

McRae Eric S
Form 4
February 15, 2011

FORM 4

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

OMB APPROVAL

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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 *
McRae Eric S

2. Issuer Name and Ticker or Trading Symbol
FIRST MID ILLINOIS
BANCSHARES INC [FMBH]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
266 COBB AVENUE

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
02/11/2011

____ Director
 Officer (give title below) _____ Other (specify below)
Vice President

DECATUR, IL 62522

(City) (State) (Zip)

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

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | Code V Amount (A) or (D) Price | | | |
| Common Stock | 01/06/2011 | | J(1) | V 3.956 A \$ 17.95 | 377.679 | D | |
| Common Stock | 01/06/2011 | | J(1) | V 2.637 A \$ 17.95 | 251.786 | I | By IRA |
| Common Stock | 01/06/2011 | | J(1) | V 20.276 A \$ 17.95 | 1,935.751 | I | By 401K |
| Common Stock | 01/06/2011 | | J(1) | V 5.123 A \$ 17.95 | 489.125 | I | By Deferred Compensation Plan |

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

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(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 |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Series C 8% Non-Cumulative perpetual convertible preferred | (2) | 02/11/2011 | | P | 2 | (2) (2) | Common Stock | (2) |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|----------------|-------|
| | Director | 10% Owner | Officer | Other |
| McRae Eric S 266 COBB AVENUE DECATUR, IL 62522 | | | Vice President | |

Signatures

Michael L. Taylor, pursuant to a power of attorney filed 12/18/08. 02/14/2011

__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) Shares acquired through the Company's dividend reinvestment plan with dividends being paid on shares of common stock held.
- Each share of Series C Convertible Preferred Stock (i) is convertible at any time into 246.427 shares of common stock and cash in lieu of
- (2) any fractional share of common stock, subject to certain adjustments, (ii) is convertible at First Mid-Illinois Bancshares' option under certain circumstances, (iii) has no expiration date.

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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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