained on our behalf by third-party service providers pursuant to agreements that specify to varying degrees certain security and service level standards. Although we and our service providers employ what we believe are adequate security and other preventative and corrective measures, our ability to conduct our business may be impaired if these resources, including our website, are compromised, degraded, damaged or fail, whether due to a virus or other harmful circumstance, intentional penetration or disruption of our information technology resources by a third party, natural disaster, hardware or software corruption or failure or error (including a failure of security controls incorporated into or applied to such hardware or software), telecommunications system failure, service provider error or failure or intentional or unintentional personnel

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actions (including the failure to follow our security protocols). A significant and extended disruption in the functioning of these resources, including our website, could damage our reputation and cause us to lose customers, sales and revenue, result in the unintended and/or unauthorized public disclosure or the misappropriation of proprietary, personal identifying and confidential information (including information about our homebuyers and business partners), and require us to incur significant expense to address and remediate or otherwise resolve these kinds of issues. The release of confidential information may also lead to litigation or other proceedings against us by affected individuals and/or business partners and/or by regulators, and the outcome of such proceedings, which could include penalties or fines, could have a material and adverse effect on our consolidated financial statements. In addition, the costs of maintaining adequate protection against such threats, depending on their evolution, pervasiveness and frequency and/or government-mandated standards or obligations regarding protective efforts, could be material to our consolidated financial statements in a particular period or over various periods.

We are dependent on the services of certain key employees, and the loss of their services could hurt our business.

Our future success depends, in part, on our ability to attract, train and retain skilled personnel. If we are unable to retain our key employees or attract, train and retain other skilled personnel in the future, this could materially and adversely impact our operations and result in additional expenses for identifying and training new personnel.

Risks Associated with Ownership of Our Common Shares

Provisions of our charter documents, the Ohio General Corporation Law and our debt covenants could make it more difficult for a third party to acquire us, even if the offer may be considered beneficial by our shareholders.

Certain provisions of our amended and restated articles of incorporation and code of regulations, as well as provisions in the Ohio General Corporation Law and our debt covenants, could discourage potential takeover attempts and make attempts by shareholders to change management more difficult. These provisions could also adversely affect the market price of our common shares. For example:

Preferred shares

Our amended and restated articles of incorporation authorize our board of directors to issue, without any further vote or action by our shareholders, subject to certain limitations prescribed by law and the rules and regulations of the New York Stock Exchange, up to an aggregate of 2,000,000 preferred shares in one or more classes or series. With respect to any classes or series, the board of directors may determine the designation and the number of shares, rights, preferences, privileges, qualifications and restrictions, including dividend rights, voting rights, conversion rights, redemption rights and liquidation preferences. Absent a determination by the board of directors to establish different voting rights, holders of preferred shares are entitled to one vote per share on matters to be voted upon by the holders of common shares and preferred shares voting together as a single class, except that the Ohio General Corporation Law entitles the holders of preferred shares to exercise a class vote on certain matters. Our board of directors may authorize the issuance of preferred shares with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our common shares. The issuance of preferred shares could have the effect of decreasing the market price of our common shares. The issuance of preferred shares also could have the effect of delaying, deterring or preventing a change in control without further action by our shareholders.

Classified board of directors

Our board of directors is divided into three classes, with regular three-year staggered terms. This classification system increases the difficulty of replacing a majority of the directors and may tend to discourage a third-party from making a tender offer or otherwise attempting to gain control of us. It also may maintain the

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incumbency of our board of directors. In addition, our code of regulations provide that the number of directors in each class and the total number of directors may only be changed by the affirmative vote of a majority of the directors or the holders of record of at least 75% of our voting power. Under the Ohio General Corporation Law, shareholders may not remove any directors on a classified board of directors, except for cause.

Limited shareholder action by written consent

Section 1701.54 of the Ohio General Corporation Law requires that an action by written consent of the shareholders in lieu of a meeting be unanimous, except that, pursuant to Section 1701.11, the code of regulations may be amended by an action by written consent of holders of shares entitling them to exercise two-thirds of the voting power of the corporation or, if the articles of incorporation or code of regulations otherwise provide, such greater or lesser amount, but not less than a majority. Our regulations provide that they may be amended or repealed without a meeting by the written consent of a majority of our voting power; provided, however, that the affirmative vote of two-thirds of our voting power is required (whether at a meeting or without a meeting in an action by written consent) to amend or repeal certain provisions of our regulations, as discussed below under Supermajority voting provisions. This provision may have the effect of delaying, deferring or preventing a tender offer or takeover attempt that a shareholder might consider in its best interest.

Supermajority voting provisions

The affirmative vote of two-thirds of our voting power is required to amend or repeal our existing regulations, or adopt a new code of regulations, with respect to any of the following:

- the requirements for calling special meetings of shareholders;
- the requirements for giving notice of annual or special meetings of shareholders;
- the provisions regarding our number of directors and our staggered board of directors;
- the provisions for filling vacancies or newly created directorships on our board of directors;
- the procedures for nominating directors;
- the provisions regarding conflicts of interest;
- the requirement that directors can only be removed for cause;
- the indemnification provisions;

our non-statutory Control Share Acquisition Act provisions; and

amendments to these supermajority provisions.

In addition, the affirmative vote of 75% of our voting power is required to amend or repeal the provision regarding changes in the number of directors in our regulations. On all other proposed amendments to our regulations, the required vote is a majority of our voting power.

Under the Ohio General Corporation Law, in the case of most mergers, sales of all or substantially all the assets of a corporation and most amendments to a corporation s articles of incorporation, the affirmative vote of two-thirds of the voting power of the corporation is required unless the corporation s articles of incorporation provide for a lower amount not less than a majority. Our articles do not change the default voting requirement provided by the Ohio General Corporation Law.

Shareholder nominations

Our regulations provide that shareholders seeking to nominate candidates for election as directors at an annual or special meeting of shareholders must provide timely notice to us in writing. To be timely, a shareholder s notice must be received at our principal executive offices not less than 60 days nor more than 90

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days prior to the first anniversary of the date of the previous year s annual meeting (or, if the date of the annual meeting is changed by more than 30 days from the anniversary date of the preceding year s annual meeting, or in the case of a special meeting, within seven days after we mail the notice of the meeting or otherwise give notice of the meeting). The regulations also prescribe the proper written form for a shareholder s notice. These provisions may preclude some shareholders from making nominations for directors at an annual or special meeting.

Control Share Acquisition Act

Section 1701.831 of the Ohio General Corporation Law, known as the Control Share Acquisition Act, provides that certain notice and informational filings, and special shareholder meeting and voting procedures, must occur prior to any person s acquisition of an issuer s shares that would entitle the acquirer to exercise or direct the voting power of the issuer in the election of directors within any of the following ranges:

one-fifth or more (but less than one-third) of such voting power;

one-third or more (but less than a majority) of such voting power; and

a majority or more of such voting power.

The Control Share Acquisition Act does not apply to a corporation if its articles of incorporation or code of regulations so provide. We have opted out of the application of the Control Share Acquisition Act. However, we have adopted a substantially similar provision in our regulations with one significant exception: under our regulations, no shareholder meeting or vote is required if the board of directors has approved the acquisition of voting power. In addition, our regulations provide our board of directors with more flexibility than provided by the Control Share Acquisition Act in setting a date for the special meeting of shareholders to consider the proposed control share acquisition.

NOL Protective Amendment

Although the basis for the NOL Protective Amendment is to preserve the tax treatment of our NOLs and built-in losses, the NOL Protective Amendment could be deemed to have an anti-takeover effect because, among other things, it restricts the ability of a person or group of persons to accumulate 5% or more of our common shares, and restricts the ability of a person or group of persons now owning 5% or more of our common shares from acquiring additional common shares, without the approval of our board of directors.

Debt Covenants

In addition, some of our debt covenants contained in the indenture governing the 2017 Notes, the indenture governing our 2018 Senior Notes and our Credit Facility may delay or prevent a change in control.

The price of our common shares may fluctuate significantly, which could cause the value of your investment to decline.

The price of our common shares as reported on the New York Stock Exchange constantly changes. Over the course of the last 12 months, the price of our common shares has ranged from $5.08 to $19.78 per share. The market price of our common shares may fluctuate in response to numerous factors, including:

actual or anticipated fluctuations in our operating results;

changes in expectations as to our future financial performance, including financial estimates by securities analysts and investors;

governmental regulatory action;

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changes in market valuations of similar companies;

changes in the U.S. housing market;

a change in analyst ratings or our credit ratings;

the operating and stock performance of our competitors;

announcements by us or our competitors of acquisitions, strategic partnerships, joint ventures or capital commitments;

adverse market reaction to any additional debt we incur in the future;

changes in interest rates;

general domestic or international economic, market and political conditions;

additions or departures of key personnel;

terrorist activity may adversely affect the markets in which our securities trade, possibly increasing market volatility and causing the further erosion of business and consumer confidence and spending; and

future sales of our common shares.

In addition, the stock markets from time to time experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of companies. These broad fluctuations may adversely affect the trading price of our common shares, regardless of our actual operating performance.

Any of these factors could have a material adverse effect on your investment in our common shares, and our common shares may trade at prices significantly below the offering price. As a result, you could lose some or all of your investment.

Future sales of our common shares or preferred shares in the public market could lower the market price for our common shares and adversely impact our ability to raise capital through the sale of additional equity securities.

We may issue equity securities in the future for a number of reasons, including to finance our operations and business strategy, to adjust our ratio of debt to equity, to satisfy our obligations upon exercise of outstanding options or for other reasons. Our amended and restated articles of incorporation provide that we have authority to issue 38,000,000 common shares and 2,000,000 preferred shares. As of June 30, 2012, 18,859,699 common shares were outstanding, 2,204,440 common shares were issuable related to awards outstanding under our incentive

compensation plans and 4,000 of our 9.75% Series A Preferred Shares were outstanding. In addition, assuming completion of the notes offering, a substantial number of our common shares will be reserved for issuance upon conversion of the 2017 Notes. We cannot predict the size of future issuances of our common shares or other equity-related securities or the effect, if any, that they may have on the market price for our common shares. The issuance and sale of substantial amounts of common shares or additional preferred shares, or the perception that such issuances and sales may occur, could adversely affect the market price of our common shares and impair our ability to raise capital through the sale of additional equity securities. The issuance of our common shares in this offering and, assuming completion of the notes offering, upon conversion of the 2017 Notes, and or other issuances of our common shares or convertible or other equity linked securities will dilute the ownership interest of our common shareholders.

The price of our common shares could be affected by possible sales of our common shares by investors who view the 2017 Notes as a more attractive means of equity participation in the Company. Sales of a substantial number of our common shares or other equity-related securities in the public market, or any hedging or arbitrage trading activity involving our common shares, could depress the market price of our common shares and impair our ability to raise capital through the sale of additional equity securities.

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We have no immediate plans to pay any cash dividends on our shares.

The indenture governing our 2018 Senior Notes contains covenants that, among other things, limit our ability to pay dividends on, and repurchase, our common shares and 9.75% Series A Preferred Shares to the amount of the positive balance in our restricted payments basket, as defined in the indenture. Additionally, the terms of our outstanding 9.75% Series A Preferred Shares prevent us from paying cash dividends on our common shares unless we have paid cash dividends on our 9.75% Series A Preferred Shares for the then-current quarterly dividend period. As a result of a deficit in our restricted payments basket under the indenture governing our 2018 Senior Notes and the terms of prior indebtedness that is no longer outstanding, we have been unable to pay dividends on our common shares or 9.75% Series A Preferred Shares since the third quarter of 2008. At June 30, 2012, the restricted payments basket was ($11.6 million). After giving effect to the issuance of common shares in this offering, the restricted payments basket will become positive and we will be permitted to pay dividends on, and repurchase, our common shares and 9.75% Series A Preferred Shares to the extent of such positive balance in our restricted payments basket. However, we have no immediate plans to pay any cash dividends on our common shares or 9.75% Series A Preferred Shares. We expect to retain earnings to finance the continuing development of our business. See Use of Proceeds. Any future payment of cash dividends will depend upon our results of operations, financial condition, capital requirements and compliance with debt covenants and the terms of our outstanding preferred shares, including our 9.75% Series A Preferred Shares, as well as other factors considered relevant by our board of directors.

Furthermore, we are permitted under the terms of our debt agreements to incur additional indebtedness, the terms of which may severely restrict or prohibit the payment of dividends. We cannot assure you that the agreements governing our current and future indebtedness will permit us to pay dividends on our common shares.

The NOL Protective Amendment may limit your ability to dispose of the common shares and adversely impact the value of the common shares.

The NOL Protective Amendment restricts the ability of a person or group of persons to acquire, directly or indirectly, our common shares if after such acquisition the acquiring person or group of persons owns, directly or indirectly, 5% or more of the common shares. Accordingly, the NOL Protective Amendment reduces the class of potential acquirers for our common shares.

For so long as the NOL Protective Amendment is in effect, our board of directors intends to require the placement of a legend reflecting the NOL Protective Amendment on certificates representing newly issued or transferred shares. Because certain buyers, including persons who may wish to acquire 5% or more of our common shares and certain institutional holders who do not or choose not to hold common shares with restrictive legends, may not purchase our common shares, the NOL Protective Amendment could depress the value of our common shares in an amount that might more than offset any value conserved as a result of the preservation of the NOLs and built-in losses.

Non-U.S. holders may be subject to U.S. federal income taxes on payments in connection with a disposition of our common shares.

Because we believe that we are a United States real property holding corporation for United States federal income tax purposes, upon a sale or disposition of our common shares, non-U.S. holders may be subject to tax if (1) our common shares are not regularly traded on an established securities market, or (2) our common shares are regularly traded on an established securities market and the non-U.S. holder holds (or within the last five years has held), actually or constructively, common shares with a fair market value on the relevant date of determination that is greater than 5% of the total fair market value of our common shares on such date. See Material United States Federal Tax Consequences to Non-U.S. Holders of Our Common Shares.

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USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of the common shares offered hereby will be approximately $36.6 million (or $42.1 million if the underwriters over-allotment option to purchase up to 330,000 additional common shares is exercised in full) after deducting underwriting discounts and the estimated offering expenses payable by us. We intend to use the net proceeds of this offering for general corporate purposes, which may include acquisitions of land, land development, home construction, capital expenditures, increasing our working capital, repayment of indebtedness and other related purposes.

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CAPITALIZATION

The following table sets forth our consolidated cash and restricted cash and capitalization as of June 30, 2012:

- on an actual basis;
- on an as adjusted basis to reflect the issuance of the 2,200,000 common shares offered hereby at the public offering price of $17.63 per share, after deducting underwriting discounts and estimated transaction expenses payable by us (and assuming no exercise of the underwriters over-allotment option for the offering of common shares); and
- on a further as adjusted basis to reflect the issuance of $50,000,000 aggregate principal amount of our 2017 Notes in the concurrent notes offering, after deducting underwriting discounts and estimated transaction expenses payable by us (and assuming no exercise of the underwriters over-allotment option for the notes offering). See Summary Concurrent Notes Offering.

Neither this offering nor the notes offering is contingent on the completion of the other.

You should read this table in conjunction with our consolidated financial statements and the notes thereto and Management s Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 and our Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2012, which are incorporated by reference in this prospectus supplement.

	As of June 30, 2012		
(Dollars in thousands, except par values)	**Actual**	**As adjusted for this offering**	**As further adjusted for this offering and the concurrent notes offering**
Cash and restricted cash[1]	$ 56,890	$ 93,443	$ 140,893
Debt:			
Homebuilding revolving credit facility[2]			
8.625% senior notes due 2018, net of discount	227,470	227,470	227,470
3.25% convertible senior subordinated notes due 2017			50,000
Notes payable other[3]	10,766	10,766	10,766
Total homebuilding debt	238,236	238,236	288,236
M/I Financial credit facility[4]	46,343	46,343	46,343
Total debt	284,579	284,579	334,579
Shareholders Equity:			
Preferred shares $.01 par value; authorized 2,000,000 shares; 4,000 shares issued and outstanding	96,325	96,325	96,325
	221	223	223

Common shares $.01 par value; authorized 38,000,000 shares; 18,859,699 shares (actual) and 21,059,699 shares (as adjusted and as further adjusted) outstanding[5]			
Additional paid-in capital	139,271	175,822	175,822
Retained earnings	103,719	103,719	103,719
Treasury shares at cost (3,242,024 common shares)	(64,390)	(64,390)	(64,390)
Total shareholders equity	275,146	311,699	311,699
Total capitalization	$ 559,725	$ 596,278	$ 646,278

(1) At June 30, 2012, the Company had $12.6 million of restricted cash, which primarily consisted of homebuilding cash the Company had designated as collateral in accordance with the Letter of Credit Facilities and also included cash held in escrow of less than $0.1 million.

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(2) The Credit Facility has an aggregate commitment amount of up to $140 million (as determined by a borrowing base calculation), which may be increased up to $175 million in the aggregate, contingent on obtaining additional commitments from the lenders, including a $40 million sub-facility for letters of credit, and a maturity date of December 31, 2014. As of June 30, 2012, there were no borrowings outstanding and $16.7 million of letters of credit outstanding under the Credit Facility, and, after giving effect to the borrowing base calculation, the Company had net remaining borrowing availability of $52.0 million.

(3) Represents the mortgage for our principal executive offices and other indebtedness.

(4) The MIF Mortgage Warehousing Agreement has an aggregate commitment amount of $70 million and a maturity date of March 30, 2013. This facility is used by M/I Financial primarily to provide financing for the origination of mortgage loans.

(5) As further adjusted does not give effect to the conversion of the 2017 Notes.

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PRICE RANGE OF COMMON SHARES; DIVIDEND POLICY

Our common shares are listed on the New York Stock Exchange under the symbol MHO. The following table sets forth the high and low sales prices for transactions involving our common shares during each fiscal quarter indicated, as reported on the New York Stock Exchange.

	High	Low
Year ended December 31, 2010:		
First quarter	$ 15.54	$ 9.74
Second quarter	$ 17.98	$ 9.60
Third quarter	$ 11.49	$ 8.86
Fourth quarter	$ 16.30	$ 10.05
Year ended December 31, 2011:		
First quarter	$ 17.50	$ 12.58
Second quarter	$ 15.12	$ 11.03
Third quarter	$ 13.06	$ 5.88
Fourth quarter	$ 10.45	$ 5.08
Year ended December 31, 2012:		
First quarter	$ 13.99	$ 9.20
Second quarter	$ 17.54	$ 11.26
Third quarter (through September 5, 2012)	$ 19.78	$ 15.81

On September 5, 2012, the last reported sales price of our common shares on the New York Stock Exchange was $17.63 per share. As of August 31, 2012, there were 423 record holders of the Company s common shares.

The indenture governing our 2018 Senior Notes limits our ability to pay dividends on our common shares and 9.75% Series A Preferred Shares to the amount of the positive balance in our restricted payments basket, as defined in the indenture. Additionally, the terms of our outstanding 9.75% Series A Preferred Shares prevent us from paying cash dividends on our common shares unless we have paid cash dividends on our 9.75% Series A Preferred Shares for the then-current quarterly dividend period. As a result of a deficit in our restricted payments basket under the indenture governing our 2018 Senior Notes and the terms of prior indebtedness that is no longer outstanding, we have not paid dividends on our common shares or 9.75% Series A Preferred Shares since the third quarter of 2008. At June 30, 2012, the restricted payments basket was ($11.6 million). After giving effect to the issuance of common shares in this offering, the restricted payments basket will become positive and we will be permitted to pay dividends on our common shares and 9.75% Series A Preferred Shares to the extent of such positive balance in our restricted payments basket. However, we have no immediate plans to pay any cash dividends on our common shares or 9.75% Series A Preferred Shares. We expect to retain earnings to finance the continuing development of our business. See Use of Proceeds. Any future payment of cash dividends will depend upon our results of operations, financial condition, capital requirements and compliance with debt covenants and the terms of our outstanding preferred shares, including our 9.75% Series A Preferred Shares, as well as other factors considered relevant by our board of directors.

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MATERIAL UNITED STATES FEDERAL TAX CONSEQUENCES

TO NON-U.S. HOLDERS OF OUR COMMON SHARES

The following is a summary of material United States federal income and estate tax consequences to non-U.S. holders (as defined below) of the acquisition, ownership and disposition of our common shares issued pursuant to this offering. This discussion is not a complete analysis of all of the potential United States federal income and estate tax consequences relating thereto, nor does it address any gift tax consequences or any tax consequences arising under any state, local or foreign tax laws, or any other United States federal tax laws (such as Medicare contribution taxation). This discussion is based on the Code, Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the Internal Revenue Service (the IRS), all as in effect as of the date of this offering. These authorities may change, possibly retroactively, resulting in United States federal income and estate tax consequences different from those discussed below. No ruling has been or is expected to be sought from the IRS with respect to the matters discussed below, and there can be no assurance that the IRS will not take a contrary position regarding the tax consequences of the acquisition, ownership or disposition of our common shares, or that any such contrary position would not be sustained by a court.

This discussion is limited to non-U.S. holders who purchase our common shares issued pursuant to this offering and who hold our common shares as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all of the United States federal income and estate tax consequences that may be relevant to a particular holder in light of such holder s particular circumstances. This discussion also does not consider any specific facts or circumstances that may be relevant to holders subject to special rules under the United States federal income and estate tax laws, including, without limitation, U.S. expatriates, partnerships or other pass-through entities or investors in pass-through entities, real estate investment trusts, controlled foreign corporations, passive foreign investment companies, corporations that accumulate earnings to avoid United States federal income tax, financial institutions, insurance companies, brokers, dealers or traders in securities, commodities or currencies, tax-exempt organizations, tax-qualified retirement plans, persons subject to the alternative minimum tax, and persons holding our common shares as part of a hedging or conversion transaction or straddle, or a constructive sale, or other risk reduction strategy.

Prospective investors are urged to consult their tax advisors regarding the particular United States federal income and estate tax consequences to them of acquiring, owning and disposing of our common shares, as well as any tax consequences arising under any state, local or foreign tax laws and any other United States federal tax laws.

Definition of Non-U.S. Holder

For purposes of this discussion, a non-U.S. holder is any beneficial owner of our common shares that is not a U.S. person or a partnership (or other entity or arrangement treated as a partnership) for United States federal income tax purposes. A U.S. person is any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for United States federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to United States federal income tax regardless of its source; or

a trust (1) whose administration is subject to the primary supervision of a United States court and which has one or more United States persons who have the authority to control all substantial decisions of the trust, or (2) that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

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Distributions on Our Common Shares

If we make cash or other property distributions on our common shares, such distributions will constitute dividends for United States federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under United States federal income tax principles. Amounts not treated as dividends for United States federal income tax purposes will constitute a return of capital and will first be applied against and reduce a non-U.S. holder s adjusted tax basis in the common shares, but not below zero. Any excess will be treated as capital gain realized on the sale or other disposition of the common shares and will be treated as described under Gain on Disposition of Our Common Shares below.

Dividends paid to a non-U.S. holder of our common shares generally will be subject to United States federal withholding tax at a rate of 30% of the gross amount of the dividends, or such lower rate specified by an applicable income tax treaty. To receive the benefit of a reduced treaty rate, a non-U.S. holder must furnish to us or our paying agent a valid IRS Form W-8BEN (or applicable successor form) certifying such holder s qualification for the reduced rate. This certification must be provided to us or our paying agent prior to the payment of dividends and must be updated periodically. Non-U.S. holders that do not timely provide us or our paying agent with the required certification, but which qualify for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

If a non-U.S. holder holds our common shares in connection with the conduct of a trade or business in the United States, and dividends paid on the common shares are effectively connected with such holder s United States trade or business, the non-U.S. holder will be exempt from United States federal withholding tax. To claim the exemption, the non-U.S. holder must timely furnish to us or our paying agent a properly executed applicable IRS Form W-8 (or applicable successor form).

Any dividends paid on our common shares that are effectively connected with a non-U.S. holder s United States trade or business generally will be subject to United States federal income tax on a net income basis at the regular graduated United States federal income tax rates in much the same manner as if such holder were a resident of the United States, unless an applicable income tax treaty provides otherwise. A non-U.S. holder that is a foreign corporation also may be subject to a branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of all or a portion of its effectively connected earnings and profits for the taxable year. Non-U.S. holders are urged to consult any applicable income tax treaties that may provide for different rules.

Gain on Disposition of Our Common Shares

A non-U.S. holder generally will not be subject to United States federal income tax on any gain realized upon the sale or other disposition of our common shares, unless:

- the gain is effectively connected with the non-U.S. holder s conduct of a trade or business in the United States;
- the non-U.S. holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition, and certain other requirements are met; or
- our common shares constitute a United States real property interest by reason of our status as a United States real property holding corporation (USRPHC) for United States federal income tax purposes at any time within the shorter of the five-year period preceding

the disposition or the non-U.S. holder s holding period for our common shares. We believe we are a USRPHC for United States federal income tax purposes. However, as long as our common shares are regularly traded on an established securities market, such common shares will be treated as a United States real property interest with respect to a particular non-U.S. holder only if such non-U.S. holder actually or constructively held more than 5% of such regularly traded common shares during the applicable period.

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Unless an applicable income tax treaty provides otherwise, gain described in the first bullet point above will be subject to United States federal income tax on a net income basis at the regular graduated United States federal income tax rates in much the same manner as if such holder were a resident of the United States. A non-U.S. holder that is a foreign corporation also may be subject to a branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of all or a portion of its effectively connected earnings and profits for the taxable year. Non-U.S. holders are urged to consult any applicable income tax treaties that may provide for different rules.

Gain described in the second bullet point above will be subject to United States federal income tax at a flat 30% rate (or such lower rate specified by an applicable income tax treaty), but may be offset by United States source capital losses (even though the individual is not considered a resident of the United States).

With respect to the third bullet point above, if (1) our common shares are not regularly traded on an established securities market, or (2) our common shares are regularly traded on an established securities market and the non-U.S. holder actually or constructively holds (or within the last five years has held) common shares with a fair market value on the relevant date of determination that is greater than 5% of the total fair market value of our common shares on such date, gain recognized on the disposition of our common shares generally will be taxed in the same manner as gain described in the first bullet point above, except that the branch profits tax generally will not apply. Non-U.S. holders should consult with their tax advisors regarding whether any applicable income tax treaties may provide for different rules.

Information Reporting and Backup Withholding

We must report annually to the IRS and to each non-U.S. holder the amount of distributions on our common shares paid to such holder and the amount of any tax withheld with respect to those distributions. These information reporting requirements apply even if no withholding was required because the distributions were effectively connected with the holder s conduct of a United States trade or business, or withholding was reduced or eliminated by an applicable income tax treaty. This information also may be made available under a specific treaty or agreement with the tax authorities in the country in which the non-U.S. holder resides or is established. Backup withholding, currently at a 28% rate, however, generally will not apply to distribution payments to a non-U.S. holder of our common shares provided the non-U.S. holder furnishes to us or our paying agent the required certification as to its non-U.S. holder status, such as by providing a valid IRS Form W-8BEN or IRS Form W-8ECI, or certain other requirements are met. Notwithstanding the foregoing, backup withholding may apply if either we or our paying agent has actual knowledge, or reason to know, that the holder is a U.S. person that is not an exempt recipient for purposes of the backup withholding rules.

Payments of the proceeds from a disposition by a non-U.S. holder of our common shares made by or through a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, information reporting (but not backup withholding) will apply to those payments if the broker does not have documentary evidence that the beneficial owner is a non-U.S. holder, an exemption is not otherwise established and the broker is:

a U.S. person;

a controlled foreign corporation for United States federal income tax purposes;

a foreign person 50% or more of whose gross income is effectively connected with a United States trade or business for a specified three-year period; or

a foreign partnership if at any time during its tax year (1) one or more of its partners are U.S. persons who hold in the aggregate more than 50% of the income or capital interest in such partnership, or (2) it is engaged in the conduct of a United States trade or business.

Payment of the proceeds from a non-U.S. holder s disposition of our common shares made by or through the United States office of a broker generally will be subject to information reporting and backup withholding unless

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the non-U.S. holder certifies as to its non-U.S. holder status under penalties of perjury, such as by providing a valid IRS Form W-8BEN or IRS Form W-8ECI, or otherwise establishes an exemption from information reporting and backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a non-U.S. holder s United States federal income tax liability, provided the required information is timely furnished to the IRS.

United States Federal Estate Tax

Our common shares held by an individual non-U.S. holder (as specifically defined for U.S. federal estate tax purposes) and entities the property of which is potentially includible in such an individual s gross estate for U.S. federal estate tax purposes (for example, a trust funded by such an individual and with respect to which the individual has retained certain interests or powers) will be treated as U.S. situs property subject to U.S. federal estate tax unless an applicable estate tax treaty provides otherwise.

Legislation Affecting Taxation of Common Shares Held By or Through Foreign Entities

Recently enacted legislation may impose withholding taxes on certain types of payments made to foreign financial institutions and certain other non-U.S. entities after December 31, 2012. The legislation imposes a 30% withholding tax on dividends on, or gross proceeds from the sale or other disposition of, our common shares paid to a foreign financial institution (whether as beneficial owner or intermediary) unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned foreign entities, annually report certain information about such accounts and withhold 30% on payments to account holders whose actions prevent it from complying with these reporting and other requirements. In addition, the legislation imposes a 30% withholding tax on the same types of payments to a foreign non-financial entity (whether as beneficial owner or intermediary) unless the entity certifies that it does not have any substantial U.S. owners or furnishes identifying information regarding each substantial U.S. owner. Prospective investors should consult their tax advisors regarding this legislation.

IRS guidance and proposed Treasury Regulations provide that the withholding of 30% described in the preceding paragraph will not apply to dividends on our common shares until after December 31, 2013, and will not apply to gross proceeds from the sale or other disposition of our common shares until after December 31, 2014.

THE PRECEDING DISCUSSION OF MATERIAL UNITED STATES FEDERAL TAX CONSEQUENCES IS NOT TAX ADVICE. EACH NON-U.S. HOLDER SHOULD CONSULT ITS OWN TAX ADVISORS REGARDING THE PARTICULAR UNITED STATES FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF ACQUIRING, OWNING AND DISPOSING OF OUR COMMON SHARES, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAWS.

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UNDERWRITING

Citigroup Global Markets Inc. and J.P. Morgan Securities LLC are acting as joint book-running managers of the offering and as representatives of the underwriters named below. Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus supplement, each underwriter named below has severally agreed to purchase, and we have agreed to sell to that underwriter, the number of common shares set forth opposite the underwriter s name.

Underwriter	Number of Common Shares
Citigroup Global Markets Inc.	880,000
J.P. Morgan Securities LLC	880,000
JMP Securities LLC	220,000
Comerica Securities, Inc.	73,334
PNC Capital Markets LLC	73,333
The Huntington Investment Company	73,333
Total	2,200,000

The underwriting agreement provides that the obligations of the underwriters to purchase the common shares included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriters are obligated to purchase all the common shares (other than those covered by the over-allotment option described below) if they purchase any of the common shares.

Common shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus supplement. Any common shares sold by the underwriters to securities dealers may be sold at a discount from the initial public offering price not to exceed $0.58179 per common share. If all the common shares are not sold at the initial offering price, the underwriters may change the offering price and the other selling terms.

If the underwriters sell more common shares than the total number set forth in the table above, we have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus supplement, to purchase up to 330,000 additional common shares at the public offering price less the underwriting discount. To the extent the option is exercised, each underwriter must purchase a number of additional common shares approximately proportionate to that underwriter s initial purchase commitment. Any common shares issued or sold under the option will be issued and sold on the same terms and conditions as the other common shares that are the subject of this offering.

We, and our executive officers and directors, have agreed that, for a period of 60 days from the date of this prospectus supplement, we and they will not, without the prior written consent of Citigroup Global Markets Inc. and J.P. Morgan Securities LLC, dispose of or hedge any common shares or any securities convertible into or exchangeable for our common shares. Citigroup Global Markets Inc. and J.P. Morgan Securities LLC in their sole discretion may release any of the securities subject to these lock-up agreements at any time without notice. Notwithstanding the foregoing, if (1) during the last 17 days of the 60-day restricted period, we issue an earnings release or material news or a material event relating to our company occurs; or (2) prior to the expiration of the 60-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 60-day restricted period, the restrictions described above shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

Our common shares are listed on the New York Stock Exchange under the symbol MHO.

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The following table shows the underwriting discounts and commissions that we are to pay to the underwriters in connection with this offering. These amounts are shown assuming both no exercise and full exercise of the underwriters over-allotment option.

	Paid by M/I Homes, Inc.	
	No Exercise	Full Exercise
Per share	$ 0.96965	$ 0.96965
Total	$ 2,133,230	$ 2,453,215

We estimate that our portion of the total expenses of this offering, excluding underwriting discounts and commissions, will be $250,000. The underwriters have agreed to reimburse us for up to $150,000 of our out-of-pocket expenses associated with this offering.

In connection with the offering, the underwriters may purchase and sell common shares in the open market. Purchases and sales in the open market may include short sales, purchases to cover short positions, which may include purchases pursuant to the over-allotment option, and stabilizing purchases.

Short sales involve secondary market sales by the underwriters of a greater number of shares than they are required to purchase in the offering.

Covered short sales are sales of shares in an amount up to the number of shares represented by the underwriters over-allotment option.

Naked short sales are sales of shares in an amount in excess of the number of shares represented by the underwriters over-allotment option.

Covering transactions involve purchases of shares either pursuant to the underwriters over-allotment option or in the open market after the distribution has been completed in order to cover short positions.

To close a naked short position, the underwriters must purchase shares in the open market after the distribution has been completed. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.

To close a covered short position, the underwriters must purchase shares in the open market after the distribution has been completed or must exercise the over-allotment option. In determining the source of shares to close the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option.

Stabilizing transactions involve bids to purchase shares so long as the stabilizing bids do not exceed a specified maximum.

Purchases to cover short positions and stabilizing purchases, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of the common shares. They may also cause the price of the common shares to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The underwriters may conduct these transactions on the New York Stock Exchange, in the over-the-counter market or otherwise. If the underwriters commence any of these transactions, they may discontinue them at any time.

The underwriters are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their affiliates have in the past performed commercial banking, investment banking and advisory services for us from time to time for which they have received customary fees and reimbursement of expenses and may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses. In the ordinary course of their various business activities, certain of the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and

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equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. In addition, affiliates of certain of the underwriters are lenders, and in some cases agents or managers for the lenders, under our Credit Facility.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make because of any of those liabilities.

Notice to Prospective Investors in the European Economic Area

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date), an offer of common shares described in this prospectus supplement may not be made to the public in that relevant member state other than:

to any legal entity which is a qualified investor as defined in the Prospectus Directive;

to fewer than 100 or, if the relevant member state has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by us for any such offer; or

in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of common shares shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For purposes of this provision, the expression an offer of securities to the public in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the common shares to be offered so as to enable an investor to decide to purchase or subscribe for the common shares, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant member state) and includes any relevant implementing measure in the relevant member state. The expression 2010 PD Amending Directive means Directive 2010/73/EU.

We have not authorized and do not authorize the making of any offer of common shares through any financial intermediary on our behalf, other than offers made by the underwriters with a view to the final placement of the common shares as contemplated in this prospectus supplement. Accordingly, no purchaser of the common shares, other than the underwriters, is authorized to make any further offer of the common shares on behalf of us or the underwriters.

Notice to Prospective Investors in the United Kingdom

This prospectus supplement and the accompanying prospectus are only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive that are also (1) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (2) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (each such person being referred to as a relevant person). This prospectus supplement and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

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LEGAL MATTERS

Certain legal matters in connection with this offering, including the validity of the issuance of the common shares offered by this prospectus supplement, will be passed upon by Vorys, Sater, Seymour and Pease LLP, Columbus, Ohio. Certain legal matters in connection with this offering will passed upon for the underwriters by Cahill Gordon & Reindel LLP, New York, New York.

EXPERTS

The consolidated financial statements incorporated in this prospectus supplement by reference from the Company s Annual Report on Form 10-K for the year ended December 31, 2011, and the effectiveness of the Company s internal control over financial reporting, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such financial statements have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act), and file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any materials we file with the SEC at the SEC s Public Reference Room at 100 F Street, N.E., in Washington, D.C. 20549. You can request copies of these documents, upon payment of a duplicating fee, by writing to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. The SEC also maintains an internet site that contains reports, proxy and information statements and other information about issuers, like us, who file electronically with the SEC. The address of the SEC s web site is www.sec.gov.

In addition, our common shares are listed on the New York Stock Exchange, and similar information concerning us can be inspected and copied at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, NY 10005.

Our internet website address is www.mihomes.com. We make available, free of charge, on or through our website, our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K that are filed with or furnished to the SEC, and amendments to those reports, as soon as reasonably practicable after we electronically file such reports with, or furnish them to, the SEC. The contents of our website are not part of this prospectus supplement, and the reference to our website does not constitute incorporation by reference in this prospectus supplement of the information contained at that site.

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INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference information into this prospectus supplement, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. The following documents that we have filed with the SEC are incorporated into this prospectus supplement by reference and considered a part of this prospectus supplement:

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2011, as filed with the SEC on February 27, 2012;
- our Quarterly Reports on Form 10-Q for the fiscal quarter ended March 31, 2012, as filed with the SEC on April 27, 2012, and for the fiscal quarter ended June 30, 2012, as filed with the SEC on August 3, 2012;
- our Current Reports on Form 8-K filed with the SEC on February 2, 2012, May 3, 2012 (two reports) and May 9, 2012; and
- the description of our common shares, $.01 par value per share, contained in our registration statement on Form S-3 (file no. 333-176088) filed with the SEC on August 5, 2011, or contained in any subsequent amendment or report filed for the purpose of updating such description.

We are also incorporating by reference in this prospectus supplement all other documents (other than current reports furnished under Item 2.02 or 7.01 of Form 8-K and exhibits filed with such reports that are related to such items) that we file with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act on or after the date of this prospectus supplement and prior to the termination or completion of the offering of common shares under this prospectus supplement.

Any statement contained in this prospectus supplement or the accompanying prospectus or in a document incorporated by reference into this prospectus supplement or the accompanying prospectus will be deemed to be modified or superseded to the extent that a statement contained in this prospectus supplement or any other subsequently filed document that is deemed to be incorporated by reference into this prospectus supplement or the accompanying prospectus modifies or supersedes the statement.

We will provide without charge to each person, including any beneficial owner, to whom this prospectus supplement is delivered, upon written or oral request, a copy of any or all documents incorporated by reference in this prospectus supplement (including exhibits specifically incorporated by reference in those documents). Written or telephone requests should be directed to:

M/I Homes, Inc.

3 Easton Oval, Suite 500

Columbus, Ohio 43219

Attention: J. Thomas Mason, Chief Legal Officer

(614) 418-8000

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PROSPECTUS

$250,000,000

M/I Homes, Inc.

Debt Securities

Guarantees of Debt Securities

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Rights

Stock Purchase Contracts

Stock Purchase Units

Units

We may offer from time to time debt securities, common shares, preferred shares, depositary shares, warrants to purchase debt securities, common shares, preferred shares, depositary shares or units of two or more of those securities, rights to purchase debt securities, common shares, preferred shares or depositary shares, stock purchase contracts, stock purchase units and units of one or more of those securities having an aggregate offering price not to exceed $250,000,000 (in United States dollars or, if any securities are issued in a foreign currency, currency unit or composite currency, the equivalent thereof in such other currency, currency unit or composite currency). The debt securities may be either senior debt securities or subordinated debt securities. This prospectus also covers guarantees, if any, of our payment obligations under the debt securities, which may be given from time to time by one or more of our subsidiaries, on terms to be determined at the time of the offering.

We may sell the securities from time to time in one or more separate offerings, in amounts, at prices and on terms to be determined at the time of offering. This prospectus describes the general terms of the securities and the general manner in which the securities may be offered. Each time we offer securities, we will provide a prospectus supplement that will describe the specific terms of the securities offered and the specific manner in which we will offer the securities. This prospectus may not be used to consummate a sale of any securities unless accompanied by a prospectus supplement. The prospectus supplement or supplements may also add, update or change information contained in this prospectus. You should read this prospectus, the applicable prospectus supplement and the additional information described under Where You Can Find More Information carefully before you invest in any securities.

Our common shares are listed on the New York Stock Exchange (NYSE) under the symbol MHO. Unless we state otherwise in the applicable prospectus supplement, we will not list any of the securities on any securities exchange.

We may sell the securities directly to purchasers or to or through underwriters, dealers or agents. The applicable prospectus supplement will provide the names of any underwriters, dealers or agents, the specific terms of the plan of distribution, any over-allotment option and any applicable fees, discounts or commissions.

Investing in our securities involves a high degree of risk. See Risk Factors on page 5 of this prospectus.

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

The date of this prospectus is September 30, 2011.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-3 that we filed with the Securities and Exchange Commission (the SEC) utilizing a shelf registration process. Under this shelf registration process, we may, from time to time, offer any combination of the securities described in this prospectus, in one or more separate offerings. The aggregate initial offering price of all securities sold under this prospectus will not exceed $250,000,000.

This prospectus describes the general terms of the securities we may offer and the general manner in which we may offer the securities. Each time we offer securities under this prospectus, we will provide a prospectus supplement that will describe the specific terms of the securities offered and the specific manner in which we will offer the securities. The prospectus supplement may also add, update or change information contained in this prospectus. If there is any inconsistency between the information in this prospectus and the applicable prospectus supplement, you should rely on the information in the applicable prospectus supplement. You should read this prospectus and the applicable prospectus supplement, together with the information described under the heading Where You Can Find More Information, before deciding whether to invest in any of our securities.

You should rely only on the information contained or incorporated by reference in this prospectus and the applicable prospectus supplement. We have not authorized anyone to provide you with different or additional information. If anyone provides you with different, additional or inconsistent information, you should not rely on it. This prospectus is not an offer to sell these securities, and it is not soliciting an offer to buy these securities, in any jurisdiction where it is not permitted. You should not assume that the information contained in this prospectus or the applicable prospectus supplement is accurate as of any date other than the date on the cover of the applicable document, or that any information we have incorporated by reference herein or therein is accurate as of any date other than the date of the document incorporated by reference.

Unless the context otherwise requires, all references in this prospectus to the Company, we, us, and our refer to M/I Homes, Inc. and its consolidated subsidiaries.

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FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated herein by reference may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act), including, but not limited to, statements regarding our future business, financial condition, liquidity and results of operations. Forward-looking statements reflect our current expectations, estimates or projections concerning future results or events. We use words such as expects, anticipates, targets, goals, projects, intends, plans, believes, seeks, estimates, variations of such words expressions to identify forward-looking statements. Forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. Such risks and uncertainties will be described under the Risk Factors heading of any applicable prospectus supplement and under similar headings in our periodic reports filed with the SEC, which are incorporated by reference in this prospectus, and include, among other factors:

- the homebuilding industry is experiencing a prolonged and severe downturn that may continue for an indefinite period and adversely affect our business and results of operations compared to prior periods;
- additional adverse changes in economic conditions in markets where we conduct our operations and where prospective purchasers of our homes live could further reduce the demand for homes and, as a result, could adversely affect our results of operations and continue to adversely affect our financial condition;
- further tightening of residential consumer mortgage lending or mortgage financing requirements or further volatility in credit and consumer lending markets could adversely affect the availability of residential consumer mortgage loans for some potential purchasers of our homes and thereby reduce our sales;
- our strategies in responding to the adverse conditions in the homebuilding industry have had limited success, and the continued implementation of these and other strategies may not be successful;
- demand for new homes is sensitive to economic conditions over which we have no control, such as the availability of mortgage financing;
- increasing interest rates could cause defaults for homebuyers who financed homes using non-traditional financing products, which could increase the number of homes available for resale;
- our land investment exposes us to significant risks, including potential impairment write-downs, that could negatively impact our profits if the market value of our inventory declines;
- if we are unable to successfully compete in the highly competitive homebuilding industry, our financial results and growth may suffer;
- if economic conditions worsen or the current challenging economic conditions continue for an extended period of time, this could have continued negative consequences on our operations, financial position, and cash flows;
- interest rate increases or changes in federal lending programs or regulations could lower demand for our homes;

inflation could adversely affect us, particularly in a period of declining home sale prices;

tax law changes could make home ownership more expensive or less attractive;

our limited geographic diversification could adversely affect us if the homebuilding industry in our markets declines;

we may not be successful in integrating acquisitions or implementing our growth strategies;

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if we are unable to obtain suitable financing, our business may be negatively impacted;

the mortgage warehousing agreement of our financial services segment will expire in March 2012;

reduced numbers of home sales may force us to absorb additional carrying costs;

we could be adversely affected by a negative change in our credit rating;

errors in estimates and judgments that affect decisions about how we operate and on our reported amounts of assets, liabilities, revenues and expenses could have a material impact on us;

if our ability to resell mortgages to investors is impaired, we may be required to broker loans;

we compete on several levels with homebuilders that may have greater sales and financial resources than us, which could hurt our future earnings;

our net operating loss carryforwards could be substantially limited if we experience an ownership change as defined in Section 382 of the U.S. Internal Revenue Code of 1986, as amended (the Code);

our results of operations, financial condition and cash flows could be adversely affected if pending or future legal claims against us are not resolved in our favor;

the terms of our indebtedness may restrict our ability to operate and, if our financial performance further declines, we may be unable to maintain compliance with the covenants in the documents governing our indebtedness;

our indebtedness could adversely affect our financial condition, and we and our subsidiaries may incur additional indebtedness, which could increase the risks created by our indebtedness;

in the ordinary course of business, we are required to obtain performance bonds, the unavailability of which could adversely affect our results of operations and/or cash flows;

changes in accounting principles, interpretations and practices may affect our reported revenues, earnings and results of operations;

we could be injured by failures of persons who act on our behalf to comply with applicable regulations and guidelines;

our income tax provision and other tax liabilities may be insufficient if taxing authorities are successful in asserting tax positions that are contrary to our position;

we experience fluctuations and variability in our operating results on a quarterly basis and, as a result, our historical performance may not be a meaningful indicator of future results;

homebuilding is subject to warranty and liability claims in the ordinary course of business which may lead to additional reserves or expenses;

natural disasters and severe weather conditions could delay deliveries, increase costs and decrease demand for homes in affected areas;

supply shortages and other risks related to the demand for skilled labor and building materials could increase costs and delay deliveries;

we are subject to extensive government regulations which could restrict our homebuilding or financial services business; and

we are dependent on the services of certain key employees, and the loss of their services could hurt our business.

The factors identified above are illustrative but are not intended to represent a complete list of all the factors that could adversely affect our business, financial condition, liquidity or results of operations. You should evaluate all forward-looking statements with an understanding of their inherent uncertainty. You are cautioned

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not to put undue reliance on any forward-looking statements, which speak only as of the date they are made. Except as required by applicable law, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason. However, you should consult further disclosures made on related subjects in our subsequent filings and reports with the SEC.

M/I HOMES, INC.

We are one of the nation s leading builders of single-family homes. We commenced homebuilding activities in 1976 and, since that time, we have delivered over 79,000 homes. We construct and sell single-family homes, attached townhomes and condominiums to first-time, move-up, empty-nester and luxury buyers, with a particular focus on first-time and value-focused buyers, under the M/I Homes, Showcase Homes and TriStone Homes trade names.

We have homebuilding operations in the following geographic markets: Columbus and Cincinnati, Ohio; Indianapolis, Indiana; Chicago, Illinois; Tampa and Orlando, Florida; Houston and San Antonio, Texas; Charlotte and Raleigh, North Carolina; and the Virginia and Maryland suburbs of Washington, D.C. As of June 30, 2011, we offered homes for sale in 115 communities within eleven markets located in nine states. We offer a variety of home styles at base prices ranging from approximately $85,000 to $1,300,000, with an average sales price, including options, of $234,000 for the six months ended June 30, 2011.

We support our homebuilding operations by providing mortgage financing services through our wholly-owned subsidiary, M/I Financial Corp., and title services through subsidiaries that are either wholly- or majority-owned by us.

M/I Homes, Inc. is an Ohio corporation incorporated through predecessor entities in 1973. Our principal executive offices are located at 3 Easton Oval, Suite 500, Columbus, Ohio 43219, and our telephone number is (614) 418-8000. Our website address is www.mihomes.com. Information on our website is not incorporated by reference in or otherwise a part of this prospectus or any applicable prospectus supplement.

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RISK FACTORS

Investing in our securities involves a high degree of risk. Before you decide to invest in our securities, you should carefully consider and evaluate all of the information included and incorporated by reference in this prospectus, including the risk factors incorporated herein by reference from our most recent Annual Report on Form 10-K, as updated by our subsequent Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other filings with the SEC, as well as the risk factors set forth under the Risk Factors heading in any applicable prospectus supplement. It is possible that our business, financial condition, liquidity or results of operations could be materially adversely affected by any of these risks. In addition, see Forward-Looking Statements above for a description of certain risks and uncertainties associated with our business. The market or trading price of our securities could decline due to any of these risks and uncertainties, and you may lose all or a part of your investment.

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RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO

COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

The following table sets forth our ratio of earnings to fixed charges and our ratio of earnings to combined fixed charges and preferred stock dividends, or the deficiency of earnings available to cover fixed charges and combined fixed charges and preferred stock dividends, as appropriate, for the periods indicated.

(Dollars in thousands)	Six Months Ended June 30, 2011	Fiscal Year Ended December 31, 2010	2009	2008	2007	2006
Ratio of earnings to fixed charges						1.7
Coverage deficiency	$ 25,660	$ 24,085	$ 90,820	$ 211,906	$ 149,705	
Ratio of earnings to combined fixed charges and preferred stock dividends						1.7
Coverage deficiency	$ 25,660	$ 24,085	$ 90,820	$ 219,769	$ 161,500	

The ratio of earnings to fixed charges is determined by dividing earnings by fixed charges. Earnings consist of (loss) income from continuing operations before income taxes, loss (income) of unconsolidated joint ventures, fixed charges and interest amortized to cost of sales, excluding capitalized interest. Fixed charges consist of interest incurred, amortization of debt costs and that portion of operating lease rental expense (33%) deemed to be representative of interest. The ratio of earnings to combined fixed charges and preferred stock dividends is determined by dividing earnings by combined fixed charges and preferred stock dividends. Preferred stock dividends represent dividends on our outstanding 9.75% Series A Preferred Shares multiplied by the ratio which pre-tax income from continuing operations bears to income from continuing operations.

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USE OF PROCEEDS

Unless otherwise stated in the applicable prospectus supplement, we intend to use the net proceeds from the sale of the securities offered hereunder for general corporate purposes. General corporate purposes may include the acquisition and development of land, repayment of indebtedness, repurchase of shares, capital expenditures, mergers, acquisitions and other strategic investments.

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DESCRIPTION OF DEBT SECURITIES

The following description of the debt securities sets forth certain general terms that may apply to the debt securities that we may offer under this prospectus. The debt securities may be issued as senior debt securities or subordinated debt securities. The indebtedness represented by the senior debt securities will rank equally with all of our other unsubordinated debt. The indebtedness represented by the subordinated debt securities will rank junior and be subordinate in right of payment to the prior payment in full of our senior debt, to the extent and in the manner set forth in the prospectus supplement for the securities. See Subordination below. The debt securities may be guaranteed by certain of our direct and indirect wholly-owned subsidiaries. See Guarantees below.

For more information about the debt securities that we may offer, please refer to:

- the form of indenture between us and an as yet to be identified trustee, relating to the issuance of each series of our senior debt securities; and
- the form of indenture between us and an as yet to be identified trustee, relating to the issuance of each series of our subordinated debt securities.

The forms of the indentures are filed as exhibits to the registration statement of which this prospectus is a part. The indentures listed above are sometimes collectively referred to as the indentures and individually referred to as an indenture. The trustee under each indenture is referred to as the indenture trustee. The indentures are subject to and governed by the Trust Indenture Act of 1939, as amended (the Trust Indenture Act), and may be supplemented or amended from time to time following their execution. We have not yet selected an indenture trustee for either of the indentures, and we have not yet executed either indenture. Prior to issuing any debt securities, we will select an indenture trustee for the applicable indenture or indentures, qualify such indenture trustee or trustees under the Trust Indenture Act and execute the applicable indenture or indentures.

The indentures give us broad authority to set the particular terms of each series of debt securities, including the right to modify certain of the terms contained in the applicable indenture. We will describe the specific terms of a series of debt securities and the extent, if any, to which the specific terms of the debt securities modify the terms of the applicable indenture in the prospectus supplement relating to the debt securities.

This summary is subject to, and qualified in its entirety by reference to, the indentures, which contain the full legal text of the matters described in this section. For your reference, we have included in this summary parenthetical references to certain sections of the indentures, which sections are incorporated herein by reference. This summary also is subject to, and qualified in its entirety by reference to, the description of the specific terms of the debt securities in the applicable prospectus supplement.

General

We will be able to issue an unlimited amount of debt securities under each indenture in one or more series. We need not issue all debt securities of one series at the same time and, unless otherwise provided in the applicable prospectus supplement, we may reopen a series, without the consent of the holders of the debt securities of that series, for issuances of additional debt securities of that series. (See Section 301 of the indentures.)

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Prior to the issuance of each series of debt securities, we will specify the terms of the particular securities in a supplemental indenture or in a resolution of our board of directors or in one or more officers certificates pursuant to a board resolution. We will describe in the applicable prospectus supplement the terms of the series of debt securities being offered, including the following:

- the title of, and the price at which we will sell, the debt securities;
- the principal amount being offered and, if a series, the total amount authorized and the total amount outstanding;
- any limit on the aggregate principal amount of the debt securities;
- the date or dates on which principal will be payable or how to determine such dates;
- the rate or rates or method of determination of interest; the date from which interest will accrue; the dates on which interest will be payable, which we refer to as the interest payment dates; any record dates for the interest payable on the interest payment dates; and our right, if any, to defer payment of interest and the maximum length of any such deferral period;
- the place of payment on the debt securities;
- any obligation or option we have to redeem, purchase or repay debt securities, or any option of the registered holder to require us to redeem or repurchase debt securities, and the terms and conditions upon which the debt securities will be redeemed, purchased or repaid;
- the denominations in which the debt securities will be issuable (if other than denominations of $1,000 and any integral multiple thereof);
- the currency or currencies, including composite currencies or currency units, in which payment of the principal of, and premium, if any, or interest on, any of the debt securities will be payable if other than the currency of the United States of America;
- the terms and conditions upon which the currency in which the debt securities are payable may change;
- any index, formula or other method used to determine the amount of principal, premium, if any, or interest;
- if other than the entire principal amount, the portion of the principal amount of the debt securities that will be payable if the maturity date of the debt securities is accelerated;
- any event of default applicable to the debt securities, in addition to those included in the applicable indenture;

any covenants included for the benefit of the holders of the debt securities in addition to (and not inconsistent with) those included in the applicable indenture;

provisions, if any, restricting the declaration of dividends or requiring the maintenance of any asset ratio or the creation or maintenance of reserves;

provisions relating to modification of the terms of the debt securities or the rights of holders of the debt securities;

provisions, if any, restricting the incurrence of additional debt or the issuance of additional securities;

whether the debt securities are to be issued in whole or in part in the form of one or more global debt securities and, if so, the identity of the depositary for the global debt securities;

whether the debt securities will be convertible into or exchangeable for our common shares or preferred shares and the terms of any such conversion or exchange;

the terms of the subordination of any series of subordinated debt securities;

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restrictions, if any, on transfer, sale or other assignment of the debt securities;

provisions, if any, for a sinking fund purchase or other analogous fund;

information describing any book-entry features of the debt securities;

whether the debt securities are to be offered at a price such that they will be deemed to be offered at an original issue discount as defined in Section 1273(a) of the Code;

whether the debt securities will be secured or unsecured, and the terms of any secured debt securities;

whether or not the debt securities will be guaranteed by any of our subsidiaries and, if so, the names of the initial guarantors;

the name of the indenture trustee, the nature of any material relationship between us or our affiliates and the indenture trustee, the percentage of debt securities of a series necessary to require the indenture trustee to take action, and what indemnification the indenture trustee may require before proceeding to take action;

a discussion of any material United States federal income tax considerations applicable to the debt securities; and

any other terms, preferences, rights or limitations of, or restrictions on, the debt securities, including any terms that may be required by us or advisable under applicable laws or regulations or in connection with the marketing of the debt securities. (See Section 301.)

If the debt securities are denominated in whole or in part in any currency other than United States dollars, if the principal of, and premium, if any, and interest on, the debt securities are to be payable in a currency or currencies other than that in which such debt securities are to be payable, or if any index is used to determine the amount of payments of principal of, and premium, if any, and interest on, any series of the debt securities, the applicable prospectus supplement will describe any special federal income tax, accounting and other considerations applicable to such debt securities. (See Section 301.)

Guarantees

Any series of debt securities issued under this prospectus may be guaranteed by certain of our direct and indirect wholly-owned subsidiaries. If we issue a series of guaranteed debt securities, the guarantees will be set forth in a supplemental indenture relating to such series, and the applicable prospectus supplement will describe the terms and conditions of the guarantees.

Unless otherwise stated in the applicable prospectus supplement, each guarantor of a series of guaranteed debt securities will fully and unconditionally guarantee, on a joint and several basis, the due and punctual payment of the principal of, and premium, if any, and interest on, the debt securities of such series and all other amounts due and payable under the applicable indenture, when and as such amounts become due and payable, all in accordance with the terms of such debt securities and the applicable indenture. (See Section 1401 of the senior debt indenture and Section 1501 of the subordinated debt indenture.)

Unless otherwise stated in the applicable prospectus supplement, the obligations of each guarantor under its guarantee will be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such guarantor, result in the obligations of such guarantor under such guarantee not constituting a fraudulent conveyance or transfer under applicable law. However, there can be no assurance that, notwithstanding such limitation, a court would not determine that a guarantee constituted a fraudulent conveyance or transfer under applicable law. If that were to occur, the court could void the guarantor s obligations under its guarantee, subordinate that guarantee to other debt and liabilities of the guarantor or take other action detrimental to holders of the debt securities of the applicable series, including directing the holders to return any payments received from the guarantor. (See Section 1403 of the senior debt indenture and Section 1503 of the subordinated

debt indenture.)

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Unless otherwise stated in the applicable prospectus supplement:

- each guarantee of a series of senior debt securities will be the unsecured senior obligation of the applicable guarantor, and will rank pari passu in right of payment with all unsecured debt of the guarantor that is not, by its terms, expressly subordinated in right of payment to the guarantee; and

- each guarantee of a series of subordinated debt securities will be the unsecured subordinated obligation of the applicable guarantor, and will be subordinate and subject in right of payment to the prior payment in full of all senior indebtedness of the guarantor to the same extent and manner that payments with respect to the subordinated debt securities are subordinated in right of payment to the prior payment in full of all senior indebtedness of the issuer of such debt securities. See Subordination below. (See Section 1401 of the senior debt indenture and Section 1501 of the subordinated debt indenture).

Any guarantor may be released as a guarantor, and its guarantee terminated:

- upon a sale or disposition of all or substantially all of its assets (whether by merger or otherwise), in accordance with the applicable indenture, to any person other than us;

- if it merges with and into us, with us surviving the merger; or

- if we exercise our legal defeasance option or covenant defeasance option with respect to such series of debt securities, or if the obligations under the applicable indenture are satisfied and discharged in accordance with the terms of the indenture. (See Section 1404 of the senior debt indenture and Section 1504 of the subordinated debt indenture.)

Payment of Debt Securities Interest

Unless otherwise stated in the applicable prospectus supplement, we will pay interest on the debt securities on each interest payment date to the person in whose name the debt securities are registered as of the close of business on the regular record date relating to the interest payment date. (See Section 307.)

However, if we default in paying interest on the debt securities, we will pay defaulted interest in either of the two following ways:

- First, we will propose to the indenture trustee a payment date for the defaulted interest. Next, the indenture trustee will choose a special record date for determining which registered holders are entitled to the payment. The special record date will be between 10 and 15 days before the payment date we propose. Finally, we will pay the defaulted interest on the payment date to the registered holders of the debt securities as of the close of business on the special record date.

- Alternatively, we can propose to the indenture trustee any other lawful manner of payment that is consistent with the requirements of any securities exchange on which the debt securities are listed for trading. If the indenture trustee believes our proposal is practicable, payment will be made as proposed. (See Section 307.)

Payment of Debt Securities Principal

Unless otherwise stated in the applicable prospectus supplement, we will pay the principal of and premium, if any, on the debt securities at stated maturity, upon redemption or otherwise, upon presentation of the debt securities at the office of the indenture trustee, as our paying agent. Any other paying agent initially designated by us for the debt securities of a particular series will be named in the applicable prospectus supplement.

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Form; Transfers; Exchanges

The debt securities will be issued:

only in fully registered form;

without interest coupons; and

unless otherwise specified in a prospectus supplement, in denominations that are integral multiples of $1,000. (See Section 302.)
Subject to the terms of the indentures and the limitations described in the applicable prospectus supplement, you may have your debt securities divided into debt securities of smaller denominations (of at least $1,000) or combined into debt securities of larger denominations, as long as the total principal amount is not changed. This is referred to as an exchange.

Subject to the terms of the indentures and the limitations described in the applicable prospectus supplement, you may exchange or transfer debt securities at the office of the indenture trustee. The indenture trustee acts as our agent for registering the debt securities in the names of holders and transferring debt securities. We may appoint another agent or act as our own agent for this purpose. The entity performing the role of maintaining the list of registered holders is referred to as the security registrar. The security registrar will also perform transfers and exchanges. (See Section 305.)

In our discretion, we may change the place for registration of transfer of the debt securities and may remove and/or appoint one or more additional security registrars. (See Section 1002.)

Unless otherwise stated in the applicable prospectus supplement, there will be no service charge for any transfer or exchange of the debt securities, but you may be required to pay a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange. We may block the transfer or exchange of (i) debt securities during a period of 15 days prior to giving any notice of redemption or (ii) any debt securities selected for redemption in whole or in part, except for the unredeemed portion of any debt securities being redeemed in part. All debt securities issued upon any transfer or exchange of debt securities will be valid obligations of us, evidencing the same debt, and entitled to the same benefits under the applicable indenture, as the debt securities surrendered upon such transfer or exchange. (See Section 305.)

Redemption

We will set forth the terms, if any, for redemption of the debt securities in the applicable prospectus supplement. Unless otherwise stated in the applicable prospectus supplement, and except with respect to debt securities redeemable at the option of the registered holder, debt securities will be redeemable upon notice by mail between 30 and 60 days prior to the redemption date. If less than all of the debt securities of any series are to be redeemed, the indenture trustee will select the debt securities to be redeemed. In the absence of any provision for selection, the indenture trustee will choose a method of random selection it deems fair and appropriate. (See Sections 1102, 1103 and 1104.)

Debt securities will cease to bear interest on the redemption date. We will pay the redemption price and any accrued interest once you surrender the debt securities for redemption. If only a portion of your debt securities is redeemed, the indenture trustee will deliver to you, without charge, new debt securities of the same series for the remaining portion. (See Sections 1106 and 1107.)

We may make any redemption conditional upon the receipt by the paying agent, on or prior to the date fixed for redemption, of money sufficient to pay the redemption price. If the paying agent has not received the money by the redemption date, we will not be required to redeem the debt securities. (See Section 1105.)

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Events of Default

Unless otherwise stated in the applicable prospectus supplement, an event of default occurs with respect to the debt securities of any series if:

- we do not pay any interest on any debt securities of the applicable series within 30 days of the due date and the time for payment has not been extended or deferred;
- we do not pay the principal of or premium, if any, on any debt securities of the applicable series on the due date and the time for payment has not been extended or deferred;
- we do not deposit any sinking fund payment when due by the terms of the applicable debt securities;
- we remain in breach of a covenant or warranty (excluding covenants and warranties not applicable to the affected series) of the applicable indenture for 90 days after we receive a written notice of default stating we are in breach and requiring remedy of the breach (which notice must be sent by either the indenture trustee or the registered holders of at least 10% of the aggregate principal amount of debt securities of the affected series);
- we file for bankruptcy or other specified events in bankruptcy, insolvency, receivership or reorganization occur;
- we fail to convert or exchange any debt securities which are convertible into or exchangeable for our common shares or preferred shares when required by the terms of such securities; or
- any other event of default specified in the applicable indenture or prospectus supplement occurs. (See Section 501.)

No event of default with respect to a series of debt securities necessarily constitutes an event of default with respect to the debt securities of any other series issued under the indentures.

Remedies

Acceleration. If an event of default occurs and is continuing with respect to any series of debt securities, then either the indenture trustee or the registered holders of not less than 25% in aggregate principal amount of the outstanding debt securities of that series may declare the principal amount of all of the debt securities of that series to be due and payable immediately. If an event of default relating to our bankruptcy, insolvency, receivership or reorganization occurs with respect to any series of debt securities, the principal amount of all of the debt securities of that series will become automatically due and payable without any declaration or other action on the part of the indenture trustee or any registered holder. (See Section 502.)

Rescission of Acceleration. After the declaration of acceleration has been made and before the indenture trustee has obtained a judgment or decree for payment of the money due on any series of debt securities, the registered holders of not less than a majority in aggregate principal amount of the outstanding debt securities of that series may rescind and annul the declaration of acceleration and its consequences if we pay or deposit with the indenture trustee a sum sufficient to pay:

- all overdue interest;

the principal and premium, if any, which have become due other than by the declaration of acceleration and overdue interest on these amounts;

interest on overdue interest to the extent lawful; and

all amounts due to the indenture trustee under the indenture,

and all events of default with respect to the affected series, other than the nonpayment of the principal which has become due solely by the declaration of acceleration, have been cured or waived as provided in the applicable indenture. (See Section 502.)

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For more information regarding the waiver of events of defaults, see Waiver of Default and of Compliance below.

Control by Registered Holders; Limitations. Subject to the applicable indenture, if an event of default with respect to the debt securities of any series occurs and is continuing, the registered holders of a majority in principal amount of the outstanding debt securities of that series will have the right to:

- direct the time, method and place of conducting any proceeding for any remedy available to the indenture trustee; or
- exercise any trust or power conferred on the indenture trustee with respect to the debt securities of the affected series. (See Section 512.)

If an event of default is continuing with respect to all the series of the debt securities, the registered holders of a majority in aggregate principal amount of the outstanding debt securities of all the series, considered as one class, will have the right to make such direction, and not the registered holders of the debt securities of any one of the series.

The rights of registered holders to make such direction are subject to the following limitations:

- such direction may not conflict with any law or the applicable indenture; and
- such direction may not involve the indenture trustee in personal liability where the indenture trustee believes indemnity is not adequate.

The indenture trustee may also take any other action it deems proper which is consistent with the direction of the registered holders. (See Sections 512 and 603.)

Each indenture provides that no registered holder of the debt securities of any series will have any right to institute any proceeding, judicial or otherwise, with respect to the indenture for the appointment of a receiver or for any other remedy under the indenture, unless:

- that registered holder has previously given the indenture trustee written notice of a continuing event of default;
- the registered holders of not less than 25% in aggregate principal amount of the outstanding debt securities of that series have made written requests to the indenture trustee to institute proceedings in respect of that event of default and have offered the indenture trustee indemnity satisfactory to the indenture trustee against costs and liabilities incurred in complying with the request; and
- for 60 days after receipt of the notice, the indenture trustee has failed to institute a proceeding and no direction inconsistent with the request has been given to the indenture trustee during the 60-day period by the registered holders of a majority in aggregate principal amount of outstanding debt securities of that series. (See Section 507.)

No registered holder will be entitled to institute any action if and to the extent that the action would disturb or prejudice the rights of other registered holders. However, each registered holder has an absolute and unconditional right to receive payment on the debt securities when due and to bring a suit to enforce that right. (See Sections 507 and 508.)

Notice of Default

The indenture trustee is required, under each indenture, to give the registered holders of the debt securities notice of any default under the indenture to the extent required by the Trust Indenture Act, unless the default has been cured or waived, except that in the case of an event of default due to our failure to deposit any sinking fund

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payment when due, no notice shall be given to the registered holders until at least 60 days after the occurrence of the default. The Trust Indenture Act currently permits the indenture trustee to withhold notices of default (except for certain payment defaults) if the indenture trustee in good faith determines the withholding of the notice to be in the interests of the registered holders. (See Section 602.)

We will furnish the indenture trustee with an annual statement as to our compliance with the conditions and covenants in the indentures. (See Section 1004.)

Waiver of Default and of Compliance

The registered holders of a majority in aggregate principal amount of the outstanding debt securities of all affected series, voting as one class, may waive, on behalf of the registered holders of all debt securities of all such series, any past default under the applicable indenture, except a default in the payment of principal, premium, if any, or interest, or a default with respect to compliance with certain provisions of the indenture that cannot be amended without the consent of each registered holder of the outstanding debt securities. Any such waiver will cure the default or event of default. (See Section 513.)

Compliance with certain of the covenants in the indentures may be waived by the registered holders of a majority in aggregate principal amount of the outstanding debt securities of all affected series, considered as one class. (See Section 1008.)

Covenants

Unless otherwise stated in the applicable prospectus supplement, the covenants described below apply to any and all series of debt securities. We will describe any additional covenants for a particular series of debt securities in the applicable prospectus supplement.

Payment of Principal, Premium and Interest. We, for the benefit of each series of debt securities, will warrant to duly and punctually pay or cause to be paid the principal of, and premium, if any, and interest on, the debt securities of that series in accordance with the terms of such securities and the applicable indenture. (See Section 1001.)

Maintenance of Office or Agency. We will maintain for each series of debt securities an office or agency where securities of that series may be presented or surrendered for payment or for registration of transfer, exchange or conversion and where notices and demands on us may be served. We will give prompt written notice to the indenture trustee of the location, and any change in the location, of such office or agency. (See Section 1002.)

Money for Securities Payments to be Held in Trust. If at any time we act as our own paying agent with respect to any series of debt securities, we will, on or before each due date of the principal of, and premium, if any, and interest on, any of the debt securities of that series, segregate and hold in trust for the benefit of the persons entitled thereto a sum sufficient to pay the principal and premium, if any, and interest becoming due until such sums are paid to such persons or otherwise disposed of as provided in the applicable indenture, and we will promptly notify the indenture trustee of our action or failure to so act. Whenever we have one or more paying agents for any series of debt securities, we will, prior to each due date of the principal of, and premium, if any, and interest on, any debt securities of that series, deposit with a paying agent a sum sufficient to pay such amount, such sum to be held as provided by the Trust Indenture Act, and (unless such paying agent is the indenture trustee) we will promptly notify the indenture trustee of our action or failure to so act. (See Section 1003.)

Statement by Officers as to Default. We will deliver to the indenture trustee, within 120 calendar days after the end of each fiscal year ending after the first date any series of debt securities issued under the indenture is

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outstanding, an officers certificate stating whether or not, to the knowledge of such person after due inquiry, we are in default in the performance and observance of any of the terms, provisions and conditions of the indenture (without regard to any grace period or requirement to provide notice) and, if we are in default, specifying all such defaults and the nature and status of such defaults as to which such person has knowledge. (See Section 1004.)

Existence. Subject to Article 8 of the indenture (Consolidation, Merger, Conveyance, Transfer or Lease), we will do or cause to be done all things necessary to preserve and keep in full force and effect our existence, rights (charter and statutory) and franchises; provided, however, that we will not be required to preserve any such right or franchise if our board of directors determines that the preservation of such right or franchise is no longer desirable in the conduct of our business and that the loss of such right or franchise will not result in a material adverse effect to the holders of the debt securities. (See Section 1005.)

Maintenance of Properties. We will cause all properties used or useful in the conduct of our business to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment so that we may properly and advantageously conduct our business at all times; provided, however, that we will not be prevented from discontinuing the operation or maintenance of any of such properties if such discontinuance is, in our judgment, desirable in the conduct of our business and not disadvantageous in any material respect to the holders of the debt securities. (See Section 1006.)

Payment of Taxes and Other Claims. We will pay or discharge or cause to be paid or discharged, before the same becomes delinquent, all taxes, assessments and governmental charges imposed on us upon our income, profits or property and all lawful claims for labor, materials and supplies which, if unpaid, could by law become a lien upon our property, except to the extent that we are contesting any such tax, assessment, charge or claim in good faith. (See Section 1007.)

Consolidation, Merger, Conveyance, Transfer or Lease. We will not consolidate with or merge into any other entity, or convey, transfer or lease all or substantially all of our properties and assets to any entity, unless:

- the entity formed by the consolidation or into which we are merged, or the entity which acquires or leases all or substantially all of our property and assets, is an entity organized and existing under the laws of the United States or any state of the United States or the District of Columbia and expressly assumes, by supplemental indenture, the due and punctual payment of the principal of ,and premium, if any, and interest on, all the outstanding debt securities and the performance of all of our covenants under the applicable indenture;

- immediately after giving effect to the transaction, no event of default, and no event which after notice or lapse of time or both would become an event of default, will have occurred and be continuing; and

- all other conditions specified in the applicable indenture are met. (See Section 801.)

Modification of Indentures

Without Registered Holder Consent. We and the applicable indenture trustee may, without the consent of any registered holders of the debt securities, enter into one or more supplemental indentures for any of the following purposes:

- to evidence the succession of another entity to us;

- to add one or more covenants or other provisions for the benefit of the registered holders of all or any series of debt securities, or to surrender any right or power conferred upon us;

- to add any additional events of default for all or any series of debt securities;

to provide for the issuance of bearer securities or to provide for the issuance of uncertificated debt securities and to make all appropriate changes for such purpose;

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to change or eliminate any provision of the indenture or to add any new provision to the indenture that does not adversely affect the interests of the registered holders;

to secure the debt securities of any series;

to establish the form or terms of debt securities of any series as permitted by the indenture;

to evidence and provide for the acceptance of appointment of a separate or successor indenture trustee;

to provide holders with rights to convert their debt securities into our common shares or preferred shares;

to cure any ambiguity, defect or inconsistency or to make any other changes that do not adversely affect the interests of the registered holders in any material respect; or

to add any subsidiary as a guarantor or to remove a guarantor in accordance with the terms of the applicable indenture (See Section 901.)

With Registered Holder Consent. We and the applicable indenture trustee may, with some exceptions, amend or modify the applicable indenture with the consent of the registered holders of at least a majority in aggregate principal amount of the debt securities of all series affected by the amendment or modification, voting as one class. However, no amendment or modification may, without the consent of each registered holder of outstanding debt securities affected by such amendment or modification:

change the stated maturity of the principal of, or premium, if any, and interest on, any debt securities (other than pursuant to the terms of the debt securities), or reduce the principal amount, premium, if any, or interest payable or change the currency in which any debt securities are payable, or impair the right of the registered holder to bring suit to enforce any payment;

reduce the percentage of registered holders whose consent is required for any supplemental indenture or any waiver of compliance with certain provisions of the indenture or certain defaults under the indenture;

modify certain provisions of the indenture relating to supplemental indentures and waivers of certain covenants and past defaults; or

make any change that adversely affects the right to convert any convertible debt securities or decrease the conversion rate or increase the conversion price of any convertible debt securities. (See Section 902.)

A supplemental indenture which changes or eliminates any provision of the applicable indenture expressly included solely for the benefit of registered holders of debt securities of one or more series will be deemed not to affect the rights under the indenture of the registered holders of debt securities of any other series. (See Section 902.)

Miscellaneous

The indentures provide that certain of the debt securities, including those for which payment or redemption money has been deposited or set aside in trust, will not be deemed to be outstanding in determining whether the registered holders of the requisite principal amount of the outstanding debt securities have given or taken any demand, direction, consent or other action under the applicable indenture as of any date, or are present at a meeting of registered holders for quorum purposes. (See Section 101.)

We will be entitled to set any day as a record date for the purpose of determining the registered holders of outstanding debt securities of any series entitled to give or take any demand, direction, consent or other action under the indentures, in the manner and subject to the limitations provided in the indentures. In some circumstances, the indenture trustee also will be entitled to set a record date for action by registered holders. If a

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record date is set for any action to be taken by registered holders of particular debt securities, the action may be taken only by persons who are registered holders of the respective debt securities on the record date. (See Section 104.)

Defeasance and Covenant Defeasance

The indentures provide, unless the terms of the particular series of debt securities state otherwise, that we may, upon satisfying several conditions, cause ourselves to be:

- discharged from our obligations, with some exceptions, with respect to any series of debt securities, which we refer to as defeasance; or
- released from our obligations under specified covenants with respect to any series of debt securities, which we refer to as covenant defeasance. (See Sections 1302 and 1303).

One condition that we must satisfy in connection with any defeasance is the irrevocable deposit with the indenture trustee, in trust, of money or government obligations which, through the scheduled payment of principal and interest on those obligations, would provide sufficient funds to pay the principal of, and premium, if any, and interest on, those debt securities on the maturity dates of the payments or upon redemption. In addition, we must deliver to the indenture trustee an opinion of counsel confirming that there will be no federal income tax consequences to the holders of the debt securities as a result of the defeasance and an officers certificate confirming, if applicable, that the securities will not be delisted. (See Section 1304.)

The indentures permit defeasance with respect to any series of debt securities even if a prior covenant defeasance has occurred with respect to the debt securities of that series. Following a defeasance, payment of the debt securities that were defeased may not be accelerated because of an event of default. Following a covenant defeasance, payment of the debt securities may not be accelerated by reference to the specified covenants affected by the covenant defeasance. However, if acceleration were to occur by reason of another event of default, the realizable value at the acceleration date of the cash and government obligations in the defeasance trust could be less than the principal, premium, if any, and interest then due on the series of debt securities, since the required deposit in the defeasance trust would be based upon scheduled cash flows rather than market value, which would vary depending upon interest rates and other factors.

Resignation and Removal of an Indenture Trustee; Deemed Resignation

An indenture trustee, once selected and duly qualified, may resign at any time by giving written notice to us. An indenture trustee may also be removed by act of the registered holders of a majority in aggregate principal amount of the then outstanding debt securities of any series. No resignation or removal of an indenture trustee and no appointment of a successor indenture trustee will become effective until the acceptance of appointment by a successor indenture trustee in accordance with the requirements of the applicable indenture. Under some circumstances, we may appoint a successor indenture trustee and, if the successor indenture trustee accepts such appointment, the indenture trustee will be deemed to have resigned. (See Section 610.)

Subordination

Unless otherwise stated in the applicable prospectus supplement, any series of subordinated debt securities issued under this prospectus will be subordinate and junior in right of payment to the prior payment in full of all of our existing and future senior indebtedness. However, our obligation to pay the principal of, and premium, if any, and interest on, the subordinated debt securities will not otherwise be affected. (See Section 1401 of the subordinated debt indenture.)

If our assets are distributed upon our dissolution, winding-up, liquidation or reorganization, we must pay all of our senior indebtedness in full before we make any payment on account of the principal of, or premium, if any,

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and interest on, any subordinated debt securities. If, in connection with our dissolution, winding-up, liquidation or reorganization, any payment or distribution is received by the subordinated debt indenture trustee or by the holders of the subordinated debt securities before we have paid all of our senior indebtedness in full, such payment or distribution must be paid over or delivered to the holders of any unpaid senior indebtedness or applied to the repayment of the unpaid senior indebtedness. (See Section 1402 of the subordinated debt indenture).

If any of the subordinated debt securities are declared due and payable before their stated maturity, the holders of our senior indebtedness will be entitled to receive payment in full of their senior indebtedness before the holders of the subordinated debt securities will be entitled to receive any payment on account of the principal of, or premium, if any, and interest on, the subordinated debt securities. (See Section 1403 of the subordinated debt indenture.)

In the event of a default by us in the payment of amounts due on any of our senior indebtedness, we may not make any payment on account of the principal of, or premium, if any, or interest on, the subordinated debt securities until such default has been cured or waived. (See Section 1404 of the subordinated debt indenture.)

Due to the subordination feature of the subordinated debt securities, if our assets are distributed upon our dissolution, winding-up, liquidation or reorganization, some or all of the holders of our senior indebtedness may recover more, ratably, than holders of the subordinated debt securities. If we issue a series of subordinated debt securities under this prospectus, the applicable prospectus supplement will set forth the aggregate amount of senior indebtedness outstanding as of a recent date and will describe any limitation on the issuance of additional senior indebtedness or state that there is no such limitation.

Book-Entry, Delivery and Form

The debt securities issued hereunder may be issued in book-entry form and may be represented by one or more notes in registered global form that are deposited with or on behalf of a depositary. The specific terms of the depositary arrangement will be described in the applicable prospectus supplement. We anticipate that the following provisions generally will apply to such depositary arrangement.

Unless otherwise stated in the applicable prospectus supplement, the global notes will be deposited with the indenture trustee as custodian for The Depository Trust Company (DTC) and will be registered in the name of a nominee of DTC. DTC will maintain the global notes through its book-entry facilities. Purchases and sales of ownership interests in the debt securities will be accomplished by entries on the books of direct and indirect participants in DTC s system.

Under the terms of the indentures, we and the indenture trustee may treat the persons in whose names any notes, including the global notes, are registered as the owners of such notes for the purpose of receiving payments and for all other purposes. Therefore, so long as DTC or its nominee is the registered owner of the global notes, DTC or its nominee will be considered the sole holder of outstanding notes under the indentures.

A global note may not be transferred except as a whole by DTC, its successors or their respective nominees. Interests of beneficial owners in the global note may be transferred or exchanged for definitive securities in accordance with the rules and procedures of DTC. In addition, a global note may be exchangeable for notes in definitive form if DTC notifies us that it is unwilling or unable to continue as a depositary and we do not appoint a successor within 90 days, or if we, at our option, notify the indenture trustee in writing that we elect to cause the issuance of notes in definitive form under the applicable indenture. In each instance, upon surrender by DTC or its nominee of the global note, notes in definitive form will be issued to each person that DTC or its nominee identifies as being the beneficial owner of the related notes.

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Except as otherwise stated in the applicable prospectus supplement, for so long as DTC or its nominee is the registered owner of a global note, owners of beneficial interests in the global note: (i) will not be entitled to have any of the individual debt securities of the series represented by the global note registered in their names; (ii) will not receive or be entitled to receive physical delivery of any of those debt securities in definitive form; and (iii) will not be considered the owners or holders of those debt securities under the applicable indenture.

Payment of the principal of, and premium, if any, and interest on, debt securities represented by a global note will be made to DTC or its nominee as the registered owner of the global note representing those debt securities. We expect that DTC or its nominee, upon receipt of any payment of principal, premium, if any, and interest in respect of the global note representing those debt securities, will immediately credit participants accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the global note for those debt securities as shown on the records of DTC or its nominee. We also expect that payments by participants to owners of beneficial interests in the global note held through those participants will be governed by standing instructions and customary practices, as is currently the case with securities held for the accounts of customers in street name. These payments will be the responsibility of the participants. Neither we nor the indenture trustee will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests of the global note for the debt securities or for maintaining, supervising or reviewing any records relating to beneficial ownership interests.

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DESCRIPTION OF CAPITAL STOCK

The following summary describes the material features of our capital stock. This summary is subject to, and qualified in its entirety by reference to, our Amended and Restated Articles of Incorporation (the Articles) and Amended and Restated Regulations (the Regulations), each of which is filed as an exhibit to the registration statement of which this prospectus is a part.

Authorized Capital Stock

Our authorized capital stock consists of 38,000,000 common shares, par value $.01 per share, and 2,000,000 preferred shares, par value $.01 per share, of which 6,000 have been designated as 9.75% Series A Preferred Shares, par value $.01 per share (the Series A Preferred Shares). As of July 29, 2011, there were 18,712,283 common shares issued and outstanding, 3,389,440 common shares held by us in treasury and 4,000 preferred shares issued and outstanding (all of which were Series A Preferred Shares).

Common Shares

Holders of our common shares are entitled to:

- one vote for each share held;
- receive dividends when, as and if declared by our board of directors from funds legally available therefor, subject to the rights of holders of preferred shares, if any; and
- share ratably in our net assets legally available to our shareholders in the event of our liquidation, dissolution or winding up, after provision for the distribution of preferential amounts to the holders of preferred shares, if any.

Holders of our common shares have no preemptive, subscription, redemption, conversion, exchange or cumulative voting rights. The rights, preferences and privileges of the holders of our common shares are subject to, and may be adversely affected by, the rights, preferences and privileges of holders of our preferred shares, including any preferred shares that we may designate and issue in the future.

Our common shares are listed on NYSE under the trading symbol MHO. Our outstanding common shares are, and any common shares that we issue under this prospectus and any applicable prospectus supplement will be, when issued, fully paid and nonassessable.

Preferred Shares

Our Articles authorize our board of directors to issue, without any further vote or action by our shareholders, subject to certain limitations prescribed by law and the rules and regulations of NYSE, up to an aggregate of 2,000,000 preferred shares in one or more series. Our board of directors is also authorized to determine and fix the powers, designations, preferences and relative, participating, optional and other special rights of each series of preferred shares, and the qualifications, limitations and restrictions thereof, including the designation and authorized number of each series, dividend rights, voting rights, conversion and exchange rights, redemption rights, liquidation rights, sinking fund requirements, preemptive rights and restrictions on the issuance of shares. Absent a determination by our board of directors to establish different voting rights, holders of preferred shares will be entitled to one vote per share on matters to be voted upon by the holders of common shares and preferred shares voting together as a single class, except that the Ohio General Corporation Law entitles the holders of preferred shares to exercise a class vote on certain matters.

Our board of directors will fix the powers, designations, preferences and relative, participating, optional and other special rights of each series of preferred shares that we sell under this prospectus and any applicable

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prospectus supplement, and the qualifications, limitations and restrictions of such series, in a certificate of amendment to our Articles relating to that series. We will file as an exhibit to the registration statement of which this prospectus is a part, or incorporate by reference therein from another report that we file with the SEC, the form of any certificate of amendment to our Articles that describes the terms of the series of preferred shares that we are offering before the issuance of the related series of preferred shares. We will also describe in the applicable prospectus supplement the terms of the series of preferred shares being offered.

Our board of directors may authorize the issuance of preferred shares with voting, conversion or other rights that could adversely affect the voting power or other rights of the holders of our common shares. The issuance of preferred shares could have the effect of decreasing the market price of our common shares, decreasing the amount of earnings and assets available for distribution to holders of our common shares and creating restrictions upon the payment of dividends and other distributions to holders of our common shares. The issuance of preferred shares also could have the effect of delaying, deterring or preventing a change in control of us without further action by our shareholders. When we issue preferred shares under this prospectus and the applicable prospectus supplement, such preferred shares will be fully paid and nonassessable.

Series A Preferred Shares

Pursuant to our Articles, 6,000 of our preferred shares have been designated as Series A Preferred Shares. On March 15, 2007, we issued 4,000 Series A Preferred Shares, represented by 4,000,000 depositary shares. See Depositary Shares below. The registration statement of which this prospectus is a part does not register any of our authorized but unissued Series A Preferred Shares.

Dividends

Holders of Series A Preferred Shares receive when, as, and if declared by our board of directors, out of funds legally available for payment of dividends under Ohio law, cash dividends. Dividends are payable quarterly in arrears on the 15th day of March, June, September and December of each year at an annual rate of 9.75% of the $25,000 liquidation preference of each preferred share. Following a change of control event, as defined in our Articles, dividends on the Series A Preferred Shares, when, as and if declared by us, will increase to an annual rate of 10.75% of the $25,000 liquidation preference per share. Dividends on the Series A Preferred Shares are not cumulative and, accordingly, if for any reason we do not declare a dividend on the Series A Preferred Shares for a quarterly dividend period, holders of the Series A Preferred Shares have no right to receive a dividend for that period, and we have no obligation to pay a dividend for that period, whether or not we pay dividends in full or have sufficient funds to pay dividends in the future. The Series A Preferred Shares rank senior to our common shares with respect to the payment of dividends. As a result, unless dividends have been declared and paid or set apart on the Series A Preferred Shares for the then-current quarterly dividend period, no dividends may be declared or paid or set apart for payment on our common shares for that period, other than dividends or distributions paid in our common shares, or options, warrants or rights to subscribe for or purchase our common shares or any of our other equity ranking junior to the Series A Preferred Shares as to the payment of dividends and the distribution of assets upon our dissolution, liquidation or winding up. We may, in our discretion, choose to pay dividends on the Series A Preferred Shares without paying any dividends on our common shares or other junior equity.

Voting Rights

The Series A Preferred Shares have no voting rights, except as provided for in our Articles or as otherwise required by the Ohio General Corporation Law. So long as any Series A Preferred Shares remain outstanding, we will not, without the affirmative vote of the holders of at least a majority of the Series A Preferred Shares:

- authorize, create or issue any shares of capital stock ranking, as to dividends or upon liquidation, dissolution or winding up, senior to the Series A Preferred Shares, or reclassify any authorized shares

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of capital stock into any such shares of such capital stock, or issue any obligation or security convertible into or evidencing the right to purchase any such shares of capital stock;

amend the terms of the Series A Preferred Shares in our Articles, whether by merger, consolidation or otherwise, so as to change the express terms, or add express terms, in a manner substantially prejudicial to holders of the Series A Preferred Shares; or

adopt any other amendment to our Articles that requires a vote of the holders of the shares of a particular class pursuant to Section 1701.71(B) of the Ohio Revised Code.

Any increase in the amount of our authorized common shares or preferred shares, any increase or decrease in the number of shares of any other series of preferred shares, or any authorization, creation and issuance of other classes or series of common shares or other shares, in each case ranking equally with or junior to the Series A Preferred Shares with respect to the payment of dividends and the distribution of assets upon liquidation, dissolution or winding up, will not be deemed to be substantially prejudicial to the holders of the Series A Preferred Shares under the above provisions.

Liquidation Preference

The Series A Preferred Shares rank senior to our common shares with respect to distribution of our assets upon our liquidation, dissolution or winding up. Upon our liquidation, dissolution or winding up, the holders of the Series A Preferred Shares will be entitled to receive out of our assets available for distribution to shareholders, $25,000 per share, plus any accrued and unpaid dividends for the then-current quarterly dividend period, before any payment or distribution out of our assets may be made to or set apart for the holders of our common shares or other junior equity. If, upon our liquidation, dissolution or winding up, our assets, or proceeds thereof, distributable among the holders of the Series A Preferred Shares or any stock ranking equally with the Series A Preferred Shares is insufficient to pay in full the preferential amounts to which such stock would be entitled, then such assets, or the proceeds thereof, will be distributable among such holders ratably in accordance with the respective amounts which would be payable on such shares if all amounts payable thereon were paid in full. Neither a consolidation nor merger of us, nor a sale, lease, exchange or transfer of all or substantially all of our assets, will be deemed to be a liquidation, dissolution or winding up under the above provisions.

Redemption

We may not redeem the Series A Preferred Shares prior to March 15, 2012, except in certain limited circumstances following a change of control event. Following a change of control event, we will have the option to redeem the Series A Preferred Shares, in whole but not in part, within 90 days after the first date on which the change of control event has occurred, for cash at $25,000 per share, plus any accrued and unpaid dividends to the redemption date for the then-current quarterly dividend period. On or after March 15, 2012, we may, at our option, redeem the Series A Preferred Shares, in whole or, from time to time, in part, upon not less than 30 nor more than 60 days notice, at a redemption price per share equal to the liquidation preference, plus any accrued and unpaid dividends to the redemption date for the then-current quarterly dividend period; provided, however, that any redemption that would reduce the aggregate liquidation preference of the Series A Preferred Shares outstanding to less than $25 million in the aggregate would be restricted to a redemption in whole only. If we choose to redeem less than all the Series A Preferred Shares, we will either determine the Series A Preferred Shares to be redeemed by lot or pro rata in such manner as our board of directors deems equitable. There is no sinking fund for the redemption or purchase of the Series A Preferred Shares. Holders of the Series A Preferred Shares have no right to require the redemption of the Series A Preferred Shares.

Maturity; Conversion; Preemptive Rights

The Series A Preferred Shares do not have a maturity date, and we are not required to redeem, or set aside funds to redeem, the Series A Preferred Shares. Accordingly, the Series A Preferred Shares will remain

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outstanding indefinitely unless we decide to redeem them. The Series A Preferred Shares are not convertible into, or exchangeable for, shares of any other securities or property. The Series A Preferred Shares have no preemptive rights.

Depositary Shares

Our outstanding Series A Preferred Shares are represented by depositary shares, with each depositary share representing 1/1,000th of a Series A Preferred Share. The depositary shares are evidenced by depositary receipts, and the underlying Series A Preferred Shares have been deposited pursuant to a deposit agreement among us, Computershare Trust Company, N.A., as depositary, and the holders from time to time of the depositary receipts. Subject to the terms of the deposit agreement, the depositary shares are entitled to all the rights and preferences of the Series A Preferred Shares in proportion to the applicable fraction of a preferred share represented by such depositary share.

The depositary will distribute all cash dividends and other cash distributions paid with respect to the Series A Preferred Shares to the holders of record of the depositary receipts in proportion to the number of depositary shares held by each holder.

Because each depositary share represents ownership of 1/1,000th of a Series A Preferred Share, and each Series A Preferred Share is entitled to a vote per share based on its liquidation preference under the limited circumstances described above, holders of depositary receipts will be entitled to 1/1,000th of such vote per depositary share under such limited circumstances.

If we redeem the Series A Preferred Shares, in whole or in part, the corresponding depositary shares will also be redeemed. The redemption price per depositary share will be equal to 1/1,000th of the redemption price per Series A Preferred Share. If less than all the depositary shares are redeemed, we will select either by lot or pro rata those depositary shares to be redeemed.

Underlying Series A Preferred Shares may be withdrawn, in whole but not in part, from the depositary arrangement upon surrender of depositary receipts at the principal office of the depositary and upon payment of the taxes, charges and fees provided for in the deposit agreement. Except as described in the deposit agreement, holders of withdrawn Series A Preferred Shares will not be entitled to redeposit such shares or to receive depositary shares.

The outstanding depositary shares are listed on NYSE under the symbol MHOPrA. There is no separate public trading market for the Series A Preferred Shares except as represented by the depositary shares. The depositary shares are maintained in book-entry form registered in the name of the nominee of DTC.

Transfer Agent and Registrar

The transfer agent and registrar for our common shares and Series A Preferred Shares is Computershare Trust Company, N.A. The transfer agent for any series of preferred shares that we may offer under this prospectus will be named and described in the prospectus supplement for that series.

Anti-Takeover Effects of Articles, Regulations and the Ohio General Corporation Law

Certain provisions in our Articles and Regulations and the Ohio General Corporation Law could discourage potential takeover attempts and make attempts by shareholders to change management more difficult. These provisions could also adversely affect the market price of our securities.

Classified Board of Directors. Our board of directors is divided into three classes, with regular three-year staggered terms. This classification system increases the difficulty of replacing a majority of our directors and

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may tend to discourage a third-party from making a tender offer or otherwise attempting to gain control of us. It also may maintain the incumbency of our board of directors. In addition, our Regulations provide that the number of directors in each class and the total number of directors may only be changed by the affirmative vote of a majority of the directors or the holders of record of at least 75% of our voting power. Under the Ohio General Corporation Law, shareholders may not remove any directors on a classified board of directors, except for cause.

Limited Shareholder Action by Written Consent. Section 1701.54 of the Ohio General Corporation Law requires that an action by written consent of the shareholders in lieu of a meeting be unanimous, except that, pursuant to Section 1701.11, a corporation s code of regulations may be amended by an action by written consent of holders of shares entitling them to exercise two-thirds of the voting power of the corporation or, if the corporation s articles of incorporation or code of regulations otherwise provide, such greater or lesser amount, but not less than a majority. Our Regulations provide that they may be amended or repealed without a meeting by the written consent of a majority of our voting power; provided, however, that the affirmative vote of two-thirds of our voting power is required (whether at a meeting or without a meeting by an action by written consent) to amend or repeal certain provisions of our Regulations, as discussed below under Supermajority Voting Provisions. This provision may have the effect of delaying, deferring or preventing a tender offer or takeover attempt that a shareholder might consider to be in its best interest.

Supermajority Voting Provisions. The affirmative vote of two-thirds of our voting power is required to amend or repeal our Regulations, or to adopt a new code of regulations, with respect to any of the following:

- the requirements for calling special meetings of shareholders;
- the requirements for giving notice of annual or special meetings of shareholders;
- the provisions regarding our number of directors and our staggered board of directors;
- the provisions for filling vacancies or newly created directorships on our board of directors;
- the procedures for nominating directors;
- the provisions regarding conflicts of interest;
- the requirement that directors can only be removed for cause;
- the indemnification provisions;
- our non-statutory Control Share Acquisition Act provisions; and
- amendments to these supermajority provisions.

In addition, the affirmative vote of 75% of our voting power is required to amend or repeal the provisions in our Regulations regarding changes in the number of directors. On all other proposed amendments to our Regulations, the required vote is a majority of our voting power.

Under the Ohio General Corporation Law, in the case of most mergers, sales of all or substantially all the assets of a corporation and most amendments to a corporation s articles of incorporation, the affirmative vote of two-thirds of the voting power of the corporation is required

unless the corporation s articles of incorporation provide for a lower amount not less than a majority. Our Articles do not change the default voting requirement provided by the Ohio General Corporation Law.

Shareholder Nominations. Our Regulations provide that shareholders seeking to nominate candidates for election as directors at an annual or special meeting of shareholders must provide timely notice to us in writing. To be timely, a shareholder s notice must be received at our principal executive offices not less than 60 days nor more than 90 days prior to the first anniversary of the date of the previous year s annual meeting (or, if the date

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of the annual meeting is changed by more than 30 days from the anniversary date of the preceding year s annual meeting, or in the case of a special meeting, within seven days after we mail the notice of the meeting or otherwise give notice of the meeting). Our Regulations also prescribe the proper written form for a shareholder s notice. These provisions may preclude some shareholders from making nominations for directors at an annual or special meeting of shareholders.

Control Share Acquisition Act. Section 1701.831 of the Ohio General Corporation Law, known as the Control Share Acquisition Act, provides that certain notice and informational filings, and special shareholder meeting and voting procedures, must occur prior to any person s acquisition of an issuer s shares that would entitle the acquirer to exercise or direct the voting power of the issuer in the election of directors within any of the following ranges:

one-fifth or more (but less than one-third) of such voting power;

one-third or more (but less than a majority) of such voting power; and

a majority or more of such voting power.

The Control Share Acquisition Act does not apply to a corporation if its articles of incorporation or code of regulations so provide. We have opted out of the application of the Control Share Acquisition Act. However, we have adopted a substantially similar provision in our Regulations with one significant exception. Under our Regulations, no shareholder meeting or vote is required if our board of directors has approved the proposed acquisition of voting power. In addition, our Regulations provide our board of directors with more flexibility than provided by the Control Share Acquisition Act in setting a date for the special meeting of shareholders to consider the proposed control share acquisition.

NOL Protective Amendment. In March 2009, we amended our Regulations to impose certain restrictions on the transfer of our common shares to preserve the tax treatment of our net operating losses and built-in losses (the NOL Protective Amendment). The transfer restrictions imposed by the NOL Protective Amendment generally restrict (unless otherwise approved by our board of directors) any direct or indirect transfer of our common shares if the effect would be to: (i) increase the direct or indirect ownership of our common shares by any person or group of persons from less than 5% to 5% or more of our common shares; or (ii) increase the percentage of our common shares owned directly or indirectly by a person or group of persons owning or deemed to own 5% or more of our common shares. The NOL Protective Amendment is intended to reduce the likelihood of an ownership change for purposes of Section 382 of the Code that could limit our ability to utilize our net operating loss carryforwards and recognize certain built-in losses and thereby adversely affect us. Although the basis for the NOL Protective Amendment is to preserve the tax treatment of our net operating losses and built-in losses, the NOL Protective Amendment could be deemed to have an anti-takeover effect because, among other things, it restricts the ability of a person or group of persons to accumulate 5% or more of our common shares, and restricts the ability of a person or group of persons now owning 5% or more of our common shares from acquiring additional common shares, without the approval of our board of directors.

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DESCRIPTION OF DEPOSITARY SHARES

The following description of the depositary shares representing our preferred shares sets forth certain general terms that may apply to the depositary shares that we may offer under this prospectus. The specific terms of the depositary shares and the related deposit agreement and depositary receipts will be described in the applicable prospectus supplement relating to those depositary shares. We will file forms of the applicable deposit agreement and the depositary receipts as exhibits to the registration statement of which this prospectus is a part or as exhibits to one or more reports that we file with the SEC that are incorporated by reference therein. The specific terms of the depositary shares and the related deposit agreement and depositary receipts as described in the applicable prospectus supplement will supplement and, if applicable, may modify or replace the general terms described in this prospectus.

General

We may, at our option, elect to offer fractional preferred shares, rather than full preferred shares. If we exercise this option, we will issue depository receipts for depository shares, each of which will represent a fractional interest of a share of a particular series of preferred shares, as specified in the applicable prospectus supplement. We will deposit with a depositary (the preferred stock depositary) preferred shares of each series represented by depositary shares and enter into a deposit agreement with the preferred stock depositary and holders from time to time of the depositary receipts issued by the preferred stock depositary which evidence the depositary shares. Subject to the terms of the deposit agreement, each owner of a depositary receipt will be entitled, in proportion to the holder s fractional interest in the preferred shares, to all the rights and preferences of the series of the preferred shares represented by the depositary shares (including dividend, voting, conversion, redemption and liquidation rights). The depository shares will be evidenced by depository receipts issued pursuant to the deposit agreement. Depository receipts will be issued to those persons purchasing the fractional preferred shares in accordance with the terms of the deposit agreement as described in the applicable prospectus supplement.

Dividends and Other Distributions

The preferred stock depositary will distribute all cash dividends or other cash distributions received in respect of the preferred shares underlying the depositary shares to the record holders of depositary receipts in proportion to the number of the depositary receipts owned by the holders. The relevant record date for depositary shares will be the same date as the record date for the preferred shares.

In the event of a distribution other than in cash, the preferred stock depositary will distribute property received by it to the record holders of depositary receipts in proportion to the number of the depositary receipts owned by the holders. If the preferred stock depositary determines that it is not feasible to make such distribution, the preferred stock depositary may, with our approval, sell the property and distribute the net proceeds from the sale to the holders of depositary receipts.

If we offer to the holders of a series of preferred shares represented by the depositary shares any rights, preferences or privileges to subscribe for or purchase any securities, or any other rights, preferences or privileges, the preferred stock depositary will make such rights, preferences or privileges available to the record holders of depositary shares either by the issue of warrants representing such rights, preferences or privileges or by such other method as approved by the preferred stock depositary and us. If the preferred stock depositary determines that such action is not lawful or feasible or if it is instructed by a holder that such holder does not want to exercise such rights, preferences or privileges, it may (with our approval in any case when the preferred stock depositary has determined that it is not feasible to make such rights, preferences or privileges available) sell such rights, preferences or privileges and distribute the net proceeds from such sale to the holders of depositary shares entitled to such proceeds.

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Withdrawal

Preferred shares represented by depositary shares may be withdrawn from the depositary arrangement upon surrender of depositary receipts at the principal office of the preferred stock depositary and upon payment of the taxes, charges and fees provided for in the deposit agreement. Subject to the terms of the deposit agreement, the holder of depositary receipts will receive the appropriate number of preferred shares and any money or property represented by such depositary shares. Only whole preferred shares may be withdrawn; if a holder holds an amount of depositary shares in excess of whole preferred shares, the preferred stock depositary will deliver along with the withdrawn preferred shares a new depositary receipt evidencing the excess number of depositary shares. Except as described in the deposit agreement, holders of withdrawn preferred shares will not be entitled to redeposit such preferred shares or to receive depositary shares for such preferred shares.

Redemption

If we redeem preferred shares held by the preferred stock depositary, the preferred stock depositary will concurrently redeem the number of depositary shares representing the preferred shares so redeemed (provided that we have paid the applicable redemption price for the preferred shares to be redeemed plus an amount equal to any accrued and unpaid dividends to the date fixed for redemption). The redemption price per depositary share will be equal to the corresponding proportion of the redemption price payable with respect to the preferred shares. If fewer than all the outstanding depositary shares are to be redeemed, the depositary shares to be redeemed will be selected by lot or pro rata (as nearly as may be practicable without creating fractional depositary shares) or as otherwise determined by us.

Voting

Upon receipt of notice of any meeting at which the holders of the preferred shares are entitled to vote, the preferred stock depositary will mail the information contained in the notice of meeting to the record holders of the depositary receipts. Each record holder of the depositary receipts on the record date (which will be the same date as the record date for the preferred shares) will be entitled to instruct the preferred stock depositary as to the exercise of the voting rights pertaining to the amount of preferred shares represented by the holder s depositary shares. The preferred stock depositary will vote the amount of preferred shares represented by the depositary shares in accordance with the holder s instructions, and we will agree to take all reasonable action necessary to enable the preferred stock depositary to vote such shares. The preferred stock depositary will abstain from voting the amount of preferred shares represented by the depositary shares for which it does not receive specific instructions from the holders of depositary receipts evidencing the depositary shares.

Liquidation Preference

If we voluntarily or involuntarily liquidate, dissolve or wind up, the holders of depositary receipts will be entitled to the fraction of the liquidation preference accorded each preferred share represented by the depositary shares, as set forth in the applicable prospectus supplement.

Upon any change in par value or liquidation preference, split-up, combination or any other reclassification of the series of preferred shares represented by the depositary shares, or upon any recapitalization, reorganization, merger or consolidation affecting us or to which we are a party, the preferred stock depositary may in its discretion, with our approval (not to be unreasonably withheld) and instructions, and in such manner as the preferred stock depositary may deem equitable, treat any securities which are received by the preferred stock depositary in exchange for or upon conversion or in respect of such preferred shares as new deposited securities received in exchange for or upon conversion or in respect of such preferred shares and may make such adjustments in the fraction of an interest represented by one depositary share in one such preferred share as may be necessary to fully reflect the effects of such change.

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With our approval, the preferred stock depositary may execute and deliver additional depositary receipts, or may call for the surrender of all outstanding depositary receipts to be exchanged for new depositary receipts specifically describing such new deposited securities.

Amendment and Termination

We may amend the form of depositary receipt and any provision of the deposit agreement at any time by agreement between us and the preferred stock depositary. However, any amendment that materially and adversely alters the rights of the holders of depositary receipts or that would be materially and adversely inconsistent with the rights granted to the holders of the related preferred shares will not be effective unless the holders of at least two-thirds of the depositary shares evidenced by the depositary receipts then outstanding approve the amendment. No amendment will impair the right, subject to the exceptions set forth in the deposit agreement, of any holder of depositary receipts to surrender any depositary receipt with instructions to deliver to the holder the related preferred shares and all money and other property, if any, represented by the depositary receipt, except in order to comply with law. Every holder of an outstanding depositary receipt at the time any such amendment becomes effective will be deemed, by continuing to hold the receipt, to consent and agree to the amendment and to be bound by the deposit agreement as amended.

We may terminate the deposit agreement upon not less than 30 days prior written notice to the preferred stock depositary if a majority of each series of preferred shares affected by the termination consents to the termination. Upon termination, the preferred stock depositary will deliver or make available to each holder of depositary receipts, upon surrender of the depositary receipts held by the holder, the number of whole and/or fractional preferred shares represented by the depositary shares evidenced by the depositary receipts together with any other property held by the preferred stock depositary with respect to the depositary receipt.

In addition, the deposit agreement will automatically terminate if:

all outstanding depositary shares have been redeemed;

there has been a final distribution in respect of the related preferred shares in connection with our liquidation, dissolution or winding up and the distribution has been distributed to the holders of depositary receipts evidencing the depositary shares representing the preferred shares; or

each related preferred share has been converted into our common shares or other securities which are not represented by depositary shares.

Charges of Preferred Stock Depositary

We will pay all transfer and other taxes and governmental charges arising solely from the existence of the deposit agreement. In addition, we will pay the fees and charges of the preferred stock depositary in connection with the initial deposit of the preferred shares, the initial issuance of the depositary shares, any redemption of the preferred shares and all withdrawals of preferred shares by owners of depositary shares. All other transfer and other taxes and governmental charges will be at the expense of the holders of depository receipts. Holders of depositary receipts will also pay the charges and expenses of the preferred stock depositary for any duties requested by the holders to be performed which are outside of those expressly provided for in the deposit agreement. If those charges, expenses and taxes have not been paid, the preferred stock depositary may refuse to transfer depositary shares or withdraw any preferred shares, withhold dividends and distributions and sell the preferred shares or other property represented by the depositary shares evidenced by the depositary receipts.

Resignation and Removal of Preferred Stock Depositary

The preferred stock depositary may resign at any time by delivering to us notice of its election to resign, and we may at any time remove the preferred stock depositary. Any such resignation or removal will take effect upon our appointment of a successor preferred stock depositary. We must appoint a successor preferred stock

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depositary within 60 days after delivery of the notice of resignation or removal, and any preferred stock depositary must be a bank or trust company having its principal office in the United States and having a combined capital and surplus of at least $50,000,000.

Miscellaneous

The preferred stock depositary will forward to holders of depositary receipts any reports and communications that the preferred stock depositary receives from us relating to the preferred shares. In addition, the preferred stock depositary will make such reports and communications available for inspection by holders of depositary receipts at the principal office of the preferred stock depositary, and at such other places as it may from time to time deem advisable.

We will not be liable, nor will the preferred stock depositary be liable, if we are prevented from or delayed, by law or any circumstances beyond our control, in performing our obligations under the deposit agreement. Our obligations and the obligations of the preferred stock depositary under the deposit agreement will be limited to performing our duties in good faith and without negligence (only in the case of any action or inaction in the voting of preferred shares represented by the depositary shares), gross negligence or willful misconduct. We will not be obligated, nor will the preferred stock depositary be obligated, to prosecute or defend any legal proceeding in respect of any depositary receipts, depositary shares or preferred shares represented by depositary shares unless satisfactory indemnity is furnished. We may rely, and the preferred stock depositary may rely, on written advice of counsel or accountants, or information provided by holders of depositary receipts or other persons believed in good faith to be competent to give such information, and on documents reasonably believed to be genuine and signed or presented by a proper party.

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DESCRIPTION OF WARRANTS

The following description of the warrants sets forth certain general terms that may apply to the warrants that we may offer under this prospectus. The specific terms of any series of warrants and the related warrant agreement (including the form of the warrant certificate) will be described in the applicable prospectus supplement relating to those warrants. We will file the form of the applicable warrant agreement (including the form of the warrant certificate) as an exhibit to the registration statement of which this prospectus is a part or as an exhibit to one or more reports that we file with the SEC that are incorporated by reference therein. The specific terms of any series of warrants and the related warrant agreement (including the form of the warrant certificate) as described in the applicable prospectus supplement will supplement and, if applicable, may modify or replace the general terms described in this prospectus.

We may issue warrants to purchase debt securities, common shares, preferred shares, depositary shares or units of two or more of those securities. We may issue warrants independently or together with any other securities we offer pursuant to a prospectus supplement, and the warrants may be attached to or separate from such securities. We will issue each series of warrants under a separate warrant agreement that we will enter into with a bank or trust company, as warrant agent.

We will describe in the applicable prospectus supplement the terms of the warrants being offered and the applicable warrant agreement (including the form of the warrant certificate), including the following:

- the title of the warrants;
- the aggregate number of warrants to be issued and currently outstanding, if any;
- the price or prices at which the warrants will be issued;
- the designation, number or amount and other terms of the securities issuable upon exercise of the warrants and the procedures and conditions relating to the exercise of the warrants;
- the designation and terms of any related securities with which the warrants will be issued, and the number of warrants that will be issued with each such security;
- the date, if any, on and after which the warrants and the related securities will be separately transferable;
- the price at which the securities purchasable upon exercise of the warrants may be purchased, and any provision for changes to or adjustments in such price;
- the date on which the right to exercise the warrants will commence, and the date on which the right will expire;
- the minimum and maximum number of warrants which may be exercised at any time;
- a discussion of material federal income tax considerations applicable to the exercise of the warrants; and

any other material terms of the warrants, including terms, procedures and limitations relating to the transferability, exchange, exercise or redemption of the warrants.

Each warrant will entitle its holder to purchase the securities at the exercise price set forth in the applicable prospectus supplement. Holders may exercise warrants at any time up to the close of business on the expiration date set forth in the applicable prospectus supplement. After the close of business on the expiration date, unexercised warrants will be void.

Holders may exercise warrants as set forth in the applicable prospectus supplement. Upon receipt of payment and the warrant certificate properly completed and duly executed at the corporate trust office of the warrant agent or any other office indicated in the prospectus supplement, we will, as soon as practicable, forward

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the securities purchased upon such exercise. If less than all of the warrants represented by the warrant certificate are exercised, we will issue a new warrant certificate for the remaining warrants.

Prior to the exercise of any warrants, holders of the warrants will not have any of the rights of holders of the securities purchasable upon exercise, including:

- in the case of warrants for the purchase of debt securities, the right to receive payments of the principal of, or premium, if any, and interest on, the debt securities purchasable upon exercise, or to enforce covenants in the applicable indenture; or

- in the case of warrants for the purchase of common shares, preferred shares or depositary shares, the right to vote or to receive any payments of dividends on the common shares, preferred shares or depositary shares purchasable upon exercise.

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DESCRIPTION OF RIGHTS

The following description of the rights sets forth certain general terms that may apply to the rights that we may offer under this prospectus. The specific terms of any rights and the related rights agreement (including the form of rights certificate) will be described in the applicable prospectus supplement relating to those rights. We will file the form of the applicable rights agreement (including the form of rights certificate) as an exhibit to the registration statement of which this prospectus is a part or as an exhibit to one or more reports that we file with the SEC that are incorporated by reference therein. The specific terms of any rights and the related rights agreement (including the form of rights certificate) as described in the applicable prospectus supplement will supplement and, if applicable, may modify or replace the general terms described in this prospectus.

We may issue rights to purchase debt securities, common shares, preferred shares or depositary shares that we may offer to our securityholders. The rights may be issued independently or together with any other securities we offer, and may or may not be transferable by the persons purchasing or receiving the rights. In connection with any rights offering, we may enter into a standby underwriting or other arrangement with one or more underwriters or other persons pursuant to which such underwriters or other persons may be required to purchase any offered securities remaining unsubscribed for after such rights offering. Each series of rights will be issued under a separate rights agreement which we will enter into with a bank or trust company, as rights agent, that we will name in the applicable prospectus supplement. The rights agent will act solely as our agent in connection with the certificates representing the rights and will not assume any obligation or relationship of agency or trust for or with any holders of rights certificates or beneficial owners of rights.

The prospectus supplement relating to any rights that we offer will include the specific terms relating to the offering, including, among other matters:

- the date of determining the securityholders entitled to the rights offering;
- the price, if any, for the rights;
- the aggregate number of rights to be issued and the designation, number or amount and other terms of the securities purchasable upon exercise of the rights;
- the exercise price payable for the securities purchasable upon exercise of the rights, and any provisions for changes to or adjustments in the exercise price;
- the date on which the holder s ability to exercise the rights will commence and the date on which the rights will expire;
- the extent to which the rights will be transferable;
- the extent to which the rights may include an over-subscription privilege with respect to unsubscribed securities;
- the material terms of any standby underwriting or purchase agreement entered into by us in connection with the rights offering;
- a discussion of material federal income tax considerations applicable to the exercise of the rights; and

any other terms of the rights, including the terms, procedures, conditions and limitations relating to the distribution, exchange and exercise of the rights.

Each right will entitle its holder to purchase the securities at the exercise price set forth in the applicable prospectus supplement. Rights may be exercised at any time up to the close of business on the expiration date set forth in the applicable prospectus supplement. After the close of business on the expiration date, all unexercised rights will become void.

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Holders may exercise rights as set forth in the applicable prospectus supplement. Upon receipt of payment and the rights certificate properly completed and duly executed at the corporate trust office of the rights agent or any other office indicated in the prospectus supplement, we will, as soon as practicable, forward the securities purchased upon such exercise. If less than all of the rights issued in any rights offering are exercised, we may offer any unsubscribed securities directly to persons other than our securityholders, to or through agents, underwriters or dealers or through a combination of such methods, including pursuant to standby arrangements, as described in the applicable prospectus supplement.

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DESCRIPTION OF STOCK PURCHASE CONTRACTS AND STOCK PURCHASE UNITS

The following description of stock purchase contracts and stock purchase units sets forth certain general terms that may apply to the stock purchase contracts and/or stock purchase units that we may offer under this prospectus. The specific terms of any stock purchase contracts or stock purchase units and any related security, collateral or depository arrangements will be described in the applicable prospectus supplement relating to the stock purchase contracts or stock purchase units. We will file forms of the relevant documents as exhibits to the registration statement of which this prospectus is a part or as exhibits to one or more reports that we file with the SEC that are incorporated by reference therein. The specific terms of any stock purchase contracts or stock purchase units as described in the applicable prospectus supplement will supplement and, if applicable, may modify or replace the general terms described in this prospectus.

We may issue stock purchase contracts representing contracts obligating holders to purchase from us, and obligating us to sell to the holders, a specified number of common shares, preferred shares or depositary shares at a future date or dates. The price per common share, preferred share or depositary share may be fixed at the time the stock purchase contracts are issued or may be determined by reference to a specific formula set forth in the stock purchase contracts.

The stock purchase contracts may be issued separately or as a part of stock purchase units consisting of a stock purchase contract and our debt securities, common shares, preferred shares or depositary shares, any other securities described in the applicable prospectus supplement or debt obligations of third parties, including U.S. Treasury securities, securing the holder s obligations to purchase the securities under the stock purchase contracts. The stock purchase contracts may require us to make periodic payments to the holders of the stock purchase units or vice versa, and such payments may be unsecured or prefunded on some basis. The stock purchase contracts may require holders to secure their obligations in a specified manner and in certain circumstances we may deliver newly issued prepaid stock purchase contracts, often known as prepaid securities, upon release to a holder of any collateral securing such holder s obligations under the original stock purchase contract.

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DESCRIPTION OF UNITS

We may issue units consisting of one or more debt securities, guarantees of debt securities, common shares, preferred shares, depositary shares, warrants, rights, stock purchase contracts or any combination of such securities. The applicable prospectus supplement for any units will describe:

- the terms of the units and of the debt securities, guarantees of debt securities, common shares, preferred shares, depositary shares, warrants, rights, stock purchase contracts or any combination of such securities comprising the units, including whether and under what circumstances the securities comprising the units may be traded separately;
- the terms of any unit agreement governing the units;
- a discussion of material federal income tax considerations applicable to the units; and
- the provisions for the payment, settlement, transfer or exchange or the units.

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PLAN OF DISTRIBUTION

We may sell the securities offered under this prospectus from time to time:

- to or through underwriters;
- to or through dealers;
- through agents;
- directly to purchasers;
- in at the market offerings within the meaning of Rule 415(a)(4) of the Securities Act, to or through a market maker or into an existing trading market, on an exchange, or otherwise;
- through a dividend, distribution, rights offering, forward contracts or similar arrangements;
- through a combination of any of these methods of sale; or
- through any other methods described in the applicable prospectus supplement.

The securities we distribute by any of these methods may be sold, in one or more transactions:

- at a fixed price or prices, which may be changed;
- at market prices prevailing at the time of sale;
- at prices related to prevailing market prices; or
- at negotiated prices.

Each time we offer securities under this prospectus, the applicable prospectus supplement will describe the specific plan of distribution and the terms of the offering of the securities, including:

- the name or names of any underwriters, dealers or agents;

the purchase price of the securities and the proceeds we will receive from the sale;

any over-allotment options under which underwriters may purchase additional securities from us;

any discounts, concessions, commissions, agency fees and other items constituting underwriters , dealers or agents compensation;

any initial public offering price;

any delayed delivery arrangements;

any discounts or concessions allowed or reallowed or paid to dealers; and

any securities exchange on which the securities may be listed.

We may sell securities from time to time to one or more underwriters, who would purchase the securities as principal for resale to the public, either on a firm-commitment or best-efforts basis. If we sell securities to underwriters, we will execute an underwriting agreement with the underwriters at the time of sale, and we will name the underwriters in the applicable prospectus supplement. The obligations of the underwriters to purchase the securities will be subject to the conditions set forth in the applicable underwriting agreement. The underwriters may resell the securities from time to time in one or more transactions, including negotiated transactions. The underwriters may sell the securities in order to facilitate transactions in any of our other securities (described in this prospectus or otherwise), including other public or private transactions and short sales. The underwriters may offer securities to the public either through underwriting syndicates represented by one or more managing underwriters or directly by one or more firms acting as underwriters. The underwriters may change from time to time any initial public offering price and any discounts or concessions allowed or reallowed or paid to dealers.

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In connection with sales to underwriters, the underwriters may be deemed to have received compensation from us in the form of underwriting discounts or commissions and may also receive commissions from purchasers of the securities for whom they may act as agents. Underwriters may resell the securities to or through dealers, and those dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or commissions from purchasers for whom they may act as agents. The applicable prospectus supplement will include any required information about underwriting compensation we pay to underwriters, and any discounts, concessions or commissions underwriters allow to participating dealers, in connection with an offering of securities.

From time to time, we may sell securities to one or more dealers acting as principals. The dealers, who may be deemed to be underwriters within the meaning of the Securities Act, may then resell those securities to the public. The applicable prospectus supplement will include the names of the dealers and the terms of the transaction.

We may solicit offers to purchase securities directly from the public from time to time. In this case, no underwriters or agents would be involved. We may also designate agents from time to time to solicit offers to purchase securities from the public on our behalf. Such agents may be deemed to be underwriters within the meaning of the Securities Act. The applicable prospectus supplement relating to any particular offering of securities will name any agents designated to solicit offers and will include information about any compensation we may pay the agents in connection with that offering. Unless otherwise indicated in the applicable prospectus supplement, any agent will agree to use its reasonable best efforts to solicit purchases for the period of its appointment.

We may sell the securities directly to institutional investors or others. These persons may be deemed to be underwriters within the meaning of the Securities Act with respect to any sale of those securities. The terms of any such direct sales will be described in the applicable prospectus supplement.

We may make direct sales of the securities through subscription rights distributed to our existing securityholders on a pro rata basis, which may or may not be transferable. In any distribution of subscription rights, if all of the underlying securities are not subscribed for, we may then sell the unsubscribed securities directly to third parties or we may engage the services of one or more underwriters, dealers or agents, including standby underwriters, to sell the unsubscribed securities to third parties. The terms of any such sales or arrangements will be described in the applicable prospectus supplement.

We may authorize underwriters, dealers and agents to solicit from certain types of institutional investors offers to purchase securities under delayed delivery contracts providing for payment and delivery on future dates. The applicable prospectus supplement will describe the material terms of these contracts, including any conditions to the purchasers obligations, and will include any required information about commissions we may pay for soliciting these contracts.

We may authorize one or more remarketing firms to sell securities pursuant to a remarketing arrangement upon the purchase of the securities. Remarketing firms will act as principals for their own accounts or as agents for us, and will offer or sell the securities in accordance with a redemption or repayment pursuant to the terms of the securities, or otherwise. The applicable prospectus supplement will identify any remarketing firm and describe the terms of its compensation and agreements, if any, with us. Remarketing firms may be deemed to be underwriters within the meaning of the Securities Act with respect to the securities they remarket.

Unless the applicable prospectus supplement states otherwise, the securities offered under this prospectus (other than our common shares) will be a new issue of securities with no established trading market. We may elect to list any series of offered securities on an exchange. Any underwriters that we use in the sale of offered securities may make a market in such securities, but may discontinue such market making at any time without notice. Therefore, we cannot assure you that the securities will have a liquid trading market.

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Any underwriters that we use in the sale of offered securities may engage in over-allotment, stabilizing transactions, syndicate covering transactions and penalty bids in accordance with Regulation M under the Exchange Act. Over-allotment involves sales in excess of the offering size, which create a short position. Stabilizing transactions involve bids to purchase the underlying securities in the open market for the purpose of pegging, fixing or maintaining the price of the securities. Syndicate covering transactions involve purchases of the securities, either through exercise of the over-allotment option or in the open market after the distribution has been completed, in order to cover short positions. Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when the securities originally sold by the syndicate member are purchased in a syndicate covering transaction to cover short positions. These activities may cause the price of the securities to be higher than it would be in the absence of the transactions. The underwriters may, if they commence these transactions, discontinue them at any time.

Any underwriters, dealers or agents participating in the distribution of the offered securities may be deemed to be underwriters under the Securities Act, and any compensation and profits received by such persons upon sale of the securities may be deemed to be underwriting discounts and commissions under the Securities Act. Underwriters, dealers, agents and other persons may be entitled, under agreements that they may enter into with us, to indemnification by us against certain liabilities, including liabilities under the Securities Act, or to contribution with respect to payments that such persons make with respect to these liabilities. Our underwriters, dealers and agents, or their affiliates, may be customers of, engage in transactions with, or perform services for, us in the ordinary course of business.

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LEGAL MATTERS

The validity of the securities offered under this prospectus will be passed upon for us by Vorys, Sater, Seymour and Pease LLP, Columbus, Ohio.

EXPERTS

The consolidated financial statements incorporated in this prospectus by reference from the Company s Annual Report on Form 10-K and the effectiveness of M/I Homes, Inc. s internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such consolidated financial statements have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

This prospectus is part of a registration statement on Form S-3 that we filed with the SEC registering the securities that may be offered hereunder. As permitted by SEC rules, this prospectus does not contain all of the information we have included in the registration statement. A copy of the registration statement can be obtained at the address set forth below. You should read the registration statement for more information about our securities and us.

We are subject to the reporting requirements of the Exchange Act and file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any materials we file with the SEC at the SEC s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You can request copies of these documents, upon payment of a duplicating fee, by writing to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. The SEC also maintains a website that contains reports, proxy and information statements and other information regarding issuers, like us, who file electronically with the SEC. The address of the SEC s website is www.sec.gov. Our common shares and Series A Preferred Shares are listed on NYSE, and similar information concerning us can also be inspected and copied at the offices of NYSE at 20 Broad Street, New York, NY 10005.

Our website address is www.mihomes.com. We make available, free of charge, on or through our website, our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K that are filed with or furnished to the SEC, and amendments to those reports, as soon as reasonably practicable after we electronically file such reports with, or furnish them to, the SEC. The contents of our website are not part of this prospectus, and the reference to our website does not constitute incorporation by reference in this prospectus of the information contained at that site.

INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference information in this prospectus. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The following documents that we have filed with the SEC are incorporated by reference in, and considered a part of, this prospectus:

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2010;
- our Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2011 and June 30, 2011;

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our Current Reports on Form 8-K filed with the SEC on January 4, 2011, February 10, 2011, April 1, 2011, April 20, 2011 and May 9, 2011; and

the description of our common shares, $.01 par value per share, contained in our Registration Statement on Form S-3 (File No. 333-152751) filed with the SEC on August 4, 2008, or contained in any subsequent amendment or report filed for the purpose of updating such description.

We are also incorporating by reference in this prospectus all documents (other than current reports furnished under Item 2.02 or 7.01 of Form 8-K and exhibits filed on such form that are related to such items) that we file with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus

and prior to the termination or completion of any offering of securities under this prospectus and all applicable prospectus supplements, including all such filings made after the date of the initial registration statement of which this prospectus is a part and prior to the effectiveness of such registration statement.

We will provide to each person to whom this prospectus is delivered, upon written or oral request and without charge, any of the above documents that are incorporated by reference in this prospectus (including any exhibits that are specifically incorporated by reference in such documents). Requests should be directed to:

M/I Homes, Inc.

3 Easton Oval, Suite 500

Columbus, Ohio 43219

Attn: General Counsel

(614) 418-8000

Any statement contained in this prospectus or in a document incorporated by reference in this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in the applicable prospectus supplement or any other subsequently filed document that is deemed to be incorporated by reference in this prospectus modifies or supersedes such statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

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2,200,000 shares

M/I Homes, Inc.

Common Shares

PROSPECTUS SUPPLEMENT

September 5, 2012

Joint book-running managers

Citigroup **J.P. Morgan**

Lead manager

JMP Securities

Co-managers

Comerica Securities	**PNC Capital Markets LLC**	**The Huntington Investment Company**