

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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 8, 1999

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware

1-11596

58-1954497

(State or other
jurisdiction of
incorporation)

(Commission File
Number)

(IRS Employer
Identification No.)

1940 N.W. 67th Place, Suite A, Gainesville, Florida

32653

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (352) 373-0040

Not applicable

(Former name or former address, if changed since last report)

Item 5. Other Events.

Pursuant to the terms of a letter of intent dated April 8, 1999, Perma-Fix Environmental Services, Inc. (the "Company") and Thomas P. Sullivan ("Sullivan") agreed to amend certain terms in (i) the Agreement And Plan of Merger ("Chem-Con Agreement"), dated as of the 15th day of March, 1999, among the Company; Florida Perma-Chem, Inc. a Florida corporation and a wholly-owned subsidiary of Perma-Fix ("Florida Perma-Chem"); Georgia Perma-Chem, Inc., a Georgia corporation and a wholly-owned subsidiary of Perma-Fix ("Georgia Perma-Chem"); Chemical Conservation Corporation; a Florida corporation ("Chemical Florida"); Chemical Conservation of Georgia, Inc., a Georgia corporation ("Chemical Georgia"); The Thomas P. Sullivan Living Trust, dated September 6, 1978 ("TPS

Trust"); The Ann L. Sullivan Living Trust, dated September 6, 1978 ("ALS Trust"); Thomas P. Sullivan, an individual ("TPS"); and Ann L. Sullivan, an individual and (ii) the Agreement and Plan of Merger ("Chem-Met Agreement"), dated as of the 15th day of March, 1999, among the Company; Perma-Met, Inc. a Michigan Corporation and a wholly-owned subsidiary of Perma-Fix ("Perma-Met"); Chem-Met Services, Inc., a Michigan Corporation ("Chem-Met"); the TPS Trust; the ALS Trust; TPS and ALS. Collectively, Chemical Florida and Chemical Georgia are referred to herein as "Chem-Con."

Under the letter of intent, the Chem-Con/Chem-Met acquisition will be consummated by the Company purchasing all of the outstanding capital stock of Chem-Con and Chem-Met, rather than undertaking various merger transactions with Chem-Con and Chem-Met and, consequently, the acquisition under the amended terms will be accounted for as a "purchase" rather than as a "pooling of interests" as was previously anticipated. Under the terms of the letter of intent, the purchase price paid by the Company in connection with the Chem-Con/Chem-Met acquisition will be \$8,700,000, consisting of (i) \$1,000,000 in cash to be paid at closing, (ii) a promissory note in the amount of \$4,700,000, to be paid in equal monthly installments of principal and interest of approximately \$90,276.96 over five years and having an interest rate of 5.5% for the first three years and 7% for the remaining two years and (iii) \$3,000,000 paid in the form of 1,500,000 shares of Perma-Fix Common Stock, par value \$.001 per share ("Common Stock") paid at closing, however, if the average closing price of the Common Stock on the NASDAQ SmallCap Market ("NASDAQ") for the five days preceding the date eighteen months after the closing date ("Valuation Date") is less than \$2.00 per share, the Company shall pay, in Common Stock or cash at the Company's option, the difference between \$3,000,000 and the value of the 1,500,000 shares based upon the average closing price for the five days preceding the Valuation Date. The parties have agreed, however, that under no circumstances will the Chem-Con/Chem-Met acquisition result in the issuance by the Company of a number of shares of Common Stock equal to more than 18% of the number of shares of Common Stock outstanding as of the closing date. Under the amended terms, the Company believes the Chem-Con/Chem-Met acquisition may occur without (i) obtaining shareholder approval from the shareholders of the Common Stock or (ii) filing a registration statement with the Securities and Exchange Commission (the "Commission") regarding the Common Stock to be issued to the TPS Trust and the ALS Trust.

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An additional modification to the terms of the Chem-Con/Chem-Met transaction is that the Company will not enter into an employment agreement with TPS, the current President of Chem-Con and Chem-Met, as was previously anticipated.

The amendments to the Chem-Con Agreement and the Chem-Met Agreement are subject to finalization and execution of new definitive agreements reflecting the new acquisition terms by the parties thereto which will replace the previous agreements in their entirety.

Item 7. Financial Statements and Exhibits.

(c) Exhibits.

2.1 Letter of Intent, dated April 8, 1999, between the Company and Thomas P. Sullivan.(Exhibits to this

letter as referenced therein are omitted, but will be provided to the Commission upon request.)

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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.

PERMA-FIX ENVIRONMENTAL
SERVICES, INC.

By: /s/ Richard T. Kelecy

Richard T. Kelecy
Chief Financial Officer

Date: April 20, 1999

April 8, 1999

Mr. Thomas P. Sullivan
Chem-Met Services, Inc.
18550 Allen Road
Brownstown, MI 48192

Re: Amendment to the two "Agreement and Plan of Merger" documents

Dear Tom:

Pursuant to our discussions and the agreement as reached today with Bob Lindquist, we would like to confirm the amended terms of the two (2) "Agreement and Plan of Merger" documents dated March 13, 1999, relative to our acquisition of Chem-Met Services, Inc., Chemical Conservation Corporation and Chemical Conservation of Georgia, Inc. As discussed, the transaction will no longer qualify for "pooling of interests" treatment from an accounting perspective, the Company will agree not to issue more than 18% of the current issued and outstanding Common Stock in connection with this acquisition and, as a result, the Proxy and shareholder approval process will not be required, subject to approval by NASDAQ that such approval is not required. It is our mutual intention to close the transaction as quickly as possible (within 30 to 45 days), with the primary timing issue being the permit transfers and appropriate parties executing the required document relating to the Four County PRP agreement.

The following will summarize the amended terms of the above referenced agreements:

- * \$1,000,000 in cash to be paid at closing;
- * \$4,700,000 note, equal monthly installments of principal and interest of \$90,276.96 over five years, at an interest rate of 5 1/2% for the first three (3) years and 7% for the remaining two (2) years (based on a 365 day year). See attached amortization schedule; and
- * \$3,000,000 of consideration to be paid in the form of 1,500,000 shares of Common stock valued at \$2.00 per share of Common Stock. This Common Stock will have an 18 month price guarantee, such that if the average closing price for the five (5) trading days preceding the end of 18th month from the date of closing is less than \$2.00 per share, such calculated difference will be made up, at the option of the Company, in either cash or Common Stock. However, it is agreed that the Company will not issue for purposes of this consideration more than 18% of the issued and outstanding Common Stock at the date of closing.

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It is agreed that the only changes to the "Agreement and Plan of Merger" documents will be those necessary to document the above, including qualified/sophisticated investor language and that no other unrelated changes will be made. The employment agreement will be eliminated and any referenced thereto will also be eliminated. However, the exact non-compete language will correspondingly be transferred into the "Agreement and Plan of Merger" documents. Please acknowledge your agreement with the above. Upon receipt of this signed acknowledgment, we will immediately begin to amend the documents, get final Congress approval and proceed with permit transfer applications. This letter is subject to both parties executing definitive amendments to the "Agreement and Plan of Merger" documents relating to Perma-Fix's acquisition of Chem-Con/Chem-Met.

Please advise if you have any questions or concerns.

Sincerely,

/s/ Richard T. Kelecy

Richard T. Kelecy
Chief Financial Officer

cc: Bob Lindquist

Acknowledged and agreed to: /s/ Louis F. Centofanti

Dr. Louis F. Centofanti

Acknowledged and agreed to: /s/ Thomas P. Sullivan

Thomas P. Sullivan

c067:pai