

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.

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
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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
(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

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) 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.

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)