

Edgar Filing: AMERICAN ECOLOGY CORP - Form DEF 14A

AMERICAN ECOLOGY CORP
Form DEF 14A
April 21, 2003

SCHEDULE 14A INFORMATION

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

Filed by the Registrant [xx]
Filed by a Party other than the Registrant []

Check the appropriate box:

- [] Preliminary Proxy Statement [] Confidential, for Use of the
Commission Only (as permitted by
Rule 14a-6(e)(2))
- [XX] Definitive Proxy Statement
[] Definitive Additional Materials
[] 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):

- [xx] No fee required
[] Fee computed on table below per Exchange Act Rules 14a-6(i)(4) 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:
.....

- [] Fee paid previously with preliminary materials.
[] 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:
.....

Edgar Filing: AMERICAN ECOLOGY CORP - Form DEF 14A

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

1

[GRAPHIC OMITTED]

[GRAPHIC OMITTED]

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 29, 2003

PLACE The Standard Club
Chicago Room, 4th Floor
320 S. Plymouth Court
Chicago, Illinois 60604

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, 2003.

(3) To provide a 10 year extension of the 1992
Employee Stock Option Plan.

(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, 2003. 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 identified above and will also be
available for inspection at the meeting.

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.

BY ORDER OF THE BOARD OF DIRECTORS

Edgar Filing: AMERICAN ECOLOGY CORP - Form DEF 14A

ROGER P. HICKEY
Chairman of the Board of Directors

Boise, Idaho
April 16, 2003

All Stockholders are cordially invited to attend the 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.

2

AMERICAN ECOLOGY CORPORATION
ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON MAY 29, 2003

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 29, 2003, at 10:00 a.m., at the Standard Club in the Chicago Room 4th Floor, 320 S. Plymouth Court, Chicago, Illinois 60604, 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 25, 2003. THEY 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

Edgar Filing: AMERICAN ECOLOGY CORP - Form DEF 14A

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, 2002 is being furnished with this Proxy Statement to stockholders of record as of March 31, 2003. 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, 2003 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 16,960,901 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

3

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 some or all 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, seven directors are to be elected to 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 named in the proxy to vote the proxies that are not marked to the contrary for the election as directors of the persons named below as nominees. If any such nominee refuses or is unable to serve as a director, the persons named as proxies may in their discretion vote for any or all other persons who may be nominated. The seven nominees receiving the greatest number of votes cast will be elected directors

Edgar Filing: AMERICAN ECOLOGY CORP - Form DEF 14A

if each nominee receives at least a majority of the votes cast.

In July 2002, Rotchford L. Barker was appointed to replace a resigning Director. Mr. Barker had previously served as a Director of the Company from 1996 through May 30, 2002.

In February 2003, David B. Anderson was appointed to replace a resigning Director.

Director nominees standing for election to serve until the Annual Meeting in 2004 are:

NAME	AGE	POSITION WITH COMPANY	RESIDENCE	DIRECTOR SINCE
-----	---	-----	-----	-----
David B. Anderson	61	Director	Chicago, IL	2003
Rotchford L. Barker	66	Director	Cody, WY	1996
Roy C. Eliff	67	Director	Houston, TX	2002
Edward F. Heil	58	Director	Miami Beach, FL	1994
Roger P. Hickey	41	Chairman of the Board of Directors	Chicago, IL	2002
Stephen A. Romano	48	Chief Executive Officer and Director	Boise, ID	2002
Stephen M. Schutt	45	Nominee for Director	Atlanta, GA	--

4

DAVID B. ANDERSON

Mr. Anderson joined the Board of Directors in February 2003. Mr. Anderson is a Principal at Lochborn Partners LLC, in Chicago, Illinois. He has held senior executive positions with GATX Corporation and Inland Steel Industries. An attorney, Anderson has extensive experience in corporate strategy, compliance, acquisitions, and business development.

ROTCHFORD L. BARKER

Mr. Barker originally joined the Board of Directors in 1996. Mr. Barker did not stand for re-election to the Board at its May 2002 annual meeting, but was asked to return to the Board to fill a vacancy created by a director who resigned in July of 2002. Mr. Barker is an independent businessperson and commodity trader. Mr. Barker has been a member of the Chicago Board of Trade for more than thirty years and has served on the board of directors of the exchange. Mr. Barker is also a director of Idacorp, an energy services holding company that owns Idaho Power Company.

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 CFO of publicly held companies, including 20 years as Vice President of Corporate Development/Acquisition for Browning Ferris Industries.

EDWARD F. HEIL

Edgar Filing: AMERICAN ECOLOGY CORP - Form DEF 14A

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.

ROGER P. HICKEY

Mr. Hickey joined the Board of Directors in 2002. Mr. Hickey is Chairman of the Board of American Ecology and President of Chicago Partners, a consulting firm where he specializes in finance, intellectual property, and business strategy.

STEPHEN A. ROMANO

Mr. Romano joined the Board of Directors in 2002. Mr. Romano is President and Chief Executive Officer of American Ecology Corporation. Mr. Romano brings 22 years of experience in radioactive and hazardous waste management with the Company, the U.S. Nuclear Regulatory Commission, the Idaho National Environmental and Engineering Laboratory, and the Wisconsin Department of Natural Resources.

STEPHEN M. SCHUTT

Mr. Schutt has been nominated to serve on the Board of Directors. Mr. Schutt is Vice President of Nuclear Fuel Services, Inc., a primary contractor for the United States Navy. Mr. Schutt has over 25 years developing and applying technology to solve complex problems in the nuclear reactor, enriched uranium, and hazardous and radioactive waste markets. Mr. Schutt is the son of Paul F. Schutt, a current member of the Board of Directors whose term expires May 29, 2003.

5

MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEES.

During the year ended December 31, 2002, the Board of Directors held nine 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, respectively.

The Committees of the Board of Directors during 2002 were the Nominating, Executive, Audit and Compensation Committees.

The members of the Nominating Committee are currently Messrs. Hickey, Romano, and Eliff. Mr. Hickey is chairman. The Nominating Committee searches for and recommends to the Board of Directors, qualified and experienced individuals to fill vacancies and new director seats upon expansion of the board. The Nominating Committee met twice during 2002 and twice in 2003. In 2003, the Committee first met to recommend the appointment of Mr. Anderson to the Board effective February 17, 2003, then met to nominate the seven directors to stand for election at the annual shareholders meeting in 2003. The Board of Directors unanimously approved the seven nominees to stand for election.

Effective March 15, 2002, the Board of Directors discontinued the Executive Committee. Except certain powers which, under Delaware law, may only be exercised by the full Board of Directors, the Executive Committee exercised all powers and authority of the Board of Directors in the management of Company business. The Executive Committee met once in 2002.

Edgar Filing: AMERICAN ECOLOGY CORP - Form DEF 14A

The members of the Audit Committee are currently Messrs. Anderson, Eliff, and Paul F. Schutt. 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 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 the Company's 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 Audit Committee meets at least quarterly to review the financial results, discuss the financial statements and make recommendations to the Board. Other items of discussion include the independent auditors' recommendations for internal controls, adequacy of staff, and management's performance concerning audit and financial controls. The Audit Committee met six times in 2002, including a visit to the Company's Corporate office in Boise, Idaho and its Grand View, Idaho waste treatment and disposal facility.

The members of the Compensation Committee are currently Messrs. Barker, Hickey, and Paul F. Schutt. Mr. Paul F. Schutt is chairman. The Compensation Committee makes recommendations concerning salaries and incentive compensation, administers and approves stock options under the 1992 Employee and 1992 Directors stock option plans, determines executive compensation and contract matters, and performs other functions regarding compensation as the Board may delegate. The Compensation Committee met three times in 2002.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION.

During 2002, no member of the Compensation Committee except Mr. Rostenkowski, whose term expired on May 30, 2002, 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. Mr. Rostenkowski received compensation from the Company in the amount of \$8,615 for 2002.

6

During 2002, 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.

Directors who are not employees of the Company or its subsidiaries receive an annual fee of \$16,000 payable quarterly, which at the director's discretion is payable in stock of the Company at its then market price or in cash. Directors who are employees of the Company receive no additional compensation for their service as directors. Mr. Romano is the only director employed by the Company. All directors are reimbursed for their reasonable travel and other expenses involved in attendance at Board and committee meetings.

In addition, each non-employee director is granted a stock option to purchase 7,500 shares of the Company's common stock at the time of his or her initial election to the Board. Upon each re-election to the Board, he or she is granted a stock option to purchase 10,000 shares of the Company's common stock.

Edgar Filing: AMERICAN ECOLOGY CORP - Form DEF 14A

EXECUTIVE OFFICERS

NAME AND PRINCIPAL POSITION	AGE	CITY/STATE	OFFICER
Stephen A. Romano President, Chief Executive Officer Chief Operating Officer	48	Boise, Idaho	1998
James R. Baumgardner Senior Vice President, Treasurer, Secretary, and Chief Financial Officer	40	Boise, Idaho	1999
Michael J. Gilberg Vice President and Controller	34	Boise, Idaho	2002

STEPHEN A. ROMANO was appointed as President and Chief Operating Officer in October, 2001 and Chief Executive Officer on March 15, 2002. Mr. Romano has served with the Company for more than 13 years in various positions of increasing responsibility. He originally joined the Company to site and license the Ward Valley, California disposal site. Prior to joining the Company, Mr. Romano held various positions with the U.S. Nuclear Regulatory Commission, the State of Wisconsin and EG&G Idaho, Inc. Mr. Romano holds a BA from the University of Massachusetts-Amherst and an MS from the University of Wisconsin-Madison.

JAMES R. BAUMGARDNER joined the Company in November 1999 as Senior Vice President and Chief Financial Officer. Mr. Baumgardner was appointed Treasurer and Secretary in October of 2001. From 1995 until joining the Company, Mr. Baumgardner was the Corporate Treasurer of WaferTech and Symbios Logic, Inc., both large semiconductor manufacturing companies. From 1988 to 1995, Mr. Baumgardner was a commercial banker, holding positions of increasing responsibility with Silicon Valley Bank and First Interstate Bank. Mr. Baumgardner holds a BS and MBA from Oregon State University.

7

MICHAEL J. GILBERG, CPA, joined the Company in February, 2002 as Vice President and Controller. From 1997 until joining the Company, Mr. Gilberg was Vice President and Controller for T.J.T. Inc., a publicly-traded manufacturing company in Emmett, Idaho. Prior to joining T.J.T., Mr. Gilberg was employed at Deloitte & Touche in Boise, Idaho, and KPMG Peat Marwick in Midland, Texas where he audited a wide range of corporate and governmental organizations. Mr. Gilberg holds a BS from the University of Montana.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE.

Section 16 of the Securities Exchange Act of 1934 ("Section 16") requires that reports of beneficial ownership of common stock and preferred stock and changes in such ownership be filed with the Securities and Exchange Commission by Section 16 "reporting persons" including directors, certain officers, holders of more than 10% of the outstanding common stock or preferred stock, and certain trusts of which reporting persons are trustees. The Company is required to disclose in this proxy statement each reporting person whom it knows has failed to file any required reports under Section 16 on a timely basis. Based solely upon a review of copies of Section 16 reports furnished to the Company for the year ended December 31, 2002 and written statements confirming that no other reports were required, to the Company's knowledge, all Section 16 reporting requirements applicable to known reporting persons were made timely throughout

Edgar Filing: AMERICAN ECOLOGY CORP - Form DEF 14A

the year except for the late filing by John Couzens, a former director, of his Form 4 statement for a transaction on December 4, 2002 filed December 11, 2002 rather than December 6, 2002 as required.

CORPORATE GOVERNANCE RESPONSIBILITY

The Board of Directors is ultimately responsible for the Company's corporate governance. Good corporate governance ensures that the Company complies with legal requirements such as the Sarbanes-Oxley Act of 2002. During 2003, the Company anticipates amending the Audit Committee Charter as well as amending and adopting additional policies and procedures as needed to further ensure good corporate governance.

EXECUTIVE COMPENSATION

The following table shows, for each of the three years ended, compensation awarded or paid to, or earned by the Company's Chief Executive Officer and its other four most highly compensated management employees at December 31, 2002 and the prior two years in all capacities.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation(1)		Long-Term Compensation		All Other Compensation(2)	
		Salary	Bonus	Grant	Options		
Stephen A. Romano President, Chief Executive, and Chief Operating Officer	2002	\$171,160	\$25,000	-0-	-0-	\$	5,19
	2001	\$132,913	-0-	-0-	40,000	\$	4,38
	2000	\$105,000	\$10,000	-0-	-0-		-0-

1 Includes dollar value base salary earned by the named executive officer during the fiscal year ending December 31, 2002 as permitted by rules established by the SEC.

2 Includes the amount of the Company's matching contribution under the Company's 401(k) Savings Plan and moving and housing allowances.

8

James R. Baumgardner Senior Vice President, Treasurer, Secretary, Chief Financial Officer	2002	\$158,481	\$25,000	-0-	-0-	\$	4,58
	2001	\$145,077	-0-	-0-	10,000	\$	4,78
	2000	\$134,000	\$ 7,000	-0-	-0-	\$	32,20
Michael J. Gilberg Vice President and Controller	2002	\$ 84,704	-0-	-0-	10,000		-0-
Scott Nicholson Director of Hazardous Waste Operations	2002	\$131,148	\$ 1,000	-0-	15,000	\$	6,24
	2001	\$ 94,134	-0-	-0-	-0-	\$	26,40
Steve Welling National Sales Director	2002	\$110,000	\$99,963	-0-	-0-	\$	3,63
	2001	\$ 88,011	\$59,770	-0-	-0-	\$	2,32

The Company, on a discretionary basis, may grant options to its executive officers under the 1992 amended and restated employee stock option plan. As of December 31, 2002, options to purchase 218,150 shares were outstanding with

Edgar Filing: AMERICAN ECOLOGY CORP - Form DEF 14A

842,150 shares remaining available for grant. The following table provides information concerning 2002 stock option grants to the Company's executive officers.

2002 OPTION GRANTS

Name	Number of Securities Underlying Options (3)	Individual Grants Percent of all Options Granted to Employees	Exercise Price	Expires	Potential Realizable Value at Annual Rates of Stock Price Appreciation for Option		
					0%	5%	
M. Gilberg	2,500	3%	\$ 1.70	2-4-12	-0-	\$ 2,673	\$
M. Gilberg	2,500	3%	\$ 3.00	2-4-12	-0-	-0-	\$
M. Gilberg	5,000	5%	\$ 2.45	9-16-12	-0-	\$ 7,704	\$

The following table provides information concerning executive officers' stock options exercised in 2002 and those remaining outstanding at the end of 2002.

AGGREGATED OPTION EXERCISES IN 2002 AND YEAR-END VALUES

Name	Shares Acquired on Exercise		Value Realized	Number of Shares Underlying Unexercised Options		Value of Unexercised In-the-Money Options (4) at Year-End	
				Exercisable	Unexercisable	Exercisable	Unexercisable
Stephen A. Romano	-0-	N/A		55,000	-0-	\$ 34,300	
James R. Baumgardner	-0-	N/A		60,000	-0-	\$ 24,300	
Michael J. Gilberg	-0-	N/A		10,000	-0-	\$ 4,425	