

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K/A-1

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended April 30, 1999

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 000-23211

CASELLA WASTE SYSTEMS, INC.
(Exact name of registrant as specified in its charter)

Delaware 03-0338873

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

25 Greens Hill Lane, Rutland, VT 05701

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (802) 775-0325

Securities registered pursuant to Section 12(b) of the Act: None.

Securities registered pursuant to Section 12(g) of the Act:

Class A common stock, \$.01 per share par value

Indicate by checkmark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K

The aggregate value of the voting stock held by non-affiliates of the registrant, based on the last sale price of the registrant's Class A Common Stock at the close of business on August 20, 1999 was \$333,353,700.

There were 15,039,775 shares of Class A Common Stock, \$.01 per share par value, of the registrant outstanding as of August 20, 1999. There were 988,200 shares of Class B Common Stock of the registrant outstanding as of August 20, 1999.

This Report on Form 10-K/A filed with the Securities and Exchange Commission (the "Commission") by Casella Waste Systems, Inc., a Delaware corporation

(together with its subsidiaries, the "Company") is being filed to amend the Company's Annual Report on Form 10-K as filed with the Commission on July 29, 1999 to include the information required by Part III of Form 10-K in accordance with General Instruction G-3 of Form 10-K under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

PART III

ITEM 10: DIRECTORS, EXECUTIVE OFFICERS AND OTHER KEY EMPLOYEES OF THE REGISTRANT.

The directors, executive officers and other key employees of the Company, their positions, and their ages as of April 30, 1999 are as follows:

Name ----	Age ---	Position -----
<u>Executive Officers</u> -----		
John W. Casella (1)	48	President, Chief Executive Officer, Chairman of the Board of Directors and Secretary
Douglas R. Casella	43	Vice Chairman of the Board of Directors
James W. Bohlig	53	Senior Vice President and Chief Operating Officer, Director
Jerry S. Cifor	38	Vice President and Chief Financial Officer, Treasurer
<u>Other Key Employees</u> -----		
Michael P. Barrett	45	Vice President, Transportation, Liquid Waste and Recycling
Christopher M. DesRoches	41	Vice President, Sales and Marketing
Joseph S. Fusco	35	Vice President, Communications
James M. Hiltner	35	Regional Vice President
Michael Holmes	44	Regional Vice President
Larry B. Lackey	38	Vice President, Permits, Compliance and Engineering
Alan N. Sabino	39	Regional Vice President
Gary Simmons	49	Vice President, Fleet Management
<u>Non-employee Directors</u> -----		
Gregory B. Peters (1) (2) (3)	53	Director
John F. Chapple III (1) (2) (3)	58	Director

(1) Member of Compensation Committee

(2) Member of Stock Plan Subcommittee

(3) Member of Audit Committee

John W. Casella has served as President, Chief Executive Officer and Chairman of the Board of Directors of the Company since 1993, and has been Chairman of the Board of Directors of Casella Waste Management, Inc. since 1977. Mr. Casella has actively supervised all aspects of Company operations since 1976, sets overall corporate policies, and serves as chief strategic planner of corporate development. Mr. Casella is also an executive officer and director of Casella Construction, a company owned by Mr. Casella and Douglas R. Casella. See "Certain

Relationships and Related Transactions". Mr. Casella is the brother of Douglas R. Casella.

Douglas R. Casella founded the Company in 1975, and has been a director of the Company since that time. He has served as Vice Chairman of the Board of Directors of the Company since 1993 and has been President of Casella Waste Management, Inc. since 1975. Since 1989, Mr. Casella has been President of Casella Construction, a company owned by Mr. Casella and John W. Casella which specializes in general contracting, soil excavation and related heavy equipment work. See "Certain Relationships and Related Transactions". Mr. Casella is the brother of John W. Casella.

James W. Bohlig joined the Company as Senior Vice President and Chief Operating Officer in 1993 with primary responsibility for business development, acquisitions and operations. Mr. Bohlig has served as a director of the Company since 1993. From 1989 until he joined the Company, Mr. Bohlig was Executive Vice President and Chief Operating Officer of Russell Corporation, a general contractor and developer based in Rutland, Vermont. Mr. Bohlig is a director of Consumat Systems, Inc. a designer and manufacturer of incineration and pollution control equipment.

Jerry S. Cifor joined the Company as Chief Financial Officer in January 1994. From 1992 to 1993, Mr. Cifor was Vice President and Chief Financial Officer of Earthwatch Waste Systems, a waste management company based in Buffalo, New York. From 1986 to 1991, Mr. Cifor was employed by Waste Management of North America, Inc., a waste management company, in a number of financial and operational management positions. Mr. Cifor is a certified public accountant and was with KPMG Peat Marwick from 1983 until 1986. Mr. Cifor is a graduate of Hillsdale College with a Bachelor of Arts in Accounting.

Michael P. Barrett has served as Vice President, Transportation and Recycling of the Company since January 1997. From June 1991 to January 1997, Mr. Barrett served as the Company's Division Manager for Transfer Stations, Recycling and Rutland Hauling.

Christopher M. DesRoches has served as Vice President, Sales and Marketing of the Company since November 1996. From January 1989 to November 1996, he was a regional vice president of sales of Waste Management, Inc., a solid waste company. Mr. DesRoches is a graduate of Arizona State University.

Joseph S. Fusco has served as Vice President, Communications of the Company since January 1995. From January 1991 through January 1995, Mr. Fusco was self-employed as a corporate and political communications consultant. Mr. Fusco is a graduate of the State University of New York at Albany.

James M. Hiltner has served as Regional Vice President of the Company since March 1998. From 1990 to March 1998, Mr. Hiltner was employed by Waste Management, Inc. as a region president (July 1996 through March 1998), where his responsibilities included overseeing that company's waste management operations in upstate New York and northwestern Pennsylvania, a division president (from April 1992 through July 1996) and a general manager (from November 1990 through April 1992.)

Michael Holmes has served as a Regional Vice President of the Company since January 1997. From November 1995 to January 1997, Mr. Holmes was Vice President of Superior Disposal Services, Inc., which was acquired by the Company in January 1997. From November 1993 to November 1995, he was Superintendent of Recycling and Solid Waste for the town of Weston, Massachusetts Solid Waste Department where he managed all aspects of the town's recycling and solid waste services. From June 1983 to October 1992, he served as the Division Manager of all divisions in the Binghamton, N.Y. area and the Boston, Massachusetts area for Laidlaw Waste Services, Inc. Mr. Holmes is a graduate of Broome Community

College.

Larry B. Lackey joined the Company in 1993 and has served as Vice President, Permits, Compliance and Engineering since 1995. From 1984 to 1993, Mr. Lackey was an Associate Engineer for Dufresne-Henry, Inc., an engineering consulting firm. Mr. Lackey is a graduate of Vermont Technical College.

Alan N. Sabino has served as Regional Vice President of the Company since July 1996. From 1995 to July 1996, Mr. Sabino served as a Division President for Waste Management, Inc. From 1989 to 1994, he served as Region Operations Manager for Chambers Development Company, Inc., a waste management company. Mr. Sabino is a

graduate of Pennsylvania State University.

Gary Simmons joined the Company in May 1997 as Vice President, Fleet Management. From 1995 to May 1997, Mr. Simmons served as National and Regional Fleet Service Manager for USA Waste Services, Inc., a waste management company. From 1977 to 1995, Mr. Simmons served in various fleet maintenance and management positions for Chambers Development Company, Inc.

Gregory B. Peters has been a general partner of Vermont Venture Capital Partners, L.P., (a venture capital management company) the General Partner of The Vermont Venture Capital Fund, L.P.; a general partner of North Atlantic Capital Partners, L.P. (a venture capital management company), the General Partner of North Atlantic Venture Fund, L.P.; and a general partner of North Atlantic Investors (a venture capital management company), the General Partner of North Atlantic Venture Fund II L.P.

John F. Chapple III was President and owner of Catamount Waste Services, Inc., a central Vermont hauling and landfill operation from August 1989 to July 1994. Catamount Waste Services, Inc. was purchased by the Company in May 1994. Mr. Chapple has been retired since 1995.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires the Company's directors, executive officers and holders of more than 10% of the Company's Common Stock to file with the Commission initial reports of ownership and reports of changes in ownership of Common Stock and other equity securities of the Company. Such persons are required by regulations promulgated by the Commission to furnish the Company with copies of all Section 16(a) forms filed by such person with respect to the Company.

Based solely on its review of copies of reports filed by reporting persons pursuant to Section 16(a) of the Exchange Act of 1934, or written representations from reporting persons that no Form 5 filing was required for such person, Casella believes that, during fiscal 1999, all filings required to be made by reporting persons of Casella were timely made in accordance with the requirements of the Exchange Act other than the filing of a Form 4 by Mr. Robert G. Banfield, a vice president, which reported two late transactions; the filing of a Form 4 by Mr. Michael P. Barrett, a vice president, which reported five late transactions; the filing of a Form 4 by Mr. James W. Bohlig, senior vice president, chief operating officer and a director, which reported three late transactions; the filing of a Form 5 by Mr. Douglas R. Casella, a director, which reported two late transactions; the filing of a Form 4 and a Form 5 by Mr. John W. Casella, president, chief executive officer and a director, each of which reported two late transactions; the filing of a Form 4 by Mr. Christopher M. DesRoches, a vice president, which reported two late transactions; the filing of a Form 4 by Mr. Joseph S. Fusco, a vice president, which reported two late transactions; the filing of a Form 4 by Mr. Larry B. Lackey, a vice president, which reported five late transactions; and the filing of a Form 4 by Mr. Gregory B. Peters, a director, which reported two late transactions, all of which reports were filed late.

ITEM 11: EXECUTIVE COMPENSATION

SUMMARY COMPENSATION TABLE

The following table sets forth for each of the last two fiscal years the cash compensation paid and the shares underlying options granted to (i) the Company's Chief Executive Officer, and (ii) each of the other executive officers who received annual compensation in excess of \$100,000 during fiscal 1999 (collectively, the "Named Executive Officers").

LONG-TERM COMPENSATION

Name & Principal Position	Fiscal Year	ANNUAL COMPENSATION			AWARDS	
		Salary	Bonus	Other Annual Compensation	# Securities Underlying Options/SARs	All Other Compensation
John W. Casella President, Chief Executive Officer and Chairman	1999	\$162,157	\$ 60,000	\$1,638,575 (1)	90,000	\$500
	1998	\$156,965	\$ 50,000	\$ 14,279 (2)	0	\$500 (3)
	1997	\$136,141	\$ 45,000	\$ 22,755 (2)	20,000	\$985 (3)
James W. Bohlig Senior Vice President and Chief Operating Officer	1999	\$152,109	\$194,900	\$ 882,700 (1)	150,000	\$500 (3)
	1998	\$146,591	\$ 50,000	\$ 0	0	\$ 0
	1997	\$126,538	\$ 45,000	\$ 0	30,000	\$ 0
Jerry S. Cifor Vice President and Chief Financial Officer	1999	\$132,430	\$ 50,000	\$ 413,120 (1)	110,000	\$500 (3)
	1998	\$126,235	\$ 42,000	\$ 0	0	\$500 (3)
	1997	\$107,692	\$ 38,000	\$ 0	16,000	\$838 (3)

(1) Consists of the difference between the price paid by the named executive officer upon exercise of a stock option and the fair market value of the Class A common stock which he received on the date of exercise.

(2) Consists of life insurance premiums paid by the Company on behalf of the Named Executive Officer.

(3) Consists of amount paid by the Company to the Named Executive Officer's account in the Company's 401(k) plan.

STOCK OPTION GRANTS

The following table sets forth information for each of the Casella named executive officers with respect to the grant of stock options to purchase shares of Casella Class A common stock during fiscal 1999.

OPTION GRANTS IN LAST FISCAL YEAR

NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED (1)	PERCENT OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN FISCAL YEAR		EXERCISE OR BASE PRICE (2)	EXPIRATION DATE	POTENTIAL REALIZABLE VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR OPTION TERM (3)	
		5%	10%				
John W. Casella.....	90,000	8.0%	\$29.70	5/27/03	\$266,991	\$868,292	
James W. Bohlig.....	150,000	13.5	27.00	5/27/08	2,203,792	5,455,477	
Jerry S. Cifor.....	110,000	9.8	27.00	5/27/08	1,616,114	4,000,683	

(1) Each option is fully exercisable.

(2) Options were granted at the fair market value determined as of the date of the grant, based upon the last reported sale price of Casella Class A common stock on the Nasdaq National Market.

(3) Amounts reported in these columns represent amounts that may be realized

upon exercise of the options immediately prior to the expiration of their term assuming the specified compound rates of appreciation (5% and 10%) on the market value (110% of fair market value in the case of Mr. Casella) of Casella Class A common stock on the date of the option grant over the term of the options. These numbers are calculated based on rules promulgated by the SEC and do not reflect Casella's estimate of future stock price growth. Actual gains if any, on stock option exercise and Casella Class A common stock holdings are dependent on the timing of the exercise and the future performance of Casella Class A common stock. There can be no assurance that the rates of appreciation assumed in this table can be achieved or that the amounts reflected will be received by the individuals.

FISCAL YEAR-END OPTION VALUES

The following table sets forth information for each of the Named Executive Officers concerning options to purchase Class A Common Stock exercised by the Named Executive Officers during fiscal 1999 and the number and value of options outstanding as of fiscal year ended 1999.

Name	Shares Acquired on Exercise (#)	Value Realized (\$)(1)	Number of Shares Underlying Unexercised Options at April 30, 1999 (#)		Value of Unexercised In-the-Money Options at April 30, 1999 (\$)(2)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
John W. Casella President, Chief Executive Officer and Chairman	65,000	\$1,141,450	135,000	45,000	\$2,011,250	\$0
James W. Bohlig Senior Vice President and Chief Operating Officer	35,000	\$ 882,700	350,000	75,000	\$6,352,350	\$0
Jerry S. Cifor Vice President and Chief Financial Officer	65,344	\$ 318,176	101,656	55,000	\$ 989,088	\$0

(1) Based on the closing price of the Class A Common Stock as reported on the Nasdaq National Market on the date of exercise less the option exercise price.

(2) These values have been calculated on the basis of the last reported sale price of the Company's Class A Common Stock on the Nasdaq National Market as of April 30, 1999 of \$25.00 per share, less the aggregate exercise price.

COMPENSATION OF DIRECTORS

The Company reimburses non-employee directors for expenses incurred in attending Board of Directors meetings. Non-employee directors of the Company receive stock options under the Company's 1997 Non-Employee Director Stock Option Plan (the "Directors' Plan"). The Directors' Plan provides that each non-employee director will receive an automatic grant of a non-statutory stock option to purchase 5,000 shares of Class A Common Stock upon his or her initial election to the Board of Directors (vesting in three equal installments on each of the three anniversaries following the date of grant). In addition, an option to purchase 2,000 shares of Class A Common Stock will be granted to each incumbent non-employee director on the date of each annual meeting of stockholders, vesting in three equal annual installments beginning on the first anniversary of the date of grant. Options granted under the Directors' Plan expire ten years from the date of grant. The exercise price for options granted under the Directors' Plan is equal to the fair market value of a share of Class A Common Stock as of the date of grant. The Company has reserved a total of 50,000 shares of Class A Common Stock for issuance under the Directors' Plan, 46,000 of which were available for future grant as of August 21, 1999.

The Company has also entered into or engaged in certain transactions with directors of the Company or affiliates of directors of the Company. See Item 13,

"Certain Relationships and Related Transactions".

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The current members of the Compensation Committee of the Company's Board of Directors are Messrs. John W. Casella, Jeffrey Chapple and Gregory B. Peters. The current members of the Stock Plan Subcommittee of the Company's Board of Directors are Messrs. Chapple and Peters. Mr. Casella has served as President and Chief Executive Officer of the Company since 1993. Mr. Chapple was elected a member of the compensation committee following the end of fiscal 1999.

The Company has from time to time engaged Casella Construction, Inc., a company owned by John and Douglas Casella, to provide construction services for the Company, including construction, closure and capping activities at the Company's landfills. In fiscal 1999, the Company paid Casella Construction, Inc. \$5,198,000.

The Company is a party to two real estate leases with Casella Associates, a Vermont partnership owned by John and Douglas Casella, relating to facilities occupied by the Company. The leases, relating to the Company's corporate headquarters in Rutland, Vermont and its Montpelier, Vermont facility, call for aggregate monthly payments of approximately \$18,000 and expire in April 2003. These leases have been classified by the Company as capital leases for financial reporting purposes. In addition, the Company leases furniture and fixtures from Casella Associates pursuant to an operating lease which bears rent at \$950 per month and expires in 1999. In fiscal 1999, the Company paid Casella Associates an aggregate of \$237,101 for such leases. In November 1997, the lease relating to the Company's corporate headquarters in Rutland, Vermont was amended to allow the Company to upgrade and make capital improvements to the premises at an estimated cost of \$500,000 to be paid by the Company. Casella Associates was granted the option to purchase such capital improvements by December 31, 2002, and if it does not elect to exercise such option the Company has the right to purchase the premises for \$324,000, the fair market value of the premises prior to the capital improvements, at the expiration of the term of the lease.

The Company operated an unlined landfill located in Whitehall, New York owned by Bola, Inc., a corporation owned by John and Douglas Casella which operated as a single-purpose real estate holding company. The Company paid the cost of closing this landfill in 1992, and has agreed to pay all post-closure obligations. In fiscal 1999, the Company paid \$3,161 pursuant to this arrangement.

On or about October 30, 1997, Mr. Matthew M. Freeman commenced a civil lawsuit against the Company and Messrs. Bohlig and John Casella in the Rutland Superior Court, Rutland County, State of Vermont. In the complaint, Mr. Freeman seeks compensation for services allegedly performed by him prior to 1995. Mr. Freeman is seeking a three percent equity interest in the Company or the monetary equivalent thereof, as well as punitive damages. The Company and Messrs. Bohlig and Casella have answered the complaint, denied Mr. Freeman's allegations of wrongdoing, and asserted various defenses. In order to facilitate the completion of the Company's initial public offering, certain stockholders of the Company, including the two officers named as defendants, agreed to indemnify the Company for any settlement by the Company or any award against the Company in excess of \$350,000 (but not including legal fees paid by or on behalf of the Company or any other party). The Company has agreed to indemnify Messrs. Bohlig and Casella for legal fees incurred by them in connection with the lawsuit, plus settlements or awards up to \$350,000 in the aggregate.

ITEM 12: SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information, as of July 31, 1999, regarding the beneficial ownership of shares of the Company's Common Stock by (i) each person or entity known by the Company to own beneficially more than 5%

of the outstanding shares of Common Stock ("5% Stockholders"), (ii) each director

of the Company, (iii) the Named Executive Officers (as defined in the Summary Compensation Table above) and (iv) the directors and executive officers of the Company as a group.

Name of Beneficial Owner(1)	Class A Common Stock		Class B Common Stock		Voting Power
	Number	%	Number	%	
John W. Casella (2)	772,150	5.08%	494,100	50.0%	22.78%
Douglas R. Casella (3)	772,150	5.08%	494,100	50.0%	22.78%
James W. Bohlig (4)	550,000	3.60%			2.19%
Jerry S. Cifor (5)	224,656	1.48%			0.90%
Gregory B. Peters	19,684	0.13%			0.08%
John F. Chapple III	190,643	1.25%			0.76%
Weston Presidio Capital II LP (6)	775,370	5.10%			3.09%
J.W. Seligman & Co. Incorporated (7)	1,327,783	8.74%			5.29%
Warburg Pincus Asset Management, Inc. (8)	775,000	5.09%			3.09%
Directors and executive officers as a group (6 people) (9)	2,529,283	16.64%	988,200	100.0%	49.48%

(1) Beneficial ownership is determined in accordance with rules of the Commission, and includes generally voting power and/or investment power with respect to securities. Shares of Common Stock subject to options and/or warrants currently exercisable or exercisable within 60 days of July 31, 1999 ("Currently Exercisable Options") are deemed outstanding for computing the percentage beneficially owned by the person holding such options and/or warrants but are not deemed outstanding for purposes of computing the percentage beneficially owned by any other person. Except as indicated by footnote, the Company believes that the persons named in this table, based on information provided by such persons, have sole voting and investment power with respect to the shares of Common Stock indicated.

(2) Includes (a) 193,500 shares issuable on the exercise of options or warrants within 60 days of July 31, 1999 and (b) 4,800 shares of Class A Common Stock held in trust for the benefit of Mr. Casella's minor children. Mr. Casella disclaims beneficial ownership of such shares. Does not include shares of Class A Common Stock issuable at any time upon the conversion of Casella Class B Common Stock on a one-for-one basis. The address of Mr. Casella is c/o Casella Waste Systems, Inc., 25 Greens Hill Lane, Rutland, Vermont 05701.

(3) Includes (a) 193,500 shares issuable on the exercise of options or warrants within 60 days of July 31, 1999 and (b) 1,600 shares of Class A Common Stock held in trust for the benefit of Mr. Casella's minor children. Mr. Casella disclaims beneficial ownership of such shares. Does not include shares of Class A Common Stock issuable at any time upon the conversion of Casella Class B Common Stock on a one-for-one basis. The address of Mr. Casella is

c/o Casella Waste Systems, Inc., 25 Greens Hill Lane, Rutland, Vermont 05701.

(4) Includes (a) 280,000 shares issuable on the exercise of options or warrants within 60 days of July 31, 1999, and (b) 8,000 shares of Class A Common Stock held in trust for the benefit of Mr. Bohlig's minor children. Mr. Bohlig disclaims beneficial ownership of such shares.

(5) Includes 156,656 shares issuable on the exercise of options or warrants within 60 days of July 31, 1999.

(6) The address of Weston Presidio Capital II, L.P. is One Federal Street, Boston, MA 02110.

(7) Based on a Schedule 13G/A filed by J.W. Seligman & Co. with the SEC April 12, 1999. The address of J.W. Seligman & Co. is 100 Park Avenue, New York, NY 10017

(8) Based on a Schedule 13G filed by Warburg Pincus Asset Management, Inc. with the SEC on January 13, 1999. The address of Warburg Pincus Asset Management, Inc. is 466 Lexington Avenue, 10th floor, New York, NY 10017.

(9) Includes 823,656 shares issuable on the exercise of options or warrants within 60 days of July 31, 1999.

ITEM 13: CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company has from time to time engaged Casella Construction, Inc., a company owned by John and Douglas Casella, to provide construction services for the Company, including construction, closure and capping activities at the Company's landfills. In fiscal 1999, the Company paid Casella Construction, Inc. \$5,198,000.

The Company is party to two real estate leases with Casella Associates, a Vermont partnership owned by John and Douglas Casella, relating to facilities occupied by the Company. The leases, relating to the Company's corporate headquarters in Rutland, Vermont and its Montpelier, Vermont facility, call for aggregate monthly payments of approximately \$18,000 and expire in April 2003. These leases have been classified by the Company as capital leases for financial reporting purposes. In addition, the Company leases furniture and fixtures from Casella Associates pursuant to an operating lease which bears rent at \$950 per month and expires in 1999. In fiscal 1999, the Company paid Casella Associates an aggregate of \$237,101 for such leases. In November 1997, the lease relating to the Company's corporate headquarters in Rutland, Vermont was amended to allow the Company to upgrade and make capital improvements to the premises at an estimated cost of \$500,000, to be paid by the Company. Casella Associates was granted the option to purchase such capital improvements by December 31, 2002, and if it does not elect to exercise such option the Company has the right to purchase the premises for \$324,000, the fair market value of the premises prior to the capital improvements, at the expiration of the term of the lease.

The Company operated an unlined landfill located in Whitehall, New York owned by Bola, Inc., a corporation owned by John and Douglas Casella which operated as a single-purpose real estate holding company. The Company paid the cost of closing this landfill in 1992, and has agreed to pay all post-closure obligations. In fiscal 1999, the Company paid \$3,161 pursuant to this arrangement.

In connection with the settlement of certain litigation naming the Company, four

of its subsidiaries, Messrs. James W. Bohlig and John W. and Douglas R. Casella and one unrelated person as defendants, the Company paid an aggregate of \$450,000 plus approximately \$200,000 in legal expenses incurred by the defendants. The lawsuit was brought derivatively in the name of Meridian, a Vermont corporation which has been inactive since 1993, of which Messrs. Bohlig and John Casella were officers, directors and stockholders, as well as individually in the names of the plaintiffs, who were also stockholders of Meridian. In response to the lawsuit, in an effort to expedite adjudication, a majority of Meridian's directors, including Messrs. Bohlig and John Casella, voted to place Meridian into bankruptcy, and Meridian filed a petition under Chapter 7. The lawsuit was subsequently removed to the United States Bankruptcy Court for the District of Vermont. On July 14, 1997, the bankruptcy court approved the settlement. Messrs. Bohlig and John Casella were officers and directors of Meridian at the time Meridian filed the petition under Chapter 7.

On or about October 30, 1997, Mr. Matthew M. Freeman commenced a civil lawsuit against the Company and Messrs. James W. Bohlig and John W. Casella in the Rutland Superior Court, Rutland County, State of Vermont. In the complaint, Mr. Freeman seeks compensation for services allegedly performed by him prior to 1995. Mr.

Freeman is seeking a three percent equity interest in the Company or the monetary equivalent thereof, as well as punitive damages. The Company and Messrs. Bohlig and Casella have answered the complaint, denied Mr. Freeman's allegations of wrongdoing, and asserted various defenses. In order to facilitate the completion of the Company's initial public offering, certain stockholders of the Company, including the two officers named as defendants, agreed to indemnify the Company for any settlement by the Company or any award against the Company in excess of \$350,000 (but not including legal fees paid by or on behalf of the Company or any other party). The Company has agreed to indemnify Messrs. Bohlig and Casella for legal fees incurred by them in connection with the lawsuit, plus settlements or awards up to \$350,000 in the aggregate.

In connection with and at the time of the Company's acquisition of the business of Catamount Waste Services, Inc., the Company entered into a lease in June 1994 with CV Landfill, Inc., a Vermont corporation affiliated with Catamount Waste Services, Inc., pursuant to which the Company agreed to lease a transfer station for a term of 10 years. CV Landfill, Inc. is owned by John F. Chapple III, who became a director of the Company at the time of the acquisition of the business of Catamount Waste Services, Inc. Pursuant to the lease agreement, the Company pays monthly rent for the first five years at a rate of \$5.00 per ton of waste disposed of at the transfer station, with a minimum rent of \$6,650 per month. Following the fifth anniversary of the lease agreement, the Company is required to pay monthly rent at a rate of \$2.00 per ton, with a minimum rent of \$2,500 per month. In fiscal 1999, the Company paid CV Landfill, Inc. \$116,116.

ADDITIONAL INFORMATION

The Company is subject to the informational requirements of the Exchange Act, and in accordance therewith files reports, proxy statements, and other information with the Commission. Such reports, proxy statements, and other information may be inspected and copied at the offices of the Commission, Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and the following Regional Offices of the Commission: Northwest Atrium Center, 5000 West Madison Street, Suite 1400, Chicago, Illinois 60661; and 7 World Trade Center, Suite 1300, New York, New York 10048. Copies of such materials may be obtained from the Public Reference Section of the Commission at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. The Commission maintains a web site that contains reports, proxy statements, and other information regarding registrants that are filed electronically with the Commission, and the address of such site is (<http://www.sec.gov>).

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, thereunto duly authorized.

CASELLA WASTE SYSTEMS, INC.

By: /s/ John W. Casella

John W. Casella

Date: August 30, 1999