

AMERICAN ECOLOGY CORP  
Form DEF 14A  
April 04, 2006

---

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934

Filed by the Registrant  T  
Filed by a Party other than the Registrant\*  o

Check the appropriate box:

- |                            |  |                            |  |
|----------------------------|--|----------------------------|--|
| <input type="checkbox"/> o | <input type="checkbox"/> Preliminary Proxy Statement                 | <input type="checkbox"/> o | <input type="checkbox"/> Confidential, for Use of the<br>Commission Only (as permitted by<br>Rule 14a-6(e)(2)) |
| <input type="checkbox"/> T | <input type="checkbox"/> Definitive Proxy Statement                  |                            |  |
| <input type="checkbox"/> o | <input type="checkbox"/> Definitive Additional Materials             |                            |  |
| <input type="checkbox"/> o | <input type="checkbox"/> Soliciting Material Pursuant to Rule 14a-12 |                            |  |

AMERICAN ECOLOGY CORPORATION  
(Name of Registrant as Specified In Its Charter)

---

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

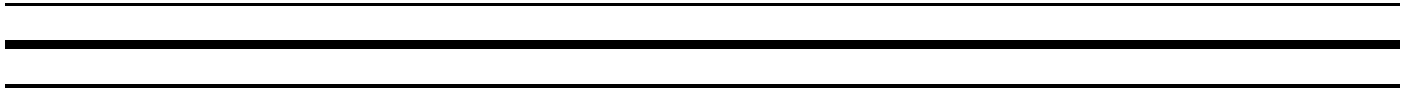
- |                            |   |
|----------------------------|---|
| <input type="checkbox"/> T | <input type="checkbox"/> No fee required  |
| <input type="checkbox"/> o | <input type="checkbox"/> Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11. |

- 1) Title of each class of securities to which transaction applies:
- 2) Aggregate number of securities to which transaction applies:
- 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
- 4) Proposed maximum aggregate value of transaction:
- 5) Total fee paid:

o  Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- 1) Amount Previously Paid:
- 2) Form, Schedule or Registration Statement No.:
- 3) Filing Party:
- 4) Date Filed:



**AMERICAN ECOLOGY CORPORATION**  
**300 E. Mallard, Suite 300**  
**Boise, Idaho 83706**  
**208-331-8400**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**TIME** 10:00 a.m. Central Standard Time on Thursday, May 25, 2006

**PLACE** The Chicago Club  
The Black and Buckingham Rooms  
81 East Van Buren Street  
Chicago, IL 60605

**PROPOSALS** (1) To elect seven directors of the Board of Directors to serve a one year term.  
(2) To ratify the selection of Moss Adams LLP as the Company's independent auditors for the Company's fiscal year ending December 31, 2006.  
(3) To approve the new 2006 Restricted Stock Plan, for employees, as described herein.  
(4) To transact other business as may properly come before the meeting or any adjournments or postponements thereof.

**RECORD DATE** You are entitled to vote if you were a stockholder at the close of business on March 31, 2006. A list of shareholders will be available for inspection for a period of 10 days prior to the meeting at the Company's principal office in Boise, Idaho identified above and will also be available for inspection at the annual meeting of stockholders.

**VOTING BY PROXY** Please submit a proxy as soon as possible so that your shares can be voted at the meeting in accordance with your instructions. For specific instructions on voting, please refer to the instructions on the proxy card.

**Edward F. Heil**  
*Chairman of the Board of Directors*

Boise, Idaho  
March 31, 2006

All Stockholders are cordially invited to attend the annual meeting in person. Whether or not you expect to attend the meeting, please complete, date, sign and return the enclosed proxy as promptly as possible in order to ensure your representation at the meeting. A return envelope (postage is prepaid if mailed in the United States) is enclosed for that purpose. Even if you have given your proxy, you may still vote in person if you attend the meeting and revoke your proxy.

PLEASE NOTE, HOWEVER, THAT IF YOUR SHARES ARE HELD OF RECORD BY A BROKER, BANK OR OTHER NOMINEE AND YOU WISH TO VOTE AT THE MEETING, YOU WILL NOT BE PERMITTED TO VOTE IN PERSON AT THE MEETING UNLESS YOU FIRST OBTAIN A PROXY ISSUED IN YOUR NAME FROM THE RECORD HOLDER.

**AMERICAN ECOLOGY CORPORATION  
ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON MAY 25, 2006**

**PROXY STATEMENT**

---

This Proxy Statement relates to the Annual Meeting of Stockholders of American Ecology Corporation, (the "Company"), a Delaware corporation, to be held on May 25, 2006, at 10:00 a.m., at the Chicago Club in the Black and Buckingham Rooms, 81 East Van Buren Street, Chicago, Illinois 60605, including any adjournments or postponements thereof (the "Meeting"). This Proxy Statement, the accompanying proxy card and the Company's Annual Report are first being mailed to stockholders of the Company on or about April 10, 2006. **THESE MATERIALS ARE FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE COMPANY OF PROXIES FROM THE HOLDERS OF THE COMPANY'S COMMON STOCK, PAR VALUE \$.01 PER SHARE ("COMMON STOCK"), FOR USE AT THE MEETING.**

The principal solicitation of proxies is being made by mail; however, additional solicitation may be made by telephone, facsimile or personal visits by directors, officers and regular employees of the Company and its subsidiaries, who will not receive additional compensation. The Company will reimburse brokerage firms and others for their reasonable expenses in forwarding soliciting material.

All shares represented by duly executed proxies in the accompanying form received prior to the Meeting will be voted in the manner specified therein. Any stockholder granting a proxy may revoke it at any time before it is voted by filing with the Secretary of the Company either an instrument revoking the proxy or a duly executed proxy bearing a later date. Any stockholder present at the Meeting who expresses a desire to vote their shares in person may also revoke their proxy. As to any matter for which no choice has been specified in a duly executed proxy, the shares represented thereby will be voted **FOR** each proposal listed herein and in the discretion of the persons named in the proxy in any other business that may properly come before the Meeting.

**STOCKHOLDERS ARE URGED, WHETHER OR NOT THEY EXPECT TO ATTEND THE MEETING, TO COMPLETE, SIGN AND DATE THE ACCOMPANYING PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE.**

The Company's Annual Report to Stockholders for the fiscal year ended December 31, 2005 is being furnished with this Proxy Statement to stockholders of record as of March 31, 2006. The Annual Report to Stockholders does not constitute a part of the proxy solicitation material except as otherwise provided by the rules of the Securities and Exchange Commission, or as expressly provided for herein.

**OUTSTANDING SHARES AND VOTING RIGHTS**

The Board of Directors of the Company fixed March 31, 2006 as the record date ("Record Date") for the determination of stockholders entitled to notice of and to vote at the Meeting. On the Record Date, there were 18,026,270 shares of common stock issued, outstanding and entitled to vote. The Company has no other voting securities outstanding. Each stockholder of record is entitled to one vote per share held on all matters submitted to a vote of stockholders, except that in electing directors, each stockholder is entitled to cumulate his or her votes and give any one candidate an aggregate number of votes equal to the number of directors to be elected (seven) multiplied by the number of his or her shares, or to distribute such aggregate number of votes among as many candidates as he or she chooses. For a stockholder to exercise cumulative voting rights, the stockholder must give notice of his or her intention to cumulatively vote prior to the Meeting, or at the Meeting in person, prior to voting. If any stockholder has

given such notice, all stockholders may cumulatively vote. The holders of proxies will have authority to cumulatively vote and allocate such votes in their discretion to one or more of the director nominees. The holders of the proxies solicited hereby do not, at this time, intend to cumulatively vote the shares they represent, unless a stockholder indicates his intent to do so, in which instance the proxy holders intend to cumulatively vote all the shares they hold by proxy in favor of the director nominees identified herein.

The holders of a majority of the outstanding shares of common stock on the Record Date present at the Meeting in person or by proxy will constitute a quorum for the transaction of business at the Meeting. An affirmative vote of a majority of the shares present and voting at the Meeting is required for approval of all matters. Abstentions and broker non-votes are each included in the determination of the number of shares present. Abstentions are counted in tabulations of the votes cast on proposals presented to stockholders, and thus, have the effect of voting against a proposal, whereas broker non-votes are not counted for purposes of determining whether a proposal has been approved.

---

**PROPOSAL NO. 1  
ELECTION OF DIRECTORS**

**Directors.**

At the Meeting, the seven nominees receiving the greatest number of votes cast will be elected directors provided that each nominee receives a majority of the votes cast. Directors so elected will hold office until the next Annual Meeting of Stockholders or until the election and qualification of their respective successor. It is the intention of the persons, Stephen A. Romano, and Michael J. Gilberg, named in the proxy to vote the proxies that are not marked to the contrary for the election of the nominees named below as directors. If any such nominee refuses or is unable to serve as a director, the above named proxies may in their discretion vote for any or all other persons who may be nominated.

Current Director Rotchford L. Barker is not standing for re-election to the Board of Directors.

Director nominees standing for election to serve until the Annual Meeting in 2007 are:

<b>Name</b>	<b>Age</b>	<b>Position With Company</b>	<b>Residence</b>	<b>Director Since</b>
Roy C. Eliff	70	Independent Director	Houston, TX	2002
Edward F. Heil	61	Independent Director	Miami Beach, FL	1994
Kenneth C. Leung	61	Director	Brooklyn, NY	2005
Richard Riazzi	51	Independent Director	Boise, ID	2004
Stephen A. Romano	51	Chief Executive Officer and Director	Boise, ID	2002
Jimmy D. Ross	69	Independent Director	Alexandria, VA	2004
Richard T. Swope	63	Independent Director	Washington, D.C.	2005

**Roy C. Eliff**

Mr. Eliff joined the Board of Directors in 2002. Mr. Eliff is a consultant to solid waste and environmental companies in the area of acquisitions and mergers. Mr. Eliff has served as an officer, director, or Chief Financial Officer of publicly held companies, including 20 years as Vice President of Corporate Development/Acquisition for Browning Ferris Industries.

**Edward F. Heil**

Mr. Heil joined the Board of Directors in 1994. Mr. Heil is a land developer and private investor, and has owned and operated one of the largest solid waste landfills in the midwestern United States. Mr. Heil has more than 40 years experience in the construction and waste service industries.

**Kenneth C. Leung**

Mr. Leung joined the Board of Directors in 2005. He also serves on the boards of Acro Grow International and SystemOne Technologies. Mr. Leung is a Managing Director of investment banking at Sanders Morris Harris and Chief Investment Officer of the Environmental Opportunities Fund, Ltd. Mr. Leung is also the Editor of Environmental Review. Mr. Leung was previously associated with Smith Barney for 17 years, and before that F. Eberstadt & Company, Chemical Bank and Chase Manhattan Bank.



**Richard Riazzi**

Mr. Riazzi joined the Board of Directors in 2004. Mr. Riazzi was formerly an Executive Vice President for Idacorp, a public energy services holding company that owns Idaho Power Company.

**Stephen A. Romano**

Mr. Romano joined the Board of Directors in 2002. He was appointed President and Chief Operating Officer in October 2001 and Chief Executive Officer in March 2002. He has served with the Company for more than 16 years in various positions. Previously, Mr Romano held positions with the U.S. Nuclear Regulatory Commission, the Wisconsin Department of Natural Resources and EG&G Idaho.

**Jimmy D. Ross**

General Jimmy Ross (ret.) joined the Board of Directors in 2004. General Ross was a U.S. Army military officer for 36 years and retired as a four-star General in 1994. His last active duty assignment was Commander of the Army Materiel Command. Following his military retirement, General Ross served as chief operating officer of the American Red Cross. General Ross is past President/COO of and now consults to Cypress International in Alexandria, VA and serves on the Board of VSE Corporation.

**Richard T. Swope**

General Richard Swope (ret.) joined the Board of Directors in 2005. General Swope was a U.S. Air Force Officer for 34 years and retired as a three-star General in 1998. His last active duty assignment was Inspector General of the Air Force.

**Meetings of the Board of Directors and Committees.**

During the year ended December 31, 2005, the Board of Directors held six meetings. Each of the directors attended at least 75% of the meetings of the Board and the Committees on which they served during the period for which they were a Board or Committee member. While encouraged, Director attendance at the Annual Meeting is not required. All Directors attended the 2005 Annual Meeting.

The standing Committees of the Board of Directors are the Corporate Governance, Audit, Dividend Policy and Compensation Committees.

Current members of the Corporate Governance Committee are Messrs. Barker, Heil, Ross and Swope. Mr. Ross is chairman. The Corporate Governance Committee fulfills the requirements of a nominating committee and searches for and recommends qualified and experienced individuals to fill vacancies and any new director seats if the board is expanded, along with its duty to ensure good corporate governance. The Corporate Governance Committee met twice in 2005, and met once in 2006 to nominate the seven directors standing for election at the May 25, 2006 annual shareholders meeting. The Board of Directors unanimously approved the seven nominees standing for election in 2006.

Current members of the Audit Committee are Messrs. Eliff, Riazzi and Swope. Mr. Eliff is chairman. The Audit Committee reviews the proposed plan and scope of the Company's annual audit as well as the results when it is completed. The Committee reviews and approves the services provided by the Company's independent auditors and their fees. The Committee meets with the Company's financial officers to assure the adequacy of accounting principles, financial controls and policies. The Committee is also charged with reviewing transactions that may present a conflict of interest on the part of management or directors. The Committee meets at least quarterly to review



financial results, discuss financial statements and make recommendations to the Board. It also reviews independent auditor recommendations for internal controls, adequacy of staff, and management's performance concerning audit and financial controls. The Audit Committee met eleven times in 2005 and once in 2006.

---

Current members of the Compensation Committee are Messrs. Heil, Leung, Riazzi, and Ross. Mr. Leung is chairman. The Compensation Committee makes recommendations concerning employee salaries and incentive compensation, administers and approves stock option grants under the 1992 Employee stock option plan, addresses executive compensation and contract matters, and performs other Board delegated functions. The Compensation Committee met six times in 2005 and once in 2006.

Current members of the Dividend Policy Committee are Messrs. Eliff, Riazzi and Swope. Mr. Riazzi is chairman. The Committee works with management on development of recommended dividend policy and dividend payments. The Dividend Policy Committee met twice in 2005 and once in 2006.

#### **Compensation Committee Interlocks and Insider Participation.**

During 2005, no member of the Compensation Committee was an officer or employee of the Company or any of its subsidiaries or had any other relationship requiring disclosure by the Company under Item 402 or 404 of Securities and Exchange Commission regulations. During 2005, no executive officer of the Company served as:

- a member of the Compensation Committee (or other board committee performing equivalent functions) of an unrelated entity, one of whose executive officers served on the Compensation Committee of the Company,
- a director of an unrelated entity, one of whose executive officers served on the Compensation Committee of the Company, or
- a member of the Compensation Committee (or other board committee performing equivalent functions) of another entity, one of whose executive officers served as a director of the Company.

#### **Directors' Compensation.**

Under the present shareholder-approved plan, Directors who are not employees of the Company or its subsidiaries receive an annual fee of \$16,000 payable quarterly. Upon appointment, the Chairman of the Board is entitled to receive an additional fee of \$20,000. The current chairman waived this fee. Committee chairmen are entitled to receive an additional fee of \$4,000. Directors also receive \$1,000 for each meeting attended in person and \$750 for each telephonic meeting attended. Directors who are employees of the Company receive no additional compensation for their service as directors. Mr. Romano is the only such director. All directors are reimbursed for their reasonable travel and other expenses involved in attending Board and committee meetings.

Each non-employee director is also granted restricted stock worth \$25,000 at the time of his or her election to the Board. The restricted stock vests to each director at the next annual meeting unless they cease to be a director prior to the next annual meeting, or do not attend at least 75% of the regularly scheduled meetings of the Board between the award and vesting date. The following table shows compensation paid to each Non-Employee Director for the three years ending December 31, 2005:

---

Edgar Filing: AMERICAN ECOLOGY CORP - Form DEF 14A

Name and Principal Position	Year	Director Fees	Restricted Stock Shares	Options
Roy C. Eliff	2005	\$ 39,500	2,100	-0-
	2004	\$ 20,462	-0-	10,000
	2003	\$ 16,000	-0-	10,000
Edward F. Heil	2005	\$ 24,650	2,100	-0-
	2004	\$ 16,000	-0-	10,000
	2003	\$ 16,000	-0-	10,000
Kenneth C. Leung	2005	\$ 29,473	2,100	7,500
Richard Riazzi	2005	\$ 31,900	2,100	-0-
	2004	\$ 956	-0-	7,500
Jimmy D. Ross	2005	\$ 34,500	2,100	-0-
	2004	\$ 11,284	-0-	7,500
Richard T. Swope	2005			