

HMN FINANCIAL INC  
Form SC 13G/A  
February 09, 2015

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

**SCHEDULE 13G/A  
Under the Securities Exchange Act of 1934  
(Amendment No. 21)\***

**HMN FINANCIAL, INC.**  
(Name of Issuer)

**COMMON STOCK**  
(Title of Class of Securities)

**40424G108**  
(CUSIP Number)

**DECEMBER 31, 2014**  
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

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The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. 40424G108

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Names of Reporting Persons.  
 I.R.S. Identification Nos. of above persons  
 (entities only).

1.

HMN FINANCIAL, INC. EMPLOYEE STOCK  
 OWNERSHIP PLAN  
 IRS ID NO. 37-1327748

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2. Check the Appropriate Box if a Member of a  
 Group (See Instructions)

(a)

(b)  X

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3. SEC Use Only

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4. Citizenship or Place of  
 Organization MINNESOTA

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Number 5. Sole Voting Power 328,440 (1)  
 of  
 Shares

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Beneficially 6. Shared Voting Power 336,024 (2)  
 Owned

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by  
 Each 7. Sole Dispositive Power 328,440 (1)  
 Reporting  
 Person

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With  
 8. Shared Dispositive Power 336,024 (2)

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9. Aggregate Amount Beneficially Owned by Each  
 Reporting Person 664,464

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10. Check if the Aggregate Amount in Row (9)  
 Excludes Certain Shares (See Instructions)

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11. Percent of Class  
 Represented by Amount in

Row (9) 14.9%

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12. Type of Reporting Person  
(See  
Instructions)  
EP

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(1) Includes 328,440 shares held in "unallocated" accounts of the HMN Financial, Inc. Employee Stock Ownership Plan.

(2) Includes 336,024 shares held in "allocated" accounts of the HMN Financial, Inc. Employee Stock Ownership Plan.

CUSIP No. 40424G108

Names of Reporting Persons.  
 I.R.S. Identification Nos. of above persons  
 1. (entities only).

FIRST BANKERS TRUST SERVICES, INC.  
 IRS ID NO. 37-1327748

2. Check the Appropriate Box if a Member of a  
 Group (See Instructions)  
 (a)  
 (b) X

3. SEC Use Only

4. Citizenship or Place of Organization  
 UNITED STATES

Number of  
 Shares 5. Sole Voting Power 328,440 (1)

Beneficially 6. Shared Voting Power 336,024 (2)

Owned  
 by  
 Each 7. Sole Dispositive Power 328,440 (1)  
 Reporting

Person  
 With 8. Shared Dispositive Power 336,024 (2)

9. Aggregate Amount  
 Beneficially Owned by  
 Each Reporting  
 Person 664,464

10. Check if the Aggregate  
 Amount in Row (9)  
 Excludes Certain Shares  
 (See Instructions)

11. Percent of Class

Represented by Amount in  
Row (9) 14.9%

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12. Type of Reporting Person  
(See  
Instructions)  
BK

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(1) Includes 328,440 shares held in  
"unallocated" accounts of the HMN  
Financial, Inc. Employee Stock  
Ownership Plan.

(2) Includes 336,024 shares held in  
"allocated" accounts of the HMN  
Financial, Inc. Employee Stock  
Ownership Plan.

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**Item 1.**

(a) Name of  
Issuer:

HMN  
FINANCIAL,  
INC. (the  
"Corporation")

Address of  
Issuer's

(b) Principal  
Executive  
Offices:

1016 Civic  
Center Drive  
NW,  
Rochester,  
MN 55901

**Item 2.**

(a) Name of  
Person Filing:

HMN  
Financial, Inc.  
Employee  
Stock  
Ownership  
Plan (the  
"ESOP")

Pursuant to  
applicable  
regulations,  
First Bankers  
Trust Services,  
Inc. (the  
"Trustee"), the  
Trustee of the  
ESOP may also  
be deemed to  
be a "beneficial  
owner" of the  
shares held by

the ESOP as described below.

The Trustee also may be deemed a "beneficial owner" of unvested shares held in the HMN Financial, Inc. Recognition and Retention Plan. Refer to Item 4. for more details.

Address of Principal

(b) Business Office  
or, if none,  
Residence:

The business address of the ESOP is: 1016 Civic Center Drive NW, Rochester, MN 55901

The business address of the Trustee is:  
2321 Kochs Lane, Quincy, IL 62305-3566

(c) Citizenship:

The ESOP trust was established under the laws of the state of



Minnesota.

The Trustee is  
a state  
chartered trust  
company  
incorporated  
under the laws  
of the state of  
Illinois.

Title of Class

(d) of  
Securities:

Common stock,  
par value \$.01  
per share

(e) CUSIP  
Number:

40424G108

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**Item 3.** If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

Broker or dealer  
(a)  registered under section 15 of the Act (15 U.S.C. 78o).

Bank as defined in  
(b)  section 3(a)(6) of the Act (15 U.S.C. 78c).

Insurance company as  
(c)  defined in section 3(a)(19) of the Act (15 U.S.C. 78c).

Investment company  
(d)  registered under section 8 of the Investment Company Act of 1940 (15 U.S.C 80a-8).

An investment adviser in  
(e)  accordance with §240.13d-1(b)(1)(ii)(E);

An employee benefit  
(f)  plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);

A parent holding  
(g)  company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);

A savings associations  
(h)  as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);

(i)  A church plan that is excluded from the definition of an

investment company  
under section 3(c)(14) of  
the Investment  
Company Act of 1940  
(15 U.S.C. 80a-3);

Group, in accordance  
(j)  with  
§240.13d-1(b)(1)(ii)(J).

**Item 4. Ownership.**

Provide the following  
information regarding the  
aggregate number and  
percentage of the class of  
securities of the issuer  
identified in Item 1.

Amount  
beneficially  
owned: The  
ESOP holds  
an aggregate  
of 664,464  
shares  
(14.9% of  
(a) the  
outstanding  
shares of the  
class) of the  
Corporation  
and has the  
voting rights  
as described  
below.

Percent of  
(b) class:  
14.9%.

Number of  
(c) shares as to  
which the  
person has:



(i) Sole power to vote or to direct the vote 328,440.

(ii) Shared power to vote or to direct the vote 336,024.

(iii) Sole power to dispose or to direct the disposition of 328,440.

The ESOP has sole dispositive power for all such shares subject to the terms of the Employee Stock Ownership Plan, which requires that participant accounts be primarily invested in common stock of the Corporation.

First Bankers Trust Services, Inc., the Trustee of the ESOP, may be deemed under applicable

regulations to "beneficially" own the shares held by the ESOP. However, the Trustee expressly disclaims beneficial ownership of the shares held by the ESOP.

Pursuant to the terms of the ESOP, participants in the ESOP are entitled to instruct the Trustee of the ESOP as to the voting of the shares allocated to their accounts. The provisions of the ESOP require the Trustee to vote the shares held by the ESOP which have not been allocated to specific accounts (or with respect to allocated accounts for which no instructions are timely received) on each issue

with respect to which shareholders are entitled to vote in the proportion that the participant had voted the shares allocated to their accounts with respect to such issue.

As of December 31, 2014 a total of 336,024 shares of Corporation common stock have been allocated to participants' accounts.

The Trustee has the right to sell allocated shares held by the ESOP, the proceeds from which are allocated to the accounts of individual participants. The Trustee also may sell unallocated shares, to the extent such shares are not pledged to secure borrowed funds.

Shared power  
to dispose or  
(iv) to direct the  
disposition of  
336,024.

*Instruction.* For  
computations  
regarding  
securities which  
represent a right  
to acquire an  
underlying  
security *see*  
§240.13d3(d)(1).

**Item 5.**  
Ownership of  
Five Percent or  
Less of a Class.

If this statement  
is being filed to  
report the fact  
that as of the date  
hereof the  
reporting person  
has ceased to be  
the beneficial  
owner of more  
than five percent  
of the class of  
securities, check  
the following [  
].

*Instruction:*  
Dissolution of a  
group requires a  
response to this  
item.

Not applicable.





**Item 6. Ownership of More than Five Percent on Behalf of Another Person.**

If any other person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such securities, a statement to that effect should be included in response to this item and, if such interest relates to more than five percent of the class, such person should be identified. A listing of the shareholders of an investment company registered under the Investment Company Act of 1940 or the beneficiaries of employee benefit plan, pension fund or endowment fund is not required.

The ESOP shares are held on behalf of the ESOP participants pursuant to the terms of the HMN Financial, Inc. Employee Stock Ownership Plan and Trust

Agreement. See Item 4. above for details.

Pursuant to the terms of the ESOP, dividends paid with respect to shares are allocated to participants' accounts in the ESOP as of the record date for the dividend payment and may be paid in cash to the participants, pursuant to the directions of the Board of Directors of the Corporation. Absent such direction by the Board of Directors, cash from the payment of dividends is retained in the accounts of participants or, to the extent permitted by law, may be used to repay the ESOP loan. With respect to unallocated shares, cash received from the sale of shares or payment of dividends is retained in the ESOP trust and may be used to purchase additional shares or to repay the ESOP loan.

**Item 7.**

**Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company.**

If a parent holding company has filed this schedule, pursuant to Rule 13d-1(b)(1)(ii)(G), so indicate under Item 3(g) and attach an exhibit stating the identity and the Item 3 classification of the relevant subsidiary.

If a parent holding company or control person has filed this schedule pursuant to Rule 13d-1(c) or Rule 13d-1(d), attach an exhibit stating the identification of the relevant subsidiary.

Not applicable.

**Item 8. Identification and Classification of Members of the Group.**

If a group has filed this schedule pursuant to §240.13d-1(b)(1)(ii)(J), so indicate under Item 3(j) and attach an exhibit stating the identity and Item 3 classification of each member of the group. If a group has filed this

schedule pursuant to §240.13d-1(c) or §240.13d-1(d), attach an exhibit stating the identity of each member of the group.

Not applicable.

**Item 9. Notice of  
Dissolution of Group.**

Notice of dissolution of a group may be furnished as an exhibit stating the date of the dissolution and that all further filings with respect to transactions in the security reported on will be filed, if required, by members of the group, in their individual capacity. See Item 5.

Not applicable.

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**Item 10. Certification.**

The following  
certification  
shall be  
included if the  
statement is  
filed pursuant  
to  
§240.13d-1(b):

By signing  
below I certify  
that, to the best  
of my  
knowledge and  
belief, the  
securities  
referred to  
above were  
acquired and  
are held in the  
(a) ordinary course  
of business and  
were not  
acquired and  
are not held for  
the purpose of  
or with the  
effect of  
changing or  
influencing the  
control of the  
issuer of the  
securities and  
were not  
acquired and  
are not held in  
connection  
with or as a  
participant in  
any transaction  
having that  
purpose or  
effect.



**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

HMN Financial, Inc.

Employee Stock Ownership Plan  
First Bankers Trust Services, Inc., Trustee

Date: February 9, 2015

Signature: /s/ Linda Shultz

Name/Title: Linda Shultz/Trust Officer

The original statement shall be signed by each person on whose behalf the statement is filed or his authorized representative. If the statement is signed on behalf of a person by his authorized representative other than an executive officer or general partner of the filing person, evidence of the representative's authority to sign on behalf of such person shall be filed with the statement, provided, however, that a power of attorney for this purpose which is already on file with the Commission may be incorporated by reference. The name and any title of each person who signs the statement shall be typed or printed beneath his signature.

*NOTE:* Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. *See* §240.13d-7 for other parties for whom copies are to be sent.

**Attention:** **Intentional misstatements or omissions of fact constitute Federal criminal violations**  
**(See 18 U.S.C. 1001)**