

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.

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

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

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%

12. Type of Reporting Person
(See
Instructions)
EP

(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%

12. Type of Reporting Person
(See
Instructions)
BK

(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.

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

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.

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)