

HMN FINANCIAL INC  
Form SC 13G/A  
February 08, 2018

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

**SCHEDULE 13G/A**  
**Under the Securities Exchange Act of 1934**  
**(Amendment No. 24)\***

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

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

**40424G108**  
(CUSIP Number)

**DECEMBER 31, 2017**  
(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)

Edgar Filing: HMN FINANCIAL INC - Form SC 13G/A

\*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.

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).

---

CUSIP No. 40424G108

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

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 MINNESOTA

|  |                           |             |
|--|---------------------------|-------------|
| Number<br>of<br>Shares<br>Beneficially<br>Owned<br>by<br>Each<br>Reporting<br>Person<br>With | 5. Sole Voting Power      | 255,429 (1) |
|  | 6. Shared Voting Power    | 357,135 (2) |
|  | 7. Sole Dispositive Power | 255,429 (1) |

8. Shared Dispositive Power 357,135 (2)

9. Aggregate Amount Beneficially Owned by  
 Each Reporting Person 612,564

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

11. Percent of  
Class  
Represented  
by Amount in  
Row  
(9) 13.2%

12. Type of  
Reporting  
Person (See  
Instructions)  
EP

(1) Includes 255,429 shares held in "unallocated" accounts of the HMN Financial, Inc. Employee Stock Ownership Plan.

(2) Includes 357,135 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  
(entities only).

1.

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

|                                  |             |
|----------------------------------|-------------|
| 5. Sole Voting Power             | 255,429 (1) |
| Number of Shares                 |             |
| Beneficially Shared Voting Power | 357,135 (2) |
| Owned by Each Reporting Person   |             |
| With 7. Sole Dispositive Power   | 255,429 (1) |
| 8. Shared Dispositive Power      | 357,135 (2) |

---

9. Aggregate Amount  
Beneficially Owned  
by Each Reporting  
Person 612,564

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

11. Percent of Class  
Represented by  
Amount in Row  
(9) 13.2%

12. Type of Reporting  
Person (See  
Instructions)  
BK

(1) Includes 255,429 shares held in "unallocated" accounts of the HMN Financial, Inc. Employee Stock Ownership Plan.

(2) Includes 357,135 shares held in "allocated" accounts of the HMN Financial, Inc. Employee Stock Ownership Plan.

**Item 1.**

(a) Name of  
Issuer:

HMN  
FINANCIAL,  
INC. (the  
"Corporation")

Address of  
Issuer's  
Principal  
Executive  
Offices:

(b)

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.

---

(b) Address of Principal 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.

(d) Title of Class of  
Securities:

Common stock, par value \$.01  
per share

(e) CUSIP Number:

40424G108

**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  
registered under section  
(a)  15 of the Act (15 U.S.C.  
78o).
- (b)  Bank as defined in  
section 3(a)(6) of the

Act (15 U.S.C. 78c).

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

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

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

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

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

(h) [ ] A savings associations 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);

(j)  A non-U.S. institution in accordance with §240.13d-1(b)(1)(ii)(J);

(k)  Group, in accordance 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.

(a) Amount beneficially owned:  
The ESOP holds an aggregate of 612,564 shares (13.2% of the outstanding shares of the class) of the Corporation and has the voting rights as described below.

(b) Percent of class: 13.2%.

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

(i) Sole power to vote or to direct the vote 255,429.

(ii) Shared power to vote or to direct the vote 357,135.

(iii) Sole power to dispose or to direct the

disposition of 255,429.

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, 2017 a  
total of 357,135 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.

(iv) Shared power to dispose or to direct the disposition of 357,135.

*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 or Control Person.**

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.

**Item 10. Certification.**

(a)

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  
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 8, 2018

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)