

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) December 29, 2008

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

1-11596

(Commission File Number)

58-1954497

(IRS Employer
Identification No.)

8302 Dunwoody Place, Suite 250, Atlanta, Georgia

(Address of principal executive offices)

30350

(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 1 – Registrant’s Business and Operations

Item 1.01. Entry into a Material Definitive Agreement.

The information required by this item is included in Item 2.03 below, and is incorporated in this Item 1.01 by reference.

Section 2 – Financial Information

Item 2.03. Creation of a Direct Financial Obligation or an Obligation Under an Off Balance Sheet Arrangement of a Registrant.

In connection with Perma-Fix Environmental Services, Inc.’s acquisition of East Tennessee Materials & Energy Corporation (“M&EC”) from Performance Development Corporation (“PDC”) in June, 2001, M&EC issued to PDC a promissory note, dated June 7, 2001, in the principal sum of \$3,673,732.56, together with variable interest on the unpaid principal balance at the rate and method set forth therein (the “Note”), representing the principal amount M&EC owed to PDC as of June 7, 2001. Pursuant to the terms of the Note, the principal amount of the Note was payable in installments, with the last installment, representing the remaining unpaid principal amount and all accrued interest due on the Note from the date of the Note through December 31, 2008, being payable on December 31, 2008. As of December 31, 2008, the unpaid principal and all accrued interest due on the Note was calculated to be \$3,066,224.64 (the “Remaining Balance”).

On December 29, 2008, our subsidiary, M&EC, and PDC entered into a First Amendment (the “Amendment”) to the Note. According to the Amendment, the Remaining Balance will not be payable by M&EC on December 31, 2008, but will be payable by M&EC in the following installments:

- \$500,000.00 payable on December 31, 2008 prior to noon;
- \$100,000.00 payable on January 27, 2009;
- \$100,000.00 payable on February 27, 2009;
- \$100,000.00 payable on March 27, 2009;
- \$100,000.00 payable on April 27, 2009;
- \$100,000.00 payable on May 27, 2009;

The unpaid Remaining Balance, together with any accrued and unpaid interest due on the unpaid Remaining Balance as required under the Note and as computed by the IRS pursuant thereto, shall be payable by M&EC on June 30, 2009.

Pursuant to the terms of the Note, the Amendment and existing written instructions from PDC, M&EC is to make all payments in the amounts and on the dates set forth above directly to the Internal Revenue Service (“IRS”) against certain of PDC’s obligations to the IRS. All other terms and provisions of the Note remain unchanged.

Section 9 – Financial Statements and Exhibits.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

10.1 First Amendment to East Tennessee Materials & Energy Corporation Promissory Note, dated December 29, 2008.

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: December 30, 2008.

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

By: /s/ Ben Naccarato
Ben Naccarato,
Vice President and
Interim Chief Financial Officer

**FIRST AMENDMENT TO
EAST TENNESSEE MATERIALS
& ENERGY CORPORATION
PROMISSORY NOTE**

This First Amendment, dated December 29, 2008 ("First Amendment"), to the East Tennessee Materials & Energy Corporation ("M&EC") Promissory Note, dated June 7, 2001 (the "Note"), in the principal sum of \$3,673,732.56, together with variable interest on the unpaid principal balance at the rate and method set out therein, made payable to Performance Development Corporation ("PDC"), amends the Note as provided herein.

WHEREAS, as of December 31, 2008, and prior to the payment of the installment payment due on December 31, 2008, as described in Section 1 of this First Amendment, the unpaid balance of principal and accrued interest due on the Note will be \$3,066,226.64 (the "Remaining Balance"), consisting of the remaining unpaid principal balance due under the Note and all of the interest due on the Note for the periods after May 31, 2001, through December 31, 2008, all of which interest was due and payable in one lump sum on December 31, 2008;

WHEREAS, PDC has represented to M&EC that it has not assigned or transferred, in any manner, the Note, or any portion thereof, and is still the owner in all respects of the Note;

WHEREAS, M&EC and PDC have agreed that the Note is hereby amended so that the Remaining Balance due on the Note shall be payable, in the same manner and amount, and with accrued interest on the same basis as set out in, that certain letter dated December 22, 2008 ("Extension Letter") from Camella Lucas, Revenue Officer, Internal Revenue Service, to PDC, extending the terms and conditions of the IRS Form 433-D, Installment Agreement, with PDC referred to in the Note ("Installment Agreement"), as follows:

1. The requirement to pay the Remaining Balance due on December 31, 2008 under the Note is hereby deleted, and M&EC shall pay the Remaining Balance due on the Note in the following installments:

\$500,000.00 payable on December 31, 2008 prior to noon;
\$100,000.00 payable on January 27, 2009;
\$100,000.00 payable on February 27, 2009;
\$100,000.00 payable on March 27, 2009;
\$100,000.00 payable on April 27, 2009;
\$100,000.00 payable on May 27, 2009; and

The unpaid Remaining Balance, together with any accrued and unpaid interest due on the unpaid Remaining Balance as required under the Note and as computed by the IRS pursuant thereto, shall be payable by M&EC on June 30, 2009.

2. As set forth in the Note, no payments shall be made by M&EC to PDC or any of PDC's affiliates, unless otherwise agreed in writing by M&EC and PDC. Rather, pursuant to the existing written instructions from PDC, M&EC shall make all payments in the amounts and on the dates set forth in Section 1 above of this First Amendment directly to the IRS, attn. Camella Lucas, Revenue Officer, against PDC's obligations as set forth in the Extension Letter amending the Installment Agreement.

3. All of the other terms and provisions of the Note shall remain unchanged.

4. The Note, as modified and amended by this First Amendment, shall remain in full force and effect.

5. PDC has represented to M&EC that PDC has not assigned or transferred the Note, or any portion thereof, in any manner and is the sole owner, in all respects, of the Note.

6. Each of the parties hereto represent and warrant to the other that the execution and delivery of this First Amendment have been duly and validly authorized and approved by all requisite corporate action on its part.

7. PDC shall mark the original of the Note as follows: "As Amended by the First Amendment, dated December 29, 2008", and a copy of the Note, as so marked, shall be delivered promptly to counsel of the maker at the following address: Conner & Winters, LLP, 1700 One Leadership Square, 211 North Robinson Avenue, Oklahoma City, Oklahoma 73102, Attn. Irwin H. Steinhorn, Esq.

8. M&EC acknowledges receipt of a copy of the Extension Letter.

9. This First Amendment may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to each of the other parties hereto.

IN WITNESS WHEREOF, the parties have entered into this First Amendment on the date set forth above.

EAST TENNESSEE ENERGY & MATERIALS CORPORATION

By: /s/ Dr. Louis F. Centofanti

Dr. Louis F. Centofanti, President

("M&EC")

PERFORMANCE DEVELOPMENT CORPORATION

By: /s/ Joe W. Anderson

Joe W. Anderson, Chairman & Chief Executive Officer

("PDC")
