

MCNEIL MICHAEL
Form 5
February 17, 2009

FORM 5

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

OMB APPROVAL

OMB Number: 3235-0362
Expires: January 31, 2005
Estimated average burden hours per response... 1.0

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).
Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person *
MCNEIL MICHAEL

(Last) (First) (Middle)

2. Issuer Name and Ticker or Trading Symbol
HMN FINANCIAL INC [HMNF]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

1016 CIVIC CENTER DRIVE

(Street)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2008

____ Director _____ 10% Owner
____ Officer (give title below) Other (specify below)
Former Director and President

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting

(check applicable line)

ROCHESTER, MN 55901

Form Filed by One Reporting Person
 Form Filed by More than One Reporting Person

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|---|-----------------|
| Common Stock | Â | Â | Â | Â | Â | 24,237 ⁽¹⁾ | D | Â |
| Common Stock | Â | Â | Â | Â | Â | 9,371 | D | Â |
| Common Stock | Â | Â | Â | Â | Â | 10,143 ⁽²⁾ | I | ESOP Allocation |
| Common Stock | Â | Â | Â | Â | Â | 10,797 ⁽³⁾ | I | 401(k) |

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 2270
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Amount or Number of Shares | |
|--|--|--------------------------------------|--|--------------------------------|---|--|------------------|---|-------------------------------|----------------------------|
| | | | | | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Option to Buy | \$ 11.5 | Â | Â | Â | Â | Â | 04/27/2000 | 04/27/2009 | Common Stock | 10,000 |
| Option to Buy | \$ 11.5 | Â | Â | Â | Â | Â | 04/27/2001 | 04/27/2009 | Common Stock | 10,000 |
| Option to Buy | \$ 11.5 | Â | Â | Â | Â | Â | 04/27/2002 | 04/27/2009 | Common Stock | 10,000 |
| Option to Buy | \$ 11.5 | Â | Â | Â | Â | Â | 04/27/2003 | 04/27/2009 | Common Stock | 10,000 |
| Option to Buy | \$ 11.5 | Â | Â | Â | Â | Â | 04/27/2004 | 04/27/2009 | Common Stock | 10,000 |
| Option to Buy | \$ 16.13 | Â | Â | Â | Â | Â | 04/16/2008 | 04/15/2012 | Common Stock | 1,520 |
| Option to Buy | \$ 16.13 | Â | Â | Â | Â | Â | 04/16/2009 | 04/15/2012 | Common Stock | 6,199 |
| Option to Buy | \$ 16.13 | Â | Â | Â | Â | Â | 04/16/2010 | 04/15/2012 | Common Stock | 6,199 |
| Option to Buy | \$ 16.13 | Â | Â | Â | Â | Â | 04/16/2011 | 04/15/2012 | Common Stock | 6,199 |
| Option to Buy | \$ 16.13 | Â | Â | Â | Â | Â | 01/01/2012 | 04/15/2012 | Common Stock | 6,199 |
| Option to Buy | \$ 27.64 | Â | Â | Â | Â | Â | 02/13/2005 | 02/13/2014 | Common Stock | 1,250 |
| Option to Buy | \$ 27.64 | Â | Â | Â | Â | Â | 02/13/2006 | 02/13/2014 | Common Stock | 1,250 |
| | \$ 27.64 | Â | Â | Â | Â | Â | 02/13/2007 | 02/13/2014 | | 1,250 |

| | | | | | | | | | | |
|---------------|----------|---|---|---|---|---|------------|------------|--------------|-------|
| Option to Buy | | | | | | | | | Common Stock | |
| Option to Buy | \$ 27.64 | ^ | ^ | ^ | ^ | ^ | 02/13/2008 | 02/13/2014 | Common Stock | 1,250 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------------------------------|
| | Director | 10% Owner | Officer | Other |
| MCNEIL MICHAEL 1016 CIVIC CENTER DRIVE ROCHESTER, MN 55901 | ^ | ^ | ^ | Former Director and President |

Signatures

Jon Eberle by Power of Attorney for Michael McNeil 02/17/2009

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Includes Employee Stock Purchase Plan purchases and dividends of 252 shares and deduction of 4,734 shares for forfeiture of restricted stock awards.
- (2) Number of shares for ESOP holding includes allocation for the year ended Dec 31, 2008.
- (3) Number of shares shown for 401(k) holdings reflects automatic purchases within the plan during 2008.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.