

BION ENVIRONMENTAL TECHNOLOGIES INC
 Form 4
 January 16, 2009

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)
 01/12/2009

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 Beneficial Ownership (Instr. 4)
				Code V	Amount		
Common Stock	01/12/2009	01/12/2009	C ⁽¹⁾		88,102	A	
					\$ 0.75		
Common Stock	01/12/2009	01/12/2009	A ⁽²⁾		200,000	A	
					\$ 0.75		
Common Stock					70,456	I	By Wife

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

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number.

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 Underlying (Instr. 3 and 4)
					V	(A)	(D)	Date Exercisable	Expiration Date	
Warrants	\$ 0.75	01/12/2009		A ⁽³⁾		300,000		01/12/2009	12/31/2018	Common Stock
Deferred Compensation Obligation	\$ 0.75	01/12/2009		A ⁽⁴⁾		\$ 66,076		01/12/2009	12/31/2009	Common Stock
Deferred Compensation Obligation	\$ 0.75	01/12/2009		C ⁽¹⁾		\$ 66,076		01/12/2009	12/31/2009	Common Stock

Reporting Owners

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

Signatures

/s Mark A. Smith
01/15/2009

**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) Represents conversion of deferred compensation due on 12/31/08 of \$66,076 into 88,102 shares of common stock at \$.75 per share.
- (2) Represents acceptance of "pre-payment" of 2009 base compensation of \$150,000 for 200,000 shares at \$.75 per share.
- (3) Represents warrant to purchase 300,000 shares of common stock at \$.75 per share until 12/31/08 issued as \$30,000 of a \$37,500 bonus.
- (4) Represents option to convert the deferred compensation due on December 31, 2008 of \$66,076 to 88,102 shares of restricted common stock at \$.75 per share.

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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