

BION ENVIRONMENTAL TECHNOLOGIES INC

Form 4

August 28, 2012

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 MARK A

2. Issuer Name and Ticker or Trading Symbol
BION ENVIRONMENTAL TECHNOLOGIES INC [BNET]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
BOX 566
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
07/15/2012

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

CRESTONE, CO 81131

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 07/15/2012 | | A ⁽¹⁾ | | 150,000 | A | \$ 0 988,883 |
| Common Stock | 08/21/2012 | | G | | 70,000 | D | \$ 0 918,883 |
| Common Stock | | | | | | I | 87,681 Lataylingkyur Fdn |
| Common Stock | | | | | | I | 70,256 By Wife |
| Common Stock | | | | | | I | 20,834 Jointly with Wife |

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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) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----|---|----------------------|
| | | | | Code | V | (A) | (D) | Title | Amount |
| Warrants to Purchase Common Stock | \$ 2.1 | 07/15/2012 | | A | | 250,000 | | 07/15/2012 12/31/2018 | Common Stock 250,000 |
| Contingent Stock Bonus | (2) | 07/15/2012 | | A | | 100,000 | | (2) (2) | Common Stock 100,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------|-------|
| | Director | 10% Owner | Officer | Other |
| SMITH MARK A BOX 566 CRESTONE, CO 81131 | X | X | President | |

Signatures

/s/ Mark A. Smith 08/28/2012

**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) The 150,000 shares awarded under Company's 2006 Consolidated Incentive Plan are vested, but 75,000 shares will be issued and delivered on January 15, 2014 and 75,000 shares will be issued and delivered on January 15, 2015.
- (2) Mr. Smith was granted, as part of his compensation, a contingent stock bonus under the Company's 2006 Consolidated Incentive Plan and such shares are to be issued on January 1 of the first calendar year after the first date on which the price of the Company's common stock equals or exceeds \$10.00. There is no expiration date and Mr. Smith is not required to be providing services to the Company when the

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bonus is earned.

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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