

HOWARD CHARLES S
Form 4
March 18, 2008

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 *
HOWARD CHARLES S

(Last) (First) (Middle)
102 SOUTH CLINTON STREET

(Street)

IOWA CITY, IA 52240

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
ISB Financial Corp. [MOFG]

3. Date of Earliest Transaction
(Month/Day/Year)
03/14/2008

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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 Price (D)				
Common Stock	03/14/2008		A		92,961 <u>(1)</u>	A	\$ 0 <u>(1)</u> 92,961	D	
Common Stock	03/14/2008		A		1,301 <u>(1)</u>	A	\$ 0 <u>(1)</u> 1,301	I	Self/Custodian Minor Child
Common Stock	03/14/2008		A		1,301 <u>(1)</u>	A	\$ 0 <u>(1)</u> 1,301	I	Self/Custodian Minor Child
Common Stock	03/14/2008		A		75,800 <u>(1)</u>	A	\$ 0 <u>(1)</u> 75,800	I	By Spouse
Common Stock	03/14/2008		A		35,696 <u>(1)</u>	A	\$ 0 <u>(1)</u> 35,696	I	By ESOP

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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
Stock Option	\$ 17.77	03/14/2008		A	4,750 (2)	(2) 12/31/2008	Common Stock	4,750
Stock Option	\$ 16.86	03/14/2008		A	6,650 (2)	(2) 12/31/2012	Common Stock	6,650
Stock Option	\$ 19.75	03/14/2008		A	6,982 (2)	(2) 12/31/2013	Common Stock	6,982
Stock Option	\$ 21.94	03/14/2008		A	6,650 (2)	(2) 12/31/2014	Common Stock	6,650
Stock Option	\$ 18.71	03/14/2008		A	2,850 (2)	(2) 12/31/2015	Common Stock	2,850

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HOWARD CHARLES S 102 SOUTH CLINTON STREET IOWA CITY, IA 52240	X			

Signatures

/s/ Charlies S.
Howard 03/18/2008

**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) Received in exchange for shares of MidWestOne Financial Group, Inc. ("OSKY") common stock in connection with the merger of OSKY into MidWestOne Financial Group, Inc. (f/ka/ ISB Financial Corp.)("MOFG") at a rate of 0.95 share of MOFG common stock for each share of OSKY common stock. On the effective date of the merger, the closing price of OSKY common stock was \$16.60 per share, and the closing price of MOFG common stock was \$18.25.

(2) Received in the merger in exchange for an option to acquire shares of OSKY common stock. Pursuant to the terms of the merger, all outstanding options to acquire OSKY common stock became fully vested prior to the effective time of the merger and became exercisable for the number of whole shares of MOFG common stock equal to the number of shares of OSKY common stock subject to the option multiplied by 0.95 (rounded down to the nearest whole number) with an exercise price equal to the original exercise price divided by 0.95 (rounded up to the nearest whole cent).

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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