

HMN FINANCIAL INC
 Form 4
 November 22, 2002
 FORM 4

OMB
 APPROVAL

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

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STATEMENT OF CHANGES IN BENEFICIAL
 OWNERSHIP

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

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

(Print or Type
 Responses)

| | | | | |
|--|--|--|--|--|
| 1. Name and Address of Reporting Person* McNeil Michael (Last) (First) (Middle) 1016 Civic Center Drive NW (Street) Rochester MN 55901 (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol HMN Financial, Inc. / HMNF | | 6. Relationship of Reporting Person(s) to Issuer (Check all applicable) | |
| | 3. I.R.S. Identification Number of Reporting Person, if an entity (voluntary) | 4. Statement for Month/Day/Year November 20, 2002 | <input checked="" type="checkbox"/> | Director <input type="checkbox"/> 10% Owner |
| | | | <input checked="" type="checkbox"/> | Officer (give title below) <input type="checkbox"/> Other (specify below) <u>President</u> |
| | | 5. If Amendment, Date of Original (Month/Day/Year) | 7. Individual or Joint/Group Filing (Check Applicable Line) | |
| | | | <input checked="" type="checkbox"/> | Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security | 2. Transaction | 2A. Deemed | 3. Transaction | 4. Securities Acquired (A) | 5. Amount of Securities | 6. Ownership | 7. Nature of Indirect |
|----------------------|----------------|------------|----------------|----------------------------|-------------------------|--------------|-----------------------|
|----------------------|----------------|------------|----------------|----------------------------|-------------------------|--------------|-----------------------|

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| (Instr. 3) | Date (Month/ Day/Year) | Execution Date, if any (Month/ Day/Year) | Code (Instr. 8) | | or Disposed of (D) (Instr. 3, 4 and 5) | | | Beneficially Owned Following Reported Transactions(s) (Instr. 3 and 4) | Form: Direct (D) or Indirect (I) (Instr. 4) | Beneficial Ownership (Instr. 4) |
|--------------|------------------------------|--|--------------------|---|---|------------------|-----------|---|---|---------------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock | 11/20/02 | | P | | 2,400 | A | \$17.2107 | 5,000 # | D | |
| Common Stock | | | | | | | | 7,400 # | D | Self - IRA |
| Common Stock | | | | | | | | 3,351 | I | ESOP Allocation |
| Common Stock | | | | | | | | 3,026 * | I | 401(k) |
| | | | | | | | | | | |
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Number of shares adjusted to reflect previous reporting error, which resulted in a reduction in the outstanding number of beneficially owned shares by 4,300 shares. Shares broken down to reflect those in the IRA and those held directly.

* Number of shares reported in 401(k) is estimated based on cash value of individual's account and stock price at 12/31/01.

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. Transact 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. Price of Derivative Security (Instr. 5) | 9. D S B O F R T (I |
|--|--|--|---|--------------------------------------|---|--|-----|--|--------------------|---|---|--|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | | | |

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| | | | | | | | | | | | of Shares |
|---------------|---------|--|--|--|--|--|--|--|--|--|--------------|
| Option to Buy | \$9.21 | | | | | | | | | | |
| Option to Buy | \$16.13 | | | | | | | | | | |
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Explanation of Responses:

Reflects the grant of options to purchase shares of restricted stock under the HMN Financial, Inc. 1995 Stock Option and Incentive Plan.

^Reflects the grant of options to purchase shares of restricted stock under the HMN Financial, Inc. 2001 Omnibus Stock Plan. The options accelerate vesting provided HMN's ROE for 2002 equals or exceeds 11%.

/s/ Michael McNeil by Timothy Johnson
POA

November 22, 2002

**Signature of Reporting Person Date

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

- * 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure