

HAWTHORN BANCSHARES, INC.
 Form 4
 September 25, 2008

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

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

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
 SMITH JAMES E/MO

2. Issuer Name and Ticker or Trading Symbol
 HAWTHORN BANCSHARES, INC. [HWBK]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 517 SOUTH SECOND STREET
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 09/22/2008

Director 10% Owner
 Officer (give title below) Other (specify below)
 Chairman & CEO

CLINTON, MO 64735

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

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

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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common Stock					20,973.2124	D ⁽¹⁾	
Common Stock					200	I	Shares Held in IRA
Common Stock					400	D	

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

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SEC 1474 (9-02)

displays a currently valid OMB control number.

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)	Amount or Number of Shares
				Code V (A) (D)		Date Exercisable Expiration Date	Title	
Employee Stock Option (right to buy)	\$ 16.33					12/04/2001 12/04/2010	Common Stock	7,959
Employee Stock Option (right to buy)	\$ 18.67					02/14/2003 02/14/2012	Common Stock	7,500
Employee Stock Option (right to buy)	\$ 26.57					03/03/2004 03/03/2013	Common Stock	8,323
Employee Stock Option (right to buy)	\$ 35.25					02/19/2005 02/19/2014	Common Stock	7,376
Employee Stock Option (right to buy)	\$ 28.45					04/21/2006 04/21/2015	Common Stock	9,561
Employee Stock Option (right to buy)	\$ 29.95					03/03/2007 03/03/2016	Common Stock	9,516

Employee Stock Option (right to buy)	\$ 33.5					04/27/2008	04/27/2017	Common Stock	9,656
Employee Stock Option (right to buy)	\$ 21.01	09/22/2008	09/22/2008	A	9,519	09/22/2008 ⁽²⁾	09/22/2018	Common Stock	9,519

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SMITH JAMES E/MO 517 SOUTH SECOND STREET CLINTON, MO 64735	X		Chairman & CEO	

Signatures

/s/ James E. Smith, by Kathleen L. Bruegenhemke
P.O.A. 09/24/2008

__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 shares acquired since last report pursuant to Company DRIP program.
- (2) All options are non-qualified and vest immediately upon grant.

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