

HMN FINANCIAL INC  
Form SC 13G/A  
January 30, 2014

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

**SCHEDULE 13G/A  
Under the Securities Exchange Act of 1934  
(Amendment No. 20)\***

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

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

**40424G108**  
(CUSIP Number)

**DECEMBER 31, 2013**  
(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).

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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

5. Sole Voting Power 352,757 (1)

Number of  
Shares  
Beneficially  
Owned by  
Each Reporting  
Person With

6. Shared Voting Power 347,887 (2)

7. Sole Dispositive Power 352,757 (1)

8. Shared Dispositive Power 347,887 (2)

9. Aggregate Amount Beneficially Owned by Each Reporting Person 700,644

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

11. Percent of Class Represented by Amount in Row (9) 15.8%

12. Type of Reporting Person (See Instructions) EP

(1) Includes 352,757 shares held in "unallocated" accounts of the HMN Financial, Inc. Employee Stock Ownership Plan.

(2) Includes 347,887 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 352,757 (1)

Number of  
Shares  
Beneficially  
Owned by  
Each Reporting  
Person With

6. Shared Voting Power 347,887 (2)

7. Sole Dispositive Power 352,757 (1)

8. Shared Dispositive Power 347,887 (2)

9. Aggregate Amount Beneficially Owned by Each Reporting Person 700,644

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

11. Percent of Class Represented by Amount in Row (9) 15.8%

12. Type of Reporting Person (See Instructions) BK

(1) Includes 352,757 shares held in "unallocated" accounts of the HMN Financial, Inc. Employee Stock Ownership Plan.

(2) Includes 347,887 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:

- (a) Broker or dealer registered under section 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) 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 700,644 shares (15.8% of the outstanding shares of the class) of the Corporation and has the voting rights as described below.
- (b) Percent of class: 15.8%.
- (c) Number of shares as to which the person has:



(i) Sole power to  
vote or to  
direct the vote  
352,757.

(ii) Shared power  
to vote or to  
direct the vote  
347,887.

(iii) Sole power to  
dispose or to  
direct the  
disposition of  
352,757.

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,  
2013 a total of  
347,887  
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  
347,887.

*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  
(a) 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: January 30, 2014

Signature: /s/ Dawn Goestenkers

Name/Title: Dawn Goestenkers/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)