

BION ENVIRONMENTAL TECHNOLOGIES INC

Form 4

June 04, 2008

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)
P.O. BOX 566
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
05/31/2008

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 Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	05/31/2008	05/31/2008	C	81,230	A \$ 2	961,392	D
Common Stock	05/31/2008	05/31/2008	P	89,640	A \$ 2	58,996	I By Wife

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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 (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 Security (Instr. 3 and 4)
						Date Exercisable	Expiration Date	
Convertible Note	\$ 2 ⁽¹⁾	05/31/2008	05/31/2008	C	151,645	12/31/2005	07/01/2008	Common Stock
Stock Options	\$ 2.5	05/31/2008	05/31/2008	A	70,000	06/01/2008	12/31/2013	Common Stock
Warrants	\$ 2.5	05/31/2008	05/31/2008	A	80,000	06/01/2008	07/01/2012	Common Stock
Warrants	\$ 2.5	05/31/2008	05/31/2008	G	80,000	06/01/2008	07/01/2012	Common Stock

Reporting Owners

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

Signatures

/s/ Mark A.
Smith

06/04/2008

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) The Note was in the original amount of \$151,645 and was convertible at \$4.00 per share. The Company elected to allow conversion at \$2.00 per share. At the time of conversion, the Note had a balance of \$162,459.92 principal and interest.

(2) The Company paid a bonus of \$16,000 which was used to purchase the warrants.

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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