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

FORM 8-K/A  
(Amendment No. 1 to Form 8-K filed May 22, 1996)

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 7, 1996

USA WASTE SERVICES, INC.  
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE (STATE OR OTHER JURISDICTION OF INCORPORATION)	1-12154 (COMMISSION FILE NUMBER)	73-1309529 (I.R.S. EMPLOYER IDENTIFICATION NO.)
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5400 LBJ FREEWAY SUITE 300 - TOWER ONE DALLAS, TEXAS (ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	75240 (ZIP CODE)
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REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (214) 383-7900

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## ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

## (a) Financial Statements of Businesses Acquired.

The following financial statements of Western Waste Industries ("Western") are incorporated by reference herein: the audited consolidated balance sheets as of June 30, 1994 and 1995, and the related consolidated statements of operations, shareholders' equity and cash flows for each of the three years in the period ended June 30, 1995, together with the notes thereto and the report of independent auditors dated August 25, 1995, except for Note 8 as to which the date is September 12, 1995, all of which were included in USA Waste Services, Inc.'s Current Report on Form 8-K filed with the Securities and Exchange Commission on January 9, 1996.

The following financial statements of Western are included herein: the unaudited condensed consolidated balance sheets as of June 30, 1995 and March 31, 1996 and the related unaudited condensed consolidated statements of income and cash flows for the nine months ended March 31, 1995 and 1996 with the notes thereto.

## WESTERN WASTE INDUSTRIES

CONDENSED CONSOLIDATED BALANCE SHEETS  
(dollars in thousands)  
(Unaudited)

	June 30, 1995	March 31, 1996
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ASSETS		
Current assets:		
Cash and short-term investments	\$ 6,484	\$ 9,718
Receivables, less allowance of \$1,738 in June 1995 and \$2,094 in March 1996	29,596	28,137
Supplies	3,320	3,640
Deferred income tax benefit	4,101	4,501
Prepayments and other	3,961	5,207
	-----	-----
Total current assets	47,462	51,203
Property and equipment, net	196,972	210,190
Purchased routes, net	7,340	6,098
Goodwill, net	19,994	19,472
Other assets	21,605	18,501
	-----	-----
	\$293,373	\$305,464
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current instalments of long-term debt	\$ 1,308	\$ 1,253
Accounts payable	9,159	8,730
Accrued payroll and related costs	3,885	3,102
Other current liabilities	17,822	15,240
	-----	-----
Total current liabilities	32,174	28,325
Long-term debt, excluding current instalments	78,882	75,139
Other liabilities	18,400	18,920
Deferred income taxes	3,696	3,270
Commitments and contingencies	-	-
Shareholders' equity:		
Preferred stock, no par value; 2,000,000 shares authorized; none issued or outstanding	-	-
Common stock, no par value; 50,000,000 shares authorized; issued and outstanding 14,612,599 and 14,932,512 shares respectively	79,614	86,343
Retained earnings	80,607	93,467
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Total shareholders' equity	160,221	179,810
	-----	-----
	\$293,373	\$305,464
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The accompanying notes are an integral part of these condensed consolidated financial statements.

## WESTERN WASTE INDUSTRIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(In Thousands Except Share Data)  
(Unaudited)

	Nine Months Ended March 31,	
	1995	1996
Revenue	\$202,456	\$206,219
Costs and expenses:		
Operating	146,584	151,605
Selling, general and administrative	29,154	30,258
Total costs and expenses	175,738	181,863
Income from operations	26,718	24,356
Nonoperating income (expense):		
Interest expense	(4,014)	( 3,086)
Other	( 67)	788
	(4,081)	( 2,298)
Income before income taxes	22,637	22,058
Income taxes	10,073	9,198
Net Income	\$ 12,564	\$ 12,860
Primary earnings per common share:	\$ .81	\$ .79
Fully diluted earnings per common share:	\$ .81	\$ .76

The accompanying notes are an integral part of these condensed consolidated financial statements.

## WESTERN WASTE INDUSTRIES

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands)

(Unaudited)

	Nine Months Ended March 31,	
	1995	1996
Cash flows from operating activities:		
Net cash provided by operating activities	30,747	28,367
Cash flows from investing activities:		
Purchases of property and equipment	(28,252)	(31,669)
Proceeds from disposition of assets	825	691
Net cash used in investing activities	(27,427)	(30,978)
Cash flows from financing activities:		
Proceeds from borrowings	13,933	7,567
Principal payments on borrowings	(23,217)	(6,037)
Proceeds from issuance of stock	1,866	4,315
Net cash provided by (used) by financing activities	(7,418)	5,845
Increase (decrease) in cash and short-term investments	(4,098)	3,234
Cash and short-term investments at beginning of period	9,935	6,484
Cash and short-term investments at end of period	\$ 5,837	\$ 9,718

The accompanying notes are an integral part of these condensed consolidated financial statements.

## WESTERN WASTE INDUSTRIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)

## NOTE 1 - Basis of presentation:

The accompanying unaudited condensed consolidated financial statements of Western Waste Industries ("Western") have been prepared in accordance with generally accepted accounting principles for interim financial information and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All adjustments made to the interim financial statements were of a normal recurring nature. The financial statements included herein should be read in connection with Western's Consolidated Financial Statements and related footnotes thereto included in Western's Annual Report on Form 10-K for the year ended June 30, 1995.

Certain reclassifications have been made in prior year financial statements to conform to the current year presentation.

## NOTE 2 - Merger with USA Waste Services, Inc.:

On May 7, 1996, USA Waste Services, Inc. ("USA Waste") consummated an Agreement and Plan of Merger (the "Merger Agreement") to acquire Western through a merger transaction accounted for as a pooling of interests. Under the terms of the Merger Agreement, USA Waste issued 1.5 shares of its Common Stock for each share of Western's outstanding common stock. The merger resulted in Western becoming a wholly owned subsidiary of USA Waste.

## NOTE 3 - Earnings per share:

Primary and fully diluted earnings per share are computed on the basis of the weighted average number of shares outstanding plus the common stock equivalents which would arise from the exercise of stock options using the treasury stock method.

The average number of shares (in thousands) used for primary and fully diluted calculations were as follows:

	Primary -----	Fully Diluted -----
Nine months ended March 31,		
1995	15,520	16,258
1996	15,520	16,949

## NOTE 4 - Long-term debt:

Long-term debt, which approximates market value, consists of the following:

	June 30, 1995	March 31, 1996
	-----	-----
	(dollars in thousands)	
Notes payable to banks, unsecured	\$44,000	\$41,000
Solid Waste Disposal Revenue Bonds, Series 1994A	24,000	24,000
Solid Waste Disposal Revenue Bonds	8,200	8,200
Pollution Control Revenue Bonds	1,133	891
Other notes payable, secured and unsecured	2,857	2,301
	-----	-----
Total long-term debt	80,190	76,392
Less current instalments	1,308	1,253
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Long-term debt, excluding current instalments	\$78,882	\$75,139
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Western's revolving line of credit (the "Agreement"), which currently matures on June 1, 1997, permits borrowings up to \$100,000,000. At Western's option, borrowings under the Agreement bear interest at the bank's prime rate and/or at the London Interbank Offered Rate (LIBOR) plus .75 to 2.0 per cent, depending upon certain ratios. The Agreement has a \$16.5 million quarterly commitment reduction which commenced March 1, 1996. Under the terms of the Agreement, Western is subject to various debt covenants including maintenance of certain financial ratios, and in addition, it limits the amount of cash dividends.

On May 8, 1996, in connection with the merger with USA Waste Services, Inc., Western's revolving line of credit was paid in full by USA Waste; therefore, all outstanding balances as of that date were classified as long-term.

## Note 5 - Commitments and Contingencies:

Environmental matters -- Western strives to conduct its operations in compliance with applicable laws and regulations, including environmental rules and regulations, and has as its goal 100% compliance. However, in the normal course of doing business, companies in the waste disposal industry, including Western, may be faced with governmental enforcement proceedings and resulting fines or other sanctions as a result of which such companies, including Western, may be required to pay civil penalties or to expend funds for remedial work on waste disposal sites. Western is not aware of any instances of non-compliance with applicable laws and regulations that would have a materially adverse effect upon the consolidated financial position or results of operations of Western.

Legal matters -- Western was served on October 13, 1993 with a class action lawsuit. The complaint alleged that Western violated federal securities laws with regard to certain disclosures and representations made by Western and certain alleged omissions on the part of Western in connection with merger negotiations between Western and Browning-Ferris Industries ("BFI"). The plaintiffs allege that they and all other persons or entities that bought the stock of Western during the period of September 2, 1993 through October 7, 1993 suffered damages as a result of changes in the market price of Western's common stock. Western has recently settled this matter for an amount equal to plaintiffs' costs incurred to date in the lawsuit and within amounts previously accrued by Western.

Western was served on August 9, 1994 with a complaint filed by certain refuse haulers in San Bernardino County alleging that Western violated certain California Business and Professions Code Sections and also intentionally interfered with existing and prospective economic relations. The complaint alleges that Western does not hold a validly issued permit to operate within a certain geographic area in the County of San Bernardino and that Western has engaged in a course of conduct of predatory pricing. The complaint also alleges that Western has violated a San Bernardino County ordinance by engaging in discriminatory and non-uniform pricing of its refuse hauling services. In addition to the injunction, the complaint prays for three times the actual damages incurred by plaintiffs, punitive and exemplary damages in the amount to be proven at the time of trial, reasonable attorneys' fees and costs of suit. Western believes it has valid defenses to the allegations and intends to vigorously defend the suit. Western has filed a cross-complaint against the plaintiffs for engaging in improper pricing activities.

In or about August 1994, a case was filed in the United States District Court for the Western District of Arkansas. This is an action originally filed by seven landowners who live near a landfill operated by Western in Miller County, Arkansas. The landowners allege that Western unlawfully received hazardous waste and that the pollutants from the waste received by Western had contaminated their property or threatened to contaminate their property in the future. The landowners seek an unspecified amount of damages based on the contamination or threat of contamination. In addition, the landowners seek to recover damages based on the devaluation of their property due to the "stigma" of being located near a disposal site for hazardous waste. In addition, the landowners also seek to recover damages based upon their fear of developing adverse health effects. In July 1995, 135 additional plaintiffs intervened and asserted claims similar to those raised by the original plaintiffs. Western and the other defendants have denied that any unlawful disposal of waste took place at the landfill. In or about June 1995, a case was filed by eight land owners who own property along a creek downstream from Western's Miller County landfill. Plaintiffs allege that their property has been contaminated by releases of hazardous substances from the landfill and other hazardous substance disposal sites operated by the other defendants. Western believes it has valid defenses to the allegations and is vigorously defending the action.

In late December 1994, a lawsuit was filed in Los Angeles County Superior Court by 24 plaintiffs. Western is among 19 named defendants. The complaint asserts causes of action for nuisance and trespass seeking damages for personal injuries and property damage. The complaint alleges that Western owns a parcel of property, acquired from Cadillac Fairview/California located in Torrance, California. The complaint alleges that Montrose Chemical Corporation and others manufactured DDT on property at



or adjacent to the property owned by Western. The plaintiffs further allege that contaminants from this property escaped to plaintiff's property, injured plaintiff and damaged the value of plaintiff's property. On June 29, 1995, this case was removed to the United States District Court. Western has filed an answer denying any liability. Western believes it has valid defenses to the allegations and intends to vigorously contest the case and is contemplating filing a cross-complaint once its investigation of the facts is completed.

On or about February 2, 1995, a complaint was filed in a taxpayer lawsuit. The complaint did not name Western as a defendant. The plaintiffs allege that the County and the other defendants, in connection with a contract with Western, regarding the operation and management of the El Sobrante Landfill (the "Landfill") located within the County (the "Agreement"), engaged in various improper actions, including the unlawful sale of public property, wasting public funds, and making an unconstitutional gift of public property and funds. The complaint seeks an order voiding the Agreement and an injunction ordering the defendants to pay to the County allegedly unlawful revenues earned from the Landfill, to cease further dumping at the Landfill of out-of-County waste, return of alleged windfall profits and limiting dumping fees charged to County residents. The complaint also seeks general damages of \$10,000,000 and special and punitive damages, attorneys' fees and costs. Western believes the taxpayer suit is based upon erroneous assumptions and that there are valid defenses available to the County to each of the claims asserted in the complaint. Western has now filed a motion to intervene in the litigation and will thereafter become a party to the lawsuit.

Based in part on various newspaper articles, Western has reason to believe that it, either alone or with others engaged in the solid waste industry, may be a subject of an investigation by the United States government relating to political corruption. Western has not, however, been charged with any wrongdoing and does not know whether such an investigation is, in fact, ongoing. Western has not been advised by the government that it is a target of any such investigation. In fact, upon written inquiry under the Freedom of Information Act, Western was advised that there were no records of any such investigations.

In addition to the above, there are a number of claims and suits pending against Western for alleged damages to persons and property, alleged violation of certain laws and for alleged liabilities arising out of matters occurring during the normal operation of the waste management business. In the opinion of management, the uninsured liability, if any, under the aforementioned claims and suits would not materially affect the financial position or results of operations of Western.

Insurance -- Western has a risk management program whereby it retains the liability, subject to maximum limits, for auto, general liability, employee health and welfare benefits and workers' compensation. Western carries insurance coverage which management considers sufficient to protect the assets and operations of Western, including excess umbrella and special hazardous waste transportation coverage.

Management believes the self insured loss reserves of Western are adequate. Western establishes reserves to cover its estimated liabilities for unpaid loss and loss adjustment expenses related to claims reported before the balance sheet date, claims incurred but not yet reported, and the expenses of investigating and adjusting all claims incurred prior to the balance sheet date. All estimated liabilities are net of estimated salvage and subrogation recoveries and net of insurance coverage above self-insurance retention levels.

Western establishes self insured loss reserves based on estimates of the ultimate cost of claims (including loss adjustment expenses) which have been reported but not fully paid, and of claims which have been incurred but not yet reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Actual claim costs are dependent upon such complex factors as inflation, changes in the doctrines of legal liability and size of damage awards. Because of the variables

involved, the reserving process results in an estimate rather than an exact calculation of liabilities.

Liabilities for self insured losses, including loss adjustment expenses, are revalued periodically using a variety of actuarial and statistical techniques for producing current estimates of expected claim costs. Claim frequency and severity and other social and economic factors are considered in the valuation process. A provision for inflation in the calculation of future claim costs is implicit since reliance is placed on both actual historical data which reflect past inflation and on factors which are judged to be appropriate additions to or modifiers of past experience such as industry experience. Adjustments to previously estimated liabilities in connection with establishing self-insurance reserves are reflected in current operating results in the period in which they are determined.

## (b) Pro Forma Financial Information.

The following pro forma financial statements of USA Waste and Western are incorporated by reference herein: (i) the combined historical unaudited pro forma condensed balance sheet as of December 31, 1995; and (ii) the combined historical unaudited pro forma statements of operations for each of the three years in the period ended December 31, 1995, together with the notes thereto, all of which were filed as part of USA Waste's Registration Statement on Form S-4 (Registration No. 333-02181). In addition, the following pro forma financial statements of USA Waste and Western are also incorporated by reference herein: (iii) the unaudited supplemental condensed consolidated balance sheet as of March 31, 1996; and (iv) the unaudited supplemental condensed consolidated statements of operations for the three months ended March 31, 1995 and 1996, all of which were included in USA Waste's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1996, filed with the Securities and Exchange Commission on May 14, 1996.

## (c) Exhibits.

Exhibit Number	Description
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2.1	Agreement and Plan of Merger, dated as of December 18, 1995, by and among USA Waste Services, Inc., Riviera Acquisition Corporation and Western Waste Industries (included as Appendix A in Registration Statement on Form S-4 (Registration No. 333-02181) and incorporated herein by reference).
* 2.2	Amendment No. 1 to Agreement and Plan of Merger, dated May 1, 1996, by and among USA Waste Services, Inc., Riviera Acquisition Corporation and Western Waste Industries.
* 10.1	Revolving Credit Agreement by and among USA Waste Services, Inc., The First National Bank of Boston, Bank of America Illinois, Morgan Guaranty Trust Company of New York and other financial institutions, dated as of May 7, 1996.
**23.1	Consent of Ernst & Young LLP.
* 99.1	Press Release, dated May 7, 1996, relating to closing of the Merger and new revolving credit agreement.

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 \* Previously filed.

\*\* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Current Report to be signed on its behalf by the undersigned, thereunto duly authorized.

USA WASTE SERVICES, INC.

Dated: May 28, 1996

By: /s/ BRUCE E. SNYDER

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Bruce E. Snyder  
Vice President - Controller,  
Chief Accounting Officer

## EXHIBIT INDEX

Exhibit No. -----	Description -----	Sequentially Numbered Page -----
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*2.2	Amendment No. 1 to Agreement and Plan of Merger, dated May 1, 1996, by and among USA Waste Services, Inc., Riviera Acquisition Corporation and Western Waste Industries.	
*10.1	Revolving Credit Agreement by and among USA Waste Services, Inc., The First National Bank of Boston, Bank of America Illinois, Morgan Guaranty Trust Company of New York and other financial institutions, dated as of May 7, 1996.	
**23.1	Consent of Ernst & Young LLP.	
*99.1	Press Release, dated May 7, 1996, relating to closing of the Merger and new revolving credit agreement.	

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\* Previously filed.

\*\*Filed herewith.

## CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statements (Form S-3, No. 33-42988, No. 33-43809, No. 33-76226, No. 33-85018, and No. 333-00097) of USA Waste Services, Inc. and the related Prospectuses, and in the Registration Statements (Form S-4, No. 33-60103, No. 33-63981, and No. 333-02181) of USA Waste Services, Inc., and the related Prospectuses, and in the Registration Statements (Form S-8, No. 33-43619, No. 33-72436, No. 33-84990, No. 33- 84988, No. 33-5907, and No. 33-61623) of USA Waste Services, Inc., and the related Prospectuses of our report, dated August 25, 1995 (except Note 8, as to which the date is September 12, 1995), with respect to the consolidated financial statements of Western Waste Industries for the year ended June 30, 1995, incorporated by reference in this Current Report on Form 8-K/A, dated May 28, 1996.

ERNST & YOUNG LLP

Long Beach, California  
May 28, 1996