

HMN FINANCIAL INC  
Form 8-K  
August 30, 2018  
**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, DC 20549**

**FORM 8-K**

**CURRENT REPORT**

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): **August 29, 2018**

**HMN Financial, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**                      **0-24100**      **41-1777397**  
(State or other jurisdiction (Commission (IRS Employer  
of incorporation)              File Number) Identification No.)

**1016 Civic Center Drive Northwest**      **55901**

**Rochester, Minnesota**  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code **(507) 535-1200**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 1.01 Entry into a Material Definitive Agreement.**

On August 29, 2018, HMN Financial, Inc. (the “Company”) entered into a Warrant Repurchase Agreement (the “Repurchase Agreement”) between the Company and Arbiter Partners QP, LP (the “Warrant Holder”) relating to a warrant the Warrant Holder acquired on May 21, 2015 to purchase 277,777.67 shares of common stock from the Company at an exercise price of \$4.68 per share (the “Warrant”). Pursuant to the terms of the Repurchase Agreement, the Company agreed to repurchase the Warrant from the Warrant Holder, at a purchase price of \$16.07 per share, resulting in an aggregate purchase price of \$4,463,887.16 (the “Warrant Repurchase”). The Warrant Repurchase price reflects the difference between the exercise price of the Warrant and the closing market price of the Company’s common stock on the date the Repurchase Agreement was executed. The Warrant Repurchase closed on August 30, 2018.

The terms of the Warrant Repurchase and the Repurchase Agreement were approved by the board of directors of the Company. Under the terms of the Repurchase Agreement, the payment of the cash Warrant Repurchase price from the Company to the Warrant Holder was in full satisfaction of any and all obligations owed by the Company to the Warrant Holder with respect to the repurchased Warrant. At the closing of the Warrant Repurchase, the Warrant, which was set to expire on December 23, 2018, was cancelled.

The foregoing description of the terms of the Repurchase Agreement is qualified in its entirety by reference to the full text of the Repurchase Agreement, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits

The following exhibit is being furnished with this Current Report on Form 8-K.

**EXHIBIT INDEX**

<u>Exhibit Number</u>	<u>Description</u>
10.1	<u>Warrant Repurchase Agreement by and between HMN Financial, Inc. and Arbiter Partners QP, LP, dated August 29, 2018</u>



**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**HMN Financial, Inc.**  
(Registrant)

Date: August 30, 2018

/s/ Jon Eberle  
Jon Eberle  
Senior Vice President, Chief Financial  
Officer and Treasurer