

KB HOME

Form 4

October 06, 2008

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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if no longer  
subject to  
Section 16.  
Form 4 or  
Form 5  
obligations  
may continue.  
See Instruction  
1(b).

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

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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**MASUDA KELLY**

(Last) (First) (Middle)

**10990 WILSHIRE  
BOULEVARD, 7TH FLOOR**

(Street)

**LOS ANGELES, CA 90024**

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading  
Symbol  
**KB HOME [KBH]**

3. Date of Earliest Transaction  
(Month/Day/Year)  
**10/02/2008**

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

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

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

SVP, Treasurer

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

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(D)	Price

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

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SEC 1474  
(9-02)

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

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount Underlying Security (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)						
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Appreciation Rights	\$ 28.1	10/02/2008 <sup>(1)</sup>	A		24,590		<sup>(1)</sup>	10/04/2017	Common Stock	24,590
Phantom Share	<sup>(2)</sup>	10/02/2008 <sup>(2)</sup>	A		7,118		10/04/2008	10/04/2010	Common Stock	7,118
Stock Appreciation Rights	\$ 19.9	10/02/2008	A		51,148		<sup>(3)</sup>	10/02/2018	Common Stock	51,148
Phantom Share	<sup>(4)</sup>	10/02/2008	A		5,654		10/03/2011	10/03/2011	Common Stock	5,654

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MASUDA KELLY 10990 WILSHIRE BOULEVARD 7TH FLOOR LOS ANGELES, CA 90024			SVP, Treasurer	

## Signatures

/s/ Tony Richelieu, Attorney-in-Fact for Kelly  
Masuda

10/06/2008

                    Signature of Reporting Person

Date

## Explanation of Responses:

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

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

(1) On October 4, 2007, the reporting person was granted Stock Appreciation Rights that, subject to the achievement of a performance goal, vest in three equal annual installments beginning on October 4, 2008, and will be paid out in cash upon exercise. On October 2, 2008, in accordance with the terms of the grant, the Management Development and Compensation Committee of the issuer's Board of Directors determined that the applicable performance goal had been achieved.

(2) On October 4, 2007, the reporting person was granted Phantom Shares that, subject to the achievement of a performance goal, vests in full three years after date of grant. On October 2, 2008, in accordance with the terms of the grant, the Management Development and Compensation Committee of the issuer's Board of Directors determined that the applicable performance goal had been achieved. At vesting, each Phantom Share will be paid out in cash.

(3) The Stock Appreciation Rights vest in three equal annual installments beginning on October 2, 2009, and will be paid out in cash upon exercise.

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- (4) Each Phantom Share is the economic equivalent of one share of KB Home common stock and vests in full three years after date of grant. At vesting, each Phantom Share will be paid out in cash.

### Remarks:

Exhibit List:

Exhibit 24 - Power of Attorney

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

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