

FIRST MID ILLINOIS BANCSHARES INC
 Form 4
 August 30, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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 *
 TAYLOR MICHAEL L

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 19 CAMBRIDGE DRIVE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 08/28/2006

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
 Chief Financial Officer

MATTOON, IL 61938

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		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	03/08/2006		P	V	77.624	A	\$ 41.25	557.194	I	By 401K
Common Stock	03/20/2006		P	V	7.688	A	\$ 41.46	564.882	I	By 401K
Common Stock	03/29/2006		P	V	1.613	A	\$ 42	566.495	I	By 401K
Common Stock	06/12/2006		P	V	24.913	A	\$ 40.11	591.408	I	By 401K
Common Stock	06/15/2006		J ⁽⁶⁾	V	3.834	A	\$ 40.1	595.242	I	By 401K

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Common Stock	07/05/2006	P	V	1.789	A	\$ 41.23	597.031	I	By 401K
Common Stock	08/25/2006	P	V	5.875	A	\$ 41.6	602.906	I	By 401K
Common Stock	08/28/2006	P	V	13.706	A	\$ 41.25	616.612	I	By 401K

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

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SEC 1474
(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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option	\$ 12.56					01/01/2002 ⁽¹⁾	12/18/2010	Common Stock	1,688.25
Stock Option	\$ 16					01/01/2003 ⁽²⁾	12/18/2011	Common Stock	3,375
Stock Option	\$ 18.17					01/01/2004 ⁽³⁾	12/16/2012	Common Stock	3,375
Stock Option	\$ 31					01/01/2005 ⁽⁴⁾	12/16/2013	Common Stock	3,375
Stock Option	\$ 41					01/01/2006 ⁽⁵⁾	12/14/2014	Common Stock	3,375

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
TAYLOR MICHAEL L 19 CAMBRIDGE DRIVE			Chief Financial Officer	

MATTOON, IL 61938

Signatures

Michael L.
Taylor

08/30/2006

__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) Options become exercisable as follows .75 shares on 1/1/2003, 843.75 shares on 1/1/04, and 843.75 shares on 1/1/05.
- (2) Options become exercisable in 4 equal annual installments beginning on 1/1/2003.
- (3) Options become exercisable in 4 equal annual installments beginning on 1/1/2004.
- (4) Options become exercisable in 4 equal annual installments beginning on 1/1/2005.
- (5) Options become exercisable in 4 equal annual installments beginning on 1/1/2006.
- (6) Shares acquired through the Company's dividend reinvestment plan with dividends being paid on shares of common stock held.

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.