

Meridian Waste Solutions, Inc.  
Form 10-K  
April 14, 2016

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

FORM 10-K

☐ ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: December 31, 2015

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 001-13984

MERIDIAN WASTE SOLUTIONS, INC.  
(Exact name of registrant as specified in its charter)

New York	13-3832215
(State or other	(I.R.S. Employer
jurisdiction of	Identification No.)
incorporation or	
organization)	

12540 Broadwell Road, Suite 2104  
Milton, GA30004  
(Address of principal executive offices)

(678) 871-7457  
(Issuer's telephone number, including area code)

Securities registered under Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, par value \$0.025 per share  
(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 ☐ No ☒

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

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required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by checkmark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). 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 amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	<input type="checkbox"/>	Non-accelerated filer	<input type="checkbox"/>
Accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

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 registrant's voting and non-voting common equity held by non-affiliates (as defined by Rule 12b-2 of the Exchange Act) computed by reference to the average bid and asked price of such common equity on June 30, 2015, was \$4,884,005. As of April 14, 2016, the registrant has one class of common equity, and the number of shares issued and outstanding of such common equity was 23,197,223.

Documents Incorporated By Reference: None.

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MERIDIAN WASTE SOLUTIONS, INC.  
ANNUAL REPORT ON FORM 10-K  
YEAR ENDED DECEMBER 31, 2015  
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## PART I

### FORWARD LOOKING STATEMENTS

Except for historical information, this document contains various “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These forward-looking statements involve risks and uncertainties, including, among other things, statements regarding our revenue mix, anticipated costs and expenses, development, relationships with strategic partners and other factors discussed under “Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”. These forward-looking statements may include declarations regarding our belief or current expectations of management, such as statements indicating that “we expect,” “we anticipate,” “we intend,” “we believe,” and similar language. We caution that any forward-looking statement made by us in this Form 10-K or in other announcements made by us are further qualified by important factors that could cause actual results to differ materially from those projected in the forward-looking statements, including without limitation the risk factors set forth in this Form 10-K beginning on page 12.

#### Item 1. Business

On October 17, 2014, Meridian Waste Solutions, Inc. (formerly known as Brooklyn Cheesecake & Desserts Company, Inc.) (the “Company”) entered into that certain Membership Interest Purchase Agreement (the “Purchase Agreement”) by and among Here to Serve Holding Corp., a Delaware corporation, as seller (“Here to Serve”), the Company, as parent, Brooklyn Cheesecake & Dessert Acquisition Corp., a wholly-owned subsidiary of the Company, as buyer (the “Acquisition Corp.”), the Chief Executive Officer of the Company (the “Company Executive”), the majority shareholder of the Company (the “Company Majority Shareholder”) and certain shareholders of Here to Serve (the “Here to Serve Shareholders”), pursuant to which the Acquisition Corp acquired from Here to Serve all of Here to Serve’s right, title and interest in and to (i) 100% of the membership interests of Here to Serve – Missouri Waste Division, LLC d/b/a Meridian Waste, a Missouri limited liability company (“HTS Waste”); (ii) 100% of the membership interests of Here to Serve Technology, LLC, a Georgia limited liability company (“HTS Tech”); and (iii) 100% of the membership interests of Here to Serve – Georgia Waste Division, LLC, a Georgia limited liability company (“HTS Waste Georgia”, and together with HTS Waste and HTS Tech, collectively, the “Membership Interests”). As consideration for the Membership Interests, on October 31, 2014 (the “Closing Date”) (i) the Company issued to Here to Serve 9,054,134 shares of the Company’s common stock (the “Common Stock”); (ii) the Company issued to the holder of Class A Preferred Stock of Here to Serve (“Here to Serve’s Class A Preferred Stock”) 51 shares of the Company’s to-be-designated Class A Preferred Stock (the “Class A Preferred Stock”), which Class A Preferred Stock shall have the rights and preferences as described in the Purchase Agreement; (iii) the Company issued to the holder of Class B Preferred Stock of Here to Serve (Here to Serve’s Class B Preferred Stock”) an aggregate of 71,120 shares of the Company’s to-be-designated Class B Preferred Stock (the “Class B Preferred Stock”), which Class B Preferred Stock shall have the rights and preferences as described in the Purchase Agreement (the Common Stock, the Class A Preferred Stock and the Class B Preferred Stock are referred to as the “Purchase Price Shares;”), and (iv) the Company shall assume certain assumed liabilities (the “Initial Consideration”).

As further consideration, on the Closing Date of the transaction contemplated under the Purchase Agreement, (i) in satisfaction of all accounts payable and shareholder loans, Here to Serve paid to the Company Majority Shareholder \$70,000 and (ii) Here to Serve purchased from the Company Majority Shareholder 230,000 shares of the Company’s common stock for a purchase price of \$230,000. Pursuant to the Purchase Agreement, to the extent Purchase Price Shares are issued to individual shareholders of Here to Serve at or upon closing of the Purchase Agreement: (i) shares of common stock of Here to Serve held by the individuals listed on Schedule 2.2 of the Purchase Agreement valued at \$2,564,374.95 will be cancelled in accordance with such Schedule 2.2; (ii) 1,000,000 shares of Here to Serve’s Class A Preferred Stock valued at \$1,000 will be cancelled; and (iii) 71,120 shares of Here to Serve’s Class B Preferred Stock

valued at \$7,121,000 will be cancelled (the “Additional Consideration”).

The closing of the Purchase Agreement resulted in a change of control of the Company.

The description of the Purchase Agreement set forth above is qualified in its entirety by reference to the full text of such Purchase Agreement filed on October 22, 2014 as Exhibit 10.1 to the Current Report on Form 8-K and is incorporated herein by reference.

On March 27, 2015, the Company filed a Certificate of Amendment of the Certificate of Incorporation to change the name of the Company from Brooklyn Cheesecake & Desserts Company, Inc. to Meridian Waste Solutions, Inc. (the “Name Change”). On April 15, 2015, the Company received approval from FINRA for the Name Change and to change its stock symbol from BCKE to MRDN.

Effective December 22, 2015, the Company consummated the closing of the Amended and Restated Membership Interest Purchase Agreement, dated October 16, 2015, by and among the Company, Timothy M. Drury (“Seller”), Christian Disposal LLC (“Christian Disposal”), FWCD, LLC (“FWCD”), Missouri Waste and Georgia Waste, as amended by that certain First Amendment thereto, dated December 4, 2015 (the “Christian Purchase Agreement”). Pursuant to the Christian Purchase Agreement, the Company purchased from Seller 100% of the membership interests of Christian Disposal in exchange for the following: (i) Thirteen Million Dollars (\$13,000,000), subject to a working capital adjustment in accordance with Section 1.4 of the Purchase Agreement; (ii) 1,750,000 shares of the Company’s common stock; (iii) a Convertible Promissory Note in the amount of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000), bearing interest at 8% per annum (the “Seller Note”); and (iv) an additional purchase price of Two Million Dollars (\$2,000,000), payable upon completion of an extension under a certain contract to which Christian Disposal is party, in accordance with, and subject to any applicable reductions set forth in, Section 1.3(b) of the Purchase Agreement.

Effective December 22, 2015, Meridian Land Company, LLC (“Meridian Land”), a wholly-owned subsidiary of the Company, consummated the closing of that certain Asset Purchase Agreement, dated November 13, 2015, by and between Meridian Land and Eagle Ridge Landfill, LLC (“Eagle”), as amended by that certain Amendment to Asset Purchase Agreement, dated December 18, 2015, to which the Company and WCA Waste Corporation are also party (the “Eagle Purchase Agreement”), pursuant to which Meridian Land purchased from Eagle, a landfill located in Pike County, Missouri and certain of the assets, rights and properties related to such business of Eagle, including certain debts, in exchange for \$9,506,500, subject to a working capital adjustment.

## Overview

Here To Serve Holding Corp., f/k/a F3 Technologies, Inc. (the “Company” or “Here to Serve,”) was incorporated in the State of Delaware as New Ithaca Corporation on September 22, 1983. Here To Serve is a holding company and, prior to the closing of the Purchase Agreement, was the sole owner of all membership interests in Here to Serve – Missouri Waste Division, LLC d/b/a Meridian Waste, a Missouri limited liability company (“HTS Waste”); (ii) Here to Serve Technology, LLC, a Georgia limited liability company (“HTS Tech”); and (iii) Here to Serve – Georgia Waste Division, LLC, a Georgia limited liability company (“HTS Waste Georgia”). A description of the business of each such company, in addition to the businesses of Christian, FWCD and those related to the assets acquired from Eagle, follows.

### Here to Serve – Missouri Waste Division, LLC d/b/a Meridian Waste

HTS Waste is a non-hazardous solid waste management company providing collection services for approximately 45,000 commercial, industrial and residential customers in Missouri. We own one collection operation based out of Bridgeton, Missouri. Approximately 100% of HTS Waste’s 2015 revenue was from collection, utilizing over 60 collection vehicles.

Here To Serve began non-hazardous waste collection operations in May 2014 upon the acquisition of nearly all of the assets from Meridian Waste Service, LLC that in turn became the core of our operations. From our formation through

today, we have begun to create the infrastructure needed to expand our operations through acquisitions and market development opportunities.



## Christian Disposal, LLC; FWCD

Christian Disposal, along with its subsidiary, FWCD, LLC, is a non-hazardous solid waste management company providing collection and transfer services for approximately 35,000 commercial, industrial and residential customers in Missouri. Christian Disposal's collection operation is based out of Winfield, Missouri. Along with operations in Winfield, Christian Disposal operates two transfer stations, in the O'Fallon, Missouri and St. Peters, Missouri and own one transfer station, in Winfield, Missouri. Approximately 100% of Christian Disposal and FWCD's 2015 revenue was from collection and transfer, utilizing over 35 collection vehicles.

Christian Disposal began non-hazardous waste collection operations in 1978. Our acquisition of Christian Disposal is a key element of our strategy to create the vertically integrated infrastructure needed to expand our operations.

## Meridian Land Company, LLC (Assets of Eagle Ridge Landfill & Hauling)

The Eagle Ridge Landfill (the "Eagle Ridge Landfill"), acquired by Meridian Land, is currently permitted to accept municipal solid waste. The Eagle Ridge Landfill is located in Bowling Green, Missouri. Meridian Land Company currently owns 265 acres at Eagle Ridge with 56.7 acres permitted and constructed to receive waste.

In addition to the Eagle Ridge Landfill, the Company operates, through Meridian Land Company, hauling operations in Bowling Green, Missouri, servicing commercial, residential and roll off customers in this market. The Company will be looking to expand its footprint in the market through an aggressive sales and marketing strategy, as well as through additional acquisitions.

## Waste Industry Overview

The non-hazardous solid waste industry can be divided into the following three categories: collection, transfer and disposal services. Companies engaging in collection and/or transfer operations of solid waste typically have lower margins than those performing disposal service operations. By vertically integrating collection, transfer and disposal operations, operators seek to capture significant waste volumes and improve operating margins.

During the past four decades, our industry has experienced periods of substantial consolidation activity; however, we believe significant fragmentation remains. We believe that there are two primary factors that lead to consolidation:

Stringent industry regulations have caused operating and capital costs to rise, with many local industry participants finding these costs difficult to bear and deciding to either close their operations or sell them to larger operators; and

Larger operators are increasingly pursuing economies of scale by vertically integrating their operations or by utilizing their facility, asset and management infrastructure over larger volumes and, accordingly, larger solid waste collection and disposal companies have become more cost-effective and competitive by controlling a larger waste stream and by gaining access to significant financial resources to make acquisitions.

## Integration and Acquisitions

### Vertical Integration and Internalization

Vertical integration is a key element of our operating strategy for the future because it will allow us to manage the waste stream from the point of collection through disposal, thereby maximizing the rate of waste internalization,

increasing our operating margins and improving our operating cash flows. Internalization refers to the disposal of collected waste into the landfills we own. All collected waste must ultimately be processed or disposed of, with landfills being the main depository for such waste. Generally, the most cost efficient collection services occur within a 35-mile operating radius from the disposal site (up to 100 miles if a transfer station is used). Collection companies that do not own a landfill within such range from their collection routes will usually have to dispose of the waste they collect in landfills owned by third parties. Thus, our acquisition of a landfill in our market area in the Eagle Purchase Agreement provides the Company with substantial leverage in the waste management business. Additionally, in addition to having our own landfill, we have access to third-party landfills located in St. Louis, Missouri and are actively seeking to purchase or lease additional landfills, transfer stations or a waste-to-energy facility in order to internalize our existing volume.

## Acquisition History and Outlook

Acquisitions will play a key role in our planned revenue growth and expansion into new markets. Our acquisition of Christian Disposal, FWCD and the assets from Eagle expand on our platform and infrastructure to make additional acquisitions in the near future. We strive to integrate all of our completed acquisitions into our existing operations as soon as feasible; however, based on our current trajectory it may take up to a year to fully realize operating synergies for the acquisitions that we completed.

In 2016, we intend to continue seeking and pursuing attractive acquisition opportunities that enable us to grow our current operations based on (i) new markets, (ii) acquiring disposal and transfer capacity, and (iii) waste streams opportunities. In 2016, having closed on a robust senior credit facility we may consider a secondary offering to raise capital for immediate acquisition targets, in our continued efforts to effectively build a comprehensive waste solutions enterprise.

## Waste Operations and Customers

The operations of Meridian Waste Solutions and its subsidiaries consist of the collection of solid waste.

### Customers

Meridian Waste Solutions is expanding to provide a broad and diverse customer base. We have two municipal contracts that accounted for 26% and 27% and the other contract accounted for 18% and 19% of HTS Waste's long-term contracted revenue for the years ended December 31, 2015 and 2014 respectively.

### Collection Services

Meridian Waste Solutions, through its subsidiaries, provides solid waste collection services to approximately 75,000 industrial, commercial and residential customers in the Metropolitan St. Louis, Missouri area. In 2015, its collection revenue consisted of approximately 17% from services provided to industrial customers, 13% from services provided to commercial customers and 70% from services provided to residential customers.

In our commercial collection operations, we supply our customers with waste containers of various types and sizes. These containers are designed so that they can be lifted mechanically and emptied into a collection truck to be transported to a disposal facility. By using these containers, we can service most of our commercial customers with trucks operated by a single employee. Commercial collection services are generally performed under service agreements with a duration of one to five years with possible renewal options. Fees are generally determined by such considerations as individual market factors, collection frequency, the type of equipment we furnish, the type and volume or weight of the waste to be collected, the distance to the disposal facility and the cost of disposal.

Residential solid waste collection services often are performed under contracts with municipalities, which we generally secure by competitive bid and which give us exclusive rights to service all or a portion of the homes in these municipalities. These contracts usually range in duration from one to five years with possible renewal options. Residential solid waste collection services may also be performed on a subscription basis, in which individual households or homeowners' or similar associations contract directly with us. The fees received for residential collection are based primarily on market factors, frequency and type of service, the distance to the disposal facility and the cost of disposal.



Additionally, we rent waste containers and provide collection services to construction, demolition and industrial sites. We load the containers onto our vehicles and transport them with the waste to either a landfill or a transfer station for disposal. We refer to this as “roll-off” collection. Roll-off collection services are generally performed on a contractual basis. Contract terms tend to be shorter in length and may vary according to the customers’ underlying projects.

#### Transfer and Disposal Services

Landfills are the main depository for solid waste in the United States. Solid waste landfills are built, operated, and tied to a state permit under stringent federal, state and local regulations. Currently, solid waste landfills in the United States must be designed, permitted, operated, closed and maintained after closure in compliance with federal, state and local regulations pursuant to Subtitle D of the Resource Conservation and Recovery Act of 1976, as amended. We do not operate hazardous waste landfills, which are subject to even greater regulations. Operating a solid waste landfill includes excavating, constructing liners, continually spreading and compacting waste and covering waste with earth or other inert material as required, final capping, closure and post-closure monitoring. The objectives of these operations are to maintain sanitary conditions, to ensure the best possible use of the airspace and to prepare the site so that it can ultimately be used for other end use purposes.

Access to a disposal facility is a necessity for all solid waste management companies. While access to disposal facilities owned or operated by third parties can be obtained, we believe that it is preferable to internalize the waste streams when possible. Meridian Waste Solutions is targeting further geographic, as well as operational expansion by focusing on markets with transfer stations and landfills available for acquisition.

Transfer stations will allow us to consolidate waste for subsequent transfer in larger loads, thereby making disposal in our otherwise remote landfills economically feasible. A transfer station is a facility located near residential and commercial collection routes where collection trucks take the solid waste that has been collected. The waste is unloaded from the collection trucks and reloaded onto larger transfer trucks for transportation to a landfill for final disposal. In addition to increasing our ability to internalize the waste that our collection operations collect, using transfer stations reduces the costs associated with transporting waste to final disposal sites because the trucks we use for transfer have a larger capacity than collection trucks, thus allowing more waste to be transported to the disposal facility on each trip. It also increases the efficiency of our collection personnel and equipment because it allows them to focus more on collection.

#### Competition

The solid waste collection and disposal industry is highly competitive and fragmented and requires substantial labor and capital resources. The industry presently includes large, publicly-held, national waste companies such as Republic Services, Inc. and Waste Management, Inc., as well as numerous other public and privately-held waste companies. In our existing market and certain of the markets in which we will likely compete are served by one or more of these companies, as well as by numerous privately-held regional and local solid waste companies of varying sizes and resources, some of which have accumulated substantial goodwill in their markets. We also compete with operators of alternative disposal facilities and with counties, municipalities and solid waste districts that maintain their own waste collection and disposal operations. Public sector operations may have financial advantages over us because of their access to user fees and similar charges, tax revenues and tax-exempt financing.

We compete for collection based primarily on geographic location and the price and quality of our services. From time to time, our competitors may reduce the price of their services in an effort to expand their market share or service areas or to win competitively bid municipal contracts. These practices may cause us to reduce the price of our services or, if we elect not to do so, to lose business.

The solid waste collection and disposal industry has undergone significant consolidation, and, as a result of this consolidation, we encounter competition in our efforts to acquire landfills, transfer stations and collection operations. Competition exists not only for collection, transfer and disposal volume but also for acquisition candidates. We generally compete for acquisition candidates with large, publicly-held waste management companies, private equity backed firms as well as numerous privately-held regional and local solid waste companies of varying sizes and resources. Competition in the disposal industry may also be affected by the increasing national emphasis on recycling and other waste reduction programs, which may reduce the volume of waste deposited in landfills. Accordingly, it may become uneconomical for us to make further acquisitions or we may be unable to locate or acquire suitable acquisition candidates at price levels and on terms and conditions that we consider appropriate, particularly in markets we do not already serve.

## Sales and Marketing

We focus our marketing efforts on increasing and extending business with existing customers, as well as increasing our new customer base. Our sales and marketing strategy is to provide prompt, high quality, comprehensive solid waste collection to our customers at competitive prices. We target potential customers of all sizes, from small quantity generators to large companies and municipalities. Because the waste collection and disposal business is a highly localized business, most of our marketing activity is local in nature.

## Government Contracts

We are party to contracts with municipalities and other associations and agencies. Many of these contracts are or will be subject to competitive bidding. We may not be the successful bidder, or we may have to substantially lower prices in order to be the successful bidder. In addition, some of our customers may have the right to terminate their contracts with us before the end of the contract term.

Municipalities may annex unincorporated areas within counties where we provide collection services, and as a result, our customers in annexed areas may be required to obtain service from competitors who have been franchised or contracted by the annexing municipalities to provide those services. Some of the local jurisdictions in which we currently operate grant exclusive franchises to collection and disposal companies, others may do so in the future, and we may enter markets where franchises are granted by certain municipalities, thereby reducing the potential market opportunity for us.

## Regulation

Our business is subject to extensive and evolving federal, state and local environmental, health, safety and transportation laws and regulations. These laws and regulations are administered by the U.S. Environmental Protection Agency, or EPA, and various other federal, state and local environmental, zoning, air, water, transportation, land use, health and safety agencies. Many of these agencies regularly inspect our operations to monitor compliance with these laws and regulations. Governmental agencies have the authority to enforce compliance with these laws and regulations and to obtain injunctions or impose civil or criminal penalties in cases of violations. We believe that regulation of the waste industry will continue to evolve, and we will adapt to future legal and regulatory requirements to ensure compliance.

Our operations are subject to extensive regulation, principally under the federal statutes described below.

The Resource Conservation and Recovery Act of 1976, as amended, or RCRA. RCRA regulates the handling, transportation and disposal of hazardous and non-hazardous wastes and delegates authority to states to develop programs to ensure the safe disposal of solid wastes. On October 9, 1991, the EPA promulgated Solid Waste Disposal Facility Criteria for non-hazardous solid waste landfills under Subtitle D of RCRA. Subtitle D includes location standards, facility design and operating criteria, closure and post-closure requirements, financial assurance standards and groundwater monitoring, as well as corrective action standards, many of which had not commonly been in place or enforced at landfills. Subtitle D applies to all solid waste landfill cells that received waste after October 9, 1991, and, with limited exceptions, required all landfills to meet these requirements by October 9, 1993. All states in which we operate have EPA-approved programs which implemented at least the minimum requirements of Subtitle D and in some states even more stringent requirements.

The Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, or CERCLA. CERCLA, which is also known as Superfund, addresses problems created by the release or threatened release of hazardous substances (as defined in CERCLA) into the environment. CERCLA's primary mechanism for

achieving remediation of such problems is to impose strict joint and several liability for cleanup of disposal sites on current owners and operators of the site, former site owners and operators at the time of disposal and parties who arranged for disposal at the facility (i.e., generators of the waste and transporters who select the disposal site). The costs of a CERCLA cleanup can be substantial. Liability under CERCLA is not dependent on the existence or intentional disposal of “hazardous wastes” (as defined under RCRA), but can also be based upon the release or threatened release, even as a result of lawful, unintentional and non-negligent action, of any one of the more than 700 “hazardous substances” listed by the EPA, even in minute amounts.



The Federal Water Pollution Control Act of 1972, as amended, or the Clean Water Act. This act establishes rules regulating the discharge of pollutants into streams and other waters of the United States (as defined in the Clean Water Act) from a variety of sources, including solid waste disposal sites. If runoff from our transfer stations may be discharged into surface waters, the Clean Water Act requires us to apply for and obtain discharge permits, conduct sampling and monitoring and, under certain circumstances, reduce the quantity of pollutants in those discharges. In 1990, the EPA issued additional rules under the Clean Water Act, which establish standards for management of storm water runoff from landfills and which require landfills that receive, or in the past received, industrial waste to obtain storm water discharge permits. In addition, if a landfill or transfer station discharges wastewater through a sewage system to a publicly-owned treatment works, the facility must comply with discharge limits imposed by the treatment works. Also, if development of a landfill may alter or affect “wetlands,” the owner may have to obtain a permit and undertake certain mitigation measures before development may begin. This requirement is likely to affect the construction or expansion of many solid waste disposal sites.

The Clean Air Act of 1970, as amended, or the Clean Air Act. The Clean Air Act provides for increased federal, state and local regulation of the emission of air pollutants. The EPA has applied the Clean Air Act to solid waste landfills and vehicles with heavy duty engines, such as waste collection vehicles. Additionally, in March 1996, the EPA adopted New Source Performance Standards and Emission Guidelines (the “Emission Guidelines”) for municipal solid waste landfills to control emissions of landfill gases. These regulations impose limits on air emissions from solid waste landfills. The Emission Guidelines impose two sets of emissions standards, one of which is applicable to all solid waste landfills for which construction, reconstruction or modification was commenced before May 30, 1991. The other applies to all municipal solid waste landfills for which construction, reconstruction or modification was commenced on or after May 30, 1991. The Emission Guidelines are being implemented by the states after the EPA approves the individual state’s program. These guidelines, combined with the new permitting programs established under the Clean Air Act, subject solid waste landfills to significant permitting requirements and, in some instances, require installation of gas recovery systems to reduce emissions to allowable limits. The EPA also regulates the emission of hazardous air pollutants from municipal landfills and has promulgated regulations that require measures to monitor and reduce such emissions.

Climate Change. A variety of regulatory developments, proposals or requirements have been introduced that are focused on restricting the emission of carbon dioxide, methane and other gases known as greenhouse gases. Congress has considered legislation directed at reducing greenhouse gas emissions. There has been support in various regions of the country for legislation that requires reductions in greenhouse gas emissions, and some states have already adopted legislation addressing greenhouse gas emissions from various sources. In 2007, the U.S. Supreme Court held in *Massachusetts, et al. v. EPA* that greenhouse gases are an “air pollutant” under the federal Clean Air Act and, thus, subject to future regulation. In a move toward regulating greenhouse gases, on December 15, 2009, the EPA published its findings that emission of carbon dioxide, methane and other greenhouse gases present an endangerment to human health and the environment because greenhouse gases are, according to EPA, contributing to climate change. On October 30, 2009, the EPA published the greenhouse gas reporting final rule, effective December 29, 2009, which establishes a new comprehensive scheme requiring certain specified industries as well as operators of stationary sources emitting more than established annual thresholds of carbon dioxide-equivalent greenhouse gases to inventory and report their greenhouse gas emissions annually. Municipal solid waste landfills are subject to the rule. EPA proposed regulations that would require a reduction in emissions of greenhouse gases from motor vehicles. Finally, according to the EPA, the final motor vehicle greenhouse gas standards will trigger construction and operating permit requirements for stationary sources. As a result, the EPA has proposed to tailor these programs such that only large stationary sources will be required to have air permits that authorize greenhouse gas emissions.

The Occupational Safety and Health Act of 1970, as amended, or OSHA. OSHA establishes certain employer responsibilities, including maintenance of a workplace free of recognized hazards likely to cause death or serious injury, compliance with standards promulgated by the Occupational Safety and Health Administration and various

record keeping, disclosure and procedural requirements. Various standards, including standards for notices of hazards, safety in excavation and demolition work and the handling of asbestos, may apply to our operations.

**Flow Control/Interstate Waste Restrictions.** Certain permits and approvals, as well as certain state and local regulations, may limit a landfill or transfer station to accepting waste that originates from specified geographic areas, restrict the importation of out-of-state waste or wastes originating outside the local jurisdiction or otherwise discriminate against non-local waste. These restrictions, generally known as flow control restrictions, are controversial, and some courts have held that some flow control schemes violate constitutional limits on state or local regulation of interstate commerce. From time to time, federal legislation is proposed that would allow some local flow control restrictions. Although no such federal legislation has been enacted to date, if such federal legislation should be enacted in the future, states in which we use landfills could limit or prohibit the importation of out-of-state waste or direct that wastes be handled at specified facilities. These restrictions could also result in higher disposal costs for our collection operations. If we were unable to pass such higher costs through to our customers, our business, financial condition and operating results could be adversely affected.

Certain state and local jurisdictions may also seek to enforce flow control restrictions through local legislation or contractually. In certain cases, we may elect not to challenge such restrictions. These restrictions could reduce the volume of waste going to landfills in certain areas, which may adversely affect our ability to operate our landfills at their full capacity and/or reduce the prices that we can charge for landfill disposal services. These restrictions may also result in higher disposal costs for our collection operations. If we were unable to pass such higher costs through to our customers, our business, financial condition and operating results could be adversely affected.

**State and Local Regulation.** Each state in which we now operate or may operate in the future has laws and regulations governing the generation, storage, treatment, handling, transportation and disposal of solid waste, occupational safety and health, water and air pollution and, in most cases, the siting, design, operation, maintenance, closure and post-closure maintenance of landfills and transfer stations. State and local permits and approval for these operations may be required and may be subject to periodic renewal, modification or revocation by the issuing agencies. In addition, many states have adopted statutes comparable to, and in some cases more stringent than, CERCLA. These statutes impose requirements for investigation and cleanup of contaminated sites and liability for costs and damages associated with such sites, and some provide for the imposition of liens on property owned by responsible parties. Furthermore, many municipalities also have ordinances, local laws and regulations affecting our operations. These include zoning and health measures that limit solid waste management activities to specified sites or activities, flow control provisions that direct or restrict the delivery of solid wastes to specific facilities, laws that grant the right to establish franchises for collection services and then put such franchises out for bid and bans or other restrictions on the movement of solid wastes into a municipality.

Permits or other land use approvals with respect to a landfill, as well as state or local laws and regulations, may specify the quantity of waste that may be accepted at the landfill during a given time period and/or specify the types of waste that may be accepted at the landfill. Once an operating permit for a landfill is obtained, it must generally be renewed periodically.

There has been an increasing trend at the state and local level to mandate and encourage waste reduction and recycling and to prohibit or restrict the disposal in landfills of certain types of solid wastes, such as yard wastes, beverage containers, unshredded tires, lead-acid batteries, paper, cardboard and household appliances.

Many states and local jurisdictions have enacted “bad boy” laws that allow the agencies that have jurisdiction over waste services contracts or permits to deny or revoke these contracts or permits based on the applicant’s or permit holder’s compliance history. Some states and local jurisdictions go further and consider the compliance history of the parent, subsidiaries or affiliated companies, in addition to that of the applicant or permit holder. These laws authorize the agencies to make determinations of an applicant’s or permit holder’s fitness to be awarded a contract to operate and to deny or revoke a contract or permit because of unfitness unless there is a showing that the applicant or permit holder has been rehabilitated through the adoption of various operating policies and procedures put in place to assure future

compliance with applicable laws and regulations.

Some state and local authorities enforce certain federal laws in addition to state and local laws and regulations. For example, in some states, RCRA, OSHA, parts of the Clean Air Act and parts of the Clean Water Act are enforced by local or state authorities instead of the EPA, and in some states those laws are enforced jointly by state or local and federal authorities.

**Public Utility Regulation.** In many states, public authorities regulate the rates that landfill operators may charge.

#### Seasonality

Based on our industry and our historic trends, we expect our operations to vary seasonally. Typically, revenue will be highest in the second and third calendar quarters and lowest in the first and fourth calendar quarters. These seasonal variations result in fluctuations in waste volumes due to weather conditions and general economic activity. We also expect that our operating expenses may be higher during the winter months due to periodic adverse weather conditions that can slow the collection of waste, resulting in higher labor and operational costs.

#### Employees

As of April 9, 2016, we have approximately 180 full-time employees. None of our employees are represented by a labor union. We have not experienced any work stoppages and we believe that our relations with our employees are good.

#### Here to Serve – Georgia Waste Division, LLC

Here to Serve – Georgia Waste Division, LLC was formed to locate and acquire a waste facility in Georgia which would be owned and operated by the Company. At this time, we have not located any potential waste facilities for a future acquisition. We are not aware of the estimated schedule for any potential future acquisition or estimated amount of capital required to consummate a potential future acquisition at this time.

#### Here To Serve Technology, LLC

HTS Tech was in the business of designing, developing and selling mobile based apps for smartphones and computers to the general public as well as Enterprise versions. On January 7, 2015, in an effort to give investors a more concentrated presence in the waste industry the Company sold the capitalized software assets of HTS Tech to Mobile Science Technologies, Inc., a Georgia corporation, a related party due to being owned by some of the shareholders of the Company.

#### Available Information

We electronically file certain documents with the Securities and Exchange Commission (the SEC). We file annual reports on Form 10-K; quarterly reports on Form 10-Q; and current reports on Form 8-K (as appropriate); along with any related amendments and supplements thereto. From time-to-time, we may also file registration statements and related documents in connection with equity or debt offerings. You may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. You may obtain information regarding the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an internet website at [www.sec.gov](http://www.sec.gov) that contains reports and other information regarding registrants that file electronically with the SEC.



Item 1A. Risk Factors

RISK FACTORS

You should carefully consider the risks described below together with all of the other information included in this report before making an investment decision with regard to our securities. The statements contained in or incorporated into this offering that are not historic facts are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by forward-looking statements. If any of the following risks actually occurs, our business, financial condition or results of operations could be harmed. In that case, the trading price of our common stock could decline, and you may lose all or part of your investment.

RISKS RELATED TO OUR COMPANY AND OUR INDUSTRY

WE ARE SUBJECT TO ENVIRONMENTAL AND SAFETY LAWS, WHICH RESTRICT OUR OPERATIONS AND INCREASE OUR COSTS.

We are subject to extensive federal, state and local laws and regulations relating to environmental protection and occupational safety and health. These include, among other things, laws and regulations governing the use, treatment, storage and disposal of wastes and materials, air quality, water quality and the remediation of contamination associated with the release of hazardous substances. Our compliance with existing regulatory requirements is costly, and continued changes in these regulations could increase our compliance costs. Government laws and regulations often require us to enhance or replace our equipment. We are required to obtain and maintain permits that are subject to strict regulatory requirements and are difficult and costly to obtain and maintain. We may be unable to implement price increases sufficient to offset the cost of complying with these laws and regulations. In addition, regulatory changes could accelerate or increase expenditures for closure and post-closure monitoring at solid waste facilities and obligate us to spend sums over the amounts that we have accrued. In order to develop, expand or operate a landfill or other waste management facility, we must have various facility permits and other governmental approvals, including those relating to zoning, environmental protection and land use. The permits and approvals are often difficult, time consuming and costly to obtain and could contain conditions that limit our operations.

WE MAY BECOME SUBJECT TO ENVIRONMENTAL CLEAN-UP COSTS OR LITIGATION THAT COULD CURTAIL OUR BUSINESS OPERATIONS AND MATERIALLY DECREASE OUR EARNINGS.

The Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, or CERCLA, and analogous state laws provide for the remediation of contaminated facilities and impose strict joint and several liability for remediation costs on current and former owners or operators of a facility at which there has been a release or a threatened release of a hazardous substance. This liability is also imposed on persons who arrange for the disposal of and who transport such substances to the facility. Hundreds of substances are defined as hazardous under CERCLA and their presence, even in small amounts, can result in substantial liability. The expense of conducting a cleanup can be significant. Notwithstanding our efforts to comply with applicable regulations and to avoid transporting and receiving hazardous substances, we may have liability because these substances may be present in waste collected by us. The actual costs for these liabilities could be significantly greater than the amounts that we might be required to accrue on our financial statements from time to time.

In addition to the costs of complying with environmental regulations, we may incur costs to defend against litigation brought by government agencies and private parties. As a result, we may be required to pay fines or our permits and licenses may be modified or revoked. We may in the future be a defendant in lawsuits brought by governmental agencies and private parties who assert claims alleging environmental damage, personal injury, property damage and/or violations of permits and licenses by us. A significant judgment against us, the loss of a significant permit or

license or the imposition of a significant fine could curtail our business operations and may decrease our earnings.

**OUR BUSINESS IS CAPITAL INTENSIVE, REQUIRING ONGOING CASH OUTLAYS THAT MAY STRAIN OR CONSUME OUR AVAILABLE CAPITAL AND FORCE US TO SELL ASSETS, INCUR DEBT, OR SELL EQUITY ON UNFAVORABLE TERMS.**

Our ability to remain competitive, grow and maintain operations largely depends on our cash flow from operations and access to capital. Maintaining our existing operations and expanding them through internal growth or acquisitions requires large capital expenditures. As we undertake more acquisitions and further expand our operations, the amount we expend on capital will increase. These increases in expenditures may result in lower levels of working capital or require us to finance working capital deficits. We intend to continue to fund our cash needs through cash flow from operations and borrowings under our credit facility, if necessary. However, we may require additional equity or debt financing to fund our growth.

We do not have complete control over our future performance because it is subject to general economic, political, financial, competitive, legislative, regulatory and other factors. It is possible that our business may not generate sufficient cash flow from operations, and we may not otherwise have the capital resources, to allow us to make necessary capital expenditures. If this occurs, we may have to sell assets, restructure our debt or obtain additional equity capital, which could be dilutive to our stockholders. We may not be able to take any of the foregoing actions, and we may not be able to do so on terms favorable to us or our stockholders.

**THE COMPANY'S FAILURE TO COMPLY WITH THE OBLIGATIONS SET FORTH IN THE AGREEMENTS ENTERED INTO WITH GOLDMAN SACHS SPECIALTY LENDING GROUP, L.P. MAY RESULT IN THE FORECLOSURE OF THE COMPANY'S OR ITS SUBSIDIARIES' PLEDGED ASSETS AND OTHER ADVERSE CONSEQUENCES.**

Effective December 22, 2015, the Company closed a Credit and Guaranty Agreement (the "Credit Agreement") by and among the Company, Brooklyn Cheesecake & Dessert Acquisition Corp., Here to Serve - Missouri Waste Division, LLC, Here to Serve - Georgia Waste Division, LLC, Meridian Land Company, LLC, Christian Disposal, LLC, and FWCD, LLC, and certain subsidiaries of the Company, as Guarantors, the Lenders party thereto from time to time and Goldman Sachs Specialty Lending Group, L.P., as Administrative Agent, Collateral Agent, and Lead Arranger.

The Company's failure to comply with the obligations set forth in the Credit Agreement and related documents or the occurrence of certain other specified events could result in an event of default that, if not cured or waived, could result in the acceleration of all or a substantial portion of our debt, potential foreclosure on our assets and other adverse consequences.

For more detailed information with respect to the Credit Agreement and related documents please refer to the Company's Current Report on Form 8-K filed with the SEC on December 29, 2015.



**WE DEPEND ON A LIMITED NUMBER OF CUSTOMERS FOR OUR REVENUE.**

At this time, the Company has two municipal contracts that account for 26% and 18% of our long term contracted revenues for the fiscal year ended December 31, 2015. Because we depend on these customers for a majority of our revenue, a loss of one of these customers could materially adversely affect our business and financial condition. If these principal customers cease using our services, our business could be materially adversely affected.

**GOVERNMENTAL AUTHORITIES MAY ENACT CLIMATE CHANGE REGULATIONS THAT COULD INCREASE OUR COSTS TO OPERATE.**

Environmental advocacy groups and regulatory agencies in the United States have been focusing considerable attention on the emissions of greenhouse gases and their potential role in climate change. Congress has considered recent proposed legislation directed at reducing greenhouse gas emissions and President Obama has indicated his support of legislation aimed at reducing greenhouse gases. EPA has proposed rules to regulate greenhouse gases, regional initiatives have formed to control greenhouse gases and certain of the states in which we operate are contemplating air pollution control regulations that are more stringent than existing and proposed federal regulations, in particular the regulation of emissions of greenhouse gases. The adoption of laws and regulations to implement controls of greenhouse gases, including the imposition of fees or taxes, could adversely affect our collection operations. Changing environmental regulations could require us to take any number of actions, including the purchase of emission allowances or installation of additional pollution control technology, and could make some operations less profitable, which could adversely affect our results of operations.

**OUR OPERATIONS ARE SUBJECT TO ENVIRONMENTAL, HEALTH AND SAFETY LAWS AND REGULATIONS, AS WELL AS CONTRACTUAL OBLIGATIONS THAT MAY RESULT IN SIGNIFICANT LIABILITIES.**

We risk of incurring significant environmental liabilities in connection with our use, treatment, storage, transfer and disposal of waste materials. Under applicable environmental laws and regulations, we could be liable if our operations are found to cause environmental damage to our properties or to the property of other landowners, particularly as a result of the contamination of air, drinking water or soil. Under current law, we could also be held liable for damage caused by conditions that existed before we acquired the assets or operations involved. This risk is of particular concern as we execute our growth strategy, partially through acquisitions, because we may be unsuccessful in identifying and assessing potential liabilities during our due diligence investigations. Further, the counterparties in such transactions may be unable to perform their indemnification obligations owed to us. Additionally, we could be liable if we arrange for the transportation, disposal or treatment of hazardous substances that cause environmental contamination, or if a predecessor owner made such arrangements and, under applicable law, we are treated as a successor to the prior owner. Any substantial liability for environmental damage could have a material adverse effect on our financial condition, results of operations and cash flows.

**OUR BUSINESS IS SUBJECT TO OPERATIONAL AND SAFETY RISKS, INCLUDING THE RISK OF PERSONAL INJURY TO EMPLOYEES AND OTHERS.**

Providing environmental and waste management services, including operating landfills, involves risks such as vehicular accidents and equipment defects, malfunctions and failures. Additionally, there are risks associated with waste mass instability and releases of hazardous materials or odors. There may also be risks presented by the potential for subsurface chemical reactions causing elevated landfill temperatures and increased production of leachate, landfill gas and odors. Any of these risks could potentially result in injury or death of employees and others, a need to shut down or reduce operation of facilities, increased operating expense and exposure to liability for pollution and other environmental damage, and property damage or destruction.

While we seek to minimize our exposure to such risks through comprehensive training, compliance and response and recovery programs, as well as vehicle and equipment maintenance programs, if we were to incur substantial liabilities in excess of any applicable insurance, our business, results of operations and financial condition could be adversely affected. Any such incidents could also adversely impact our reputation and reduce the value of our brand. Additionally, a major operational failure, even if suffered by a competitor, may bring enhanced scrutiny and regulation of our industry, with a corresponding increase in operating expense.

**CURRENT U.S. ECONOMIC CONDITIONS, AS WELL AS POTENTIAL FUTURE DOWNTURNS, HAS REDUCED AND MAY CONTINUE TO REDUCE OUR VOLUME AND/OR PRICING ON OUR SERVICES, RESULTING IN DECREASES IN OUR REVENUE, PROFITABILITY AND CASH FLOWS.**

Our business is affected by changes in national and general economic factors that are outside of our control, including economic activity, consumer confidence, interest rates and access to capital markets. Although our services are of an essential nature, a weak economy generally results in decreases in volumes of waste generated, which decreases our revenues. Additionally, consumer uncertainty and the loss of consumer confidence may limit the number or amount of services requested by customers and our ability to increase customers' pricing. During weak economic conditions we may also be adversely impacted by customers' inability to pay us in a timely manner, if at all, due to their financial difficulties, which could include bankruptcies.

**INCREASES IN THE COSTS OF FUEL MAY REDUCE OUR OPERATING MARGINS.**

The price and supply of fuel needed to run our collection vehicles is unpredictable and fluctuates based on events outside our control, including geopolitical developments, supply and demand for oil and gas, actions by OPEC and other oil and gas producers, war and unrest in oil producing countries, regional production patterns and environmental concerns. Any significant price escalations or reductions in the supply could increase our operating expenses or interrupt or curtail our operations. Failure to offset all or a portion of any increased fuel costs through increased fees or charges would reduce our operating margins.

**CHANGES IN INTEREST RATES MAY AFFECT OUR PROFITABILITY.**

Our acquisitions could require us to incur substantial additional indebtedness in the future, which will increase our interest expense. Further, to the extent that these borrowings are subject to variable rates of interest, increases in interest rates will increase our interest expense, which will affect our profitability. We bear exposure to, and are primarily affected by, changes in LIBOR rates.

**INCREASES IN THE COSTS OF DISPOSAL MAY REDUCE OUR OPERATING MARGINS.**

In 2015, we disposed of approximately 100% of the waste that we collect in landfills operated by others, and that rate may not decrease significantly in the future. We may incur increases in disposal fees paid to third parties. Failure to pass these costs on to our customers may reduce our operating margins. In December 2015, the Company purchased Eagle Ridge as part of its strategy to internalize a majority of its volume. As of April 2016, the Company will be beginning to move its volume away from third party landfills. Going forward, the Company may not internalize all of its volume in its own landfill, which may limit the expected savings it anticipated from the acquisition of Eagle Ridge.

**INCREASES IN THE COSTS OF LABOR MAY REDUCE OUR OPERATING MARGINS.**

We compete with other businesses in our markets for qualified employees. A shortage of qualified employees would require us to enhance our wage and benefits packages to compete more effectively for employees or to hire more expensive temporary employees. Labor is our second largest operating cost, and even relatively small increases in labor costs per employee could materially affect our cost structure. Failure to attract and retain qualified employees, to control our labor costs, or to recover any increased labor costs through increased prices we charge for our services or otherwise offset such increases with cost savings in other areas may reduce our operating margins.

**INCREASES IN COSTS OF INSURANCE WOULD REDUCE OUR OPERATING MARGINS.**

One of our largest operating costs is for insurance coverage, including general liability, automobile physical damage and liability, property, employment practices, pollution, directors and officers, fiduciary, workers' compensation and employer's liability coverage, as well as umbrella liability policies to provide excess coverage over the underlying limits contained in our primary general liability, automobile liability and employer's liability policies. Changes in our operating experience, such as an increase in accidents or lawsuits or a catastrophic loss, could cause our insurance costs to increase significantly or could cause us to be unable to obtain certain insurance. Increases in insurance costs would reduce our operating margins. Changes in our industry and perceived risks in our business could have a similar effect.

**WE MAY NOT BE ABLE TO MAINTAIN SUFFICIENT INSURANCE COVERAGE TO COVER THE RISKS ASSOCIATED WITH OUR OPERATIONS, WHICH COULD RESULT IN UNINSURED LOSSES THAT WOULD ADVERSELY AFFECT OUR FINANCIAL CONDITION.**

Integrated non-hazardous waste companies are exposed to a variety of risks that are typically covered by insurance arrangements. However, we may not be able to maintain sufficient insurance coverage to cover the risks associated with our operations for a variety of reasons. Increases in insurance costs and changes in the insurance markets may, given our resources, limit the coverage that we are able to maintain or prevent us from insuring against certain risks. Large or unexpected losses may exceed our policy limits, adversely affecting our results of operations, and may result in the termination or limitation of coverage, exposing us to uninsured losses, thereby adversely affecting our financial condition.

**OUR FAILURE TO REMAIN COMPETITIVE WITH OUR NUMEROUS COMPETITORS, SOME OF WHOM HAVE GREATER RESOURCES, COULD ADVERSELY AFFECT OUR ABILITY TO RETAIN EXISTING CUSTOMERS AND OBTAIN FUTURE BUSINESS.**

Because our industry is highly competitive, we compete with large companies and municipalities, many of whom have greater financial and operational resources. The non-hazardous solid waste collection and disposal industry includes large national, publicly-traded waste management companies; regional, publicly-held and privately-owned companies; and numerous small, local, privately-owned companies. Additionally, many counties and municipalities

operate their own waste collection and disposal facilities and have competitive advantages not available to private enterprises. If we are unable to successfully compete against our competitors, our ability to retain existing customers and obtain future business could be adversely affected.

**WE MAY LOSE CONTRACTS THROUGH COMPETITIVE BIDDING, EARLY TERMINATION OR GOVERNMENTAL ACTION, OR WE MAY HAVE TO SUBSTANTIALLY LOWER PRICES IN ORDER TO RETAIN CERTAIN CONTRACTS, ANY OF WHICH WOULD CAUSE OUR REVENUE TO DECLINE.**

We are parties to contracts with municipalities and other associations and agencies. Many of these contracts are or will be subject to competitive bidding. We may not be the successful bidder, or we may have to substantially lower prices in order to be the successful bidder. In addition, some of our customers may terminate their contracts with us before the end of the contract term. If we were not able to replace revenue from contracts lost through competitive bidding or early termination or from lowering prices or from the renegotiation of existing contracts with other revenue within a reasonable time period, our revenue could decline.

Municipalities may annex unincorporated areas within counties where we provide collection services, and as a result, our customers in annexed areas may be required to obtain service from competitors who have been franchised or contracted by the annexing municipalities to provide those services. Some of the local jurisdictions in which we currently operate grant exclusive franchises to collection and disposal companies, others may do so in the future, and we may enter markets where franchises are granted by certain municipalities. Unless we are awarded a franchise by these municipalities, we will lose customers which will cause our revenue to decline.

**EFFORTS BY LABOR UNIONS TO ORGANIZE OUR EMPLOYEES COULD DIVERT MANAGEMENT ATTENTION AND INCREASE OUR OPERATING EXPENSES.**

We do not have any union representation in our operations. Groups of employees may seek union representation in the future, and the negotiation of collective bargaining agreements could divert management attention and result in increased operating expenses and lower net income. If we are unable to negotiate acceptable collective bargaining agreements, we might have to wait through “cooling off” periods, which are often followed by union-initiated work stoppages, including strikes. Depending on the type and duration of these work stoppages, our operating expenses could increase significantly.

**POOR DECISIONS BY OUR REGIONAL AND LOCAL MANAGERS COULD RESULT IN THE LOSS OF CUSTOMERS OR AN INCREASE IN COSTS, OR ADVERSELY AFFECT OUR ABILITY TO OBTAIN FUTURE BUSINESS.**

We manage our operations on a decentralized basis. Therefore, regional and local managers have the authority to make many decisions concerning their operations without obtaining prior approval from executive officers. Poor decisions by regional or local managers could result in the loss of customers or an increase in costs, or adversely affect our ability to obtain future business.

**WE ARE VULNERABLE TO FACTORS AFFECTING OUR LOCAL MARKETS, WHICH COULD ADVERSELY AFFECT OUR STOCK PRICE RELATIVE TO OUR COMPETITORS.**

Because the non-hazardous waste business is local in nature, our business in one or more regions or local markets may be adversely affected by events and economic conditions relating to those regions or markets even if the other regions of the country are not affected. As a result, our financial performance may not compare favorably to our competitors with operations in other regions, and our stock price could be adversely affected by our inability to compete effectively with our competitors.

**SEASONAL FLUCTUATIONS WILL CAUSE OUR BUSINESS AND RESULTS OF OPERATIONS TO VARY AMONG QUARTERS, WHICH COULD ADVERSELY AFFECT OUR STOCK PRICE.**

Based on historic trends experienced by the businesses we have acquired, we expect our operating results to vary seasonally, with revenue typically lowest in the first quarter, higher in the second and third quarters, and again lower in the fourth quarter. This seasonality generally reflects the lower volume of waste during the winter months. Adverse weather conditions negatively affect waste collection productivity, resulting in higher labor and operational costs. The general increase in precipitation during the winter months increases the weight of collected waste, resulting in higher disposal costs, as costs are often calculated on a per ton basis. Because of these factors, we expect operating income to be generally lower in the winter months. As a result, our operating results may be negatively affected by these variations. Additionally, severe weather during any time of the year can negatively affect the costs of collection and disposal and may cause temporary suspensions of our collection services. Long periods of inclement weather may interfere with collection operations and reduce the volume of waste generated by our customers. Any of these conditions can adversely affect our business and results of operations, which could negatively affect our stock price.

THE MARKET IN WHICH WE PARTICIPATE IS INTENSELY COMPETITIVE, AND IF WE DO NOT COMPETE EFFECTIVELY, OUR OPERATING RESULTS COULD BE HARMED.

The market for enterprise Software as a Service (SaaS) business applications and development platforms is highly competitive, rapidly evolving and fragmented, and subject to changing technology, shifting customer needs and frequent introductions of new products and services.

WE ARE DEPENDENT ON OUR MANAGEMENT TEAM AND DEVELOPMENT AND OPERATIONS PERSONNEL, AND THE LOSS OF ONE OR MORE KEY EMPLOYEES OR GROUPS COULD HARM OUR BUSINESS AND PREVENT US FROM IMPLEMENTING OUR BUSINESS PLAN IN A TIMELY MANNER.

Our success depends substantially upon the continued services of our executive officers and other key members of management, particularly our chief executive officer, Mr. Jeffrey S. Cosman. From time to time, there may be changes in our executive management team resulting from the hiring or departure of executives. Such changes in our executive management team may be disruptive to our business. We are also substantially dependent on the continued service of our existing development and operations personnel because of the complexity of our service and technologies. We have an employment agreement with Mr. Cosman. We maintain key person life insurance policy on Mr. Cosman. The loss of one or more of our key employees or groups could seriously harm our business.

Mr Cosman is the majority shareholder and control person of Here To Serve Holding Corp. Here To Serve is a holding company evaluating acquisitions in various industries.

Additionally, Mr. Cosman has a minority equity interest in Rush The Puck, LLC. Rush The Puck does business as Rosewood Communication Supply, a warehouse centric telecom parts and supplies distributor. The Company does not have an arrangement with Rosewood Communication Supply or Mr. Cosman for past, current or future services to be performed between Rosewood Communication Supply and Meridian Waste Solutions, Inc. Mr. Cosman spends approximately one hour per month on Rosewood Communication Supply.

OUR BUSINESS IS SUBJECT TO CHANGING REGULATIONS REGARDING CORPORATE GOVERNANCE AND PUBLIC DISCLOSURE THAT HAVE INCREASED BOTH OUR COSTS AND THE RISK OF NON-COMPLIANCE.

We are subject to rules and regulations by various governing bodies, including, for example, the Securities and Exchange Commission, which are charged with the protection of investors and the oversight of companies whose securities are publicly traded. Our efforts to comply with new and changing regulations have resulted in and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities. Moreover, because these laws, regulations and standards are subject to varying interpretations, their application in practice may evolve over time as new guidance becomes available. This evolution may result in continuing uncertainty regarding compliance matters and additional costs necessitated by ongoing revisions to our disclosure and governance practices. If we fail to address and comply with these regulations and any subsequent changes, our business may be harmed.

WE NEED ADDITIONAL CAPITAL TO DEVELOP OUR BUSINESS.

The development of our services will require the commitment of substantial resources to implement our business plan. In addition, substantial expenditures will be required to enable us to complete projects in the future. Currently, we have a credit agreement with Goldman Sachs Specialty Lending Group. However, it is likely we would need to seek additional financing through subsequent future private or public offerings of our equity securities or through strategic partnerships and other arrangements with corporate partners.

We cannot give you any assurance that any additional financing will be available to us, or if available, will be on terms favorable to us. The sale of additional equity securities will result in dilution to our stockholders. The occurrence of indebtedness would result in increased debt service obligations and could require us to agree to operating and financing covenants that would restrict our operations. If adequate additional financing is not available on acceptable terms, we may not be able to implement our business development plan or continue our business operations.



## RISKS RELATED TO OWNERSHIP OF OUR COMMON STOCK

### THE MARKET PRICE OF OUR COMMON STOCK IS LIKELY TO BE VOLATILE AND COULD SUBJECT US TO LITIGATION.

The market price of our common stock has been and is likely to continue to be subject to wide fluctuations. Factors affecting the market price of our common stock include:

variations in our operating results, earnings per share, cash flows from operating activities, deferred revenue, and other financial metrics and non-financial metrics, and how those results compare to analyst expectations;

issuances of new stock which dilutes earnings per share;

forward looking guidance to industry and financial analysts related to future revenue and earnings per share;

the net increases in the number of customers and paying subscriptions, either independently or as compared with published expectations of industry, financial or other analysts that cover our company;

changes in the estimates of our operating results or changes in recommendations by securities analysts that elect to follow our common stock;

announcements of technological innovations, new services or service enhancements, strategic alliances or significant agreements by us or by our competitors;

announcements by us or by our competitors of mergers or other strategic acquisitions, or rumors of such transactions involving us or our competitors;

announcements of customer additions and customer cancellations or delays in customer purchases;

recruitment or departure of key personnel;

trading activity by a limited number of stockholders who together beneficially own a majority of our outstanding common stock.

In addition, if the stock market in general experiences uneven investor confidence, the market price of our common stock could decline for reasons unrelated to our business, operating results or financial condition. The market price of our common stock might also decline in reaction to events that affect other companies within, or outside, our industries even if these events do not directly affect us. Some companies that have experienced volatility in the trading price of their stock have been the subject of securities class action litigation. If we are to become the subject of such litigation, it could result in substantial costs and a diversion of management's attention and resources.

### THE OWNERSHIP BY OUR CHIEF EXECUTIVE OFFICER OF SERIES A PREFERRED STOCK WILL LIKELY LIMIT YOUR ABILITY TO INFLUENCE CORPORATE MATTERS.

Mr. Jeffrey S. Cosman, our chief executive officer, is the beneficial owner of 100% of the outstanding shares of the Company's Series A Preferred Stock. As a result, our chief executive officer would have significant influence over most matters that require approval by our stockholders, including the election of directors and approval of significant corporate transactions, even if other stockholders oppose them. In addition, Mr. Cosman beneficially owns approximately 49% of our issued and outstanding common stock. This concentration of ownership might also have the effect of delaying or preventing a change of control of our company that other stockholders may view as beneficial.

OUR COMMON STOCK IS CURRENTLY ELIGIBLE FOR QUOTATION ON THE OTQB OPERATED BY OTC MARKETS GROUP, INC. AND AN INVESTOR'S ABILITY TO TRADE OUR COMMON STOCK MAY BE LIMITED BY TRADING VOLUME.

The trading volume in our common shares has been relatively limited. A consistently active trading market for our common stock may not develop on the OTCQB. The average daily trading volume in our common stock on the OTCQB as of April 14, 2016 was limited or negligible. Accordingly, the ability of our shareholders to sell their shares of our common stock may be extremely limited.

**WE ARE SUBJECT TO PENNY STOCK RULES WHICH WILL MAKE THE SHARES OF OUR COMMON STOCK MORE DIFFICULT TO SELL.**

We are currently subject to the SEC's "penny stock" rules because our shares of common stock sell below \$5.00 per share. Penny stocks generally are equity securities with a price of less than \$5.00. The penny stock rules require broker-dealers to deliver a standardized risk disclosure document prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer must also provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson, and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information must be given to the customer orally or in writing prior to completing the transaction and must be given to the customer in writing before or with the customer's confirmation.

In addition, the penny stock rules require that prior to a transaction the broker dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. The penny stock rules are burdensome and may reduce purchases of any offerings and reduce the trading activity for shares of our common stock. As long as our shares of common stock are subject to the penny stock rules, the holders of such shares of common stock may find it more difficult to sell their securities.

**SALES OF OUR CURRENTLY ISSUED AND OUTSTANDING STOCK MAY BECOME FREELY TRADABLE PURSUANT TO RULE 144 AND MAY DILUTE THE MARKET FOR YOUR SHARES AND HAVE A DEPRESSIVE EFFECT ON THE PRICE OF THE SHARES OF OUR COMMON STOCK**

A substantial majority of our outstanding shares of common stock are "restricted securities" within the meaning of Rule 144 under the Securities Act. As restricted shares, these shares may be resold only pursuant to an effective registration statement or under the requirements of Rule 144 or other applicable exemptions from registration under the Act and as required under applicable state securities laws. Rule 144 provides in essence that an Affiliate (as such term is defined in Rule 144(a)(1)) of an issuer who has held restricted securities for a period of at least six months (one year after filing Form 10 information with the SEC for shell companies and former shell companies) may, under certain conditions, sell every three months, in brokerage transactions, a number of shares that does not exceed the greater of 1% of a company's outstanding shares of common stock or the average weekly trading volume during the four calendar weeks prior to the sale (the four calendar week rule does not apply to companies quoted on the OTC Bulletin Board). Rule 144 also permits, under certain circumstances, the sale of securities, without any limitation, by a person who is not an Affiliate of the Company and who has satisfied a one-year holding period. A sale under Rule 144 or under any other exemption from the Act, if available, or pursuant to subsequent registrations of our shares of common stock, may have a depressive effect upon the price of our shares of common stock in any active market that may develop.

**YOU MAY EXPERIENCE DILUTION OF YOUR OWNERSHIP INTEREST BECAUSE OF THE FUTURE ISSUANCE OF ADDITIONAL SHARES OF OUR COMMON STOCK AND OUR PREFERRED STOCK.**

In the future, we may issue our authorized but previously unissued equity securities, resulting in the dilution of the ownership interests of our present stockholders. We are currently authorized to issue an aggregate of 80,000,000 shares of capital stock, which includes 4,928,829 shares of blank check preferred stock, par value \$0.001, for which the designations, rights and preferences may be established by the Board.

We may also issue additional shares of our common stock or other securities that are convertible into or exercisable for common stock in connection with hiring or retaining employees or consultants, future acquisitions, future sales of our securities for capital raising purposes, or for other business purposes. The future issuance of any such additional

shares of our common stock or other securities may create downward pressure on the trading price of our common stock. There can be no assurance that we will not be required to issue additional shares, warrants or other convertible securities in the future in conjunction with hiring or retaining employees or consultants, future acquisitions, future sales of our securities for capital raising purposes or for other business purposes, including at a price (or exercise prices) below the price at which shares of our common stock are trading.

## POSSIBLE ADVERSE EFFECT OF ISSUANCE OF PREFERRED STOCK

Our Restated Certificate of Incorporation authorizes the issuance of 5,000,000 shares of preferred stock, of which 4,928,829 shares are available for issuance, with designations, rights and preferences as determined from time to time by the Board of Directors. As a result of the foregoing, the Board of Directors can issue, without further shareholder approval, Preferred Stock with dividend, liquidation, conversion, voting or other rights that could adversely affect the voting power or other rights of the holders of Common Stock. The issuance of Preferred Stock could, under certain circumstances, discourage, delay or prevent a change in control of the Company.

## WE DO NOT EXPECT TO PAY DIVIDENDS AND INVESTORS SHOULD NOT BUY OUR COMMON STOCK EXPECTING TO RECEIVE DIVIDENDS.

We have not paid any dividends on our common stock in the past, and do not anticipate that we will declare or pay any dividends in the foreseeable future. Consequently, investors will only realize an economic gain on their investment in our common stock if the price appreciates. Investors should not purchase our common stock expecting to receive cash dividends. Because we do not pay dividends, and there may be limited trading, investors may not have any manner to liquidate or receive any payment on their investment. Therefore, our failure to pay dividends may cause investors to not see any return on investment even if we are successful in our business operations. In addition, because we do not pay dividends we may have trouble raising additional funds, which could affect our ability to expand our business operations.

### Item 1B. Unresolved Staff Comments

Not applicable.

### Item 2. Properties

Our principal executive office is located at 12540 Broadwell Road, Suite 2104, Milton, Georgia and is an approximately 3,500 sq. ft. office space rented at a rate of \$2,600 per month. We also lease approximately 8,500 sq. ft. of office space rented at a rate of \$23,000 per month in Bridgeton, Missouri. It is our belief that such space is adequate for our immediate office needs. Additional space may be required as we expand our business activities, but we do not foresee any significant difficulties in obtaining additional office facilities if deemed necessary.

Our principal property and equipment is comprised of land, landfills, buildings, vehicles and equipment. In the State of Missouri we lease real property and own a landfill. These properties are sufficient to meet the Company's current operational needs; however, the Company is exploring the potential acquisition and/or leasing of additional properties pursuant to its growth strategies.

### Item 3. Legal Proceedings

There are no material proceedings to which any director or officer, or any associate of any such director or officer, is a party that is adverse to our Company or any of our subsidiaries or has a material interest adverse to our Company or any of our subsidiaries. No director or executive officer has been a director or executive officer of any business which has filed a bankruptcy petition or had a bankruptcy petition filed against it during the past ten years. No current director or executive officer has been convicted of a criminal offense or is the subject of a pending criminal proceeding during the past ten years. No current director or executive officer has been the subject of any order, judgment or decree of any court permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities during the past ten years. No current director or officer has been found by a court to have violated a federal or state securities or commodities law during the past ten

years.

In addition, there are no material proceedings to which any affiliate of our Company, or any owner of record or beneficially of more than five percent of any class of voting securities of our Company, is a party that is adverse to our Company or any of our subsidiaries or has a material interest adverse to our Company or any of our subsidiaries. We are not currently involved in any litigation that we believe could have a materially adverse effect on our financial condition or results of operations.

However, from time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. Litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business.

#### Item 4. Mine Safety Disclosures

Not applicable.

## PART II

## Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Beginning March 22, 2006, the Company's common stock was quoted on the OTC Markets under the symbol "BCKE". On April 15, 2015, the Company received approval from FINRA to change its stock symbol to MRDN. The following table sets forth the range of quarterly high and low bid prices, as reported during the last two fiscal years.

Period	High	Low
Fiscal Year 2015:		
First Quarter	\$ 1.80	1.30
Second Quarter	1.60	1.02
Third Quarter	1.11	0.55
Fourth Quarter	2.00	0.30
Fiscal Year 2014:		
First Quarter	\$ 0.60	\$ 0.60
Second Quarter	0.60	0.60
Third Quarter	0.60	0.60
Fourth Quarter	1.38	1.38

The above quotations reflect inter-dealer prices, without retail mark-up, markdown or commission and may not reflect actual transactions. On April 13, 2016, the closing price for our common stock was \$1.95 per share.

## Holders

As of April 14, 2016, we had 42 stockholders of record of our common stock. Such number of record holders was derived from the records maintained by our transfer agent, Issuer Direct.

## Dividend Policy

The Company has never paid cash dividends on its common stock and does not anticipate paying dividends in the foreseeable future. The payment of future cash dividends is subject to the discretion of the Board of Directors and will depend upon the Company's earnings (if any), general financial condition, cash flows, capital requirements and other considerations deemed relevant by the Board of Directors.

## Recent Sales of Unregistered Securities

During the year ended December 31, 2015, we have issued the following securities which were not registered under the Securities Act and not previously disclosed in the Company's Quarterly Reports on Form 10-Q or Current Reports on Form 8-K. Unless otherwise indicated, all of the share issuances described below were made in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act for transactions not involving a public offering:

On January 2, 2015, the Board issued 20,000 shares of restricted Common Stock to two employees (10,000 shares each) as payment of a bonus.

On January 2, 2015, the Board issued 100,000 shares of restricted Common Stock in consideration of legal services.

On January 2, 2015, the Board issued 100,000 shares of restricted Common Stock to a consultant in consideration of accounting services.

On January 2, 2015, the Board issued 53,550 shares of restricted Common Stock to an employee as payment of accrued salary and bonus earned in connection with providing information technology services.

On January 2, 2015, the Board issued 890,843 shares of restricted Common Stock to an officer as payment of compensation.

On January 27, 2015, the Board issued 200,833 shares of Common Stock pursuant to the conversion under a convertible note.

On May 28, 2015, the Board issued 4,700,000 shares of restricted Common Stock to an officer as repayment of funds previously advanced and other consideration.

On October 2, 2015, the Board issued 1,000,000 shares of restricted Common Stock in consideration of investment banking and advisory services.

On October 2, 2015, the Board issued 250,000 shares of restricted Common Stock in consideration of legal services.

On October 2, 2015, the Board issued 150,000 shares of restricted Common Stock to an employee as payment of accrued salary and bonus earned in connection with providing information technology services.

On October 13, 2015, the Board issued 260,006 shares of Common Stock pursuant to the conversion under a convertible note.

On December 22, 2015, the Board issued 1,750,000 shares of Common Stock to the Seller of Christian Disposal, LLC as consideration pursuant to the Christian Purchase Agreement.

On December 29, 2015, the Board issued 1,600,000 shares of Common Stock as consideration pursuant to Warrant Cancellation and Stock Issuance Agreement.



# Securities Authorized for Issuance Under Equity Compensation Plans

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights compensation plans (excluding securities reflected in column (a)) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	0	0	0
E Equity compensation plans not approved by security holders	4,253,074	0	7,500,000
Total	4,253,074	0	7,500,000

## Item 6. Selected Financial Data

Meridian Waste Solutions, Inc., a smaller reporting company, is not required to provide information required by this item.

## Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

### Overview

We intend for this discussion to provide information that will assist in understanding our consolidated financial statements, the changes in certain key items in those consolidated financial statements, and the primary factors that accounted for those changes, as well as how certain accounting principles affect our consolidated financial statements. This discussion should be read in conjunction with our consolidated financial statements and accompanying notes for the fiscal year ended December 31, 2015 and year ended December 31, 2014.

### Executive Overview

#### General Overview of Our Business

The platform operation of the Company is our subsidiary Here To Serve Missouri Waste Division, LLC (“HTS Waste”). HTS Waste is in the business of collection of non-hazardous solid waste. Our revenue is generated primarily by collection services provided to residential customers. The following table reflects the total revenue of Meridian Waste Services, LLC (“Predecessor”) for the years ending December 31, 2013, the combined revenues for HTS Waste and the Predecessor for the year ended December 31, 2014, and for the year ended December 31, 2015 (dollars in thousands):

2015

2014

2013

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	\$	% increase	\$	% increase	\$	% Increase
Revenue	13,506	11%	12,202	8%	11,350	11%

As our revenues continue to grow in this existing market, we plan to increase the rate of this growth by expanding the collection business into the commercial arena as well as increasing our presence in the “roll-off” business. Roll-off service is the hauling and disposal of large waste containers (typically between 10 and 40 cubic yards) that are loaded on to and off of the collection vehicle.

Management expects continued growth through additional mergers and acquisitions. The following discussion and analysis should be read in conjunction with the financial statements, the related notes thereto and the pro forma financials included in this annual report on Form 10-K.

## Results of Operations

### Revenue

The Company's revenue for the year ended was \$13,506,000, a 11% increase over the annualized 2014 revenue of \$12,202,000. This increase is due to the continued growth of HTS Waste, the acquisitions of Christian Disposal and Eagle Ridge, and the expansion into other service product lines.

### Gross Profit

Gross profit percentage for the year ending December 31, 2015 is 25%. This is consistent with the seven and one-half months ending December 31, 2014 and relatively consistent with the gross profit percentage of the Predecessor, MWS. The small amount of decrease from the Predecessor is due to an increase in depreciation expense included in cost of sales and an increase in disposal cost. The increase in depreciation expense is due to the application of "push-down" accounting adjusting the value of depreciable property to fair value on May 15, 2014 and the addition of new equipment.

### Operating Expenses

Selling, general and administrative expenses were \$17,641,000, or 131% of revenue, for the year ended December 31, 2015. This is a significant increase over the level of selling, general and administrative expenses for the seven and one-half months ending December 31, 2014 and that of the Predecessor. This is largely due to significant incentive packages awarded to certain employees and vendors and certain other one-time expenses in connection with the acquisitions and reorganization of the Company. In addition, as discussed above, the increase is related to the use of "push-down" accounting related to the business combinations which occurred in May 2014 and December 2015.

### Segment Information

Not applicable.

### Liquidity and Capital Resources

As of December 31, 2015, the Company had negative working capital of \$5,871,000. This lack of liquidity is mitigated by the Company's ability to generate cash from operating activities. Cash generated from operating activities, excluding one-time expenses of approximately \$3,295,000 related to the refinancing of debt and acquisitions, was approximately \$1,470,000 for the year ended December 31, 2015.

The Company purchased over \$1 million of new equipment while increasing long term debt by approximately \$30,000,000 during the year ended December 31, 2015. The increase in debt was due to the debt restructuring as part of the acquisitions as discussed below.

Liquidity is the ability of a company to generate funds to support its current and future operations, satisfy its obligations, and otherwise operate on an ongoing basis.

Our primary uses of cash have been for working capital purposes to support our operations and our efforts to become a reporting company with the SEC. All funds received have been expended in the furtherance of growing our business operations, establishing our brand and making sure our work is completed with efficiency and of the highest quality. The following trends are reasonably likely to result in a material decrease in our liquidity over the near to long term:

- o An increase in working capital requirements to finance additional marketing efforts,
- o Increases in advertising, public relations and sales promotions for existing customers and to attract new customers as the company expands, and
- o The cost of being a public company.

We are not aware of any known trends or any known demands, commitments or events that will result in our liquidity increasing or decreasing in any material way. We are not aware of any matters that would have an impact on future operations.

Our net revenues have been sufficient to fund our operating expenses. At December 31, 2015, we had a cash balance of \$2,730,000, the majority of which was funded by Goldman Sachs as part of the debt refinancing discussed below. Since inception, we have not raised any capital from the sale of common stock to fund our operating expenses.

During the 3 months ending September 30, 2015, the Company eliminated its Credit Facility with Comerica Bank (see Debt Restructuring with Praesidian Capital Opportunity Fund III, LP below). In December 2015, the Company subsequently refinanced its debt with Praesidian in connection with the acquisitions of Christian Disposal and Eagle Ridge (see Goldman Sachs Credit Agreement below).

We currently have no material commitments for capital expenditures and believe that our cash requirements over the next 12 months will be approximately \$1,000,000. In order to fund future growth and expansion through acquisitions and capital expenditures, the company may be required to raise capital through the sale of its securities.

In order to fund future expansion through acquisitions and capital expenditures, the Company may be required to raise capital through the sale of its securities on the public market.

#### Debt Restructuring with Praesidian Capital Opportunity Fund III, LP

On August 6, 2015, the Company entered into a financing agreement with Praesidian Capital Opportunity Fund III, LP whereby the Comerica facilities described below and other short term bridge financing were paid. Total proceeds from this financing were used to eliminate this debt.

#### Goldman Sachs Credit Agreement

On December 22, 2015, in connection with the closing of acquisitions of Christian Disposal, LLC and certain assets of Eagle Ridge Landfill, LLC, the Company was extended certain credit facilities by Goldman Sachs, consisting of \$40,000,000 aggregate principal amount of Tranche A Term Loans, \$10,000,000 aggregate principal amount of Multi-Draw Term Loans and up to \$5,000,000 aggregate principal amount of Revolving Commitments. At December 31, 2015, only the Tranche A Term Loan was drawn and had an outstanding balance of \$40,000,000. It is collateralized by the assets of the Company. The debt has a maturity date of December 22, 2020 with interest paid monthly at an annual rate of 9%. In addition, there is a commitment fee paid monthly on the Mutli-Draw Term Loans and Revolving Commitments at an annual rate of 0.5%.

The proceeds of the loans were used to partially fund the acquisitions referenced above and refinance existing debt with Praesidian, among other things. The Company re-paid in full and terminated its agreements with Praesidian which effected the cancellation of certain warrants that the Company issued to Fund III for the purchase of 931,826 shares of the Company's common stock and to Fund III-A for the purchase of 361,196 shares of the Company's common stock. In consideration for the cancellation of the Praesidian Warrants, the Company issued to Praesidian Capital Opportunity Fund III, LP, 1,153,052 shares of common stock and issued to Praesidian Capital Opportunity Fund III-A, LP, 446,948 shares of common stock. Due to the early termination of the notes and cancellation of the warrants, the Company recorded a loss on extinguishment of debt of \$1,899,161 in the year ended December 31, 2015.

In addition, in connection with the credit agreement, the Company issued warrants to Goldman Sachs for the purchase of shares of the Company's common stock equivalent to a 6.5% Percentage Interest at a purchase price equal to

\$449,553, exercisable on or before December 22, 2023. The warrants grant the holder certain other rights, including registration rights, preemptive rights for certain capital raises, board observation rights and indemnification.

#### Inflation and Seasonality

Based on our industry and our historic trends, we expect our operations to vary seasonally. Typically, revenue will be highest in the second and third calendar quarters and lowest in the first and fourth calendar quarters. These seasonal variations result in fluctuations in waste volumes due to weather conditions and general economic activity. We also expect that our operating expenses may be higher during the winter months due to periodic adverse weather conditions that can slow the collection of waste, resulting in higher labor and operational costs.

## Critical Accounting Policies

### Basis of Consolidation

The consolidated financial statements for the year ended December 31, 2015 include the operations of the Company and its wholly-owned subsidiaries, Here To Serve Missouri Waste Division, LLC, Meridian Land Company, LLC, Here to Serve Technology, LLC and Christian Disposal, LLC. The following two subsidiaries of the Company, Here To Serve Georgia Waste Division, LLC and Here to Serve Technology, LLC, a Georgia Limited Liability Company had no operations during the period.

All significant intercompany accounts and transactions have been eliminated in consolidation.

### Impairment of long-lived assets

The Company periodically reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. The Company recognizes an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The amount of impairment is measured as the difference between the asset's estimated fair value and its book value.

### Use of Estimates

Management estimates and judgments are an integral part of consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). We believe that the critical accounting policies described in this section address the more significant estimates required of management when preparing our consolidated financial statements in accordance with GAAP. We consider an accounting estimate critical if changes in the estimate may have a material impact on our financial condition or results of operations. We believe that the accounting estimates employed are appropriate and resulting balances are reasonable; however, actual results could differ from the original estimates, requiring adjustment to these balances in future periods.

### Accounts Receivable

Accounts receivable are recorded at management's estimate of net realizable value. At December 31, 2015 and 2014 the Company had approximately \$2,326,000 and \$660,000 of gross trade receivables, respectively.

Our reported balance of accounts receivable, net of the allowance for doubtful accounts, represents our estimate of the amount that ultimately will be realized in cash. We review the adequacy and adjust our allowance for doubtful accounts on an ongoing basis, using historical payment trends and the age of the receivables and knowledge of our individual customers. However, if the financial condition of our customers were to deteriorate, additional allowances may be required. At December 31, 2015 and 2014 the Company had approximately \$618,000 and \$71,000 recorded for the allowance for doubtful accounts, respectively.

### Revenue Recognition

The Company follows the guidance of ASC 605 for revenue recognition. In general, the Company records revenue when persuasive evidence of an arrangement exists, services have been rendered or product delivery has occurred, the sales price to the customer is fixed or determinable and collectability is reasonably assured.

We generally provide services under contracts with municipalities or individual customers. Municipal and commercial contracts are generally long-term and often have renewal options. Advance billings are recorded as deferred revenue, and revenue is recognized over the period services are provided. We recognize revenue when all four of the following criteria are met:

- Persuasive evidence of an arrangement exists such as a service agreement with a municipality, a hauling customer or a disposal customer;
- Services have been performed such as the collection and hauling of waste;
- The price of the services provided to the customer is fixed or determinable and
- Collectability is reasonably assured.



#### Property, plant and equipment

The cost of property, plant, and equipment is depreciated over the estimated useful lives of the related assets utilizing the straight-line method of depreciation. The cost of leasehold improvements is depreciated (amortized) over the lesser of the length of the related leases or the estimated useful lives of the assets. Ordinary repairs and maintenance are expensed when incurred and major repairs will be capitalized and expensed if it benefits future periods.

#### Intangible Assets

Intangible assets that are subject to amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. Assets not subject to amortization are tested for impairment at least annually.

#### Investment in Related Party Affiliate

The Company has an investment in a privately held corporation in the mobile apps industry. As the Company exercises significant influence on this entity, this investment is recorded using the equity method of accounting. The Company monitors this investment for impairment and makes appropriate reductions in the carrying value if the Company determines that an impairment charge is required based primarily on the financial condition and near-term prospect of this entity.

#### Goodwill

Goodwill is the excess of our purchase cost over the fair value of the net assets of acquired businesses. We do not amortize goodwill, but as discussed in the Asset Impairments section below, we assess our goodwill for impairment at least annually.

## Landfill Accounting

### Capitalized landfill costs

**Cost basis of landfill assets** — We capitalize various costs that we incur to make a landfill ready to accept waste. These costs generally include expenditures for land (including the landfill footprint and required landfill buffer property); permitting; excavation; liner material and installation; landfill leachate collection systems; landfill gas collection systems; environmental monitoring equipment for groundwater and landfill gas; and directly related engineering, capitalized interest, on-site road construction and other capital infrastructure costs. The cost basis of our landfill assets also includes asset retirement costs, which represent estimates of future costs associated with landfill final capping, closure and post-closure activities. These costs are discussed below.

**Final capping, closure and post-closure costs** — Following is a description of our asset retirement activities and our related accounting:

**Final capping** — Involves the installation of flexible membrane liners and geosynthetic clay liners, drainage and compacted soil layers and topsoil over areas of a landfill where total airspace capacity has been consumed. Final capping asset retirement obligations are recorded on a units-of-consumption basis as airspace is consumed related to the specific final capping event with a corresponding increase in the landfill asset. The final capping is accounted for as a discrete obligation and recorded as an asset and a liability based on estimates of the discounted cash flows and capacity associated with the final capping.

**Closure** — Includes the construction of the final portion of methane gas collection systems (when required), demobilization and routine maintenance costs. These are costs incurred after the site ceases to accept waste, but before the landfill is certified as closed by the applicable state regulatory agency. These costs are recorded as an asset retirement obligation as airspace is consumed over the life of the landfill with a corresponding increase in the landfill asset. Closure obligations are recorded over the life of the landfill based on estimates of the discounted cash flows associated with performing closure activities.

**Post-closure** — Involves the maintenance and monitoring of a landfill site that has been certified closed by the applicable regulatory agency. Generally, we are required to maintain and monitor landfill sites for a 30-year period. These maintenance and monitoring costs are recorded as an asset retirement obligation as airspace is consumed over the life of the landfill with a corresponding increase in the landfill asset. Post-closure obligations are recorded over the life of the landfill based on estimates of the discounted cash flows associated with performing post-closure activities.

We develop our estimates of these obligations using input from our operations personnel, engineers and accountants. Our estimates are based on our interpretation of current requirements and proposed regulatory changes and are intended to approximate fair value. Absent quoted market prices, the estimate of fair value is based on the best available information, including the results of present value techniques. In many cases, we contract with third parties to fulfill our obligations for final capping, closure and post closure. We use historical experience, professional engineering judgment and quoted and actual prices paid for similar work to determine the fair value of these obligations. We are required to recognize these obligations at market prices whether we plan to contract with third parties or perform the work ourselves. In those instances where we perform the work with internal resources, the incremental profit margin realized is recognized as a component of operating income when the work is performed.

Once we have determined the final capping, closure and post-closure costs, we inflate those costs to the expected time of payment and discount those expected future costs back to present value. During the year ended December 31, 2015 we inflated these costs in current dollars until the expected time of payment using an inflation rate of 2.5%. We discounted these costs to present value using the credit-adjusted, risk-free rate effective at the time an obligation is incurred, consistent with the expected cash flow approach. Any changes in expectations that result in an upward

revision to the estimated cash flows are treated as a new liability and discounted at the current rate while downward revisions are discounted at the historical weighted average rate of the recorded obligation. As a result, the credit-adjusted, risk-free discount rate used to calculate the present value of an obligation is specific to each individual asset retirement obligation. The weighted average rate applicable to our long-term asset retirement obligations at December 31, 2015 is approximately 8.5%.

We record the estimated fair value of final capping, closure and post-closure liabilities for our landfills based on the capacity consumed through the current period. The fair value of final capping obligations is developed based on our estimates of the airspace consumed to date for the final capping. The fair value of closure and post-closure obligations is developed based on our estimates of the airspace consumed to date for the entire landfill and the expected timing of each closure and post-closure activity. Because these obligations are measured at estimated fair value using present value techniques, changes in the estimated cost or timing of future final capping, closure and post-closure activities could result in a material change in these liabilities, related assets and results of operations. We assess the appropriateness of the estimates used to develop our recorded balances annually, or more often if significant facts change.

Changes in inflation rates or the estimated costs, timing or extent of future final capping, closure and post-closure activities typically result in both (i) a current adjustment to the recorded liability and landfill asset and (ii) a change in liability and asset amounts to be recorded prospectively over either the remaining capacity of the related discrete final capping or the remaining permitted and expansion airspace (as defined below) of the landfill. Any changes related to the capitalized and future cost of the landfill assets are then recognized in accordance with our amortization policy, which would generally result in amortization expense being recognized prospectively over the remaining capacity of the final capping or the remaining permitted and expansion airspace of the landfill, as appropriate. Changes in such estimates associated with airspace that has been fully utilized result in an adjustment to the recorded liability and landfill assets with an immediate corresponding adjustment to landfill airspace amortization expense.

**Remaining permitted airspace** — Our engineers, in consultation with third-party engineering consultants and surveyors, are responsible for determining remaining permitted airspace at our landfills. The remaining permitted airspace is determined by an annual survey, which is used to compare the existing landfill topography to the expected final landfill topography.

**Expansion airspace** — We also include currently unpermitted expansion airspace in our estimate of remaining permitted and expansion airspace in certain circumstances. First, to include airspace associated with an expansion effort, we must generally expect the initial expansion permit application to be submitted within one year and the final expansion permit to be received within five years. Second, we must believe that obtaining the expansion permit is likely, considering the following criteria:

- o Personnel are actively working on the expansion of an existing landfill, including efforts to obtain land use and local, state or provincial approvals;
  - o We have a legal right to use or obtain land to be included in the expansion plan;
- o There are no significant known technical, legal, community, business, or political restrictions or similar issues that could negatively affect the success of such expansion; and
- o Financial analysis has been completed based on conceptual design, and the results demonstrate that the expansion meets the Company's criteria for investment.

For unpermitted airspace to be initially included in our estimate of remaining permitted and expansion airspace, the expansion effort must meet all of the criteria listed above. These criteria are evaluated by our field-based engineers, accountants, managers and others to identify potential obstacles to obtaining the permits. Once the unpermitted airspace is included, our policy provides that airspace may continue to be included in remaining permitted and expansion airspace even if certain of these criteria are no longer met as long as we continue to believe we will ultimately obtain the permit, based on the facts and circumstances of a specific landfill.

When we include the expansion airspace in our calculations of remaining permitted and expansion airspace, we also include the projected costs for development, as well as the projected asset retirement costs related to the final capping, closure and post-closure of the expansion in the amortization basis of the landfill.

Once the remaining permitted and expansion airspace is determined in cubic yards, an airspace utilization factor ("AUF") is established to calculate the remaining permitted and expansion capacity in tons. The AUF is established using the measured density obtained from previous annual surveys and is then adjusted to account for future settlement. The amount of settlement that is forecasted will take into account several site-specific factors including current and projected mix of waste type, initial and projected waste density, estimated number of years of life remaining, depth of underlying waste, anticipated access to moisture through precipitation or recirculation of landfill leachate, and operating practices. In addition, the initial selection of the AUF is subject to a subsequent multi-level review by our engineering group, and the AUF used is reviewed on a periodic basis and revised as necessary. Our historical experience generally indicates that the impact of settlement at a landfill is greater later in the life of the landfill when the waste placed at the landfill approaches its highest point under the permit requirements.

After determining the costs and remaining permitted and expansion capacity at each of our landfill, we determine the per ton rates that will be expensed as waste is received and deposited at the landfill by dividing the costs by the corresponding number of tons. We calculate per ton amortization rates for the landfill for assets associated with each final capping, for assets related to closure and post-closure activities and for all other costs capitalized or to be capitalized in the future. These rates per ton are updated annually, or more often, as significant facts change.

It is possible that actual results, including the amount of costs incurred, the timing of final capping, closure and post-closure activities, our airspace utilization or the success of our expansion efforts could ultimately turn out to be significantly different from our estimates and assumptions. To the extent that such estimates, or related assumptions, prove to be significantly different than actual results, lower profitability may be experienced due to higher amortization rates or higher expenses; or higher profitability may result if the opposite occurs. Most significantly, if it is determined that expansion capacity should no longer be considered in calculating the recoverability of a landfill asset, we may be required to recognize an asset impairment or incur significantly higher amortization expense. If at any time management makes the decision to abandon the expansion effort, the capitalized costs related to the expansion effort are expensed immediately.

#### Deferred Revenue

The Company records deferred revenue for customers that were billed in advance of services. The balance in deferred revenue represents amounts billed in October, November and December for services that will be provided during January, February and March.

#### Cost of Services

Cost of services include all employment costs associated with waste collection, transfer and disposal, damage claims, landfill costs, personal property taxes associated with collection vehicles and other direct cost of the collection and disposal process.

#### Concentrations

The Company maintains its cash and cash equivalents in bank deposit accounts, which could, at times, exceed federally insured limits. The Company has not experienced any losses in such accounts; however, amounts in excess of the federally insured limit may be at risk if the bank experiences financial difficulties. The Company places its cash with high credit quality financial institutions. The Company's accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

Financial instruments which also potentially subject the Company to concentrations of credit risk consist principally of trade accounts receivable; however, concentrations of credit risk with respect to trade accounts receivables are limited due to generally short payment terms.

#### Stock-Based Compensation

Stock-based compensation is accounted for at fair value in accordance with ASC Topic 718. To date, the Company has not adopted a stock option plan and has not granted any stock options.

Stock-based compensation is accounted for based on the requirements of the Share-Based Payment Topic of ASC 718 which requires recognition in the consolidated financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). The ASC also require measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award.

Pursuant to ASC Topic 505-50, for share based payments to consultants and other third-parties, compensation expense is determined at the “measurement date.” The expense is recognized over the service period of the award. Until the measurement date is reached, the total amount of compensation expense remains uncertain. The Company initially records compensation expense based on the fair value of the award at the reporting date.

The Company recorded stock based compensation expense of \$8,187,000 and \$339,000 during the years ended December 31, 2015 and 2014, respectively.

#### Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update 2014-09, Revenue from Contracts with Customers. Amendments in this Update create Topic 606, Revenue from Contracts with Customers, and supersede the revenue recognition requirements in Topic 605, Revenue Recognition, including most industry-specific revenue recognition guidance throughout the Industry Topics of the Codification. In addition, the amendments supersede the cost guidance in Subtopic 605-35, Revenue Recognition—Construction-Type and Production-Type Contracts, and create new Subtopic 340-40, Other Assets and Deferred Costs—Contracts with Customers. In summary, the core principle of Topic 606 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This Accounting Standards Update is the final version of Proposed Accounting Standards Update 2011-230—Revenue Recognition (Topic 605) and Proposed Accounting Standards Update 2011-250—Revenue Recognition (Topic 605): Codification Amendments, both of which have been deleted. Accounting Standards Update 2014-09. The amendments in this Update are effectively for the Company for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. The Company is currently evaluating the effects of ASU 2014-09 on the consolidated financial statements.

#### Off-Balance Sheet Arrangements

There were no off-balance sheet arrangements during the fiscal years ended December 31, 2015 and 2014 that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to our interests.

#### Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Meridian Waste Solutions, Inc., a smaller reporting company, is not required to provide information required by this item.

#### Item 8. Financial Statements and Supplementary Data

Our consolidated financial statements begin on page F-1 which appear at the end of this Annual Report.

#### Item 9A. Controls and Procedures

##### (a) Evaluation of Disclosure Controls and Procedures

Our management team, under the supervision and with the participation of our principal executive officer and our principal financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as of the last day of the fiscal period covered by this report, December 31, 2015. The

term disclosure controls and procedures means our controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our principal executive and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of December 31, 2015.

(b) Management's Assessment of Internal Control over Financial Reporting

Our principal executive officer and our principal financial officer, are responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f). Management is required to base its assessment of the effectiveness of our internal control over financial reporting on a suitable, recognized control framework, such as the framework developed by the Committee of Sponsoring Organizations (COSO). The COSO framework, published in Internal Control-Integrated Framework, is known as the COSO Report. Our principal executive officer and our principal financial officer have chosen the COSO framework on which to base their assessment. Based on this evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2015.

It should be noted that any system of controls, however well designed and operated, can provide only reasonable and not absolute assurance that the objectives of the system are met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of certain events. Because of these and other inherent limitations of control systems, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

(c) Changes in Internal Controls Over Financial Reporting

During the most recently completed year, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

On April 13, 2016, the Company entered into a First Amendment to Director Agreement, substantially in the form attached hereto as Exhibit 10.27, with each of Mr. Cosman and Mr. Hall (collectively, the "First Amendments"). Pursuant to the First Amendments, in accordance with Company policy against providing compensation to members of the Board who are also employees of the Company, Mr. Cosman and Mr. Hall agreed to cancel and waive all rights to the obligations of the Company to issue common stock and options to Mr. Cosman and Mr. Hall under the respective Director Agreements that the Company and such directors entered into on March 11, 2016.



### PART III

#### Item 10. Directors, Executive Officers and Corporate Governance

##### Information Concerning the Board of Directors and Executive Officers of the Company

The following table sets forth certain information concerning the Board of Directors, persons nominated to be elected as directors and executive officers of the Company:

Name	Age	Position
Jeffrey Cosman (1)	45	Chief Executive Officer, Chairman of the Board of Directors
Walter H. Hall (2)	58	President, Chief Operating Officer, Director

(1) Jeffrey Cosman was appointed Chief Executive Officer and Chairman of the Board of Directors on October 31, 2014.

(2) Walter H. Hall was appointed President, Chief Operating Officer, and a member of the Board of Directors on March 11, 2016.

All directors hold office until the next annual meeting of shareholders and until their successors are elected and qualified.

Officers are appointed by the Board of Directors and serve at the discretion of the Board.

Jeffrey S. Cosman, age 45, Chief Executive Officer, Director

Jeffrey S. Cosman combines over 10 years' experience in the solid waste industry, which includes local operations, local and regional accounting and corporate finance. In addition, Mr. Cosman has experience in mobile-based app development, medical device sales leadership and capital raising. From 1993 through 1996, Mr. Cosman had a career in professional baseball with the New York Mets' minor league organization. After retiring from baseball, Mr. Cosman worked at Republic Services from February 1996 until February 1999. In his role in Corporate Finance, Mr. Cosman assisted due diligence of acquisitions, provided accounting guidance in over 168 transactions totaling \$1.6 Billion in annualized revenue, supported Corporate Controllers in monthly reporting and assisted in the preparation of a registration statement for Republic Services. In the early 2000's, Mr. Cosman became involved in start-up technology in the medical device industry, but subsequently left to focus on a career in the solid waste industry, founding, in 2010, Legacy Waste Solutions, LLC, a compressed natural gas consulting business. In 2012, Mr. Cosman purchased Rosewood Communication Supply, a warehouse centric telecom parts and supplies distributor as a partner. Mr. Cosman holds a B.B.A. in Managerial Finance and Banking and Finance, and a Bachelors of Accountancy from the University of Mississippi. The Board of Directors believes that Mr. Cosman's "ground up" experience in the solid waste industry, together with his background in related fields, as well as finance, will support the Company's growth plans as it moves forward in implementing its transition into the waste industry.

Mr. Cosman is the majority shareholder in Here To Serve Holding Corp, an Over-The-Counter company based in Milton, Georgia. Mr. Cosman has approximately 65% of the outstanding shares of Here To Serve Holding Corp. The Company does not have an arrangement with Here To Serve or Mr. Cosman for past, current or future services to be performed between Here To Serve and Meridian Waste Solutions, Inc. Mr. Cosman may in the future consult from time to time with Here To Serve on matters that do not conflict with the operation of the Company. Mr. Cosman spends several hours a month on Here To Serve.

Additionally, Mr. Cosman has a minority equity interest in Rush The Puck, LLC. The Company does not have an arrangement with Rush The Puck, LLC or Mr. Cosman for past, current or future services to be performed between Rush The Puck LLC and Meridian Waste Solutions, Inc. Mr. Cosman spends approximately one hour per week on Rush The Puck, LLC.

Walter H. Hall, age 58, President, Chief Operating Officer, Director

Walter H. Hall, age 58, brings 25 years of management experience in the waste industry. Most recently Mr. Hall served as Chief Operating Officer for Advanced Disposal Services, Inc., from 2001 through 2014, where he had direct responsibility for profit and loss decisions, development and implementation of strategic marketplace plans, sales, safety, acquisitions, and coordination of assets and personnel for a company having operations in 18 states with annual revenues in excess of \$1.3 billion. Prior to that, Mr. Hall held positions as President and General Manager with Southland Waste Systems and Southland Waste Systems of Georgia, respectively, following six years with Brown Ferris Industries as District Manager and Regional Operations Manager. Mr. Hall has an undergraduate degree from Mississippi College. The Board of Directors believes that Mr. Hall's extensive and directly applicable experience within the waste industry makes him ideally qualified to help lead the Company towards continued growth.

#### Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's officers and directors, and persons who own more than ten percent (10%) of a registered class of the Company's equity securities to file reports of ownership and changes in ownership with the Securities and Exchange Commission ("SEC"). Officers, directors and greater than ten percent stockholders are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file.

Based solely on our review of certain reports filed with the Securities and Exchange Commission pursuant to Section 16(a) of the Securities Exchange Act of 1934, as amended, the reports required to be filed with respect to transactions in our common stock during the fiscal year ended December 31, 2015, were timely, except that certain disclosures set forth in the Form 4 filed by our chief executive officer on March 14, 2016 were not made until after the required date.

#### Audit Committee

We have not designated an audit committee of the board of directors.

#### Code of Ethics

We have not adopted a code of ethics that applies to our principal executive officer, principal financial officer, principal accounting officer, controller or persons performing similar functions. We plan to adopt a code of ethics in 2016.



## Item 11. Executive Compensation

## Executive Compensation

The following Summary Compensation Table sets forth all compensation earned, in all capacities, during the fiscal years ended December 31, 2015 and 2014 by each of the executive officers.

Name and Principal Position	Year	Salary (\$)	Option Awards (\$)	Other Compensation	Total
Jeffrey Cosman (1) (2) Chief Executive Officer, Director	2015	\$ 500,000	\$ 0	\$ 7,216,180 (3)	\$ 7,716,180
	2014	\$ 574,017	\$ 0	\$ 0	\$ 574,017
Anthony Merante (1) Chief Executive Officer, Chief Financial Officer, Director	2015	--	--	--	--
	2014	0	0	0	0
Walter H. Hall, Jr. President, Chief Operating Officer, Director (4)	2015	--	--	--	--
	2014	--	--	--	--

(1) Anthony Merante, former Director, Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer and Corporate Secretary resigned from all positions effective as of October 31, 2014.

(2) Effective October 31, 2014, Jeffrey S. Cosman was appointed Chief Executive Officer of the Company and Director. All of Mr. Cosman's salary was accrued for 2014; \$187,500 of Mr. Cosman's salary was accrued for 2015.

(3) Mr. Cosman received 5,590,843 shares of common stock.

(4) Mr. Hall was appointed President, Chief Operating Officer and Director on March 11, 2016.

## Option Grants

We did not grant any options to any of our executive officers during the years ended December 31, 2015 and 2014.

## Compensation of Directors

At this time, our directors do not receive a fee for physical attendance at each meeting of the Board of Directors or a committee thereof.

## Employment Contracts, Termination of Employment and Change in Control Arrangements

## Jeffrey Cosman - Employment Agreement, Director Agreement and Restricted Stock Agreement

On March 11, 2016, the Company entered into an employment agreement with Mr. Cosman (the "Cosman Employment Agreement"). Mr. Cosman is currently the Chief Executive Officer and Chairman of the Board of Directors of the Company and prior to the execution and delivery of the Cosman Employment Agreement, terms of Mr. Cosman's employment were governed by that certain previous employment agreement assumed by the Company in connection with the Company's purchase of certain membership interests owned by such previous employer on

October 17, 2014. The Cosman Employment Agreement has an initial term from March 11, 2016 through December 31, 2017 and the term will automatically renew for one (1) year periods unless otherwise terminated in accordance with the terms therein. Mr. Cosman will receive a base salary of \$525,000 and Mr. Cosman's compensation will increase by 5% on January 1 of each year. Mr. Cosman may also receive a cash bonus based on the Company's performance relative to its annual target performance, as well as an annual equity bonus in the form of restricted common stock, in accordance with the Company's 2016 Equity and Incentive Plan (the "Plan") and subject to the restrictions contained therein, equivalent to 6% of the value of all acquisitions by the Company or its subsidiaries of substantially all the assets of existing businesses or of controlling interests in existing business entities and equity or debt financings during the preceding year. Upon any termination of Mr. Cosman's employment with the Company, except for a termination for Cause, Mr. Cosman shall be entitled to a severance payment equal to the greater of (i) five years' worth of the then-existing base salary and (ii) the last year's bonus.

On March 11, 2016, the Company entered into a director agreement with the Company's Chairman of the Board and Chief Executive Officer, Jeffrey Cosman, as amended by the First Amendment to Director Agreement entered into by the parties on April 13, 2016 (the "Cosman Director Agreement").

On March 11, 2016, the Company entered into a restricted stock agreement with Mr. Cosman (the “Cosman Restricted Stock Agreement”), pursuant to which 4,253,074 shares of the Company's common stock, subject to certain restrictions set forth in the Cosman Restricted Stock Agreement, were issued to Mr. Cosman pursuant to the Cosman Employment Agreement and the Plan.

The above descriptions of the Cosman Employment Agreement and Cosman Director Agreement do not purport to be complete and are qualified in their entirety by the full text of the Cosman Employment Agreement, form of Director Agreement and form of First Amendment to Director Agreement, which are attached as Exhibit 10.1 and Exhibit 10.2 to the Current Report on Form 8-K filed with the U.S. Securities and Exchange Commission on March 17, 2016, and Exhibit 10.27 of this Annual Report on Form 10-K, respectively, and incorporated herein by reference.

#### Walter H. Hall, Jr. - Director Agreement and Employment Agreement

On March 11, 2016, the Company entered into a director agreement with Mr. Walter H. Hall, Jr., as amended by the First Amendment to Director Agreement entered into by the parties on April 13, 2016 (the “Hall Director Agreement”), concurrent with Mr. Hall’s appointment to the Board of Directors of the Company (the “Board”) effective March 11, 2016 (the “Effective Date”).

On March 11, 2016, the Company entered into an executive employment agreement with Mr. Hall (the “Hall Employment Agreement”). Mr. Hall will have the title of President and Chief Operating Officer. The Hall Employment Agreement has an initial term of thirty-six (36) months and the term will automatically renew for one (1) year periods, unless otherwise terminated pursuant to the terms contained therein. Mr. Hall will receive a base salary of \$300,000 beginning upon the Company’s closing of acquisitions in the aggregate amount of \$35,000,000 from the date the Hall Employment Agreement is executed. Mr. Hall may also receive an annual bonus of up to \$175,000, or such larger amount approved by the Board, as well as an annual equity bonus (in the form of restricted common stock, in accordance with the Plan and subject to the restrictions contained therein) equivalent to 2% of the value of all acquisitions by the Company or its subsidiaries of substantially all the assets of existing businesses or of controlling interests in existing business entities and equity or debt financings during the preceding year. Additionally, Mr. Hall received two million (2,000,000) restricted shares of the Company’s common stock upon the execution of the Hall Employment Agreement.

The above descriptions of the Hall Director Agreement and Hall Employment Agreement do not purport to be complete and are qualified in their entirety by the full text of the form of Director Agreement, Hall Employment Agreement and form of First Amendment to Director Agreement which are attached as Exhibit 10.2, and Exhibit 10.3 to the Current Report on Form 8-K filed with the U.S. Securities and Exchange Commission on March 17, 2016, and Exhibit 10.27 of this Annual Report on Form 10-K, respectively, and incorporated herein by reference.

## Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth, as of April 13, 2016, certain information with respect to the beneficial ownership of our common stock by each shareholder known by us to be the beneficial owner of more than 5% of our Common Stock and by each of our current directors and executive officers. Each person has sole voting and investment power with respect to the shares of Common Stock, except as otherwise indicated.

This table is prepared based on information supplied to us by the listed security holders, any Schedules 13D or 13G and Forms 3 and 4, and other public documents filed with the SEC.

Under the rules of the Securities and Exchange Commission, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or direct the voting of the security, or investment power, which includes the power to vote or direct the voting of the security. The person is also deemed to be a beneficial owner of any security of which that person has a right to acquire beneficial ownership within 60 days. Under the Securities and Exchange Commission rules, more than one person may be deemed to be a beneficial owner of the same securities, and a person may be deemed to be a beneficial owner of securities as to which he or she may not have any pecuniary beneficial interest.

Shares of Common Stock which an individual or group has a right to acquire within 60 days pursuant to the exercise or conversion of options are deemed to be outstanding for the purpose of computing the percentage ownership of such individual or group, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person shown in the table below.

Shareholder	Common Stock Owned Beneficially	Percent of Class (1)		Series A Preferred Stock Owned Beneficially	Percent of Class (2)		Series B Preferred Stock owned Beneficially	Percent of Class (3)	
Jeffrey Cosman, Chairman, Chief Executive Officer, Chairman 12540 Broadwell Road, Suite 2104 Milton, GA 30004	11,361,652 (4)	48.98%	(4)	51	100	%	0	0	%
Walter H. Hall 12540 Broadwell Road, Suite 2104 Milton, GA 30004	2,000,000	8.04 %			0	%	0	0	%
All directors and officers as a group (2 persons)	13,361,652 (4)	57.60%	(4)	51	100	%	0	0	%
5% or greater shareholders									
Edward H. Kniep IV Trust 651 Sunbridge Drive Chesterfield, MO 63017	1,350,108 (5)	5.8%	(5)	0	0	%	23,706.67	33.3%	
Patricia S. Reich Trust 4721 Butler Crossing Court Saint Louis MO 63128	1,350,108 (5)	5.8%	(5)	0	0	%	23,706.67	33.3	%
Charles E. Barcom 1920 Briarfield Drive	1,350,108 (5)	5.8%	(5)	0	0	%	23,706.67	33.3	%

Lake St. Louis, MO 63367										
Praesidian Funds(6)	1,600,000	6.90%	%	0	0	%	0	0	%	
419 Park Avenue South										
New York 10016										
The Goldman Sachs Group, Inc.	1,746,493	(7)	7.00%	(7)	0	0	%	0	0	%
200 West Street										
New York, NY 10282										
	20,758,469	76.95%		51	100	%	71,120	100	%	

- 
- (1) Based on a total of 23,197,223 shares of common stock outstanding as of April 13, 2016.
- (2) Based on a total of 51 shares of Series A Preferred outstanding as of April 13, 2016.
- (3) Based on a total of 71,120 shares of Series B Preferred outstanding as of April 13, 2016.
- (4) Includes 3,322,809 shares of the common stock of the Company issued to Here to Serve Holding Corp. Mr. Cosman is the Chief Executive Officer and Director of Here to Serve Holding Corp. and, accordingly, has sole voting power and sole dispositive power over such 3,322,809 shares. This amount does not include 4,253,074 shares of restricted stock issued to Mr. Cosman, which has not yet vested.
- (5) Assumes conversion of Series B shares at \$3.50 per agreement with Series B shareholders; includes 672,775 shares of common stock
- (6) These shares are owned by the following persons: Praesidian Capital Opportunity Fund III, LP; Praesidian Capital Opportunity Fund III-A, LP; Praesidian Capital Opportunity Management III, LLC; Praesidian Capital Opportunity Management III-A, LLC; and Jason Drattell
- (7) Assumes full exercise of Purchase Warrant for Common Shares dated December 22, 2015.



There are no arrangements, known to the Company, including any pledge by any person of securities of the Company, the operation of which may at a subsequent date result in a change in control of the Company.

## Description of Securities

### General

Our authorized capital stock consists of 75,000,000 shares of common stock, par value of \$0.025 per share, and 5,000,000 shares of preferred stock, par value of \$0.001 per share. As of April 13, 2016 there were 23,197,223 shares of our common stock issued and outstanding held by 42 holders of record. We currently have (i) 51 shares of Series A Preferred Stock authorized of which 51 shares of Series A Preferred Stock are issued and outstanding and (ii) 71,210 shares of Series B Preferred Stock authorized of which 71,210 shares of Series B Preferred Stock are issued and outstanding.

### Common Stock

Each share of our common stock entitles its holder to one vote in the election of each director and on all other matters voted on generally by our stockholders. No share of our common stock affords any cumulative voting rights. This means that the holders of a majority of the voting power of the shares voting for the election of directors can elect all directors to be elected if they choose to do so.

Holders of our common stock will be entitled to dividends in such amounts and at such times as our Board of Directors in its discretion may declare out of funds legally available for the payment of dividends. We currently intend to retain our entire available discretionary cash flow to finance the growth, development and expansion of our business and do not anticipate paying any cash dividends on the common stock in the foreseeable future. Any future dividends will be paid at the discretion of our Board of Directors after taking into account various factors, including:

- general business conditions;

- industry practice;

- our financial condition and performance;

- our future prospects;

- our cash needs and capital investment plans;

- our obligations to holders of any preferred stock we may issue;

- income tax consequences; and

- the restrictions New York and other applicable laws and our credit arrangements then impose.

If we liquidate or dissolve our business, the holders of our common stock will share ratably in all our assets that are available for distribution to our stockholders after our creditors are paid in full and the holders of all series of our outstanding preferred stock, if any, receive their liquidation preferences in full.

Our common stock has no preemptive rights and is not convertible or redeemable or entitled to the benefits of any sinking or repurchase fund.

## Preferred Stock

The Company has 5,000,000 authorized shares of preferred stock par value \$0.001 per share, which have two classes. The Series A Preferred Stock has 51 shares issued and outstanding and the Series B Preferred Stock has 71,210 shares issued and outstanding.

Each share of the Series A preferred Stock has no conversion rights, is senior to any other class or series of capital stock of the Company and special voting rights. Each one (1) share of Series A Preferred Stock shall have voting rights equal to (x) 0.019607 multiplied by the total issued and outstanding Common Stock eligible to vote at the time of the respective vote (the “Numerator”), divided by (y) 0.49, Minus (z) the Numerator.

Holders of the Series B Preferred Stock shall be entitled to receive when and if declared by the Board of Directors cumulative dividends at the rate of twelve percent (12%) of the Original Issue Price. In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, the holders of Series B Preferred Stock shall be entitled to receive, immediately prior and in preference to any distribution to holders of the Company's common stock, an amount per share equal to the sum of \$100.00 and any accrued and unpaid dividends of the Series B Preferred Stock. Each share of Series B Preferred Stock may be converted at the option of the holder into the Company's Common stock. The shares shall be converted using the "Conversion Formula": divide the Original Issue Price by 75% of the average closing bid price of the Common Stock for the five (5) consecutive trading days ending on the trading day of the receipt by the Company of the notice of conversion.

Our Board has the authority, within the limitations and restrictions in our certificate of incorporation, to issue shares of preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, dividend rates, conversion rights, voting rights, terms of redemption, redemption prices, liquidation preferences and the number of shares constituting any series or the designation of any series, without further vote or action by the stockholders. The issuance of shares of preferred stock may have the effect of delaying, deferring or preventing a change in our control without further action by the stockholders. The issuance of shares of preferred stock with voting and conversion rights may adversely affect the voting power of the holders of our common stock, including voting rights, of the holders of our common stock. In some circumstances, this issuance could have the effect of decreasing the market price of our common stock.

Undesignated preferred stock may enable our Board to render more difficult or to discourage an attempt to obtain control of our company by means of a tender offer, proxy contest, merger or otherwise, and thereby to protect the continuity of our management. The issuance of shares of preferred stock may adversely affect the rights of our common stockholders. For example, any shares of preferred stock issued may rank prior to the common stock as to dividend rights, liquidation preference or both, may have full or limited voting rights and may be convertible into shares of common stock. As a result, the issuance of shares of preferred stock, or the issuance of rights to purchase shares of preferred stock, may discourage an unsolicited acquisition proposal or bids for our common stock or may otherwise adversely affect the market price of our common stock or any existing preferred stock.

#### Anti-Takeover Provisions

Our Articles of Incorporation and Bylaws contain provisions that may make it more difficult for a third party to acquire or may discourage acquisition bids for us. Our Board of Directors may, without action of our stockholders, issue authorized but unissued common stock and preferred stock. The issuance of additional shares to certain persons allied with our management could have the effect of making it more difficult to remove our current management by diluting the stock ownership or voting rights of persons seeking to cause such removal. The existence of unissued preferred stock may enable the Board of Directors, without further action by the stockholders, to issue such stock to persons friendly to current management or to issue such stock with terms that could render more difficult or discourage an attempt to obtain control of us, thereby protecting the continuity of our management. Our shares of preferred stock could therefore be issued quickly with terms that could delay, defer, or prevent a change in control of us, or make removal of management more difficult.

#### Disclosure of Commission Position on Indemnification for Securities Act Liabilities

The Company's Amended Articles of Incorporation provide for indemnification of directors and officers against certain liabilities. Officers and directors of the Company are indemnified generally for any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the corporation, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the action, suit or proceeding if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the

corporation, and, with respect to any criminal action or proceeding, has no reasonable cause to believe his conduct was unlawful.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Company pursuant to the foregoing provisions, or otherwise, the Company has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by us of expenses incurred or paid by our directors, officers or controlling persons in the successful defense of any action, suit or proceedings) is asserted by such director, officer, or controlling person in connection with any securities being registered, we will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to court of appropriate jurisdiction the question whether such indemnification by us is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issues.

#### Securities Authorized for Issuance Under Equity Compensation Plans

The Meridian Waste Solutions, Inc. 2016 Equity and Incentive Plan authorizes the issuance of up to 7,500,000 shares of common stock, of which 4,253,074 have been issued, subject to restriction. The 2016 Equity and Incentive Plan has not been approved by our shareholders.

#### Item 13. Certain Relationships and Related Transactions, and Director Independence

None of our officers, directors, proposed director nominees, beneficial owners of more than 10% of our shares of common stock, or any relative or spouse of any of the foregoing persons, or any relative of such spouse who has the same house as such person or who is a director or officer of any parent or subsidiary of our Company, has any direct or indirect material interest in any transaction to which we are a party since our incorporation or in any proposed transaction to which we are proposed to be a party. In the event a related party transaction is proposed, such transaction will be presented to our board of directors for consideration and approval. Any such transaction will require approval by a majority of the disinterested directors and such transactions will be on terms no less favorable than those available to disinterested third parties. The Company does not believe that the provisions of Item 404(c) of Regulation S-K apply to our chief executive officer, Mr. Cosman, as a control person of the Company because the Company is not a shell company and Mr. Cosman is not part of a group, consisting of two or more persons that agree to act together for the purpose of acquiring, holding, voting or disposing of equity securities of the Company.

## Item 14. Principal Accounting Fees and Services

The following table shows the fees that we paid or accrued for the audit and other services provided by our present and former accountants during 2015 and 2014.

	Fiscal 2015	Fiscal 2014
Audit Fees	\$ 68,500	\$ 53,250
Audit-Related Fees	0	0
Tax Fees	0	0
All Other Fees	0	0
Total	\$ 68,500	\$ 53,250

**Audit Fees** — This category includes the audit of our annual financial statements, review of financial statements included in our Form 10-Q Quarterly Reports and services that are normally provided by the independent auditors in connection with engagements for those fiscal years. This category also includes advice on audit and accounting matters that arose during, or as a result of, the audit or the review of interim financial statements.

**Audit-Related Fees** — This category consists of assurance and related services by the independent auditors that are reasonably related to the performance of the audit or review of our financial statements and are not reported above under “Audit Fees.” The services for the fees disclosed under this category include consultation regarding our correspondence with the SEC and other accounting consulting.

**Tax Fees** — This category consists of professional services rendered by our independent auditors for tax compliance and tax advice. The services for the fees disclosed under this category include tax return preparation and technical tax advice.

**All Other Fees** — This category consists of fees for other miscellaneous items.

Our Board of Directors has adopted a procedure for pre-approval of all fees charged by our independent auditors. Under the procedure, the Board approves the engagement letter with respect to audit, tax and review services. Other fees are subject to pre-approval by the Board, or, in the period between meetings, by a designated member of Board. Any such approval by the designated member is disclosed to the entire Board at the next meeting. The audit fees paid to the auditors with respect to fiscal years 2015 and 2014 were pre-approved by the entire Board of Directors.

PART IV

Item 15. Exhibits, Financial Statement Schedules

The following Exhibits are filed as part of this report.

Exhibit No. Description

2.1	Purchase Agreement dated October 17, 2014 (incorporated herein by reference to Exhibit 10.1 to the Brooklyn Cheesecake & Desserts Company, Inc. Current Report on Form 8-K filed with the SEC on October 22, 2014)
3.1	Restated Certificate of Incorporation of Brooklyn Cheesecake & Deserts Company, Inc. (incorporated herein by reference to Exhibit 3.1 to the Brooklyn Cheesecake & Desserts Company, Inc. Current Report on Form 8-K filed with the SEC on December 15, 2014)
3.12	Certificate of Incorporation of Brooklyn Cheesecake & Dessert Acquisition Corp. (incorporated herein by reference to Exhibit 3.12 to the Brooklyn Cheesecake & Desserts Company, Inc. Current Report on Form 8-K filed with the SEC on December 15, 2014)
3.123	Certificate of Amendment of the Certificate of Incorporation of Brooklyn Cheesecake and Desserts Company, Inc. (incorporated herein by reference to Exhibit 3.1 to the Brooklyn Cheesecake & Desserts Company, Inc. Annual Report on Form 10-K filed with the SEC on April 15, 2015)
3.2	Amended and Restated By-laws of Brooklyn Cheesecake & Deserts Company, Inc. (incorporated herein by reference to Exhibit 3.2 to the Brooklyn Cheesecake & Desserts Company, Inc. Current Report on Form 8-K filed with the SEC on December 15, 2014)
3.21	By-Laws of Brooklyn Cheesecake & Dessert Acquisition Corp. (incorporated herein by reference to Exhibit 3.21 to the Brooklyn Cheesecake & Desserts Company, Inc. Current Report on Form 8-K filed with the SEC on December 15, 2014)
4.1	First Amendment to Credit and Guaranty Agreement, dated as of March 9, 2016, entered into by and among Here to Serve – Missouri Waste Division, LLC, Here to Serve – Georgia Waste Division, LLC, Brooklyn Cheesecake & Desserts Acquisition Corp., Meridian Land Company, LLC, Christian Disposal, LLC, and FWCD, LLC, Meridian Waste Solutions, Inc. (“Holdings”) and certain subsidiaries of Holdings, as Guarantors, the Lenders party hereto from time to time and Goldman Sachs Specialty Lending Group, L.P., as Administrative Agent, Collateral Agent, and Lead Arranger (incorporated herein by reference to Exhibit 4.1 to the Meridian Waste Solutions, Inc. Current Report on Form 8-K filed with the SEC on March 15, 2016)
4.2	Credit and Guaranty Agreement, dated as of December 22, 2015, entered into by and among Here to Serve – Missouri Waste Division, LLC, Here to Serve – Georgia Waste Division, LLC, Brooklyn Cheesecake & Desserts Acquisition Corp., Meridian Land Company, LLC, Christian Disposal, LLC, and FWCD, LLC, Meridian Waste Solutions, Inc. (“Holdings”) and certain subsidiaries of Holdings, as Guarantors, the Lenders party thereto from time to time and Goldman Sachs Specialty Lending Group, L.P., as Administrative Agent, Collateral Agent, and Lead Arranger (incorporated herein by reference to Exhibit 4.1 to the Meridian Waste Solutions, Inc. Current Report on Form 8-K filed with the SEC on December 29, 2015)

- 4.3 Tranche A Term Loan Note, issued in favor of Goldman Sachs Specialty Lending Holdings, Inc., in the principal amount of \$40,000,000, dated December 22, 2015 (incorporated herein by reference to Exhibit 4.2 to the Meridian Waste Solutions, Inc. Current Report on Form 8-K filed with the SEC on December 29, 2015)
- 4.4 MDTL Note, issued in favor of Goldman Sachs Specialty Lending Holdings, Inc., in the principal amount of \$10,000,000, dated December 22, 2015 (incorporated herein by reference to Exhibit 4.3 to the Meridian Waste Solutions, Inc. Current Report on Form 8-K filed with the SEC on December 29, 2015)
- 4.5 Revolving Loan Note, issued in favor of Goldman Sachs Specialty Lending Holdings, Inc., in the principal amount of \$5,000,000, dated December 22, 2015 (incorporated herein by reference to Exhibit 4.4 to the Meridian Waste Solutions, Inc. Current Report on Form 8-K filed with the SEC on December 29, 2015)

- 4.6 Purchase Warrant for Common Shares issued in favor of Goldman, Sachs & Co., dated December 22, 2015 (incorporated herein by reference to Exhibit 4.5 to the Meridian Waste Solutions, Inc. Current Report on Form 8-K filed with the SEC on December 29, 2015)
- 4.7 Pledge and Security Agreement between the grantors party thereto and Goldman Sachs Specialty Lending Group, L.P., dated December 22, 2015 (incorporated herein by reference to Exhibit 4.6 to the Meridian Waste Solutions, Inc. Current Report on Form 8-K filed with the SEC on December 29, 2015)
- 4.8 Note and Warrant Purchase Agreement and Security Agreement, by and among Meridian Waste Solutions, Inc., Here to Serve - Missouri Waste Division, LLC, Here to Serve - Georgia Waste Division, LLC, Meridian Land Company, LLC, certain subsidiaries of the Company, the purchasers from time to time party thereto and Praesidian Capital Opportunity Fund III, LP, dated August 6, 2015 (incorporated herein by reference to Exhibit 4.1 to the Meridian Waste Solutions, Inc. Quarterly Report on Form 10-Q filed with the SEC on November 16, 2015)
- 4.9 Note A, issued in favor of Praesidian Capital Opportunity Fund III, LP, in the principal amount of \$2,644,812.57, dated August 6, 2015 (incorporated herein by reference to Exhibit 4.2 to the Meridian Waste Solutions, Inc. Quarterly Report on Form 10-Q filed with the SEC on November 16, 2015)
- 4.10 Note A, issued in favor of Praesidian Capital Opportunity Fund III-a, LP, in the principal amount of \$1,025,187.43, dated August 6, 2015 (incorporated herein by reference to Exhibit 4.3 to the Meridian Waste Solutions, Inc. Quarterly Report on Form 10-Q filed with the SEC on November 16, 2015)
- 4.11 Note B, issued in favor of Praesidian Capital Opportunity Fund III, LP, in the principal amount of \$5,170,716.68, dated August 6, 2015 (incorporated herein by reference to Exhibit 4.4 to the Meridian Waste Solutions, Inc. Quarterly Report on Form 10-Q filed with the SEC on November 16, 2015)
- 4.12 Note B, issued in favor of Praesidian Capital Opportunity Fund III-a, LP, in the principal amount of \$2,004,283.32, dated August 6, 2015 (incorporated herein by reference to Exhibit 4.5 to the Meridian Waste Solutions, Inc. Quarterly Report on Form 10-Q filed with the SEC on November 16, 2015)
- 4.13 Warrant issued in favor of Praesidian Capital Opportunity Fund III, LP, dated August 6, 2015 (incorporated herein by reference to Exhibit 4.6 to the Meridian Waste Solutions, Inc. Quarterly Report on Form 10-Q filed with the SEC on November 16, 2015)
- 4.14 Warrant issued in favor of Praesidian Capital Opportunity Fund III-a, LP, dated August 6, 2015 (incorporated herein by reference to Exhibit 4.7 to the Meridian Waste Solutions, Inc. Quarterly Report on Form 10-Q filed with the SEC on November 16, 2015)
- 4.15 Warrant Cancellation and Stock Issuance Agreement made and entered into as of December 22, 2015, by and among Praesidian Capital Opportunity Fund III, LP, Praesidian Capital Opportunity Fund III-A, LP, and Meridian Waste Solutions, Inc. (incorporated herein by reference to Exhibit 4.15 to the Meridian Waste Solutions, Inc. Current Report on Form 8-K filed with the SEC on December 29, 2015)
- 4.16 Convertible Promissory Note, issued in favor of Timothy Drury, in the principal amount of \$1,250,000, dated December 22, 2015 (incorporated herein by reference to Exhibit 4.16 to the Meridian Waste Solutions, Inc. Current Report on Form 8-K filed with the SEC on December 29, 2015)

10.1



Employment Agreement by and between Here to Serve Holding Corp. and Jeffrey S. Cosman dated January 1, 2014 (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on November 5, 2014)

10.2	2004 Stock Incentive Plan (incorporated herein by reference to Appendix B of the Definitive 14A filed with the SEC on July 15, 2004)
10.3	Credit Agreement (incorporated herein by reference to Exhibit 10.1 to the Brooklyn Cheesecake & Desserts Company, Inc. Current Report on Form 8-K filed with the SEC on February 17, 2015)
10.4	Solid Waste Municipal Contract by and between the City of Wildwood, Missouri, and Meridian Waste Services LLC (incorporated herein by reference to Exhibit 10.4 to the Brooklyn Cheesecake & Desserts Company, Inc. Current Report on Form 8-K filed with the SEC on February 17, 2015)
10.5	Solid Waste Municipal Contract by and between the City of Florissant, Missouri, and Meridian Waste Services LLC (incorporated herein by reference to Exhibit 10.5 to the Brooklyn Cheesecake & Desserts Company, Inc. Current Report on Form 8-K filed with the SEC on February 17, 2015)
10.6	Form of Subscription Agreement (incorporated herein by reference to Exhibit 10.1 to the Meridian Waste Solutions, Inc. Current Report on Form 8-K filed with the SEC on March 29, 2016)
10.7	Employment Agreement, dated March 11, 2016, by and between the Company and Jeffrey Cosman (incorporated herein by reference to Exhibit 10.1 to the Meridian Waste Solutions, Inc. Current Report on Form 8-K filed with the SEC on March 17, 2016)
10.8	Form of Director Agreement (incorporated herein by reference to Exhibit 10.2 to the Meridian Waste Solutions, Inc. Current Report on Form 8-K filed with the SEC on March 17, 2016)
10.9	Executive Employment Agreement, dated March 11, 2016, by and between the Company and Walter Hall (incorporated herein by reference to Exhibit 10.3 to the Meridian Waste Solutions, Inc. Current Report on Form 8-K filed with the SEC on March 17, 2016)
10.10	Meridian Waste Solutions, Inc, 2016 Equity and Incentive Plan (incorporated herein by reference to Exhibit 10.1 to the Meridian Waste Solutions, Inc. Current Report on Form 8-K filed with the SEC on March 16, 2016)
10.11	Form of Restricted Stock Agreement (incorporated herein by reference to Exhibit 10.2 to the Meridian Waste Solutions, Inc. Current Report on Form 8-K filed with the SEC on March 16, 2016)
10.12	Form of Nonqualified Stock Option Agreement (Non-Employee) (incorporated herein by reference to Exhibit 10.3 to the Meridian Waste Solutions, Inc. Current Report on Form 8-K filed with the SEC on March 16, 2016)
10.13	Form of Nonqualified Stock Option Agreement (Employee) (incorporated herein by reference to Exhibit 10.4 to the Meridian Waste Solutions, Inc. Current Report on Form 8-K filed with the SEC on March 16, 2016)
10.14	Form of Incentive Stock Option Agreement (incorporated herein by reference to Exhibit 10.5 to the Meridian Waste Solutions, Inc. Current Report on Form 8-K filed with the SEC on March 16, 2016)
10.15	Amended and Restated Membership Interest Purchase Agreement made and entered into as of October 16, 2015, by and among Timothy M. Drury; Christian Disposal LLC; FWCD, LLC; Meridian Waste Solutions, Inc.; Here to Serve Missouri Waste Division, LLC; and Here to Serve Georgia Waste Division, LLC

(incorporated herein by reference to Exhibit 10.1 to the Meridian Waste Solutions, Inc. Current Report on Form 8-K filed with the SEC on October 22, 2015)

- 10.16 First Amendment to Amended and Restated Membership Interest Purchase Agreement by and among Timothy M. Drury; Christian Disposal LLC; FWCD, LLC; Meridian Waste Solutions, Inc.; Here to Serve Missouri Waste Division, LLC; and Here to Serve Georgia Waste Division, LLC, dated December 4, 2015 (incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the Commission on December 9, 2015)

- 10.17 Lease Agreement, dated December 22, 2015, by and between 4551 Commerce Holdings LLC and Christian Disposal, LLC (incorporated herein by reference to Exhibit 10.3 to the Meridian Waste Solutions, Inc. Current Report on Form 8-K filed with the SEC on December 29, 2015)
- 10.18 Employment Agreement, dated December 22, 2015, by and among Christian Disposal, LLC, Meridian Waste Solutions, Inc. and Patrick McLaughlin (incorporated herein by reference to Exhibit 10.4 to the Meridian Waste Solutions, Inc. Current Report on Form 8-K filed with the SEC on December 29, 2015)
- 10.19 Asset Purchase Agreement made and entered into as of November 13, 2015, by and between Meridian Land Company, LLC and Eagle Ridge Landfill, LLC (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the Commission on November 18, 2015)
- 10.20 First Amendment to Asset Purchase Agreement by and among Meridian Land Company, LLC, Eagle Ridge Landfill, LLC, Meridian Waste Solutions, Inc., and WCA Waste Corporation, dated December 18, 2015 (incorporated herein by reference to Exhibit 10.6 to the Meridian Waste Solutions, Inc. Current Report on Form 8-K filed with the SEC on December 29, 2015)
- 10.21 Amended and Restated Membership Interest Purchase Agreement made and entered into as of October 16, 2015, by and among Timothy M. Drury; Christian Disposal LLC; FWCD, LLC; Meridian Waste Solutions, Inc.; Here to Serve Missouri Waste Division, LLC; and Here to Serve Georgia Waste Division, LLC, filed with Current Report on Form 8-K filed with the Securities and Exchange Commission on October 22, 2015 (incorporated herein by reference to Exhibit 10.1 to the Meridian Waste Solutions, Inc. Current Report on Form 8-K filed with the SEC on December 9, 2015)
- 10.22 First Amendment to Amended and Restated Membership Interest Purchase Agreement by and among Timothy M. Drury; Christian Disposal LLC; FWCD, LLC; Meridian Waste Solutions, Inc.; Here to Serve Missouri Waste Division, LLC; and Here to Serve Georgia Waste Division, LLC, dated December 4, 2015 (incorporated herein by reference to Exhibit 10.2 to the Meridian Waste Solutions, Inc. Current Report on Form 8-K filed with the SEC on December 9, 2015)
- 10.23 Membership Interest Purchase Agreement, dated as of February 12, 2015 (incorporated herein by reference to Exhibit 10.2 to the Meridian Waste Solutions, Inc. Current Report on Form 8-K filed with the SEC on March 2, 2015)
- 10.24 Form of Business Loan and Security Agreement, dated February 17, 2015, as amended (incorporated herein by reference to Exhibit 10.1 to the Meridian Waste Solutions, Inc. Current Report on Form 8-K filed with the SEC on March 2, 2015)
- 10.25 Form of Business Loan and Security Agreement, dated February 19, 2015, as amended (incorporated herein by reference to Exhibit 10.2 to the Meridian Waste Solutions, Inc. Current Report on Form 8-K filed with the SEC on March 2, 2015)
- 10.26 Pledge Agreement by and among Meridian Waste Solutions, Inc., the pledgors party thereto and Praesidian Capital Opportunity Fund III, LP, dated August 6, 2015 (incorporated herein by reference to Exhibit 10.1 to the Meridian Waste Solutions, Inc. Quarterly Report on Form 10-Q filed with the SEC on November 16, 2015)
- 10.27 Form of First Amendment to Director Agreement dated April 13, 2016\*



31.1	Certification by the Principal Executive Officer of Registrant pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rule 13a-14(a) or Rule 15d-14(a)).*
31.2	Certification by the Principal Financial Officer of Registrant pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rule 13a-14(a) or Rule 15d-14(a)).*
32.1	Certification by the Principal Executive Officer pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32.2	Certification by the Principal Financial Officer pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema Document*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document*

\* filed herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

MERIDIAN WASTE SOLUTIONS, INC.

Date: April 14, 2016

By: /s/ Jeffrey Cosman  
Name: Jeffrey Cosman  
Title: Chief Executive Officer  
(Principal Executive Officer)  
(Principal Financial Officer)  
(Principal Accounting Officer)

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Jeffrey Cosman Jeffrey Cosman	Chief Executive Officer, Chairman Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer	April 14, 2016
/s/ Walter H. Hall, Jr. Walter H. Hall, Jr.	President, Chief Operating Officer, Director	April 14, 2016

MERIDIAN WASTE SOLUTIONS, INC.  
AND SUBSIDIARIES

FOR THE YEARS ENDED  
DECEMBER 31, 2015  
AND  
DECEMBER 31, 2014

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MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders  
Meridian Waste Solutions, Inc.

We have audited the accompanying consolidated balance sheets of Meridian Waste Solutions, Inc. and Subsidiaries as of December 31, 2015 and 2014 and the related consolidated statements of operations, changes in shareholders' equity, and cash flows for the year ended December 31, 2015 and for the Period from January 1, 2014 to May 15, 2014 (the "Predecessor Company") and from the Period from Acquisition May 16, 2014 to December 31, 2014 (the "Successor Company"). These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Meridian Waste Solutions, Inc. and Subsidiaries at December 31, 2015 and 2014 and the results of their operations and their cash flows for the year ended December 31, 2015 and for the Period from January 1, 2014 to May 15, 2014 (the "Predecessor Company") and from the Period from Acquisition May 16, 2014 to December 31, 2014 (the "Successor Company"), in conformity with accounting principles generally accepted in the United States of America.

/s/ D'Arelli Pruzansky, P.A.  
Certified Public Accountants

Coconut Creek, Florida  
April 13, 2016

MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2015 AND 2014

Assets	2015	2014
Current assets:		
Cash	\$2,729,795	\$438,907
Accounts receivable, net of allowance	1,707,818	588,479
Prepaid expenses	427,615	221,999
Other current assets	52,359	41,852
Total current assets	4,917,587	1,291,237
Property, plant and equipment, at cost net of accumulated depreciation	14,433,740	7,654,765
Other assets:		
Investment in related party affiliate	364,185	-
Deposits	10,954	8,303
Capitalized software	-	434,532
Loan fees, net of accumulated amortization	1,416,697	39,365
Goodwill	7,479,642	-
Landfill assets, net of accumulated amortization	3,393,476	-
Customer list, net of accumulated amortization	19,500,362	12,139,792
Non-compete, net of accumulated amortization	155,699	130,000
Website, net of accumulated amortization	10,904	13,688
Total other assets	32,331,919	12,765,680
Total assets	\$51,683,246	\$21,711,682
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$1,988,050	\$449,840
Accrued expenses	280,069	67,365
Notes payable, related party	359,891	526,585
Deferred compensation	996,380	729,000
Deferred revenue	2,912,264	1,929,882
Convertible notes due related parties, includes put premiums	15,065	302,083
Operating line of credit and capital expenditure line of credit	-	1,675,160
Contingent liability	1,000,000	-
Derivative liability - stock warrants	2,820,000	-
Current portion - long term debt	417,119	1,357,143
Total current liabilities	10,788,838	7,037,058
Long term liabilities:		
Derivative liability - interest rate swap	-	40,958

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Asset retirement obligation	200,252	-
Long term debt, net of current	40,587,493	8,826,190
Total long term liabilities	40,787,745	8,867,148
Total liabilities	51,576,583	15,904,206
Shareholders' equity:		
Preferred Series A stock, par value \$.001, 51 shares authorized, issued and outstanding	-	-
Preferred Series B stock, par value \$.001, 71,210 shares authorized, issued and outstanding	71	71
Common stock, par value \$.025, 75,000,000 shares authorized, 21,038,650 and 9,963,618 share issued and outstanding, respectively	525,966	249,085
Treasury stock, at cost	(224,250 )	(224,250 )
Additional paid in capital	27,624,492	14,370,296
Accumulated deficit	(27,819,616)	(8,587,726 )
Total shareholders' equity	106,663	5,807,476
Total liabilities and shareholders' equity	\$51,683,246	\$21,711,682

MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	Year Ended December 31, 2015	Successor Period from Acquisition May 16, 2014 to December 31, 2014	Predecessor Period from January 1, 2014 to May 15, 2014
Revenue			
Software sales	\$-	\$1,864	\$-
Services	13,506,097	7,951,607	4,248,605
Total revenue	13,506,097	7,953,471	4,248,605
Cost of sales and services			
Cost of sales and services	8,521,379	5,019,286	2,603,280
Depreciation	1,614,225	932,526	504,515
Total cost of sales and services	10,135,604	5,951,812	3,107,795
Gross Profit	3,370,493	2,001,659	1,140,810
Expenses			
Bad debt expense	37,467	98,381	-
Compensation and related expense	9,107,497	751,398	213,391
Depreciation and amortization	2,940,724	1,932,459	5,748
Selling, general and administrative	5,555,207	1,397,570	469,593
Total expenses	17,640,895	4,179,808	688,732
Other income (expenses):			
Miscellaneous income	27,623	1,331	2,996
Loss on disposal of assets	(21,851 )	(20,830 )	-
Unrealized gain (loss) on interest rate swap	40,958	(40,958 )	-
Unrealized loss on change in fair value of derivative liability	(1,664,213 )	-	-
Loss on extinguishment of debt	(1,899,161 )	-	-
Loss from proportionate share of equity investment	(70,347 )	-	-
Recapitalization expense	-	(70,000 )	-
Interest expense	(1,374,497 )	(348,136 )	(184,011 )
Total other income (expenses)	(4,961,488 )	(478,593 )	(181,015 )
Net (loss) income	\$(19,231,890)	\$(2,656,742)	\$271,063
Basic net loss per share	\$(1.33 )	\$(0.27 )	

Weighted average number of shares outstanding  
(Basic and Diluted)

14,468,576      9,963,418

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MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	Common Shares	Common Stock, Par	Preferred Series A Stock, Par	Preferred Series B Stock, Par	Preferred Series B Treasury Stock	Additional Paid in Capital	Members' Equity	Accumulated Deficit	
Predecessor									
Balance at December 31, 2013	-	\$-	-	\$-	-	\$-	\$-	\$1,539,738	\$1
Net income, from January 1 to									
May 15, 2014	-	-	-	-	-	-	-	271,063	-
Members' distributions, from									
January 1 to May 15, 2014	-	-	-	-	-	-	-	(585,000 )	-
Balance at May 15, 2014	-	-	-	-	-	-	-	1,225,801	-
Successor									
Balance at May 16, 2014	9,054,134	\$226,353	51	\$-	71,210	\$71	\$-	\$12,992,347	\$(5,930,984 )
Recapitalization of									
the Company	1,139,284	28,482	-	-	-	-	-	(28,482 )	-
Treasury stock purchased as part of									
recapitalization	(230,000 )	(5,750 )	-	-	-	-	(224,250 )	-	-
Common stock issued for conversion of related party debt	-	-	-	-	-	-	1,406,431	-	-
Net loss	-	-	-	-	-	-	-	(2,656,742 )	(

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Balance at December 31, 2014	9,963,418	\$249,085	51	\$-	71,210	\$71	\$(224,250)	\$14,370,296		\$(8,587,726)	) \$5
Common stock exchanged for services	1,573,550	\$39,339	-	\$-	-	\$-	\$-	\$791,631		\$-	\$8
Common stock issued for compensation	5,690,843	142,271	-	-	-	-	-	7,213,909		-	7
Common stock issued for conversion of related party debt	460,839	11,521	-	-	-	-	-	307,406		-	3
Common stock issued in connection with Membership Purchase	1,750,000	43,750	-	-	-	-	-	2,581,250		-	2
Common stock issued in connection with cancellation of Praesidian warrants	1,600,000	40,000	-	-	-	-	-	2,360,000		-	2
Net loss	-	-	-	-	-	-	-	-		(19,231,890)	(
Balance December 31, 2015	21,038,650	\$525,966	51	\$-	71,210	\$71	\$(224,250)	\$27,624,492	\$-	\$(27,819,616)	\$1



MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	Year Ended December 31, 2015	Successor Period from Acquisition May 16, 2014 to December 31, 2014	Predecessor Period from January 1, 2014 to May 15, 2014
Cash flows from operating activities:			
Net (loss) income	\$ (19,231,890 )	\$ (2,656,742)	\$ 271,063
Adjustments to reconcile net income to net cash (used in) provided from operating activities:			
Depreciation and amortization	4,554,949	2,864,985	510,263
Unrealized gain on swap agreement	(40,958 )	-	-
Unrealized loss on derivatives	1,664,213	-	-
Stock issued to vendors for services	830,970	-	-
Stock issued to employees as incentive compensation	7,356,180	-	-
Loss on extinguishment of debt	1,899,161	-	-
Loss from proportionate share of equity investment	70,347	-	-
Loss on disposal of equipment	21,851	20,830	-
Changes in working capital items net of acquisitions:			
Accounts receivable, net of allowance	325,322	43,843	(153,443 )
Prepaid expenses and other current assets	(71,247 )	(140,307 )	66,176
Due to Here to Serve Holding Corp.	-	376,585	-
Deposits	(2,651 )	-	-
Accounts payable and accrued expenses	642,797	431,328	133,219
Deferred compensation	267,380	243,000	-
Deferred revenue	(112,361 )	51,778	(32,360 )
Derivative liability	-	40,958	-
Other current liabilities	-	932,135	-
Net cash (used in) provided from operating activities	(1,825,937 )	2,208,392	794,918
Cash flows from investing activities:			
Cash portion paid for acquisition	(22,667,862 )	-	-
Purchased capitalized software	-	(60,512 )	-
Acquisition of property, plant and equipment	(1,280,011 )	(1,407,251)	(170,886 )
Purchased software	-	(13,920 )	-
Proceeds from sale of property, plant and equipment	79,737	-	-
Net cash used in investing activities	(23,868,136 )	(1,481,682)	(170,886 )

## Cash flows from financing activities:

(Repayments) borrowings on notes due related parties	(134,785 )	123,333	-
Member distributions	-	-	(585,000 )
Proceeds from loans	52,207,716	-	-
Payments for purchase of treasury stock	-	(230,000 )	-
Increase in capitalized loan fees	(1,395,903 )	-	-
Principle payments on notes payable	(21,016,907 )	(791,667 )	(449,499 )
(Repayments on) proceeds from line of credit	(1,675,160 )	590,000	-
Net cash provided from (used in) financing activities	27,984,961	(308,334 )	(1,034,499)
Net change in cash	2,290,888	418,376	(410,467 )
Beginning cash	438,907	20,531	1,461,372
Ending cash	\$ 2,729,795	\$ 438,907	\$ 1,050,905

## Supplemental Disclosures of Cash Flow Information:

Cash paid for interest	\$ 1,374,497	\$ 348,136	\$ 52,559
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## Supplemental Non-Cash Investing and Financing Information:

Stock as consideration in acquisition	\$ 2,625,000	\$ -	\$ -
Stock for cancellation of warrants	\$ 2,400,000	\$ -	\$ -
Stock in exchange for forgiveness of debt	\$ 318,927	\$ -	\$ -
Contingent liability in conjunction with acquisition	\$ 1,000,000	\$ -	\$ -
Debt forgiveness by related party in connection with recapitalization	\$ -	\$ 1,406,431	\$ -
Convertible promissory note issued for acquisition	\$ 1,250,000	\$ -	\$ -

MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

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Note 1 - NATURE OF OPERATIONS AND ORGANIZATION

Meridian Waste Solutions, Inc. (formerly Brooklyn Cheesecake and Desserts Company, Inc.) (the “Company” or “Meridian”) is currently operating under five separate Limited Liability Companies:

- (1) Here To Serve Missouri Waste Division, LLC (“HTSMWD”), a Missouri Limited Liability Company;
- (2) Here To Serve Georgia Waste Division, LLC (“HTSGWD”), a Georgia Limited Liability Company;
- (3) Meridian Land Company, LLC (“MLC”), a Georgia Limited Liability Company;
- (4) Here to Serve Technology, LLC (“HTST”), a Georgia Limited Liability Company; and
- (5) Christian Disposal, LLC and subsidiary (“CD”), a Missouri Limited Liability Company.

On January 7, 2015, in an effort to give investors a more concentrated presence in the waste industry the Company sold the assets of HTST to Mobile Science Technologies, Inc., a Georgia corporation (MSTI), a related party due to being owned and managed by some of the shareholders of the Company. On this date HTST ceased operations and became a dormant Limited Liability Company (“LLC”). Currently, Meridian is formalizing plans to dissolve HTST, in which this LLC will cease to exist.

In 2014, HTSMWD purchased the assets of a large solid waste disposal company in the St. Louis, MO market. This acquisition is considered the platform company for future acquisitions in the solid waste disposal industry. HTSGWD was created to facilitate expansion in this industry throughout the Southeast.

The Company is primarily in the business of residential and commercial waste disposal and hauling and has contracts with various cities and municipalities. The majority of the Company’s customers are located in the St. Louis metropolitan and surrounding areas.

Acquisition of Christian Disposal, LLC and Eagle Ridge Landfill, LLC

On December 22, 2015, Meridian Waste Solutions, Inc. and subsidiaries (the “Company”) completed its acquisition of Christian Disposal LLC, and subsidiary (“Christian Purchase Agreement”). Pursuant to the Christian Purchase Agreement, the Company acquired 100% of the membership interests of Christian Disposal, which is integrated into the operations of the Company; refer to intangible assets and acquisition footnote below.

Simultaneous with the closing thereof, Christian Disposal LLC, and subsidiary, entered into a Lease Agreement, in which, the Company leased 4551 Commerce Avenue, High Ridge, Missouri, for a five-year term at a monthly rent of \$6,500. Additionally, the Company entered into an employment agreement with an executive employee for a term of five years.

Concurrently, the Company completed an asset purchase agreement with WCA Waste Corporation (the “Eagle Purchase Agreement”). The Company acquired all of the assets of Eagle Ridge Landfill, LLC (“ERL”), its rights and properties related to such business of ERL, which includes certain assets and operations of the Eagle Ridge Hauling Business (“ERH”) and certain debts, which is now operating under Meridian Land Company, LLC. Refer to intangible assets and acquisition footnote below.

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MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

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Note 1 - NATURE OF OPERATIONS AND ORGANIZATION (CONTINUED)

Recapitalization

On October 17, 2014 Here to Serve Missouri Waste Division, LLC, (HTSMWD) a Missouri Limited Liability Company, which is the historical business, entered into a Share Exchange Agreement with the Company and the sole member of HTSMWD whereby the Company agreed to acquire the membership interest of HTSMWD, HTST and HTSGWD in exchange for 9,054,134 shares of the Company's common stock. This transaction was closed on October 17, 2014 and HTSMWD became wholly-owned by the Company. The Company is deemed to have issued 1,139,284 shares of common stock which represents the outstanding common shares of the Company just prior to the closing of the transaction.

At closing, the Company issued 9,054,134 shares of its common stock to the sole member of HTSMWD and the shareholders of the sole member who obtained approximately 90% control and management control of the Company. The transaction was accounted for as a reverse acquisition and recapitalization of HTSMWD, HTST and HTSGWD whereby HTSMWD is considered the acquirer for accounting purposes. The consolidated financial statements after the acquisition include the balance sheets of both companies and HTST and HTSGWD at historical cost, the historical results of HTSMWD, HTST and HTSGWD. All share and per share information in the accompanying consolidated financial statements and footnotes has been retroactively restated to reflect the recapitalization (see Explanation of Membership Interest Purchase Agreement below).

Acquisition of Here to Serve Holding Corporation

On October 17, 2014, (the "Execution Date"), Meridian Waste Solutions, Inc. entered into that certain Membership Interest Purchase Agreement (the "Purchase Agreement") by and among Here to Serve Holding Corp., a Delaware corporation, as seller ("Here to Serve"), the Company, as parent, Brooklyn Cheesecake & Dessert Acquisition Corp., a wholly-owned subsidiary of the Company, as buyer (the "Acquisition Corp."), the Chief Executive Officer of the Company (the "Company Executive"), the majority shareholder of the Company (the "Company Majority Shareholder") and certain shareholders of Seller (the "Seller Shareholders"), pursuant to which the Acquisition Corp shall acquire from Here to Serve all of Here to Serve's right, title and interest in and to:

- I. 100% of the membership interests of Here to Serve – Missouri Waste Division, LLC d/b/a Meridian Waste, a Missouri limited liability company ("HTS Waste");
- II. 100% of the membership interests of Here to Serve Technology, LLC, a Georgia limited liability company ("HTS Tech"); and
- III. 100% of the membership interests of Here to Serve - Georgia Waste Division, LLC, a Georgia limited liability company ("HTS Waste Georgia", and together with HTS Waste and HTS Tech, collectively, the "Membership Interests"). As consideration for the Membership Interests:
  - i. the Company shall issue to Here to Serve 9,054,134 shares of the Company's common stock, (the "Common Stock");
  - ii. the Company shall issue to the holder of Class A Preferred Stock of Here to Serve ("Here to Serve's Class A Preferred Stock") 51 shares of the Company's to-be-designated Class A Preferred Stock (the "Class A Preferred Stock"), which Class A Preferred Stock shall have the rights and preferences as described in the Purchase Agreement.
  - iii.

the Company shall issue to the holder of Class B Preferred Stock of Here to Serve (Here to Serve's Class B Preferred Stock") an aggregate of 71,120 shares of the Company's to-be-designated Class B Preferred Stock (the "Class B Preferred Stock"), (the Common Stock, the Class A Preferred Stock and the Class B Preferred Stock are referred to as the "Purchase Price Shares;"), and

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MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

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Note 1 - NATURE OF OPERATIONS AND ORGANIZATION (CONTINUED)

- iv. the Company shall assume certain assumed liabilities (the “Initial Consideration”).

As further consideration, at the closing of the transaction contemplated under the Purchase Agreement:

- a. in satisfaction of all accounts payable and shareholder loans, Here to Serve will pay to Company Majority Shareholder \$70,000 and
- b. the Company purchased from the then Company Majority Shareholder 230,000 shares of the Company’s common stock for a purchase price of \$230,000. Pursuant to the Purchase Agreement, to the extent Purchase Price Shares are issued to individual shareholders of Here to Serve at or upon closing of the Purchase Agreement:
  - a. shares of common stock of Here to Serve held by the individuals will be cancelled
  - b. 1,000,000 shares of Here to Serve’s Class A Preferred Stock will be cancelled; and
- c. 71,120 shares of Here to Serve’s Class B Preferred Stock will be cancelled (the “Additional Consideration”).

On October 17, 2014, the directors and majority shareholders of the Company approved the Purchase Agreement and the transactions contemplated under the Purchase Agreement. The directors of Here to Serve and the Here to Serve Shareholders approved the Purchase Agreement and the transactions contemplated thereunder. This closing of the Purchase Agreement results in a change of control of the Company and the Company changed its business plan to that of HTSMWD.

Change in Reporting Entity

The merger of Here to Serve Holding Corp. (Here to Serve), a Delaware Corporation, and Meridian Waste Services, LLC became effective May 15, 2014. The merger was accounted for by the Company using business combination accounting. Under this method, the purchase price paid by the acquirer is allocated to the assets acquired and liabilities assumed as of the acquisition date based on the fair value. By the application of “pushdown” accounting, our assets, liabilities and equity were accordingly adjusted to fair value on May 15, 2014. Determining the fair value of certain assets and liabilities assumed is judgmental in nature and often involves the use of significant estimates and assumptions.

At the time of merger Here to Serve was a company with nominal operations whereas Meridian Waste Services, LLC consisted of the active and carry-forward business. Accordingly Meridian Waste Services, LLC is deemed to be the predecessor entity and as such is presented as the comparable financial statements. As such our financial statements are presented in two distinct periods to indicate the application of two different basis of accounting. Periods prior to May 15, 2014 are identified herein as “Predecessor,” while periods subsequent to the Here to Serve merger are identified as “Successor.” As a result of the change in basis of accounting from historical cost to reflect the Here to Serve’s purchase cost, the financial statements for Predecessor periods are not comparable to those of Successor periods.

MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Basis

The Company uses the accrual basis of accounting and accounting principles generally accepted in the United States of America ("GAAP" accounting).

Basis of Consolidation

The consolidated financial statements for the year ended December 31, 2015 include the operations of the Company and its wholly-owned subsidiaries, Here To Serve Missouri Waste Division, LLC, Meridian Land Company, LLC, Here to Serve Technology, LLC and Christian Disposal, LLC. The following two subsidiaries of the Company, Here To Serve Georgia Waste Division, LLC and Here to Serve Technology, LLC, a Georgia Limited Liability Company had no operations during the period.

The consolidated financial statements for the year ended December 31, 2014 include the operations of the Company and its wholly-owned subsidiaries, Here To Serve Missouri Waste Division, LLC and Here To Serve Technology, LLC. The following subsidiary of the Company, Here To Serve Georgia Waste Division, LLC had no operations during the period.

All significant intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less to be cash equivalents.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, account payable, accrued expenses, and notes payable. The carrying amount of these financial instruments approximates fair value due either to length of maturity or interest rates that approximate prevailing market rates unless otherwise disclosed in these consolidated financial statements.

Derivative Instruments

The Company enters into financing arrangements that consist of freestanding derivative instruments or are hybrid instruments that contain embedded derivative features. The Company accounts for these arrangements in accordance with Accounting Standards Codification topic 815, Accounting for Derivative Instruments and Hedging Activities ("ASC 815") as well as related interpretations of this standard. In accordance with this standard, derivative instruments are recognized as either assets or liabilities in the balance sheet and are measured at fair values with gains or losses recognized in earnings. Embedded derivatives that are not clearly and closely related to the host contract are bifurcated and are recognized at fair value with changes in fair value recognized as either a gain or loss in earnings. The Company determines the fair value of derivative instruments and hybrid instruments based on available market



data using appropriate valuation models, considering all of the rights and obligations of each instrument.

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MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Company estimates fair values of derivative financial instruments using various techniques (and combinations thereof) that are considered consistent with the objective measuring fair values. In selecting the appropriate technique, the Company considers, among other factors, the nature of the instrument, the market risks that it embodies and the expected means of settlement. For less complex derivative instruments, such as freestanding warrants, the Company generally use the Black-Scholes model, adjusted for the effect of dilution, because it embodies all of the requisite assumptions (including trading volatility, estimated terms, dilution and risk free rates) necessary to fair value these instruments. Estimating fair values of derivative financial instruments requires the development of significant and subjective estimates that may, and are likely to, change over the duration of the instrument with related changes in internal and external market factors. In addition, option-based techniques (such as Black-Scholes model) are highly volatile and sensitive to changes in the trading market price of our common stock. Since derivative financial instruments are initially and subsequently carried at fair values, our income (expense) going forward will reflect the volatility in these estimates and assumption changes. Under the terms of this accounting standard, increases in the trading price of the Company's common stock and increases in fair value during a given financial quarter result in the application of non-cash derivative expense. Conversely, decreases in the trading price of the Company's common stock and decreases in trading fair value during a given financial quarter result in the application of non-cash derivative income.

Impairment of long-lived assets

The Company periodically reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. The Company recognizes an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The amount of impairment is measured as the difference between the asset's estimated fair value and its book value. During the year ending December 31, 2015, the Company experienced no losses due to impairment.

Income Taxes

The Company accounts for income taxes pursuant to the provisions of ASC 740-10, "Accounting for Income Taxes," which requires, among other things, an asset and liability approach to calculating deferred income taxes. The asset and liability approach requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. A valuation allowance is provided to offset any net deferred tax assets for which management believes it is more likely than not that the net deferred asset will not be realized.

The Company follows the provisions of the ASC 740 -10 related to, Accounting for Uncertain Income Tax Positions. When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. In accordance with the guidance of ASC 740-10, the benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other

positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above should be reflected as a liability for uncertain tax benefits in the accompanying balance sheet along with any associated interest and penalties that would be payable to the taxing authorities upon examination. The Company believes its tax positions are all highly certain of being upheld upon examination. As such, the Company has not recorded a liability for uncertain tax benefits.

MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Company analyzes its tax positions by utilizing ASC 740-10-25 Definition of Settlement, which provides guidance on how an entity should determine whether a tax position is effectively settled for the purpose of recognizing previously unrecognized tax benefits and provides that a tax position can be effectively settled upon the completion of an examination by a taxing authority without being legally extinguished. For tax positions considered effectively settled, an entity would recognize the full amount of tax benefit, even if the tax position is not considered more likely than not to be sustained based solely on the basis of its technical merits and the statute of limitations remains open. As of December 31, 2015, tax years ended December 31, 2014, 2013, 2012 are still potentially subject to audit by the taxing authorities.

Use of Estimates

Management estimates and judgments are an integral part of consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). We believe that the critical accounting policies described in this section address the more significant estimates required of management when preparing our consolidated financial statements in accordance with GAAP. We consider an accounting estimate critical if changes in the estimate may have a material impact on our financial condition or results of operations. We believe that the accounting estimates employed are appropriate and resulting balances are reasonable; however, actual results could differ from the original estimates, requiring adjustment to these balances in future periods.

Accounts Receivable

Accounts receivable are recorded at management's estimate of net realizable value. At December 31, 2015 and 2014 the Company had approximately \$2,326,000 and \$660,000 of gross trade receivables, respectively.

Our reported balance of accounts receivable, net of the allowance for doubtful accounts, represents our estimate of the amount that ultimately will be realized in cash. We review the adequacy and adjust our allowance for doubtful accounts on an ongoing basis, using historical payment trends and the age of the receivables and knowledge of our individual customers. However, if the financial condition of our customers were to deteriorate, additional allowances may be required. At December 31, 2015 and 2014 the Company had approximately \$618,000 and \$71,000 recorded for the allowance for doubtful accounts, respectively.

Advertising costs

Advertising costs, except for costs associated with direct-response advertising, are charged to operations when incurred. The costs of direct-response advertising are capitalized and amortized over the period during which future benefits are expected to be received. The Company did not capitalize any advertising for the years ended December 31, 2015 and 2014, respectively. Advertising expenses were approximately \$79,000 and \$65,000 for the years ended December 31, 2015 and 2014, respectively.



MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

The cost of property, plant, and equipment is depreciated over the estimated useful lives of the related assets utilizing the straight-line method of depreciation. The cost of leasehold improvements is depreciated (amortized) over the lesser of the length of the related leases or the estimated useful lives of the assets. Ordinary repairs and maintenance are expensed when incurred and major repairs will be capitalized and expensed if it benefits future periods.

Intangible Assets

Intangible assets that are subject to amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. Assets not subject to amortization are tested for impairment at least annually. The Company has intangible assets related to its purchase of Meridian Waste

Services, LLC, Christian Disposal LLC and Eagle Ridge Landfill, LLC, which are further discussed in the notes below.

During 2015 and 2014, the Company assessed its intangible assets, based on estimated future cash flows and concluded that the carrying amount of its intangible assets did not exceed its fair value.

Investment in Related Party Affiliate

The Company has an investment in a privately held corporation in the mobile apps industry. As the Company exercises significant influence on this entity, this investment is recorded using the equity method of accounting. The Company monitors this investment for impairment and makes appropriate reductions in the carrying value if the Company determines that an impairment charge is required based primarily on the financial condition and near-term prospect of this entity.

Goodwill

Goodwill is the excess of our purchase cost over the fair value of the net assets of acquired businesses. We do not amortize goodwill, but as discussed in the impairment of long lived assets section above, we assess our goodwill for impairment at least annually.

Capitalized Software

The Company acquired a software product that is under further development. This asset was being amortized over a three to five year period using the straight-line method of depreciation for book purposes beginning when the software is completed.



MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capitalized Software - Continued

The Company capitalizes internal software development costs subsequent to establishing technological feasibility of a software application in accordance with guidelines established by “ASC 985-20-25” Accounting for the costs of Computer Software to Be Sold, Leased or Otherwise Marketed, requiring certain software development costs to be capitalized upon the establishment of technological feasibility. The establishment of technological feasibility and the ongoing assessment of the recoverability of these costs require considerable judgement by management with respect to certain external factors such as anticipated future revenue, estimated economic life and changes in software and hardware technologies. Amortization of the capitalized software development costs begins when the product is available for general release to customers. Capitalized costs are amortized over the remaining estimated economic life of the product. For the year ended December 31, 2014, the Company has capitalized costs associated with the development of several mobile science technology products and mobile apps that has not been placed into service. In 2015, the Company sold the software to a related party. Refer to the related party note below for further discussion.

Website Development Costs

The Company accounts for website development costs in accordance with Accounting Standards Codification 350-50 “Website Development Costs”. Accordingly, all costs incurred in the planning stage are expensed as incurred, costs incurred in the website application and infrastructure development stage that meet specific criteria are capitalized and costs incurred in the day to day operation of the website are expensed as incurred.

Landfill Accounting

Capitalized landfill costs

Cost basis of landfill assets — We capitalize various costs that we incur to make a landfill ready to accept waste. These costs generally include expenditures for land (including the landfill footprint and required landfill buffer property); permitting; excavation; liner material and installation; landfill leachate collection systems; landfill gas collection systems; environmental monitoring equipment for groundwater and landfill gas; and directly related engineering, capitalized interest, on-site road construction and other capital infrastructure costs. The cost basis of our landfill assets also includes asset retirement costs, which represent estimates of future costs associated with landfill final capping, closure and post-closure activities. These costs are discussed below.

Final capping, closure and post-closure costs — Following is a description of our asset retirement activities and our related accounting:

- Final capping — Involves the installation of flexible membrane liners and geosynthetic clay liners, drainage and compacted soil layers and topsoil over areas of a landfill where total airspace capacity has been consumed. Final capping asset retirement obligations are recorded on a units-of-consumption basis as airspace is consumed related to the specific final capping event with a corresponding increase in the landfill asset. The final capping is accounted for as a discrete obligation and recorded as an asset and a liability based on estimates of the discounted cash flows and



capacity associated with the final capping.

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MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Closure — Includes the construction of the final portion of methane gas collection systems (when required), demobilization and routine maintenance costs. These are costs incurred after the site ceases to accept waste, but before the landfill is certified as closed by the applicable state regulatory agency. These costs are recorded as an asset retirement obligation as airspace is consumed over the life of the landfill with a corresponding increase in the landfill asset. Closure obligations are recorded over the life of the landfill based on estimates of the discounted cash flows associated with performing closure activities.
- Post-closure — Involves the maintenance and monitoring of a landfill site that has been certified closed by the applicable regulatory agency. Generally, we are required to maintain and monitor landfill sites for a 30-year period. These maintenance and monitoring costs are recorded as an asset retirement obligation as airspace is consumed over the life of the landfill with a corresponding increase in the landfill asset. Post-closure obligations are recorded over the life of the landfill based on estimates of the discounted cash flows associated with performing post-closure activities.

We develop our estimates of these obligations using input from our operations personnel, engineers and accountants. Our estimates are based on our interpretation of current requirements and proposed regulatory changes and are intended to approximate fair value. Absent quoted market prices, the estimate of fair value is based on the best available information, including the results of present value techniques. In many cases, we contract with third parties to fulfill our obligations for final capping, closure and post closure. We use historical experience, professional engineering judgment and quoted and actual prices paid for similar work to determine the fair value of these obligations. We are required to recognize these obligations at market prices whether we plan to contract with third parties or perform the work ourselves. In those instances where we perform the work with internal resources, the incremental profit margin realized is recognized as a component of operating income when the work is performed.

Once we have determined the final capping, closure and post-closure costs, we inflate those costs to the expected time of payment and discount those expected future costs back to present value. During the year ended December 31, 2015 we inflated these costs in current dollars until the expected time of payment using an inflation rate of 2.5%. We discounted these costs to present value using the credit-adjusted, risk-free rate effective at the time an obligation is incurred, consistent with the expected cash flow approach. Any changes in expectations that result in an upward revision to the estimated cash flows are treated as a new liability and discounted at the current rate while downward revisions are discounted at the historical weighted average rate of the recorded obligation. As a result, the credit-adjusted, risk-free discount rate used to calculate the present value of an obligation is specific to each individual asset retirement obligation. The weighted average rate applicable to our long-term asset retirement obligations at December 31, 2015 is approximately 8.5%.

We record the estimated fair value of final capping, closure and post-closure liabilities for our landfills based on the capacity consumed through the current period. The fair value of final capping obligations is developed based on our estimates of the airspace consumed to date for the final capping. The fair value of closure and post-closure obligations is developed based on our estimates of the airspace consumed to date for the entire landfill and the expected timing of each closure and post-closure activity. Because these obligations are measured at estimated fair value using present value techniques, changes in the estimated cost or timing of future final capping, closure and post-closure activities

could result in a material change in these liabilities, related assets and results of operations. We assess the appropriateness of the estimates used to develop our recorded balances annually, or more often if significant facts change.

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MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in inflation rates or the estimated costs, timing or extent of future final capping, closure and post-closure activities typically result in both (i) a current adjustment to the recorded liability and landfill asset and (ii) a change in liability and asset amounts to be recorded prospectively over either the remaining capacity of the related discrete final capping or the remaining permitted and expansion airspace (as defined below) of the landfill. Any changes related to the capitalized and future cost of the landfill assets are then recognized in accordance with our amortization policy, which would generally result in amortization expense being recognized prospectively over the remaining capacity of the final capping or the remaining permitted and expansion airspace of the landfill, as appropriate. Changes in such estimates associated with airspace that has been fully utilized result in an adjustment to the recorded liability and landfill assets with an immediate corresponding adjustment to landfill airspace amortization expense.

- Remaining permitted airspace — Our engineers, in consultation with third-party engineering consultants and surveyors, are responsible for determining remaining permitted airspace at our landfills. The remaining permitted airspace is determined by an annual survey, which is used to compare the existing landfill topography to the expected final landfill topography.
- Expansion airspace — We also include currently unpermitted expansion airspace in our estimate of remaining permitted and expansion airspace in certain circumstances. First, to include airspace associated with an expansion effort, we must generally expect the initial expansion permit application to be submitted within one year and the final expansion permit to be received within five years. Second, we must believe that obtaining the expansion permit is likely, considering the following criteria:
  - o Personnel are actively working on the expansion of an existing landfill, including efforts to obtain land use and local, state or provincial approvals;
    - o We have a legal right to use or obtain land to be included in the expansion plan;
  - o There are no significant known technical, legal, community, business, or political restrictions or similar issues that could negatively affect the success of such expansion; and
  - o Financial analysis has been completed based on conceptual design, and the results demonstrate that the expansion meets the Company's criteria for investment.

For unpermitted airspace to be initially included in our estimate of remaining permitted and expansion airspace, the expansion effort must meet all of the criteria listed above. These criteria are evaluated by our field-based engineers, accountants, managers and others to identify potential obstacles to obtaining the permits. Once the unpermitted airspace is included, our policy provides that airspace may continue to be included in remaining permitted and expansion airspace even if certain of these criteria are no longer met as long as we continue to believe we will ultimately obtain the permit, based on the facts and circumstances of a specific landfill.

When we include the expansion airspace in our calculations of remaining permitted and expansion airspace, we also include the projected costs for development, as well as the projected asset retirement costs related to the final capping, closure and post-closure of the expansion in the amortization basis of the landfill.



MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Once the remaining permitted and expansion airspace is determined in cubic yards, an airspace utilization factor (“AUF”) is established to calculate the remaining permitted and expansion capacity in tons. The AUF is established using the measured density obtained from previous annual surveys and is then adjusted to account for future settlement. The amount of settlement that is forecasted will take into account several site-specific factors including current and projected mix of waste type, initial and projected waste density, estimated number of years of life remaining, depth of underlying waste, anticipated access to moisture through precipitation or recirculation of landfill leachate, and operating practices. In addition, the initial selection of the AUF is subject to a subsequent multi-level review by our engineering group, and the AUF used is reviewed on a periodic basis and revised as necessary. Our historical experience generally indicates that the impact of settlement at a landfill is greater later in the life of the landfill when the waste placed at the landfill approaches its highest point under the permit requirements.

After determining the costs and remaining permitted and expansion capacity at each of our landfill, we determine the per ton rates that will be expensed as waste is received and deposited at the landfill by dividing the costs by the corresponding number of tons. We calculate per ton amortization rates for the landfill for assets associated with each final capping, for assets related to closure and post-closure activities and for all other costs capitalized or to be capitalized in the future. These rates per ton are updated annually, or more often, as significant facts change.

It is possible that actual results, including the amount of costs incurred, the timing of final capping, closure and post-closure activities, our airspace utilization or the success of our expansion efforts could ultimately turn out to be significantly different from our estimates and assumptions. To the extent that such estimates, or related assumptions, prove to be significantly different than actual results, lower profitability may be experienced due to higher amortization rates or higher expenses; or higher profitability may result if the opposite occurs. Most significantly, if it is determined that expansion capacity should no longer be considered in calculating the recoverability of a landfill asset, we may be required to recognize an asset impairment or incur significantly higher amortization expense. If at any time management makes the decision to abandon the expansion effort, the capitalized costs related to the expansion effort are expensed immediately.

MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES  
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## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For the year ended December 31, 2015 the Company operations related to its landfill assets and liability are presented in the tables below:

	Year Ended December 31, 2015
Landfill Assets	
January 1, 2015, Beginning Balance	\$-
Capital additions (Landfill acquired on December 22, 2015)	3,396,519
Amortization of landfill assets	(3,043 )
Asset retirement adjustments	-
December 31, 2015, Ending Balance	\$3,393,476
Landfill Liability	
January 1, 2015, Beginning Balance	\$-
Obligations incurred and capitalized (Landfill acquired on December 22, 2015)	196,519
Obligations settled	-
Interest accretion	3,733
Revisions in estimates and interest rate assumption	-
Acquisition, divestitures and other adjustments	-
December 31, 2015, Ending Balance	\$200,252

## Revenue Recognition

The Company recognizes revenue when there is persuasive evidence that services have been provided and a collection is reasonably assured. The majority of the Company's revenues are generated from the fees charged for waste collection, transfer, disposal and recycling. The fees charged for our services are generally defined in service agreements and vary based on contract-specific terms such as frequency of service, weight, volume and the general market factors influencing a region's rate.

## Deferred Revenue

The Company records deferred revenue for customers that were billed in advance of services. The balance in deferred revenue represents amounts billed in October, November and December for services that will be provided during January, February and March.

MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES  
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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cost of Services

Cost of services include all employment costs associated with waste collection, transfer and disposal, damage claims, landfill costs, personal property taxes associated with collection vehicles and other direct cost of the collection and disposal process.

Concentrations

The Company maintains its cash and cash equivalents in bank deposit accounts, which could, at times, exceed federally insured limits. The Company has not experienced any losses in such accounts; however, amounts in excess of the federally insured limit may be at risk if the bank experiences financial difficulties. The Company places its cash with high credit quality financial institutions. The Company's accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

Financial instruments which also potentially subject the Company to concentrations of credit risk consist principally of trade accounts receivable; however, concentrations of credit risk with respect to trade accounts receivables are limited due to generally short payment terms.

The Company has two contracts that account for a large portion of the Company's revenue. During the year ended December 31, 2015, these contracts accounted for approximately 44% of the Company's revenues and less than 5% of the Company's accounts receivable balance at December 31, 2015. During the year ended December 31, 2014, the Company had two customers that accounted for approximately 46% of the Company's revenues and approximately 53% of the Company's accounts receivable balance at December 31, 2014. The Company did not have any other customers that represented a significant portion of the Company's revenue or account receivables for the fiscal years ended December 31, 2015 and 2014, respectively.

Basic Income (Loss) Per Share

Basic income (loss) per share is calculated by dividing the Company's net loss applicable to common shareholders by the weighted average number of common shares during the period. Diluted earnings per share is calculated by dividing the Company's net income (loss) available to common shareholders by the diluted weighted average number of shares outstanding during the year. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted for any potentially dilutive debt or equity. At December 31, 2015 the Company had two convertible notes outstanding that is not convertible into common stock until June 2016. Additionally, the Company issued stock warrants for 1,673,559 common shares.

For the year ended December 31, 2015, the Company had 1,673,559 of weighted-average common shares relating to the convertible debt, under the if-converted method, however, these shares are not dilutive because the Company recorded a loss during the fiscal year.



At December 31, 2015, and 2014 the Company had a series of convertible notes and warrants outstanding that could be converted into approximately, 2,548,559 and 291,047 common shares, respectively. These are not presented in the consolidated statements of operations since the company incurred a loss and the effect of these shares is anti-dilutive.

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MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

## Stock-Based Compensation

Stock-based compensation is accounted for at fair value in accordance with ASC Topic 718. To date, the Company has not adopted a stock option plan and has not granted any stock options.

Stock-based compensation is accounted for based on the requirements of the Share-Based Payment Topic of ASC 718 which requires recognition in the consolidated financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). The ASC also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award.

Pursuant to ASC Topic 505-50, for share based payments to consultants and other third-parties, compensation expense is determined at the “measurement date.” The expense is recognized over the service period of the award. Until the measurement date is reached, the total amount of compensation expense remains uncertain. The Company initially records compensation expense based on the fair value of the award at the reporting date.

The Company recorded stock based compensation expense of \$7,356,000 and \$339,000 during the years ended December 31, 2015 and 2014, respectively.

## Recent Accounting Pronouncements

The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company’s results of operations, financial position or cash flow.

## NOTE 3 – PROPERTY, PLANT AND EQUIPMENT

The following is a summary of property, plant, and equipment—at cost, less accumulated depreciation:

	2015	2014
Land	\$ 1,690,000	\$ -
Building & Improvements	692,156	-
Furniture & Office Equipment	258,702	240,102
Containers	4,453,386	2,847,205
Truck, Machinery & Equipment	9,948,686	5,523,773
Total Cost	17,042,930	8,611,080
Less accumulated depreciation	(2,609,190 )	(956,315 )
Net property, plant and Equipment	\$ 14,433,740	\$ 7,654,765

As of December 31, 2015 the Company has \$395,000 of land and building which are held for sale and included in amounts noted above. These held for sale assets were not depreciated during the year ending December 31, 2015. Depreciation expense for the years ended December 31, 2015 and 2014 was \$1,683,000 and \$965,000, respectively.

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MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

NOTE 3 – PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

During 2015 and 2014, the Company assessed these long-term assets, based on estimated future cash flows and concluded that the carrying amount of its long-term assets did not exceed its fair value, therefore the Company did not record any impairment loss on these assets.

NOTE 4 - INTANGIBLE ASSETS AND ACQUISITION

Christian Disposal Acquisition

On December 22, 2015, the Company, in order to expand into new markets and maximize the rate of waste internalization, acquired 100% of the membership interests of Christian Disposal LLC pursuant to that certain Amended and Restated Membership Interest Purchase Agreement, dated October 16, 2015, as amended by that certain First Amendment thereto, dated December 4, 2015.

The acquisition was accounted for by the Company using acquisition method under business combination accounting. Under this method, the purchase price paid by the acquirer is allocated to the assets acquired and liabilities assumed as of the acquisition date based on the fair value. By the application of “push-down” accounting, our assets, liabilities and equity were accordingly adjusted to fair value on December 22, 2015. Determining the fair value of certain assets and liabilities assumed is judgmental in nature and often involves the use of significant estimates and assumptions.

The purchase of Christian Disposal, LLC included the acquisition of assets of \$20,035,847 and liabilities of \$2,152,738. The aggregate purchase price consisted of the following:

Cash consideration	\$13,008,109
Restricted stock consideration	2,625,000
Convertible Promissory Note	1,250,000
Contingent additional purchase price	1,000,000
Total	\$17,883,109

As noted in the table above, the purchase price could be increased by a maximum amount of \$2,000,000 depending upon the extension of certain contracts to which Christian Disposal, LLC is a party. At December 31, 2015, the fair value of the additional purchase price was determined to be \$1,000,000. Also, the Company issued 1,750,000 restricted shares of common stock as consideration which was valued at market at the date of the closing.

MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES  
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## NOTE 4 - INTANGIBLE ASSETS AND ACQUISITION (CONTINUED)

The following table summarizes the estimated fair value of Christian Disposal LLC, and subsidiary, assets acquired and liabilities assumed at the date of acquisition:

Cash	\$197,173
Accounts receivable	974,538
Prepaid expense	84,196
Other current assets	53,810
Customer lists intangible assets	8,180,000
Non-competition agreement intangible asset	56,000
Goodwill	5,849,332
Property, plant, and equipment	4,640,798
Account payable	(1,001,721 )
Deferred revenue	(1,007,525 )
Accrued expenses	(106,396 )
Capital lease	(37,096 )
Total	\$17,883,109

## Eagle Ridge Landfill, LLC and Hauling Acquisition

On December 22, 2015, the Company, in order to expand into new markets and maximize the rate of waste internalization, consummated the closing of the certain Asset Purchase Agreement dated November 13, 2015, by and between the Company and Eagle Ridge Landfill, LLC, as amended by the certain Amendment to Asset Purchase Agreement, dated December 18, 2015, to which the Company and WCA Waste Corporation are also party. Pursuant to the Eagle Ridge Purchase Agreement, Meridian Land acquired a landfill located in Pike County, Missouri and certain assets, rights, and properties related to such business of Eagle Ridge, including certain debts.

The acquisition was accounted for by the Company using business combination accounting. Under this method, the purchase price paid by the acquirer is allocated to the assets acquired and liabilities assumed as of the acquisition date based on the fair value. By the application of “push-down” accounting, our assets, liabilities and equity were accordingly adjusted to fair value on December 22, 2015. Determining the fair value of certain assets and liabilities assumed is judgmental in nature and often involves the use of significant estimates and assumptions.

## MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## NOTE 4 - INTANGIBLE ASSETS AND ACQUISITION (CONTINUED)

The purchase of Eagle Ridge Landfill, LLC and certain assets included the acquisition of assets of \$9,947,224 and liabilities of \$283,737. The aggregate purchase price consisted of a cash consideration of \$9,663,487.

The following table summarizes the estimated fair value of Eagle Ridge Landfill LLC., assets acquired and liabilities assumed at the date of acquisition:

Cash	\$470
Accounts receivable	272,480
Prepaid expense	6,870
Customer lists intangible assets	2,000,000
Landfill permit (including ARO)	3,396,519
Goodwill	1,630,310
Land	1,550,000
Property, Plant, and Equipment	1,090,575
Deferred revenue	(87,218 )
Asset retirement obligation - permits	(196,519 )
Total	\$9,663,487

The following unaudited pro forma consolidated results of operations have been prepared as if the acquisitions of Christian Disposal and Eagle Ridge occurred at January 1, 2014:

	Year Ended December 31, 2015	Successor Period from Acquisition May 16, 2014 to December 31, 2014	Predecessor Period from January 1, 2014 to May 15, 2014
Total Revenue	\$28,861,001	\$17,872,328	\$10,199,328
Net (loss) income	(17,763,377)	(1,581,195 )	916,391
Basic net loss per share	\$(1.23 )	\$(0.16 )	\$-

## Meridian Waste Services, LLC Acquisition

In 2014, the Company, in order to establish a presence in the solid waste disposal industry, entered into an asset purchase agreement by and among the Company, HTSMWD, Meridian Waste Services, LLC (“MWS”) and the members of MWS, pursuant to which HTSMWD acquired certain assets and liabilities of MWS, in exchange for \$11,115,000 cash, 13,191,667 shares of Class A Common Stock of HTSHC and 71,210 shares of Series B Cumulative Convertible Preferred Stock of HTSHC.

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MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES  
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## NOTE 4 - INTANGIBLE ASSETS AND ACQUISITION (CONTINUED)

The acquisition was accounted for by the Company using the acquisition method under business combination accounting. Under this method, the purchase price paid by the acquirer is allocated to the assets acquired and liabilities assumed as of the acquisition date based on the fair value. By the application of “push-down” accounting, our assets, liabilities and equity were accordingly adjusted to fair value on May 15, 2014. Determining the fair value of certain assets and liabilities assumed is judgmental in nature and often involves the use of significant estimates and assumptions.

The purchase of MWS included the acquisition of assets of \$22,175,706 and liabilities of \$2,075,956. The aggregate purchase price consisted of the following:

Cash consideration	\$ 11,000,000
Estimated value of common stock issued to sellers	1,978,750
Estimated value of preferred stock issued to sellers	7,121,000
Total	\$20,099,750

The following table summarizes the estimated fair value of MWS assets acquired and liabilities assumed at the date of acquisition:

Accounts receivable	\$632,322
Prepaid expenses	123,544
Deposits	8,303
Containers	2,710,671
Furniture and equipment	299,450
Trucks	4,243,964
Customer lists	14,007,452
Non-compete agreement	150,000
Accounts payable and accrued expenses	(54,387 )
Notes payable	(143,464 )
Deferred revenue	(1,878,105 )
Total	\$20,099,750



MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES  
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## NOTE 4 - INTANGIBLE ASSETS AND ACQUISITION (CONTINUED)

The following tables set forth the intangible assets, both acquired and developed, including accumulated amortization for the years ended December 31, 2015 and December 31, 2014:

## December 31, 2015

	Remaining Useful Life	Cost	Accumulated Amortization	Net Carrying Value
Customer lists	13.7 years	\$24,187,452	\$ 4,687,090	\$19,500,362
Non compete agreement	4.2 years	206,000	50,301	155,699
Website	3.9 years	13,920	3,016	10,904
		\$24,407,372	\$ 4,740,407	\$19,666,965

## December 31, 2014

	Remaining Useful Life	Cost	Accumulated Amortization	Net Carrying Value
Capitalized software	5.0 years	\$434,532	\$ -	\$434,532
Customer list	4.5 years	14,007,452	1,867,660	12,139,792
Loan fees	4.5 years	50,613	11,248	39,365
Non compete agreement	4.5 years	150,000	20,000	130,000
Website	4.9 years	13,920	232	13,688
		\$14,656,517	\$ 1,899,140	\$12,757,377

## MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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## NOTE 4 - INTANGIBLE ASSETS AND ACQUISITION (CONTINUED)

In the year ended December 31, 2015, customer lists include the intangible assets related to customer relationships acquired through the acquisition of Christian Disposal and Eagle Ridge with a cost basis of \$10,180,000. The customer list intangible assets are amortized over their useful life which ranged from 5 to 20 years. Amortization expense, excluding amortization of landfill assets of \$3,043, amounted to \$2,869,385 and \$1,899,140 for the period ending December 31, 2015 and 2014 respectively.

## NOTE 5 - NOTES PAYABLE AND CONVERTIBLE NOTES

The Company had the following long-term debt:

	December 31, 2015	December 31, 2014
Debt payable to Comerica Bank, senior debt	\$-	\$8,708,333
Debt payable to Praesidian Capital Opportunity Fund III, senior lender	-	-
Debt payable to Praesidian Capital Opportunity Fund III-A, senior lender	-	-
Goldman Sachs - Tranche A Term Loan - LIBOR Interest	40,000,000	-
Goldman Sachs - Revolver	-	-
Goldman Sachs - MDTL	-	-
Convertible Notes Payable	1,250,000	-
Capitalized lease - financing company, secured by equipment,	37,097	-
Equipment loans	395,118	-
Notes payable to seller of Meridian, subordinated debt	1,475,000	1,475,000
Less: debt discount	(2,152,603 )	-
Total debt	41,004,611	10,183,333
Less: current portion	(417,119 )	(1,357,143 )
Long term debt less current portion	\$40,587,493	\$8,826,190

## Convertible Notes Payable

The Company issued two promissory notes to related parties during the year ended December 31, 2014. These notes totaled \$125,000 and are generally convertible into common stock of the Company at discounts of 20% to 25% of the lowest average trading prices for the stock during periods five to one day prior to the conversion date. These notes bear interest at 10% to 12%, are unsecured, and mature within one year of the date issued. The notes were issued to provide working capital for the Company. These notes are considered a stock settled debt in accordance with ASC 480 since any future stock issued upon conversion will have a fixed monetary value. Due to the conversion feature included in the notes, the Company has recorded a premium on the notes totaling \$31,250 as of December 31, 2014. This amount has been charged to interest expense by the Company.

In 2015, as part of the purchase price consideration of the Christian Disposal acquisition, the Company issued a convertible promissory note to seller in the amount of \$1,250,000. The note bears interest at 8% and matures on

December 31, 2020. The seller may convert all or any part of the outstanding and unpaid amount of this note into fully paid and non-assessable common stock in accordance with the agreement.

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## MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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## NOTE 5 - NOTES PAYABLE AND CONVERTIBLE NOTES (CONTINUED)

In previous periods the Company issued two other notes to other related parties. These notes totaled \$110,000 and are generally convertible into common stock of the Company at discounts of 20% to 25% of the lowest average trading prices for the stock during periods five to one day prior to the conversion date. These notes bear interest at 10% to 12%, are unsecured, and mature within one year of the date issued. The notes were issued to provide working capital for the Company. These notes are considered a stock settled debt in accordance with ASC 480 since any future stock issued upon conversion will have a fixed monetary value. Due to the conversion feature included in the notes, the Company has recorded a premium on the notes totaling \$35,833 as of December 31, 2014. This amount has been charged to interest expense by the Company.

In 2015, approximately \$225,000 of the issued promissory notes were converted into approximately 461,000 shares at the contractual conversion price. At December 31, 2015 the Company had \$12,500 remaining in convertible notes to related parties, which includes \$2,500 in put premiums.

## Notes Payable

At December 31, 2014 the Company had a short term, non-interest bearing note payable of \$150,000 which was incurred in connection with the Membership Interest Purchase Agreement discussed above. The Company also had a loan from Here to Serve Holding Corp. due to expenses paid by Here to Serve on behalf of the Company prior to the recapitalization. This loan totaled \$376,585 bringing total notes payable to \$526,585. In 2015, the short term, non-interest bearing note was paid off, and at December 31, 2015, the Company's loan from Here to Serve Holding Corp. was \$359,891.

## Praesidian Notes Payable

On August 6, 2015, the Company refinanced its long-term debt payable to Comerica Bank. Proceeds from notes issued by the Company to Praesidian Capital Opportunity Fund III, LP and Praesidian Capital Opportunity Fund III-A, LP (together referred to as Praesidian) were \$10,845,000. These funds were distributed as follows:

Payoff of short term bridge financing	\$432,938
Payoff of lines of credit with Comerica Bank	1,745,799
Payoff of senior debt to Comerica Bank	7,953,433
Refinancing fees	712,830
	<b>\$10,845,000</b>

The Company's Senior Secured Loan with Comerica Bank had an interest rate of LIBOR plus 4.25% with a two-year term based on a seven-year amortization schedule. In addition, the Company had a working capital line of credit with Comerica Bank of \$1,250,000 at 4.75% of which the Company had drawn down \$1,185,081 and \$1,085,160 as of August 6, 2015 and December 31, 2014, respectively. There was CAPEX line of credit of \$750,000, of which the Company had drawn down \$560,718 and \$590,000 as of August 6, 2015 and December 31, 2014, respectively; again at 4.75% interest. As noted above, these debts were paid off from the proceeds received from Praesidian.

The debt to Praesidian had a maturity date of August 6, 2020 with interest paid monthly at an annual rate of 14%. In addition to the 14% interest rate, the Company issued to Praesidian warrants to purchase 1,293,022 shares of Common Stock of the Company.

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MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES  
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## NOTE 5 - NOTES PAYABLE AND CONVERTIBLE NOTES (CONTINUED)

## Goldman Sachs Credit Agreement

On December 22, 2015, in connection with the closing of acquisitions of Christian Disposal, LLC and certain assets of Eagle Ridge Landfill, LLC, the Company was extended certain credit facilities by Goldman Sachs, consisting of \$40,000,000 aggregate principal amount of Tranche A Term Loans, \$10,000,000 aggregate principal amount of Multi-Draw Term Loans and up to \$5,000,000 aggregate principal amount of Revolving Commitments. At December 31, 2015, only the Tranche A Term Loan was drawn and had an outstanding balance of \$40,000,000. It is collateralized by the assets of the Company. The debt has a maturity date of December 22, 2020 with interest paid monthly at an annual rate of 9%. In addition, there is a commitment fee paid monthly on the Multi-Draw Term Loans and Revolving Commitments at an annual rate of 0.5%.

The proceeds of the loans were used to partially fund the acquisitions referenced above and refinance existing debt with Praesidian, among other things. The funds to payoff the Praesidian notes were distributed as follows:

Aggregate outstanding principal balance of the Notes	\$10,845,043
Aggregate accrued but unpaid interest on the Notes	82,844
Prepayment Premium <sup>1</sup>	325,351
Accrued PIK	9,941
Tax Liability	150,000
Accrued but unpaid fees and expenses	4,000
Payoff Amount	\$11,417,179

The Company re-paid in full and terminated its agreements with Praesidian which effected the cancellation of certain warrants that the Company issued to Fund III for the purchase of 931,826 shares of the Company's common stock and to Fund III-A for the purchase of 361,196 shares of the Company's common stock. In consideration for the cancellation of the Praesidian Warrants, the Company issued to Praesidian Capital Opportunity Fund III, LP, 1,153,052 shares of common stock and issued to Praesidian Capital Opportunity Fund III-A, LP, 446,948 shares of common stock. Due to the early termination of the notes and cancellation of the warrants, the Company recorded a loss on extinguishment of debt of \$1,899,161 in the year ended December 31, 2015.

In addition, in connection with the credit agreement, the Company issued warrants to Goldman Sachs for the purchase of shares of the Company's common stock equivalent to a 6.5% Percentage Interest at a purchase price equal to \$449,553, exercisable on or before December 22, 2023. The warrants grant the holder certain other rights, including registration rights, preemptive rights for certain capital raises, board observation rights and indemnification. See discussion of warrants below.

## Subordinated Debt

In connection with the acquisition with Meridian Waste Services, LLC on May 15, 2014, notes payable to the sellers of Meridian issued five-year term subordinated debt loans paying interest at 8%. At December 31, 2015 and December 31, 2014, the balance on these loans was \$1,475,000 and \$1,475,000, respectively.

The debt payable to Comerica at December 31, 2014 and the Equipment loans at December 31, 2015 were the debt of Here to Serve- Missouri Waste Division, LLC, a subsidiary of the Company.

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MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES  
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## NOTE 5 - NOTES PAYABLE AND CONVERTIBLE NOTES (CONTINUED)

## Equipment Loans

Finally, during the year ended December 31, 2015, the Company entered into four long-term loan agreements in connection with the purchase of equipment with rates between 4% and 5%. At December 31, 2015, the balance of these four loans was \$425,149.

## Derivative Liability - Warrants

As indicated above, the Company issued warrants to Praesidian and Goldman Sachs to purchase shares of common stock. Due to the put features contained in the agreements, derivative liabilities were recorded for the warrants.

The Company's derivative warrant instruments related to Praesidian have been measured at fair value at the date of cancellation, December 22, 2015, using the Black-Scholes model. The Black-Scholes model requires six basic data inputs: the exercise or strike price, time to expiration, the risk free interest rate, the current stock price, the estimated volatility of the stock price in the future and the dividend rate. The key inputs used in the December 22, 2015 fair value calculations were as follows:

	December 22, 2015	
Current exercise price	\$0.025	
Time to expiration	8/6/2016	
Risk-free interest rate	0.33	%
Estimated volatility	230	%
Dividend	0	%
Stock price on December 22, 2015	\$1.50	
Expected forfeiture rate	0	%

The Company's derivative warrant instruments related to Goldman Sachs have been measured at fair value at the date of issuance December 22, 2015 and December 31, 2015, using the Black-Scholes model. The liability is revalued at each reporting period and changes in fair value are recognized currently in the consolidated statement of operations.



MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES  
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## NOTE 5 - NOTES PAYABLE AND CONVERTIBLE NOTES (CONTINUED)

The key inputs used in the December 22, and December 31, 2015 fair value calculations were as follows:

	December 22, 2015	
Purchase Price	\$450,000	
Time to expiration	12/22/2023	
Risk-free interest rate	2.11	%
Estimated volatility	45	%
Dividend	0	%
Stock price on December 22, 2015	\$1.50	
Expected forfeiture rate	0	%

	December 31, 2015	
Purchase Price	\$450,000	
Time to expiration	12/22/2023	
Risk-free interest rate	2.15	%
Estimated volatility	45	%
Dividend	0	%
Stock price on December 31, 2015	\$1.90	
Expected forfeiture rate	0	%

The change in the market value for the period ending December 31, 2015 is as follows:

Fair value of warrants @ December 31, 2014	\$-
Issuance of Praesdian warrants @ August 6, 2015	904,427
Unrealized loss on derivative liability	1,004,213
Cancellation of Praesdian warrants @ December 22, 2015	(1,908,640)
Issuance of Goldman warrants @ December 22, 2015	2,160,000
Unrealized loss on derivative liability	660,000
Fair value of warrants @ December 31, 2015	\$2,820,000

Derivative Liability – Interest Rate Swap

The Company sometimes borrows at variable rates and uses interest rate swaps as cash flow hedges of future interest payments, which have the economic effect of converting borrowings from floating rates to fixed rates. The interest rate swaps allow the Company to raise long-term borrowings at floating rates and swap them into fixed rates that are lower than those available if it borrowed at fixed rates directly. Under the interest rate swaps, the Company agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

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MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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NOTE 5 - NOTES PAYABLE AND CONVERTIBLE NOTES (CONTINUED)

At December 31, 2014, the Company had \$5,414,634 of non-amortizing variable rate debt outstanding with interest payments due on a monthly basis. The note accrues interest at the 1-month LIBOR plus 4.25%. In order to hedge interest rate risk, the Company entered into an interest rate swap for a notional amount of \$5,414,634 at fixed rate of 4.75%. Under the swap agreement, the Company pays the fixed rate on the \$5,414,634 notional amount on a monthly basis, and receives the 1-month LIBOR plus 4.25% on a monthly basis. Payments are settled on a net basis, and the Company has effectively converted its variable-rate debt into fixed-rate debt with an effective interest rate of 4.75%. As discussed above, the debts to Comerica were paid off from the funding received from Praesidian. The net settlement amount of the interest rate swap as of December 31, 2015 and December 31, 2014 was \$0 and \$40,958, respectively.

NOTE 6- SHAREHOLDERS' EQUITY

Common Stock

The Company has authorized 75,000,000 shares of \$0.025 par common stock. At December 31, 2015 and 2014 there were 21,038,650 and 9,963,418 shares issued and outstanding.

Treasury Stock

During 2014, the Company's Board of Directors authorized a stock repurchase of 230,000 shares of its common stock for approximately \$230,000 at an average price of \$1.00 per share. As of December 31, 2015 and 2014 the Company holds 230,000 shares of its common stock in its treasury.

Preferred Stock

The Company has authorized 5,000,000 shares of Preferred Stock, for which two classes have been designated to date. Series A has 51 shares issued and outstanding and Series B has 71,210 shares issued and outstanding as of December 31, 2015 and 2014, respectively.

Each share of Series A Preferred Stock has no conversion rights, is senior to any other class or series of capital stock of the Company and special voting rights. Each one (1) share of Series A Preferred Stock shall have voting rights equal to (x) 0.019607 multiplied by the total issued and outstanding Common Stock eligible to vote at the time of the respective vote (the "Numerator"), divided by (y) 0.49, minus (z) the Numerator.

Holders of Series B Preferred Stock shall be entitled to receive when and if declared by the Board of Directors cumulative dividends at the rate of twelve percent (12%) of the Original Issue Price. In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, the holders of Series B Preferred Stock shall be entitled to receive, immediately prior and in preference to any distribution to holders of the Company's common stock, an amount per share equal to the sum of \$100.00 and any accrued and unpaid dividends of the Series B Preferred Stock. Each share of Series B Preferred Stock may be converted at the option of the holder into the Company's Common stock. The shares shall be converted using the "Conversion Formula": divide the Original Issue

Price by 75% of the average closing bid price of the Common Stock for the five (5) consecutive trading days ending on the trading day of the receipt by the Company of the notice of conversion.

At December 31, 2015 and 2014, the Company's Series B Preferred Stock dividends in arrears on the 12% cumulative preferred stock were approximately \$1,033,000 (\$14.50 per share) and \$2.50 (\$2.50 per share), respectively.

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MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES  
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NOTE 6- SHAREHOLDERS' EQUITY (CONTINUED)

Common Stock Transactions

During the years ended December 31, 2015 and 2014, the Company issued, 11,075,232 and 9,054,134 shares of common stock, respectively. The fair values of the shares of common stock were based on the quoted trading price on the date of issuance. Of the 11.1 million shares issued for year ending December 31, 2015, the Company:

1. Issued 1,573,550 of these shares were issued to vendors for services generating a professional fees expense of \$830,970;
2. Issued 5,690,843 of these shares to officers and employees as incentive compensation resulting in compensation expense of \$7,356,180;
3. Issued 460,839 shares of common stock, due to the conversion of related party debt. Per the convertible note agreement, the shares were converted at 75% of the closing bid price on the date of conversion. The value of the debt and accrued interest converted was \$318,927;
4. Issued 1,750,000 shares as part of the acquisition of Christian Disposal LLC, these shares were record as part of the purchased price consideration as noted above. These share were valued at market as of the date of the acquisition; and,
5. Issued 1,600,000 shares of common stock, due to the cancellation of Praesidian warrants. As part of this extinguishment of debt the company recorded a loss of approximately, \$1.8 million.

For fiscal year ended December 31, 2014, the Company acquired the membership interest of HTSMWD, HTST and HTSGWD in exchange for 9,054,134 shares of the Company's common stock. This transaction was closed on October 17, 2014 and HTSMWD became wholly-owned by the Company. The Company is deemed to have issued 1,139,284 shares of common stock which represents the outstanding common shares of the Company just prior to the closing of the transaction.

The Company has issued and outstanding warrants of 1,673,559 common shares, as adjusted, with the current exercise price of \$0.269, as adjusted, expiring December 31, 2023. A summary of the status of the Company's outstanding common stock warrants as of December 31, 2015 and 2014, with changes during the years ending on those dates are as follows:

MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES  
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## NOTE 6- SHAREHOLDERS' EQUITY (CONTINUED)

	Number of Shares	Average Exercise Price	If Exercised	Expiration Date
Outstanding, January 1, 2014	-	\$-	\$-	-
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Outstanding, December 31, 2014	-	\$-	\$-	
Granted - Praesidian	1,293,022	\$0.025	\$32,326	-
Forfeited/Cancellation - Praesidian	(1,293,022)	\$0.025	(32,326 )	-
Granted - Goldman Sachs	1,673,559	\$0.269	449,518	December 31, 2023
Forfeited/Cancellation - Goldman Sachs	-	-	-	-
Exercised	-	-	-	-
Outstanding, December 31, 2015	1,673,559	\$-	\$449,518	-
Warrants exercisable at December 31, 2015	1,673,559			

## NOTE 7 - INCOME TAXES

The Company accounts for income taxes in accordance with Accounting Standards Codification (ASC-740) "Accounting for Income Taxes", which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and income tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income.

The Company had a net operating loss carry forward of approximately \$12.3 million at December 31, 2015 and had no Federal or State income tax obligations. The Company had no significant tax effects resulting from the temporary differences that give rise to deferred tax assets and deferred tax liabilities for the years ended December 31, 2015 and 2014 other than net operating losses.

The Company's loss carry forward of approximately \$12.3 may offset future taxable income through tax year 2035. However, in accordance with IRC Section 382, the availability and utilization of the losses may be severely limited since the business combination that occurred on October 17, 2014 triggered the IRC Section 382 limitations.

Prior to October 17, 2014, the date of the reverse acquisition transaction discussed in Note 1 above, the operating entities were owned by unrelated third party partners/members, and as limited liability companies, the operating companies' losses for the period January 1, 2014 to October 17, 2014 flowed through to such partners/members. Therefore, as there were no tax allocation arrangements with the previous partners/members, the Company has not recorded in these financials statements any current or deferred income tax expense, income tax liabilities or deferred tax assets/liabilities relating to such pre-acquisition activity (losses).

The table below summarizes the differences between the Company's effective tax rate and the statutory federal rate of 34% as follows for the periods ended December 31, 2015 and 2014:

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## MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## NOTE 7 - INCOME TAXES (CONTINUED)

	Years Ended December 31,	
	2015	2014
Computed "expected" benefit	\$(6,538,843)	\$(773,000 )
Effect of state income taxes, net of federal benefit	(769,276 )	(136,000 )
Effect of change in tax rates	-	(280,760 )
Pre-acquisition losses	-	640,000
Stock based compensation and other permanent differences	4,577,831	-
Increase in valuation allowance	2,730,288	549,760
	\$-	\$-

Deferred tax assets and liabilities are provided for significant income and expense items recognized in different year for tax and financial reporting purposes. The Components of the net deferred tax assets for the years ended December 31, 2015 and 2014 were as follows:

	Years Ended December 31,	
	2015	2014
Net operating loss carry forward	\$4,686,288	\$1,956,000
Less: Valuation allowance	(4,686,288)	(1,956,000)
	\$-	\$-

The valuation allowance was increased by approximately \$2,730,288 and \$550,000 during the years ended December 31, 2015 and 2014.

## NOTE 8 - FAIR VALUE MEASUREMENT

ASC Topic 820 establishes a fair value hierarchy, giving the highest priority to quoted prices in active markets and the lowest priority to unobservable data and requires disclosures for assets and liabilities measured at fair value based on their level in the hierarchy. Also, ASC Topic 820 provides clarification that in circumstances, in which a quoted price in an active market for the identical liabilities is not available, a reporting entity is required to measure fair value using one or more of the techniques provided for in this update.

The standard describes a fair value hierarchy based on three levels of input, of which the first two are considered observable and the last unobservable, that may be used to measure fair value, which are the following:

Level 1 - Quoted prices in active markets for identical assets and liabilities.

Level 2 - Input other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets of liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liabilities.



Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

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MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES  
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## NOTE 8 - FAIR VALUE MEASUREMENT (CONTINUED)

The following table sets forth the liabilities at December 31, 2015 and 2014, which is recorded on the balance sheet at fair value on a recurring basis by level within the fair value hierarchy. As required, these are classified based on the lowest level of input that is significant to the fair value measurement:

		Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Observable Inputs (Level 3)
	December 31, 2015			
Derivative liability	\$2,820,000	\$-	\$-	\$2,820,000
Stock settled debt premium	12,500	10,000	-	2,500
Total	\$2,832,500	\$10,000	\$-	\$2,822,500

		Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Observable Inputs (Level 3)
	December 31, 2014			
Interest Rate Swap	\$40,958	\$-	\$-	\$40,958
Stock settled debt	308,083	235,000	-	67,083
Total	\$349,041	\$235,000	\$-	\$108,041

MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES  
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## NOTE 9 - LEASES

The Company's has entered into non-cancellable leases for its office, warehouse facilities and some equipment. These lease agreements commence on various dates from September 1, 2010 to December 2015 and all expires on or before December, 2020. Future minimum lease payments at December 31, 2015 are as follows:

2016	\$442,408
2017	448,408
2018	164,493
2019	111,103
2020	71,500
Thereafter	-
Total	\$1,237,912

The Company has also entered into various other leases on a month to month basis for machinery and equipment. Rent expense amounted to \$320,154 and \$177,801 for the year ended December 31, 2015 and 2014, respectively.

## NOTE 10 – BONDING

In connection with normal business activities of a company in the solid waste disposal industry, Meridian may be required to acquire a performance bond. As part of the Company's December 22, 2015 acquisitions of Christian Disposal, LLC and Eagle Ridge Landfill, LLC, Meridian acquired a performance bond in the approximate amount of \$7,400,000 with annual expenses of \$221,000. For fiscal year ended December 31, 2015, the Company had approximately \$6,000 of expenses related to this performance bond and for fiscal year ended December 31, 2014, the Company was not required to obtain a performance bond.

## NOTE 11 - EMPLOYMENT CONTRACT

Pursuant to the Christian Disposal, LLC and subsidiary purchase, the company has entered into an employment contract with its Area Vice President of Business Development and Marketing through 2020 that provides for a minimum annual salary, cash and stock option bonuses. At December 31, 2015, the total commitment, excluding incentives, was approximately \$1,500,000.

## Note 12 - LITIGATION

The Company is involved in various lawsuits related to the operations of its subsidiaries. Management believes that it has adequate insurance coverage and/or has appropriately accrued for the settlement of these claims. If applicable, claims that exceed amounts accrued and/or that are covered by insurance, management believes they are without merit and intends to vigorously defend and resolve with no material impact on financial condition.



MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES  
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NOTE 13 – RELATED PARTY TRANSACTIONS

Sale of Capitalized Software

On January 7, 2015, in an effort to give investors a more concentrated presence in the waste industry the Company sold the capitalized software assets of Here to Serve Technology, LLC (HTST) to Mobile Science Technologies, Inc., a Georgia corporation (MSTI), a related party due to being owned by some of the shareholders of the Company. No gain or loss was recognized on this transaction as the Company received equity equal to book value (\$434,532) of the capitalized software in the exchange. This represents approximately 15% of the equity of MSTI and is reflected in the accompanying balance sheet as “investment in related party affiliate”. The Company's investment of 15% of the common stock of MSTI is accounted for under the equity method because the company exercises significant influence, over its operating and financial activities. Significant influence is exercised because both Companies have a Board Member in common. Accordingly, the investment in MSTI is carried at cost, adjusted for the Company's proportionate share of earnings or losses.

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## NOTE 13 – RELATED PARTY TRANSACTIONS (CONTINUED)

The following presents unaudited summary financial information for MSTI. Such summary financial information has been provided herein based upon the individual significance of this unconsolidated equity investment to the consolidated financial information of the Company.

Following is a summary of financial position and results of operations of MSTI:

Summary of Statements of Financial Condition	2015 (UNAUDITED)
Assets	
Current assets	\$ 4,481
Noncurrent assets	2,869,553
Total assets	\$ 2,874,034
Liabilities and Equity	
Current liabilities	\$ 213,264
Noncurrent liabilities	-
Equity	2,660,770
Total liabilities and equity	\$ 2,874,034
Summary of Statements of Operations	
Revenues	\$ 1,364
Expense	470,342
Net loss	\$ (468,978 )

The Company recorded losses from its investment in MSTI, accounted for under the equity method, of approximately \$70,000 during fiscal year ended 2015. The charge reflected the Company's share of MSTI losses recorded in that period, as well as the write-down of the investment and the write-off of certain receivables. While the Company has ongoing agreements with MSTI relating to the use of MSTI's software technology, the Company has no obligation to otherwise support the activities of MSTI. As of December 31, 2015, the Company has \$133,000 in prepaid expenses related to MSTI.

## NOTE 14 - SUBSEQUENT EVENTS

## EQUITY AND INCENTIVE PLAN

Effective March 10, 2016, the Board of Directors (the "Board") of the Company approved, authorized and adopted the 2016 Equity and Incentive Plan (the "Plan") and certain forms of ancillary agreements to be used in connection with the issuance of stock and/or options pursuant to the Plan (the "Plan Agreements"). The Plan provides for the issuance of up to 7,500,000 shares of common stock, par value \$.025 per share (the "Common Stock"), of the Company through the grant of non-qualified options (the "Non-qualified options"), incentive options (the "Incentive Options" and together with

the Non-qualified Options, the “Options”) and restricted stock (the “Restricted Stock”) to directors, officers, consultants, attorneys, advisors and employees.

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NOTE 14 - SUBSEQUENT EVENTS (CONTINUED)

The Plan shall be administered by a committee consisting of two or more independent, non-employee and outside directors (the “Committee”). In the absence of such a Committee, the Board shall administer the Plan. The Plan is currently being administered by the Board.

Options are subject to the following conditions:

- (i) The Committee determines the strike price of Incentive Options at the time the Incentive Options are granted. The assigned strike price must be no less than 100% of the Fair Market Value (as defined in the Plan) of the Company’s Common Stock. In the event that the recipient is a Ten Percent Owner (as defined in the Plan), the strike price must be no less than 110% of the Fair Market Value of the Company.
- (ii) The strike price of each Non-qualified Option will be at least 100% of the Fair Market Value of such share of the Company’s Common Stock on the date the Non-qualified Option is granted, unless the Committee, in its sole and absolute discretion, elects to set the strike price of such Non-qualified Option below Fair Market Value.
- (iii) The Committee fixes the term of Options, provided that Options may not be exercisable more than ten years from the date the Option is granted, and provided further that Incentive Options granted to a Ten Percent Owner may not be exercisable more than five years from the date the Incentive Option is granted.
- (iv) The Committee may designate the vesting period of Options. In the event that the Committee does not designate a vesting period for Options, the Options will vest in equal amounts on each fiscal quarter of the Company through the five (5) year anniversary of the date on which the Options were granted. The vesting period accelerates upon the consummation of a Sale Event (as defined in the Plan).
- (v) Options are not transferable and Options are exercisable only by the Options’ recipient, except upon the recipient’s death.
- (vi) Incentive Options may not be issued in an amount or manner where the amount of Incentive Options exercisable in one year entitles the holder to Common Stock of the Company with an aggregate Fair Market value of greater than \$100,000.

Awards of Restricted Stock are subject to the following conditions:

- (i) The Committee grants Restricted Stock Options and determines the restrictions on each Restricted Stock Award (as defined in the Plan). Upon the grant of a Restricted Stock Award and the payment of any applicable purchase price, grantee is considered the record owner of the Restricted Stock and entitled to vote the Restricted Stock if such Restricted Stock is entitled to voting rights.
  - (ii) Restricted Stock may not be delivered to the grantee until the Restricted Stock has vested.
- (iii) Restricted Stock may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as provided in the Plan or in the Award Agreement (as defined in the Plan).



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NOTE 14 - SUBSEQUENT EVENTS (CONTINUED)

EMPLOYMENT AGREEMENT

Jeffrey Cosman - Employment Agreement, Director Agreement and Restricted Stock Agreement

On March 11, 2016, the Company entered into an employment agreement with Mr. Cosman (the "Cosman Employment Agreement"). Mr. Cosman is currently the Chief Executive Officer and Chairman of the Board of Directors of the Company and prior to the execution and delivery of the Cosman Employment Agreement, terms of Mr. Cosman's employment were governed by that certain previous employment agreement assumed by the Company in connection with the Company's purchase of certain membership interests owned by such previous employer on October 17, 2014. The Cosman Employment Agreement has an initial term from March 11, 2016 through December 31, 2017 and the term will automatically renew for one (1) year periods unless otherwise terminated in accordance with the terms therein. Mr. Cosman will receive a base salary of \$525,000 and Mr. Cosman's compensation will increase by 5% on January 1 of each year. Mr. Cosman may also receive a cash bonus based on the Company's performance relative to its annual target performance, as well as an annual equity bonus in the form of restricted common stock, in accordance with the Company's 2016 Equity and Incentive Plan (the "Plan") and subject to the restrictions contained therein, equivalent to 6% of the value of all acquisitions by the Company or its subsidiaries of substantially all the assets of existing businesses or of controlling interests in existing business entities and equity or debt financings during the preceding year. Upon any termination of Mr. Cosman's employment with the Company, except for a termination for Cause, Mr. Cosman shall be entitled to a severance payment equal to the greater of (i) five years' worth of the then existing base salary and (ii) the last year's bonus.

On March 11, 2016, the Company entered into a director agreement with the Company's Chairman of the Board and Chief Executive Officer, Jeffrey Cosman, as amended by the First Amendment to Director Agreement entered into by the parties on April 13, 2016 (the "Cosman Director Agreement").

On March 11, 2016, the Company entered into a restricted stock agreement with Mr. Cosman (the "Cosman Restricted Stock Agreement"), pursuant to which 4,253,074 shares of the Company's common stock, subject to certain restrictions set forth in the Cosman Restricted Stock Agreement, were issued to Mr. Cosman pursuant to the Cosman Employment Agreement and the Plan.

Walter H. Hall, Jr. - Director Agreement and Employment Agreement

On March 11, 2016, the Company entered into a director agreement with Mr. Walter H. Hall, Jr., as amended by the First Amendment to Director Agreement entered into by the parties on April 13, 2016 (the "Hall Director Agreement"), concurrent with Mr. Hall's appointment to the Board of Directors of the Company (the "Board") effective March 11, 2016 (the "Effective Date").

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On March 11, 2016, the Company entered into an executive employment agreement with Mr. Hall (the “Hall Employment Agreement”). Mr. Hall will have the title of President and Chief Operating Officer. The Hall Employment Agreement has an initial term of thirty-six (36) months and the term will automatically renew for one (1) year periods, unless otherwise terminated pursuant to the terms contained therein. Mr. Hall will receive a base salary of \$300,000 beginning upon the Company’s closing of acquisitions in the aggregate amount of \$35,000,000 from the date the Hall Employment Agreement is executed. Mr. Hall may also receive an annual bonus of up to \$175,000, or such larger amount approved by the Board, as well as an annual equity bonus (in the form of restricted common stock, in accordance with the Plan and subject to the restrictions contained therein) equivalent to 2% of the value of all acquisitions by the Company or its subsidiaries of substantially all the assets of existing businesses or of controlling interests in existing business entities and equity or debt financings during the preceding year. Additionally, Mr. Hall received two million (2,000,000) restricted shares of the Company’s common stock upon the execution of the Hall Employment Agreement

EQUITY SUBSCRIPTION AGREEMENT

On April 8, 2016, the Company completed the final closing (the “the Closing”) of a private placement offering to accredited investors (the “Offering”) of up to \$1,600,000 of the Company’s restricted common stock, par value \$0.025 per share.

In connection with the Closing, the Company entered into definitive subscription agreements (the “Subscription Agreements”) with five (5) accredited investors (the “Investors”) and issued an aggregate of 1,428,573 shares of Common Stock for aggregate gross proceeds to the Company of \$1,600,000.

The Subscription Agreements provide that the Company shall issue additional shares of Common Stock in the event that, prior to the first anniversary of the Subscription Agreement, such Investor sells all of the Common Stock purchased under the Subscription Agreement and receives less than the full amount of the purchase price paid under the Subscription Agreement, and the Subscription Agreements contain typical representations and warranties.