

BION ENVIRONMENTAL TECHNOLOGIES INC

Form 4

April 04, 2012

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 *
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)
03/30/2012

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 Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Am or Nun of S
Warrants to Purchase Common Stock	\$ 3.1	03/30/2012	P ⁽¹⁾	60,000					03/31/2012	12/31/2014	Common Stock	30
Deferred Compensation Obligation	<u>(2)</u>	03/30/2012	J ⁽²⁾	0 <u>(2)</u>					03/31/2012	12/31/2016	Units <u>(2)</u>	.

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

04/04/2012

 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) Warrants were issued pursuant to the terms of an investment made during May 2011 which provided that investors in the earlier offering would have the option to receive warrants in the Issuer's next unit offering for no consideration.

(2) As of March 30, 2012, Mark Smith was entitled to \$195,868 of deferred compensation. Mr. Smith and the Company have agreed that this amount will bear interest at 8%, will be due on January 15, 2014, and together with accrued interest, will be convertible at Mr. Smith's election into units with each unit consisting of 1 share of common stock and 1 warrant exercisable at \$2.50 per share until December 31, 2016. The conversion price will be the lower of \$2.50 per unit and the lowest price at which the Company issues its common stock during the period commencing on April 1, 2012 and ending on January 15, 2014. The exercise price of any warrants issued and the conversion price of any convertible securities issued during this period will count as the issuance of common stock.

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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