

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) May 14, 2013

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

(Exact name of registrant as specified in its charter)

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|-------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------|
| <u>Delaware</u> (State or other jurisdiction of incorporation) | <u>1-11596</u> (Commission File Number) | <u>58-1954497</u> (IRS Employer Identification No.) |
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|-----------------------------------------------------------------------------------------------------|----------------------------|
| <u>8302 Dunwoody Place, Suite 250, Atlanta, Georgia</u> (Address of principal executive offices) | <u>30350</u> (Zip Code) |
|-----------------------------------------------------------------------------------------------------|----------------------------|

Registrant's telephone number, including area code: (770) 587-9898

Not applicable

(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:

- Written communications pursuant to Rule 425 under the Securities Act
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act

Section 5 – Corporate Governance and Management

Item 5.02 – Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On May 14, 2013, Perma-Fix Environmental Services, Inc.'s (the "Company"), with the approval of its Compensation and Stock Option Committee and the Company's Board of Directors, entered into a Separation and Release Agreement ("Agreement") with Christopher Leichtweis ("Leichtweis"), the Company's Senior Vice President and President of Safety and Ecology Holdings Corporation and its subsidiaries (Safety and Ecology Corporation or "SEC"). Pursuant to the Agreement:

- (i) effective May 24, 2013 ("Separation Date"), Leichtweis voluntarily terminates and retires as an employee of the Company, Senior Vice President of the Company and President of SEC;
- (ii) the Parties agreed that, effective as of the Separation Date, the Employment Agreement dated October 31, 2011 ("Employment Agreement") between the Company and Leichtweis is terminated and becomes null and void, except for the "Confidentiality of Trade Secrets and Business Information" ("Section 7") clause of the Employment Agreement. No severance and Special Bonus (as defined in the Employment Agreement) are payable to Leichtweis under the Employment Agreement. Leichtweis will be paid all accrued salary, vacation and any benefit under the employee's benefit plan to Separation Date. Leichtweis voluntary termination of employment with the Company is for reasons other than for "Good Reason" (as defined by Leichtweis Employment Agreement) and is within the meaning of Treasury Regulation § 1.409A-1(h)(1) as of the Separation Date;
- (iii) the Management Incentive Plan ("MIP") effective as of November 1, 2011, as amended on July 12, 2012, for the benefit of Leichtweis is forfeited and cancelled. No payment is payable under the MIP as of the Separation Date;
- (iv) A nonqualified stock option (the "Option") granted to Leichtweis on October 31, 2011, in accordance with a Non-Qualified Stock Option Agreement, which provides for the purchase of up to 250,000 shares of the Company's common stock at \$1.35 per share pursuant to the Employment Agreement will be forfeited 30 days after the Separation Date. Within 30 days after Separation Date, Leichtweis has the option to exercise 62,500 options (amount vested) to purchase 62,500 shares of the Company's common stock;
- (v) the Company generally releases Leichtweis from and against all claims against Leichtweis under the Employment Agreement except for claims against Leichtweis under "Section 7" of the Employment Agreement; and
- (vi) Leichtweis releases the Company and its subsidiaries and all of their representatives, officers, directors, employees and affiliates from and against any and all Claims (as defined in the Agreement).

As part of the Agreement, the Company also entered into a Consulting Services Agreement ("Consulting Agreement"), dated as of the Separation Date and will terminate on July 23, 2014, unless sooner terminated by either party with prior 30 days written notice. The Consulting Agreement provides for compensation at an hourly rate of \$135 and reasonable travel and other expenses. Pursuant to the Consulting Agreement, the consultant will be subject to a fourteen months confidentiality and non-complete agreement (as defined) from date of execution of the Consulting Agreement.

The foregoing description of the Separation and Release Agreement and Consulting Services Agreement do not purport to be complete and is qualified in its entirety by reference to the complete text of the Separation and Release Agreement and Consulting Services Agreement, copies which are attached hereto as Exhibit 99.1 and 99.2 and are incorporated herein in its entirety by reference.

Section 9 – Financial Statements and Exhibits

Item 9.01 – Financial Statements and Exhibits

(d) Exhibits

| <u>Exhibit Number</u> | <u>Description</u> |
|-----------------------|--------------------|
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| 99.1 | Separation and Release Agreement dated May 14, 2013 by and between Christopher Leichtweis and Perma-Fix Environmental Services, Inc. |
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| 99.2 | Consulting Services Agreement dated May 24, 2013 by and between Christopher Leichtweis and Perma-Fix Environmental Services, Inc. |
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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.

Dated: May 17, 2013

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

By: /s/ Lou Centofanti
Dr. Louis F. Centofanti, President and
Chief Executive



SEPARATION AND RELEASE AGREEMENT

THIS SEPARATION AND RELEASE AGREEMENT (this "Agreement") is dated the 14th day of May 2013, by and between CHRISTOPHER LEICHTWEIS ("Executive") and PERMA-FIX ENVIRONMENTAL SERVICES, INC. (the "Company"), but shall be effective as of May 24, 2013 (the "Separation Date"). In consideration of the agreements of PESI and Executive set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby severally acknowledged, the Company and Executive agree as follows.

1. Background. Executive currently is employed as the Senior Vice President of the Company and President of PESI's subsidiary, Safety and Ecology Holding Corporation and its subsidiaries ("SEC"), subject to the Employment Agreement, dated October 31, 2011, as amended (the "Employment Agreement"), between the Company and Executive. The Company and Executive desire to end their employment relationship, and notwithstanding the terms of the Employment Agreement, to set forth the terms of Executive's separation in this Agreement.

2. Separation. Effective as of the Separation Date, Executive hereby voluntarily terminates and retires as an employee of the Company and its subsidiaries, as Senior Vice President of the Company, as President of SEC, and any other office of the Company and its subsidiaries. Executive has or may have with the Company and its subsidiaries, including but not limited to any positions on the board of directors of any subsidiary of the Company. Executive and PESI agree that Executive's termination of employment with the Company and its subsidiaries is (a) a separation from service as a result of Executive terminating his employment with the Company and its subsidiaries for reasons other than for Good Reason (as defined in the Employment Agreement), and (b) a "separation from service" within the meaning of Treasury Regulation § 1.409A-1(h)(1) as of the Separation Date. Except as expressly provided in this Agreement, on and after the Separation Date, neither the Company nor any of its subsidiaries shall have any further obligation to Executive in connection with Executive's employment, including but not limited to severance, compensation (including but not limited to bonuses and incentive payments), health insurance, life insurance, disability insurance, vacation pay, sick pay and any similar obligations. The parties agree that, effective as of the Separation Date, the Employment Agreement is terminated and becomes null and void, except for Section 7 of the Employment Agreement.

3. Consulting Agreement. Notwithstanding any other provision of this Agreement, the Company has entered into a Consulting Agreement with Executive, dated as of the date hereof, which shall become effective as of the Separation Date ("Consulting Agreement").

4. Payments and Benefits.

4.1 Severance. Executive acknowledges and agrees that the Company has no obligation to pay Executive any severance amounts pursuant to the Employment Agreement. Executive agrees that Executive has no right to severance or other compensation under the Employment Agreement or otherwise, except as expressly provided in this Agreement. Notwithstanding the above, Executive will be paid all accrued salary on the next scheduled payroll payment date after May 24, 2013 and any accrued vacation, PTO or similar amounts will be paid in regular bi-weekly scheduled payments following the payment of accrued salary in amounts equal to 80 hours of base pay until such time when such amount has been fully paid.

4.2 MIP and Other Plans. Executive acknowledges and agrees that the Management Incentive Plan effective as of November 1, 2011 for the benefit of Executive (the “MIP”) is not and will not be vested as of the Separation Date, no payments are due or will become due to Executive under the MIP, and the MIP is hereby deemed forfeited, cancelled and without further force or effect. Executive acknowledges and agrees Executive is not entitled to any other payment or other benefit with respect to any payment or incentive opportunity that he previously may have been awarded or granted under any other bonus, incentive, or compensation plan, and that any such opportunity is hereby forfeited, cancelled and without further force or effect. Executive further acknowledges and agrees that Executive is not entitled to any Special Bonus (as defined in the Employment Agreement), and that all of Executive’s rights to a Special Bonus terminate on the Separation Date.

4.3 Benefits.

4.3.1 Health Coverage. Executive, at Executive’s election, will have the right to continue his participation in the Company’s group health coverage plan under and pursuant to the applicable COBRA regulations, for a period not to exceed 18 months from the Separation Date, and if the Executive elects to continue such group health coverage, the Executive will pay all applicable COBRA premiums each month during the period that the Executive elects such coverage. All other benefits will terminate.

5. Stock Options. All outstanding options to purchase shares of the common stock of the Company (“stock options”) that were granted by the Company to Executive will be governed by the terms of such stock options. Notwithstanding the provisions of Section 6 of the Employment Agreement, such stock options will vest only in accordance with the terms of the stock options and will not accelerate under Section 6.2 of the Employment Agreement.

6. Representations and Warranties of Executive. Executive represents and warrants to the Company as follows:

6.1 Return of Property. Executive has delivered to the Company, and not kept or delivered to anyone else, (a) any and all notes, files, memoranda, papers and, in general, any and all physical (including electronic) matter containing any trade secret, proprietary or confidential information of the Company or any subsidiary of the Company and other information relating to the business of the Company or any subsidiary or affiliate of the Company, including, but not limited to, SEC or any subsidiaries of SEC, which are in Executive’s possession or control; and (b) all equipment and other property owned by the Company, which are in Executive’s possession or control.

7. Mutual Releases

- 7.1 Release by Executive. Executive hereby generally and completely releases, acquits, and discharges the Company, each subsidiary of the Company, and all of their representatives, officers, directors, employees and affiliates, and each and every successor, assigns and agents (the "Released Company Parties"), from and against any and all Claims. As used in this Agreement, "Claims" means any and all matters relating to Executive's employment relationship with the Company or any subsidiary of the Company, the termination of that employment relationship with the Company or any subsidiary of the Company, and any and all claims, debts, liabilities, demands, obligations, promises, acts, agreements, costs, expenses, damages, actions, and causes of actions, whether in law or in equity, whether known or unknown, suspected or unsuspected, arising from Executive's employment with and/or termination from the Company and/or any subsidiaries thereof, as well as any and all claims under or in connection with or arising out of the Employment Agreement or the Plan or pursuant to Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e et seq., as amended by the Civil Rights Act of 1991, which prohibits discrimination in employment based on race, color, national origin, religion or sex; the Civil Rights Act of 1966, 42 U.S.C. § 1981, 1983 and 1985, which prohibits violations of civil rights; the Age Discrimination in Employment Act of 1967, as amended, and as further amended by the Older Workers Benefit Protection Act, 29 U.S.C. § 621, et seq., which prohibits age discrimination in employment; the Employment Retirement Income Security Act of 1974, as amended, 29 U.S.C. § 1001, et seq., which protects certain employee benefits; the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. § 12101, et seq., which prohibits discrimination against the disabled; the Family and Medical Leave Act of 1993, 29 U.S.C. § 2601, et seq., which provides medical and family leave; the Fair Labor Standards Act, 29 U.S.C. § 201, et seq., including the Wage and Hour Laws, any and all claims relating to the payment of any compensation and/or wages and any and all claims related in any way to any and all other federal, state or local laws or regulations prohibiting employment discrimination. The term "Claims" means, and this release also includes, but is not limited to, a release by Executive of any and all claims for breach of contract, mental pain, suffering and anguish, emotional upset, impairment of economic opportunities, unlawful interference with employment rights, defamation, intentional or negligent infliction of emotional distress, fraud, wrongful termination, wrongful discharge in violation of public policy, breach of any express or implied covenant of good faith and fair dealing, and all other statutory or common law claims. Notwithstanding the above, Executive does not release the Company from any claims he may have against the Company pursuant to the terms of this Agreement, pursuant to any coverage that Executive would have pursuant to the terms of the Company's organizational documents, policies of insurance or provisions of the Employment Agreement for indemnification with regard to Executive's position as an officer or director of the Company or any of its subsidiaries prior to the Separation Date, or obligations of the Company or any of its subsidiaries under agreements listed in Exhibit "A" attached to this Agreement.

7.2 Release by the Company. The Company hereby generally and completely releases, acquits and discharges Executive from and against any and all claims it may have against Executive under the Employment Agreement, except for claims against Executive under Section 7 (“Confidentiality of Trade Secrets and Business Information”) of the Employment Agreement that arise after the date of this Agreement. Notwithstanding the above, the Company does not release Executive from (a) any claims it may have against Executive pursuant to the terms of this Agreement which shall remain in full force and effect, (b) any and all obligations of Executive under the Consulting Agreement and claims that the Company may have under the Consulting Agreement, or (c) any and all obligations of Executive under the instruments and agreements listed in Exhibit “A” attached to this Agreement.

7.3 Cooperation. The Consultant agrees to cooperate with and assist the Company and its representatives and attorneys as requested as to any litigation, arbitrations or other dispute resolutions by being reasonably available for interviews, depositions and/or testimony for any matters as to which he has relevant information, and will be reimbursed for his reasonable travel and lodging expenses related thereto.

8. Disclosures. Executive covenants that Executive has disclosed to the Company management all material information that Executive learned during Executive's employment with the Company that may be relevant to the Company's corporate compliance efforts or that relate in any way to Executive's duties to or for Company, including but not limited (a) to any information relating to any investigation or self-evaluation process at the Company of which Executive is aware; (b) any information Executive has relating to possible unlawful activity or retaliatory actions by the Company; (c) violations or possible violations of any federal or state securities laws, or potential or pending whistleblower claims or actions; (d) any information known to Executive relating to violations or possible violations of the Company's corporate compliance plan; and (e) any information that could benefit the Company in ensuring the Company's compliance with applicable laws, rules, or regulations.

9. Mutual Non-Disparagement.

9.1 Executive shall not, directly or indirectly, make or cause to be made any disparaging, denigrating, derogatory or other negative, misleading or false statement orally or in writing to any person, including, without limitation, to members of the environmental services industry, press and investors in, competitors of and advisors to the Company and its subsidiaries, about the Company and its subsidiaries or their respective members, officers or employees, or the investment or business strategy or plans, policies, practices or operations of the Company or its subsidiaries, provided that the provisions of this section shall not restrict Executive from making accurate statements that are required by law in good faith or required in a court of law or arbitration proceeding or required in order to prosecute a legal dispute or in connection with to a court or regulatory proceeding or order.

9.2 The Company shall not, directly or indirectly, make or cause to be made and shall cause Affiliates, Subsidiaries, employees, directors, consultants, and officers that are controlled by the Company not to make or cause to be made, any disparaging, denigrating, derogatory or other negative, misleading or false statement orally or in writing to any person about Executive including, without limitation, to members of the environmental services industry, press and investors in, competitors of and advisors to the Company and its Affiliates and Subsidiaries, provided that, the provisions of this section shall not restrict the Company or its employees or officers from making accurate statements that are required by law in good faith in a court of law or arbitration proceeding or other legal dispute resolution forum or pursuant to a court or regulatory proceeding or order.

10. Non-Solicitation of Employees. Executive recognizes that he possesses confidential information about employees of the Company and its subsidiaries relating to their education, experience, skills, abilities, compensation and benefits, and inter-personal relationships with customers of the Company and its subsidiaries. Executive recognizes that the information he possesses and will possess about these employees is not generally known, is of substantial value to the Company and its subsidiaries in developing their business and in securing and retaining customers, and has been and will be acquired by him because of his position with the Company. Executive agrees that, from the Separation Date and for a period of two year thereafter, he will not, directly or indirectly, (a) solicit or recruit any employee of the Company or any of its subsidiaries (a "Current Employee") or any person who was an employee of the Company or any of its subsidiaries during the 12 month period immediately prior to the Separation Date (a "Former Employee") for the purpose of being employed by him or any other entity, or (b) hire any Current Employee or Former Employee, or (c) provide employment (including self-employment), directorship, consultative or other services to any business, individual, partner, firm, corporation, or other entity that hires a Former Employee one year of the Separation Date. Notwithstanding the foregoing, this provision will not apply to the Executive with regard to any Current Employee or Former Employee who applies for a position with Executive in response to a general written (such as classified ad) or online (such as Monster.com) advertisement. The parties agree and acknowledge that this Section 10 of this Agreement amends and restates in all respects Section 9 of the Employment Agreement.

11. Stand Still. Executive agrees that, for a period of one year from the Separation Date, Executive will not sell his existing stock.

12. Injunctive Relief. Executive acknowledges that the breach of any of the restrictive covenants or agreements contained herein will give rise to irreparable injury to the Company, and will not be adequately compensable in damages. Notwithstanding the provisions of paragraph 7 of this Agreement, the Company may seek and obtain injunctive relief in Court against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available. Executive further acknowledges and agrees that the covenants contained herein are necessary for the protection of the Company's legitimate business interests and are reasonable in scope and content. If a court or arbitrator declines to enforce the restrictive covenants herein on the basis of their geographic or temporal scope, then the court or arbitrator shall enforce the restrictive covenants to the fullest extent allowable by law, and the court or arbitrator may modify the terms of the restrictive covenants to reflect the broadest geographic and temporal scope allowed by law.

13. Time to Consider and Rescind. Executive acknowledges he was advised to seek the advice and counsel of any attorney; he was offered 21 days to review and consider this Agreement; and that once executed (at any time within the 21-day period), he has seven (7) days in which to revoke his acceptance of this Agreement. The twenty-one day period shall begin on May 9th, 2013, and notice of rejection by Executive to the Company shall be given in writing and must be delivered to Dr. Louis F. Centofanti per this Agreement, within three business days of such rejection. If Executive rejects this Agreement, pursuant to the terms of this paragraph 13, then this Agreement shall automatically terminate and be deemed null and void in all respects.

14. No Additional Obligations. This Agreement embodies the entire agreement between the Parties hereto with respect to the matters involved herein and supercedes any previous negotiations or agreements between the Company and Executive. Except as provided in this Agreement and the Consulting Agreement, the Company makes no agreements, promises or other representations to Executive and does not assume any obligations other than set forth herein. This Agreement does not create any rights in Executive or any other person except as provided herein and shall not constitute precedent of any nature whatsoever. This Agreement was not executed in reliance upon any statement or representation by any other party other than those set forth herein. This Agreement may not be modified except by a subsequent agreement in writing signed by all Parties. No amendment or modification of this Agreement shall be effective unless executed in writing by the Parties hereto.

15. Controlling Law. This Agreement shall be governed by, construed and enforced in accordance with, and subject to the common laws of the State of Georgia.

16. Acknowledgment of Executive. This Agreement is not to be construed strictly against any party, but is instead to be construed fairly, according to the plain meaning of its terms. The headings of the paragraphs and subparagraphs (if any) are merely descriptive and should not be construed as influencing or limiting the substance of the paragraphs or subparagraphs in any way. If any provision, subparagraph, statement or phrase of this Agreement is ruled or deemed illegal or unenforceable, such a ruling shall affect only the provision, subparagraph, statement or phrase so ruled and the remainder of the Agreement shall remain in full force and effect according to law. Any such ruling shall only affect the interpretation and application of the Agreement, and shall not be construed or operate to reduce consideration and benefits received and exchanged among and between the parties at the execution of this Agreement.

17. Binding Effect. This Agreement shall be binding upon and inure to the benefit and protection of the parties to this Agreement, together with their respective family members, heirs, executors, administrators, personal representatives, devisees, predecessors, successors, assigns and affiliates (including, without limitation, parents, subsidiaries, divisions, partners, and any of their present or former officers, directors, employees and agents).

18. Authorization. Each person signing this Agreement as a party or on behalf of a party represents that he or she is duly authorized to sign this Agreement on such party's behalf, and is executing this Agreement voluntarily, knowingly and without any duress or coercion.

19. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be considered an original but when taken together, shall constitute one Agreement.

20. Survival of Representations and Warranties. All representations, warranties and agreements by Executive set forth in this Agreement will survive the Separation Date and remain in effect following the Separation Date.

[SIGNATURE PAGE APPEARS ON NEXT PAGE]

/s/Christopher P Leichtweis
CHRISTOPHER LEICHTWEIS, an individual

(“Executive”)

PERMA-FIX ENVIRONMENTAL SERVICES,
INC, a Delaware corporation

By: /s/Louis Centofanti
Name: Louis Centofanti
Title: CEO
 (“PEST”)

Exhibit "A"
to
Separation and Release Agreement

1. General Agreement of Indemnity, dated March 3, 2008, between Christopher P. Leichtweis and Myra L. Leichtweis and SEC for the benefit of Alexander R. Xavier;
2. Lease on 2800 Solway Rd ,Knoxville Tn.
3. Indemnification Agreement, dated February 21, 2011, by and between Safety & Ecology Holdings Corporation, a Nevada Corporation, and its operational subsidiary, Safety and Ecology Corporation, a Nevada Corporation, Christopher P. Leichtweis, and Myra T. Leichtweis, as amended by the Settlement and Release Agreement and Amendment to Employment Agreement, entered into as of February 14, 2013; and
4. All of the Executive's obligations relating to the following bonds:

| <u>Bond Date</u> | <u>Company/Project Name</u> | <u>Brief Work Description</u> |
|--------------------|----------------------------------------------------------------------------------------------|-------------------------------|
| April 26, 2010 | B&W Y-12 LLC/TR 36, Building 9766 Demolition WR Grace and Co.-Conn, Curtis Bay Bldg 23 | Demolition project |
| September 23, 2010 | B&W &-12 LLC WEMA | Cleanup and Pipe Lining |



CONSULTING SERVICES AGREEMENT

This Consulting Agreement ("Agreement") is entered into this 24th day of May, 2013, by and between Christopher Leichtweis operating as an independent consultant having a principal place of business at Knoxville, TN, (Consultant), and Perma-Fix Environmental Services, Inc. (PESI), a corporation organized and existing under the laws of Delaware, having its principal place of business 8302 Dunwoody Place, Suite 250, Atlanta, GA 30350, but shall become effective as of May 24, 2013.

I. BACKGROUND

Consultant was previously employed as an executive officer of the Company and possesses extensive knowledge with respect to PESI and certain of its subsidiaries' operations and lines of business, particularly in connection with the operations and prospects of Safety & Ecology Holdings Corporation and its subsidiaries (together, the "Company"). In connection with Consultant's voluntary termination of employment with PESI, Consultant and PESI entered into the Separation and Release Agreement, dated May, 2013 (the "Separation Agreement"). PESI now desires to retain Consultant, and Consultant desires to perform certain independent consulting services for PESI, on the terms and conditions set forth in this Agreement. PESI is willing to enter into this Agreement and provide compensation to Consultant based solely on the covenants and agreements set forth in this Agreement.

II. TERM

The term of this Agreement shall become effective the 24th day of May, 2013 and terminate on the 23rd day of July, 2014, unless sooner terminated as provided herein. This Agreement may be extended if both parties agree in writing to such extension and that it is in their mutual best interest.

III. WORK SCOPE

During the term of this Agreement, Consultant will (a) assist in the Company's business development initiatives in the United States and Canada as provided in this Agreement and (b) provide such other business consulting services, both as reasonably requested by the Supervisor. Consultant will at all times render bona fide consulting services to PESI under this Agreement. Consultant agrees that he will, at all times, faithfully and in a professional manner perform all of the duties that are required of Consultant pursuant to the terms of this Agreement

IV. OWNERSHIP OF WORK PRODUCT

Consultant agrees that all rights, title and interest in the database(s), program(s) and any other electronic files developed under this Agreement, including copyright rights are the property of the Company without restrictions. Consultant shall provide source codes to the Company whenever requested.

V. INDEPENDENT CONTRACTOR

In the performance of the work and services hereunder, the Consultant, if available, will act on the behalf of Company, however nothing contained or implied herein, will at any time be so construed as to create the relationship of employer and employee, partnership, principal and agent, or joint venture as between Company and the Consultant. Consultant does not have the authority to bind the Company or any of its affiliates to any third person, unless expressly authorized in writing by PESI. It is understood PESI has no obligation under local, state or federal laws regarding the Consultant or any employees, agents or subcontractors employed by the Consultant and that the total commitment and liability of PESI in regard to any arrangement or work performed hereunder is to pay the fees and expenses pursuant to the provisions hereof. Consultant will not be entitled to participate in any plans, arrangements, or distributions by the Company or any of the contractors relating to any pension, deferred compensation, bonus, stock bonus, hospitalization, insurance, or other benefits extended to employees. The Consultant and the Company acknowledge and agree that the Company is not obligated to request any hours of service from the Consultant, and the Consultant is not exclusive to the Company, except as otherwise provided in Article X. below.

VI. SUPERVISION

Consultant will report to and be within the PESI organization managed by James Blankenhorn, PESI Chief Operating Officer (the "Supervisor").

VII. COMPENSATION

Subject to the terms of this Article VII, during the term of this Agreement, in consideration of Consultant providing the consulting services under this Agreement, PESI will pay to Consultant a consulting fee (the "Consulting Fee") of \$135.00 per hour for the time that the Consultant reasonably spends on performing the task orders set forth in Article III hereof, which task orders have been approved in writing by the Supervisor.

As a condition to payment of any Consulting Fees, Consultant will submit to the Supervisor an invoice with a detailed accounting of hours worked for each task during the applicable month. No Consulting Fee will be payable for hours in excess of 40 hours per week (determined on a weekly basis, and not as a weekly average of hours per month) without prior written approval of the Supervisor for such excess hours.

VIII. TRAVEL EXPENSES

Travel and any other expenses attributed to PESI business must be based on reasonable actual expenses. Travel conducted to complete scope detailed in individual task orders will be reimbursed in accordance with General Services Accounting per diem tables and PESI Employee Reimbursement policy. Expenses that exceed \$250.00 must be approved in advance by Supervisor. Consultant will submit to the Supervisor an expense report for any authorized expenses incurred in completing task order(s), with supporting receipts, for reimbursement by PESI. Expense reports for travel will be submitted within 10 calendar days of travel. E-mail/fax or hard copies of invoices are acceptable.

IX. PAYMENT

Payment for compensation and reimbursement for expenses will be made within forty five (45) days after submission by the Consultant of itemized invoices, subject to the approval by the Supervisor of such invoices in accordance with PESI's policies and procedures.

X. CONFIDENTIAL INFORMATION AND RESTRICTIVE COVENANTS

- (1) No Disclosure. During Consultant's engagement with PESI pursuant to this Agreement, and for a period of five years thereafter, Consultant agrees to hold in confidence and not disclose, directly or indirectly any and all proprietary, secret or confidential information, knowledge or data ("Confidential Information") relating to the Company and all of the Company's affiliates and subsidiaries and entities under common control with the Company, whether existing now or in the future, and their respective businesses, which shall have been obtained by Consultant during Consultant's engagement by the Company or which is identified as proprietary. Confidential Information includes, but is not limited to, proprietary, client or business information of the Company whether oral (whether or not thereafter described in writing) written or in a physical embodiment or otherwise, including, but not limited to Trade Secrets, customer lists, independent contractor and consultant lists, financial information, pricing data, sales data, marketing data, and business plans.
 - (2) Exception. Notwithstanding the provisions of Article X(1) above, Consultant shall not be held liable for disclosure of information which (a) was in the public domain and is readily available to the public at the time of its disclosure by Consultant through means unrelated to Consultant's disclosure, or (b) was disclosed after Consultant received the Company's written consent to such disclosure.
 - (3) Trade Secrets. The innovations, improvements, discoveries, developments, methods, processes and "know how" concerning the Business which Consultant develops pursuant to the Consultant's engagement with PESI or had developed during Consultant's employment with the Company (the "Trade Secrets") are the sole and exclusive property of PESI. Consultant shall not, for a period of five years from execution of this agreement, use the Trade Secrets except in furtherance of the Company's business interests.
 - (4) Restrictive Covenant. Consultant agrees that he will not, directly or indirectly, by or for himself, or as an agent, representative or consultant of another, during his engagement with PESI under this Agreement and during the Restricted Period (defined below) do as follows:
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- (a) own, manage, operate, engage in, perform, conduct or be employed by any business or enterprise relating to (i) the Formerly Utilized Sites Remedial Action Program (FUSRAP) in the United States and (ii) nuclear projects within Canada and collection of existing receivables (collectively, the "Restricted Business"); Employee may participate in certain work (management, consulting, or otherwise with existing Prime FUSRAP contractors (any district) as long as it does not compete directly with PESI or their respective team that could offer advantage to PESI in winning work from such prime. The consultant agrees to notify PESI of this participation at the time of service via e-mail and/or letter.
 - (b) directly solicit the sale of goods, services or a combination of goods and services from the established customers of the Company in the Restricted Business, except for the benefit of the Company;
 - (c) act as an employee of or consultant to any business or enterprise in the Restricted Business other than the Company;
 - (d) engage in conduct or make statements, written or oral, that are derogatory about or detrimental to the Company or any of its clients, affiliates, directors, officers, managers, or employees.
- (5) Restricted Period. "Restricted Period" is the fourteen month period after the execution of this Agreement.
- (6) Related Person. Consultant will not permit a Related Person (as defined below) to perform or engage in activities which he has agreed to not perform or engage in personally. A "Related Person" means a spouse or any joint venture, partnership, corporation, limited liability company or other business entity or enterprise in which Consultant owns a direct or indirect interest but excluding publicly traded corporations of which Consultant owns two percent or less of the total outstanding shares.
- (7) Authority to Reform. If any of the foregoing restrictions are found by a court to be overly broad in duration or territorial scope, or otherwise unreasonable or unlawful, the court will have the authority to reform the Agreement and to enforce the restrictions to the fullest extent found by the court to be reasonable and lawful in light of all of the circumstances.
- (8) Injunctive Relief. Consultant acknowledges that (a) the provisions of Article X of this Agreement are reasonable and necessary for the protection of PESI; (b) PESI will be irrevocably damaged if such covenants and provisions are not specifically enforced; (c) the remedy at law for any breach or threatened breach of any covenant contained in Article X will be inadequate; and (d) PESI, in addition to such other remedies as may be available to it in law or in equity, may seek injunctive relief without bond or other security.
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XI. INDEMNIFICATION

Consultant agrees to hold the Company and its members, managers, directors, officers and controlling persons, and their respective heirs, representatives, successors and assigns harmless and to indemnify them against all damages, liabilities, costs and expenses incurred or suffered by them as a result of (a) any breach of the terms of this Agreement by Consultant during or after his engagement with PESI, or (b) claims for personal injury, death, and property damages arising out of the negligent acts or omissions of the Consultant.

XII. CHANGES

PESI may request changes within the scope of this Agreement and, if accepted by Consultant, the price, performance schedule and other pertinent provisions of the Agreement will be adjusted by mutual agreement of the Parties prior to implementation of the changes. Such changes will be in writing as an amendment to this agreement.

XIII. CONFLICT OF INTEREST

If at any time during the term of this Agreement or fourteen months from the execution of this agreement, whichever is longer, Consultant proposes to perform services for third parties that could directly or indirectly conflict with the interests of the Company, Consultant will deliver to PESI a written general notice of such services. By entering into this Agreement, it is understood that the Consultant (i) presently represents and warrants that he has no conflicting interests, agreements or obligations with any other party, and (ii) shall not, during the term of this Agreement, perform services for third parties that would compete with the Company, or assist others in competing with the Company on Restricted Business.

XIV. TERMINATION

- (1) PESI or the Consultant shall have the right to terminate this Agreement or any work being performed prior to the date of termination of this Agreement at any time by 30 days written notice to the other party; provided that PESI may terminate this Agreement and work being performed immediately for Cause upon written notice to Consultant. In such event, the Consultant will have no liability or obligation for any performance after PESI received or should have received such notice, except as set forth in Article XI or as otherwise provided in this Agreement or in the Severance Agreement. PESI shall be liable only for payment of services performed and reimbursement of approved expenditures prior to the effective date of termination. For purposes of this Agreement, "Cause" means: (a) a material breach of Consultant's obligations and duties under the terms of this Agreement or the Separation Agreement; (b) Consultant being charged by local, state, or federal authorities with a felony or any crime involving moral turpitude; (c) Consultant engaging in any criminal activity conduct which, in the sole discretion of the Company, would impair Consultant's ability to perform his duties to the Company or would materially impair the business reputation of the Company.
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- (2) Upon completion of Consultant's services hereunder, the termination of Consultant's engagement with PESI, or at such other time as may be requested by Company, Consultant shall return to Company all documents, records, notebooks, and similar repositories of or containing proprietary information, including copies thereof, whether prepared by Consultant or others, in Consultant's possession or control. Consultant will cooperate fully with PESI in all matters relating to the winding up of pending work on behalf of PESI and the orderly transfer of work to other representatives of PESI.
- (3) This Agreement shall automatically terminate and become null and void if the Consultant rescinds or attempts to rescind the Separation Agreement in accordance with the Severance Agreement or otherwise.

XV. DISCLOSURE TO PROSPECTIVE EMPLOYERS

Consultant agrees that he will, before accepting any offer of employment or engagement as a consultant during the Restricted Period, make full disclosure of the existence and contents of this Agreement to the prospective employer or contractor. Consultant hereby authorizes the Company to make such disclosure without liability for claims of interference with a contractual relationship.

XVI. TAX MATTERS

All payments to Consultant, including reimbursements, will be included in Consultant's gross income as compensation for services rendered and reported on IRS Form 1099. Consultant agrees that Consultant is responsible for payment of all local, state and federal taxes (including FICA taxes) on income earned under this Agreement, as the Company will not withhold any sums for income tax, unemployment insurance, social security or any other withholding pursuant to any law or requirement of any governmental body relating to Consultant. Consultant is not relying upon the Company for advice regarding tax aspects of this Agreement.

XVII. FORCE MAJEURE

Neither PESI nor the Consultant will be liable for failure to perform any obligation or delay in performance resulting from or contributed to by any cause due to any act of God; undeclared act (including delay, failure to act, or priority) of any government authority; civil disturbance; insurrection or riot; strikes; sabotage; fire; embargo; major equipment breakdown; or delay or accident in shipping or transportation. In the event of a delay in performance under this Article, the time for performance of the work will be extended by a period of time reasonably necessary to overcome the effect of the delay. Consultant's expenses due to force majeure delays, other than delays which are deemed to be within the reasonable control of Consultant, will be treated as changes to the scope of work and the Agreement will be adjusted as set forth in Article XII, Changes.

XVIII. AUTHORITY

The Consultant has no authority whatsoever, express or implied, by virtue of this Agreement to commit the Company in any way to perform in any manner or to pay money for services or material.

XIX. TAX MATTERS

All payments to Consultant, including reimbursements, will be included in Consultant's gross income as compensation for services rendered and reported on IRS Form 1099.

XX. CHOICE OF LAW

This Agreement as executed shall be governed by the laws of the State of Georgia.

XXI. ENTIRE AGREEMENT

This Agreement contains the entire agreement of the Parties relating to the subject matter hereof, and the Parties have made no agreements, representations, or warranties relating to the subject matter hereof which are not set forth herein. No modification of this Agreement shall be valid unless made in writing and signed by the Parties hereto.

XXII. SURVIVAL

Notwithstanding any termination of this Agreement or the termination of Consultant's engagement with the Company under this Agreement, Articles X, XI, and XV will survive pursuant to their respective terms.

XXIII. SEPARATION AGREEMENT

This Agreement is subject to, and conditional upon, PESI and the Consultant having executed the Separation Agreement and Consultant shall not have rescinded the Separation Agreement pursuant to its terms or otherwise.

[SIGNATURES APPEAR ON NEXT PAGE]

SIGNATURES:

/s/Christopher P Leichtweis
Signature

5/14/2013
Date

Name: Christopher Leichtweis

Title: Consultant

Phone: _____

Consultants Federal Taxpayer Identification
Number: _____

Perma-Fix Environmental Services, Inc.

By /s/James A. Blankenhorn

14 May 2013
Date

Name: James A. Blankenhorn

Title: Chief Operating Officer

Phone: (770) 587-9898

