

HAWTHORN BANCSHARES, INC.
 Form 4
 December 26, 2007

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)
 11/13/2007

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 Indirect Beneficial Ownership (Instr. 4)
Common Stock				(A) or (D)	Price		
Common Stock	11/13/2007		P	100	A \$ 28.75	200	I Shares Held in IRA
Common Stock	11/13/2007		P	100	A \$ 28.75	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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 16.33					12/04/2001 ⁽²⁾	12/04/2010	Common Stock	7,959
Employee Stock Option (right to buy)	\$ 18.67					02/14/2003 ⁽³⁾	02/14/2012	Common Stock	7,500
Employee Stock Option (right to buy)	\$ 26.57					03/03/2004 ⁽⁴⁾	03/03/2013	Common Stock	8,323
Employee Stock Option (right to buy)	\$ 35.25					02/19/2005 ⁽⁵⁾	02/19/2014	Common Stock	7,376
Employee Stock Option (right to buy)	\$ 28.45					04/21/2006 ⁽⁶⁾	04/21/2015	Common Stock	9,561
Employee Stock Option	\$ 29.95					03/03/2007 ⁽⁷⁾	03/03/2016	Common Stock	9,516

(right to
buy)

Employee

Stock

Option \$ 33.5

(right to

buy)

04/27/2008⁽⁸⁾ 04/27/2017 Common
Stock 9,656

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

12/24/2007

**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) 25% per year beginning 2001-12-04.
- (3) 25% per year beginning 2003-02-14.
- (4) 1,222 vest 03/03/2004. 1,222 vest 03/03/2005. 2,449 vest 03/03/2006. 3,430 vest 03/03 2007
- (5) Qualified: 252 vest 02/19/2007. 2,836 vest 02/19/2008. 2,836 vest 02/19/2009. Nonqualified: 1,452 vest 02/19/2005.
- (6) All options are non-qualified and vest 04/21/2006.
- (7) All options are non-qualified and vest 03/03/2007.
- (8) All options are non-qualified and vest 4/27/08.

Note: File three copies of this Form, one of which must be manually signed. If space 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.