TAFT DAVID A Form 4 October 29, 2010

## FORM 4

### UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES** 

Form 4 or Form 5 obligations may continue. See Instruction

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(b).

1. Name and Address of Reporting Person \* TAFT DAVID A

(First) (Middle) (Last)

ONE INTERNATIONAL PLACE, STE 2401

(Street)

(State)

2. Issuer Name and Ticker or Trading Symbol

Applied Minerals, Inc. [AMNL]

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

06/15/2010

4. If Amendment, Date Original

Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

**OMB APPROVAL** 

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

Estimated average

burden hours per

(Check all applicable)

X\_ Director 10% Owner Officer (give title Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)

\_X\_ Form filed by One Reporting Person Form filed by More than One Reporting

5. Amount of

Securities

Following

Owned

Beneficially

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

BOSTON, MA 02110

Security

(Instr. 3)

Common

Stock

(City) (Zip) 1.Title of 2. Transaction Date 2A. Deemed

3. (Month/Day/Year) Execution Date, if

(Month/Day/Year)

4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 8)

(Instr. 3, 4 and 5)

(A) or

Code V Amount (D) Price

Reported Transaction(s) (Instr. 3 and 4)

16,584,837 (1) I

See Notes 1, 2 and 8.

(1) (2) (8)

6. Ownership 7. Nature of

Indirect

Beneficial

Ownership

(Instr. 4)

Form: Direct

Indirect (I)

(Instr. 4)

(D) or

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)

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| D<br>Se      | Title of erivative ecurity estr. 3)                            | 2.<br>Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4.<br>Transact<br>Code<br>(Instr. 8) | 5. ionNumber of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exerc<br>Expiration D<br>(Month/Day/ | ate                | 7. Title and A Underlying S (Instr. 3 and | Securities                        | 8 II S ( |
|--------------|--|---|--------------------------------------|---|--------------------------------------|--|--|--------------------|---|-----------------------------------|----------|
|              |  |   |                                      |   | Code V                               | (A) (D)  | Date<br>Exercisable                          | Expiration<br>Date | Title                                     | Amount or<br>Number of<br>Shares  |          |
| P:<br>C<br>N | IK-Election overtible otes $\frac{(1)}{(7)}$ $\frac{(3)}{(7)}$ | \$ 1 (1) (3)<br>(5) (6) (7)   |                                      |   |                                      |  | (3)(5)(6)(7)                                 | (3)(5)(6)(7)       | Common<br>Stock                           | 500,000<br>(1) (3) (5)<br>(6) (7) |          |
| P<br>C<br>N  | O%  IK-Election overtible otes (4) (5)                         | \$ 1 (4) (5)<br>(6) (7)   | 06/15/2010                           |   | J <u>(5)</u>                         | 2<br>( <u>4)</u>   | (4)(5)(6)(7)                                 | (4)(5)(6)(7)       | Common<br>Stock                           | 4,027 (1)<br>(4) (5) (6)<br>(7)   |          |

# **Reporting Owners**

| Reporting Owner Name / Address  | Relationships |           |         |       |  |  |
|---|---------------|-----------|---------|-------|--|--|
| <b></b>   | Director      | 10% Owner | Officer | Other |  |  |
| TAFT DAVID A<br>ONE INTERNATIONAL PLACE<br>STE 2401<br>BOSTON, MA 02110 | X             |           |         |       |  |  |
| Signaturos  |               |           |         |       |  |  |

## **Signatures**

David A. Taft 10/29/2010

\*\*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).
- The reporting person is a member and the president of IBS Capital LLC ("IBS Capital"), which is the general partner of The IBS

  (1) Turnaround Fund (QP)(A Limited Partnership) ("QP Fund") and The IBS Turnaround Fund (A Limited Partnership) ("LP Fund"). IBS Capital is the investment adviser of The IBS Opportunity Fund (BVI), Ltd. ("Opportunity Fund").
- As of June 15, 2010, the 16,584,837 beneficially owned by the reporting person consisted of 16,584,837 shares beneficially owned by IBS Capital, which consisted of: (i) 9,240,082 shares directly held by the QP fund; (ii) 4,267,480 shares directly held by the LP Fund; and (iii) 3,077,275 shares directly held by the Opportunity Fund. The transactions reported in Table II do not affect the number of shares beneficially owned by the reporting person.

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- Pursuant to a series of note issuances, the issuer issued to each of the QP Fund and the LP Fund a 10% PIK-Election Convertible Note (collectively, the "May 2010 \$1.00 Primary Notes," each a "May 2010 \$1.00 Primary Note") on substantially the same terms and conditions. The 500,000 shares of Common Stock into which outstanding amounts are convertible under the May 2010 \$1.00 Primary
- (3) Notes include: (i) 260,000 shares into which amounts payable under the May 2010 \$1.00 Primary Note by the issuer to the QP Fund are convertible and (ii) 240,000 shares into which amounts payable under the May 2010 \$1.00 Primary Note by the issuer to the LP Fund are convertible. The principal amount of the May 2010 \$1.00 Primary Note issued to the QP Fund was \$260,000 and the principal amount of the May 2010 \$1.00 Primary Note issued to LP Fund was \$240,000.
  - On June 15, 2010, the issuer issued to each of the QP Fund and the LP Fund a 10% PIK-Election Convertible Note (the "June \$1.00 Interest Notes") in respect of interest due on the May 2010 \$1.00 Primary Notes on substantially the same terms and conditions. The 4,027 shares of Common Stock into which outstanding amounts are convertible under the June 2010 \$1.00 Interest Notes include: (i)
- (4) 2,094 shares into which amounts payable under the June 2010 \$1.00 Interest Note by the issuer to the QP Fund are convertible and (ii) 1,933 shares into which amounts payable under the June 2010 \$1.00 Interest Note by the issuer to the LP Fund are convertible. The principal amount of the June \$1.00 Interest Note issued to the QP Fund was \$2,094 and the principal amount of the June \$1.00 Interest Note issued to the LP Fund was \$1,933.
- (5) The May 2010 \$1.00 Primary Notes and the June \$1.00 Interest Notes shall be referred to herein as the "Notes."
- The Notes have a maturity date of December 15, 2018. At the noteholder's option, amounts outstanding under a Note may be converted into Common Stock at any time after the issuer has authorized sufficient shares to convert such amounts outstanding into Common Stock at the conversion price of \$1.00 per share (the "Conversion Price").
  - The amount outstanding under a Note shall be mandatorily converted into Common Stock of the issuer at the Conversion Price on the earliest date that is one year after the Note's date of issuance when each of the following conditions have been satisfied: (i) the issuer's
- authorization of a sufficient number of shares to convert amounts outstanding under all of the notes in the series into Common Stock; (ii) the average closing bid or market price of Common Stock for the preceding five days being in excess of the Conversion Price; and (iii) either (a) the issuer has filed a registration statement for the resale the number of shares of Common Stock into which the outstanding amount under a Note is convertible or (b) the shares are resalable under Rule 144.
- (8) The reported securities are beneficially owned directly by QP Fund, the LP Fund and/or the Opportunity Fund. The reporting person disclaims beneficial ownership of the reported securities except to the extent of his pecuniary interest therein.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.