

BION ENVIRONMENTAL TECHNOLOGIES INC

Form SC 13G

February 12, 2008

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 13G**

**Information Statement Pursuant to Rules 13d-1 and 13d-2
Under the Securities Exchange Act of 1934**

BION ENVIRONMENTAL TECHNOLOGIES, INC.

(Name of Issuer)

Common Stock

(Title of Class of Securities)

09061Q307

(CUSIP Number)

December 31, 2007

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 09061Q307

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)
Austin Investment Management, Inc. (I.R.S. Id No. 13-3528282)

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3. SEC Use Only

4. Citizenship or Place of Organization

New York

**Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With**

5. Sole Voting Power

0

6. Shared Voting Power

977,098

7. Sole Dispositive Power

0

8. Shared Dispositive Power

977,098

9. Aggregate Amount Beneficially Owned by Each Reporting Person

977,098

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) [Not applicable]

11. Percent of Class Represented by Amount in Row (9)

11.8%

12. Type of Reporting Person (See Instructions)

IA

Item 1.

- (a) **Name of Issuer**
Bion Environmental Technologies, Inc.
- (b) **Address of Issuer's Principal Executive Offices**
641 Lexington Avenue, 17th Floor
New York, NY 10022

Item 2.

- (a) **Name of Person Filing**
Austin Investment Management, Inc.
- (b) **Address of Principal Business Office or, if none, Residence**
520 Madison Avenue, 28th Floor
New York, NY 10022
- (c) **Citizenship**
New York
- (d) **Title of Class of Securities**
Common Stock
- (e) **CUSIP Number**
09061Q307

Item 3. If this statement is filed pursuant to §§240.13d-1(b) or §§240.13d-2(b) or (c), check whether the person is:

An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);

Item 4. Ownership

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

- (a) **Amount beneficially owned: 977,098**
- (b) **Percent of class: 11.8%¹**
- (c) **Number of shares as to which the person has:**
 - (i) **Sole power to vote or to direct the vote 0**
 - (ii) **Shared power to vote or to direct the vote 977,098¹**
 - (iii) **Sole power to dispose or to direct the disposition of 0**
 - (iv) **Shared power to dispose or to direct the disposition of 977,098¹**

Item 5. Ownership of Five Percent or Less of a Class

Not Applicable

If this Statement is being filed to report the fact that as of the date hereof the Reporting Persons have ceased to be the beneficial owner of more than five percent of the class of securities, check the following []

Item 6. Ownership of More than Five Percent on Behalf of Another Person

All of the shares subject to this report are held on behalf of clients and not for the benefit of Austin Investment Management, Inc. 793,533 shares, including 182,865 shares issuable upon conversion of convertible notes, are held on behalf of Anthony G. Orphanos.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Control Person

Not applicable.

¹ Includes 769,806 shares owned in accounts of clients for which Austin Investment Management, Inc. shares voting and dispositive power with the owners of such accounts. Also includes 207,292 shares clients may be entitled to receive upon conversion of convertible notes owned in certain client accounts. Percent of class is based upon 8,283,572 shares, consisting of 8,076,280 outstanding as stated in the issuer's Form 10Q-SB for the quarter ended September 30, 2007, plus 207,292 shares issuable upon conversion of convertible notes referred to above.

Item 8. Identification and Classification of Members of the Group

Not Applicable.

Item 9. Notice of Dissolution of Group

Not Applicable.

Item 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or effect with of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated this 11th day of February, 2008

AUSTIN INVESTMENT MANAGEMENT, INC.

By: /s/ Peter Vlachos, President