

FIRST MID ILLINOIS BANCSHARES INC
 Form 4
 May 18, 2006

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 *
GILLILAND STANLEY E

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)
27 S. COUNTRY CLUB ROAD
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
05/18/2006

____ Director
 Officer (give title below)
 ____ 10% Owner
 ____ Other (specify below)
Vice President

MATTOON, IL 61938
 (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 Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	05/18/2006		M	2,250 A \$ 15.56	16,698.459	D	
Common Stock					3,453.926	I	By IRA
Common Stock					2,245.231	I	By Deferred Comp
Common Stock					6,735.627	I	By 401K

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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Options	\$ 15.56	05/18/2006		M	2,250	01/01/2000	12/22/2008	Common Stock	2,250
Stock Options	\$ 15.33					01/01/2001 ⁽¹⁾	12/13/2009	Common Stock	2,250
Stock Options	\$ 12.56					01/01/2002 ⁽²⁾	12/18/2010	Common Stock	3,375
Stock Options	\$ 16					01/01/2003 ⁽³⁾	12/18/2011	Common Stock	3,375
Stock Options	\$ 18.17					01/01/2004 ⁽⁴⁾	12/16/2012	Common Stock	3,375
Stock Options	\$ 31					01/01/2005 ⁽⁵⁾	12/16/2013	Common Stock	3,375
Stock Options	\$ 41					01/01/2006 ⁽⁶⁾	12/14/2014	Common Stock	3,375

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GILLILAND STANLEY E 27 S. COUNTRY CLUB ROAD MATTOON, IL 61938			Vice President	

Signatures

Michael L. Taylor, pursuant to a Power of Attorney filed on
12/19/2002.

05/18/2006

__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 in 4 equal annual installments beginning on 01/01/2001.
- (2) Options become exercisable in 4 equal annual installments beginning on 01/01/2002.
- (3) Options become exercisable in 4 equal annual installments beginning on 01/01/2003.
- (4) Options become exercisable in 4 equal annual installments beginning on 01/01/2004.
- (5) Options become exercisable in 4 equal annual installments beginning on 01/01/2005.
- (6) Options become exercisable in 4 equal annual installments beginning on 01/01/2006.

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.