

ECOLOGY & ENVIRONMENT INC
Form 10-K/A
December 20, 2006

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-K/A

Annual report pursuant to Section 13 or 15(d)
p of the Securities Exchange Act of 1934
For the fiscal year ended July 31, 2006

Transition report pursuant to Section 13 or
o 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to

Commission File Number 1-9065

ECOLOGY AND ENVIRONMENT, INC.

(Exact name of registrant as specified in its charter)

New York

(State or other jurisdiction of incorporation or organization)

16-0971022

(IRS Employer Identification Number)

368 Pleasant View Drive, Lancaster, NY

(Address of principal executive offices)

14086-1397

(Zip code)

716/684-8060

(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Class A Common Stock par value \$.01 per share	American Stock Exchange

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

None
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes o No p

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Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark 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 for 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 registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendments to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer (as defined in Exchange Act Rule 12b-2). (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

The aggregate market value of the Class A Common Stock held by non-affiliates as of January 28, 2006 (the last business day of the registrant's most recently completed second fiscal quarter) was \$21,776,209. This amount is based on the closing price of the registrant's Class A Common Stock on the American Stock Exchange for that date. Shares of Class A Common Stock held by the executive officers and directors of the registrant and by the registrant's Defined Contribution Plan are not included in this computation.

As of September 30, 2006, 2,427,463 shares of the registrant's Class A Common Stock, \$.01 par value (the "Class A Common Stock") were outstanding, and 1,623,914 shares of the registrant's Class B Common Stock, \$.01 par value ("Class B Common Stock") were outstanding.

EXPLANATION OF FIRST AMENDMENT

The Registrant, Ecology and Environment, Inc., (the "Company" or "EEI"), filed a Form 10-K on October 30, 2006 with the Securities and Exchange Commission, (the "SEC"). Item 11, Executive Compensation, of that form is hereby amended as shown in this First Amendment. All other items remain unchanged from the previously filed Form 10-K. In addition, in connection with the filing of this First Amendment, and pursuant to the rules of the Securities and Exchange Commission, the Registrant is including with this First Amendment certain currently dated certifications.

Item 11. Executive Compensation

There is shown below information concerning the annual and long-term compensation for services in all capacities to the Company for the fiscal years ended July 31, 2004, 2005 and 2006 of those persons who were at July 31, 2006 (i) the chief executive officer and (ii) the four other most highly compensated executive officers with annual salary and bonus for the fiscal year ended July 31, 2006 in excess of \$100,000. In this report, the five persons named in the table below are referred to as the "Named Executives."

SUMMARY COMPENSATION TABLE

Name and Principal Position	Fiscal Year	Annual Compensation			Long-Term Compensation			
		Salary	Bonus (1)	Other	Incentive Options (Shares)	Stock Restricted Awards (3)	Long-Term Compensation Payouts	All Other (2)
Gerhard J. Neumaier President and Director	2006	\$290,289	\$45,000	-0-	-0-	-0-	-0-	\$18,164
	2005	\$286,847	\$-0-	-0-	-0-	-0-	-0-	\$14,962
	2004	\$278,897	\$30,000	-0-	-0-	-0-	-0-	\$16,035
Frank B. Silvestro Executive Vice President and Director	2006	\$261,526	\$45,000	-0-	-0-	-0-	-0-	\$16,712
	2005	\$261,436	\$-0-	-0-	-0-	-0-	-0-	\$13,638
	2004	\$253,730	\$30,000	-0-	-0-	-0-	-0-	\$14,724
Ronald L. Frank Executive Vice President	2006	\$211,658	\$45,000	-0-	-0-	-0-	-0-	\$14,218
	2005	\$247,359	\$-0-	-0-	-0-	-0-	-0-	\$12,934
	2004	\$253,730	\$30,000	-0-	-0-	-0-	-0-	\$14,724

of Finance,
Secretary,
Treasurer, and
Director

Gerald A. Strobel	2006	\$264,573	\$45,000	-0-	-0-	-0-	-0-	\$16,864
Executive Vice President	2005	\$261,436	\$-0-	-0-	-0-	-0-	-0-	\$13,638
of Technical Services and Director	2004	\$253,730	\$30,000	-0-	-0-	-0-	-0-	\$14,724
Laurence M. Brickman	2006	\$164,474	\$21,000	-0-	-0-	-0-	-0-	\$10,085
Senior Vice President	2005	\$162,524	\$-0-	-0-	-0-	-0-	-0-	\$8,478
	2004	\$158,366	\$12,000	-0-	-0-	\$8,000	-0-	\$8,845

- (1) Amounts earned for bonus compensation determined by the Board of Directors.
- (2) Represents group term life insurance premiums, contributions made by the Company to its Defined Contribution Plan and Defined Contribution Plan SERP accruals on behalf of each of the Named Executives.
- (3) As of July 31, 2006, there were 884 shares of the Company's Class A Common Stock which was restricted stock issued pursuant to the Company's Stock Award Plan issued to Laurence Brickman having a value of \$8,901.

None of the Company's executive officers have employment agreements. Directors, who are not employees of the Company, are paid an annual fee of \$29,898 payable quarterly.

Compensation Pursuant to Plans

- *Defined Contribution Plan.* The Company maintains a Defined Contribution Plan ("the DC Plan") which is qualified under the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code") pursuant to which the Company contributes an amount not in excess of 15% of the aggregate compensation of all employees who participate in the DC Plan. All employees, including the executive officers identified under "Executive Compensation", are eligible to participate in the plan, provided that they have attained age 21 and completed one year of employment with at least 1,000 hours of service. The amounts contributed to the plan by the Company are allocated to participants based on a ratio of each participant's points to total points of all participants determined as follows: one point per \$1,000 of compensation plus two points per year of service completed prior to August 1, 1979, and one point for each year of service completed after August 1, 1979.
- *Supplemental Retirement Plan.* In April 1994, the Board of Directors of the Company, in response to changes in the tax code, voted to establish a Supplemental Executive Retirement Plan ("SERP") for purposes of providing retirement benefits to employees including officers of the Company whose retirement benefits under the DC Plan are reduced as a result of the compensation limitation imposed by the tax code change. This plan is a non-qualified plan which provides benefits that would have been lost from the DC Plan due to the imposition of the compensation restriction. As of July 31, 2006, the SERP plan was terminated by the Company. All existing balances will be paid out during the first quarter of fiscal year 2007.

· *Stock Award Plan.*

Effective March 16, 1998, the Company adopted the Ecology and Environment, Inc. 1998 Stock Award Plan (the "1998 Plan"). To supplement the 1998 Plan the 2003 Stock Award Plan (the "2003 Plan") was approved by the shareholders at the annual meeting held in January 2004 (the 1998 Plan and the 2003 Plan collectively referred to as the "Award Plan"). The 2003 Plan was approved retroactive to October 16, 2003 and will terminate on October 15, 2008. Under the Award Plan key employees (including officers) of the Company or any of its present or future subsidiaries may be designated to receive awards of Class A common stock of the Company as a bonus for services rendered to the Company or its subsidiaries, without payment therefore, based upon the fair market value of the common stock at the time of the award. The Award Plan authorizes the Company's board of directors to determine for what period of time and under what circumstances awards can be forfeited.

The Award Plan is not a qualified plan under Section 401(a) of the Internal Revenue Code. The plan permits grants of the award for a period of five (5) years from the date of adoption. As of July 31, 2006, 164,720 shares of Class A common stock have been issued under the 1998 Plan and awards for 72,130 shares of Class A common stock had been granted which had not been forfeited.

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Ecology and Environment, Inc. has duly caused this First Amendment to its Annual Report to be signed on its behalf by the undersigned hereunto duly authorized:

ECOLOGY AND ENVIRONMENT, INC.

Dated: December 20, 2006

/s/ GERHARD J. NEUMAIER
GERHARD J. NEUMAIER, PRESIDENT