

ATLAS MINING CO
Form 8-K
April 30, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) April 26 , 2009

ATLAS MINING COMPANY
(Exact name of registrant as specified in its charter)

Idaho
(State or other jurisdiction of
incorporation)

000-31380
(Commission File
Number)

82-0096527
(I.R.S. Employer
Identification No.)

110 Greene St., Suite 1101,
NY, NY
(Address of principal
executive offices)

10012
(Zip Code)

(208) 556-1181
Issuer's telephone
number, including area
code

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230-425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240-14a-12)

- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 1.01 Entry into a Material Definitive Agreement

Atlas Mining Company (the “Company”) entered into a release and settlement agreement with William T. Jacobson, formerly Chairman and CEO of the Company and certain members of his family. The Company agreed to pay (i) up to \$293,000 in defense of the class action litigation, Benson v. Atlas Mining Company (“Class Action Litigation”) and (ii) \$170,000 upon complete resolution of the Class Action Litigation, amounts expected to be funded by the proceeds of insurance policies. William Jacobson waived any claims under any potentially applicable insurance policy issued to the Company and agreed to transfer to the Company 3,044,083 shares of Company common stock within three business days by the court of a settlement of the Class Action Litigation. The agreement provides for mutual releases of all claims.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ATLAS MINING COMPANY
(Registrant)

Date: April 30, 2009

By:/s/ Andre Zeitoun
Andre Zeitoun
Chief Executive Officer and President

