
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): DECEMBER 31, 2008

PFSweb, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(STATE OR OTHER JURISDICTION
OF INCORPORATION)

000-28275
(COMMISSION FILE NUMBER)

75-2837058
(IRS EMPLOYER
IDENTIFICATION NO.)

500 NORTH CENTRAL EXPRESSWAY
PLANO, TX 75074
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

(972) 881-2900
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

N/A
(FORMER NAME OR ADDRESS, IF CHANGED SINCE LAST REPORT)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 1.01. Entry into a Material Definitive Agreement

Effective as of December 31, 2008, the Company and each of its executive officers entered into an amendment to the existing Executive Severance Agreements and Change in Control Severance Agreements between the Company and such persons. The primary purpose of such amendment is to modify such agreements so that they conform to Section 409A of the Internal Revenue Code. In addition, the amendment to the Executive Severance Agreement modifies the calculation of the severance amount thereunder.

The foregoing description of the amendments does not purport to be complete and is qualified in its entirety by reference to the forms of the amendments which are filed herewith and incorporated herein by reference.

ITEM 9.01. Financial Statements and Exhibits.

Exhibit No.	Exhibit
10.1.	Form of Amendment to Executive Severance Agreement.
10.2.	Form of Amendment to Change in Control Severance Agreement.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PFSweb, Inc.

Dated: January 6, 2009

By: /s/ Thomas J. Madden

Thomas J. Madden
Executive Vice President and
Chief Financial Officer

**AMENDMENT OF
EXECUTIVE SEVERANCE AGREEMENT**

THIS AMENDMENT made as of the 31st day of December, 2008, by and between PFSweb, Inc., a Delaware corporation (the "Company"), and the individual whose name appears on the signature page hereof as the "Executive" hereunder.

WHEREAS, the Company and the Executive are parties to that certain Executive Severance Agreement (the "Agreement"); and

WHEREAS, the Company and the Executive wish to amend the Agreement as good faith compliance with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), the regulations thereunder and related guidance issued by the Internal Revenue Service ("IRS");

NOW, THEREFORE, it is agreed that the Agreement be and hereby is amended as follows:

FIRST: Section 1, "Definitions," (a) Except as otherwise defined herein, terms used herein shall have the same meaning ascribed thereto in the Agreement.

(b) In Section 1, the definition of "Qualifying Termination" is deleted in its entirety and is hereby replaced to read as follows:

"Qualifying Termination" means the termination by the Company of Executive's employment other than a Termination for Cause, but including termination by reason of the Executive's death or disability. "Disability" shall mean that an Executive is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months. The term "Qualifying Termination" shall not include the termination by Executive of his employment, unless such termination is with "Good Reason." "Good Reason" shall mean that the Executive has complied with the "Good Reason Process" following a material reduction by the Company of the Executive's annual base salary from its then current amount, other than a reduction which is part of, and proportionate with, a general reduction of annual base salaries of not less than three-quarters (in number) of the Company's officers. "Good Reason Process" shall mean that: (A) the Executive reasonably determines in good faith that a "Good Reason" event has occurred; (B) the Executive notifies the Company in writing of the occurrence of the Good Reason event within 90 days of the occurrence of such event; (C) the Executive cooperates in good faith with the Company's efforts, for a period not less than 30 days following such notice, to modify the Executive's employment situation in a manner acceptable to the

Executive and the Company; and (D) notwithstanding such efforts, the Good Reason event continues to exist and has not been modified in a manner acceptable to the Executive. If the Company cures the Good Reason event in a manner acceptable to the Executive during the 30 day period, Good Reason shall be deemed not to have occurred.

(c) Section 1 is further amended by adding the definition of “Specified Employee” as follows:

“Specified Employee” is an employee who, as of the employee’s date of termination, is a key employee of the Employer within the meaning of Section 416(i)(1)(A)(i), (ii), or (iii) of the Code (applied in accordance with the regulations thereunder and disregarding Section 416(i)(5)) at any time during the 12-month period ending on a Specified Employee Identification Date. If an Employee is a key employee as of a Specified Employee Identification Date, the Employee is treated as a key employee for purposes of the Agreement for the entire 12-month period beginning on the Specified Employee Effective Date.

(d) Section 1 is further amended by adding the definition of “Specified Employee Identification Date” as follows:

“Specified Employee Identification Date” shall mean December 31 of each year.

SECOND: Section 2(a) (ii) of the Agreement is amended so that the term “S” as used therein shall be defined as follows:

“S” = Executive’s highest annual rate of base salary during the 12-month period immediately prior to the effective date of the Qualifying Termination.”

THIRD: The following language is being added as a new Section 10 of the Agreement and the corresponding sections of the Agreement will be renumbered accordingly:

10. Compliance with Section 409A. Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive’s date of termination, the Executive is considered a “specified employee” within the meaning of Section 409A(a)(2)(B)(i) of the Code, and if any payment that the Executive becomes entitled to under this Agreement is considered deferred compensation subject to interest and additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, then (A) no such payment shall be payable prior to the date that is the earlier of (i) six months after the Executive’s separation from service, or (ii) the Employee’s death and (B) promptly following the date of termination, the

Company agrees to place such payment in escrow with a third party escrow agent pending the release date set forth in the preceding clause (A). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

FOURTH: The effective date of this Amendment shall be December 31, 2008.

FIFTH: In all other respects, the Agreement is hereby ratified and confirmed.

IN WITNESS WHEREOF the parties hereto have set their hands as of the date set forth above.

PFSweb, Inc.

By: _____

Name:

Title:

Executive:

Print Name:

**AMENDMENT
CHANGE IN CONTROL SEVERANCE AGREEMENT**

THIS AMENDMENT made as of the 31st day of December, 2008, by and between PFSweb, Inc., a Delaware Corporation (the "Company"), and the individual whose name appears on the signature page hereof as the "Executive" hereunder.

WHEREAS, the Company and the Executive are parties to that certain Change in Control Severance Agreement (the "Agreement"); and

WHEREAS, the Company and the Executive wish to amend the Agreement in good faith compliance with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), the regulations thereunder and related guidance issued by the Internal Revenue Service ("IRS");

NOW, THEREFORE, it is agreed that the Agreement be and hereby is amended as follows:

FIRST: Section 1, "Definitions," (a) Except as otherwise defined herein, terms used herein shall have the same meaning ascribed thereto in the Agreement.

(b) In Section 1, the definition of "Change in Control" is deleted in its entirety and is hereby replaced to read as follows:

"Change in Control" has the meaning provided in Section 409A of the Code and the Regulations thereunder.

(c) Section 1 is further amended by deleting the definition of "Disability" and replacing it with the following:

"Disability" shall mean that an Executive is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

(d) Section 1 is further amended by adding the word "material" before the word "reduction" in clause (2) of the definition of "Good Reason".

(e) Section 1 is further amended by adding the word "materially" before the word "reduce" in clause (4) of the definition of "Good Reason".

(f) Section 1 is further amended by changing the last paragraph of the Good Reason definition by deleting the proviso which appears therein and inserting the following in its place:

For purposes of this Agreement, "Good Reason" shall mean that the Executive has complied with the Good Reason Process (as defined below) following the occurrence of any of the events described in paragraphs (1) through (7) above. "Good Reason Process" shall mean that: (A) the Executive reasonably determines in good faith that a "Good Reason" event has occurred; (B) the Executive notifies the Company in writing of the occurrence of the Good Reason event within 90 days of the occurrence of such event; (C) the Executive cooperates in good faith with the Company's efforts, for a period not less than 30 days following such notice, to modify the Executive's employment situation in a manner acceptable to the Executive and the Company; and (D) notwithstanding such efforts, one or more of the Good Reason events continues to exist and has not been modified in a manner acceptable to the Executive. If the Company cures the Good Reason event in a manner acceptable to the Executive during the 30 day period, Good Reason shall be deemed not to have occurred.

(g) Section 1 is further amended by revising the definition of "Qualifying Termination" by deleting the words "or Retirement" which appear therein.

(h) Section 1 is further amended by adding the definition of "Specified Employee" as follows:

"Specified Employee" is an employee who, as of the employee's Date of Termination, is a key employee of the Employer within the meaning of Section 416(i)(1)(A)(i), (ii), or (iii) of the Code (applied in accordance with the regulations thereunder and disregarding Section 416(i)(5)) at any time during the 12-month period ending on a Specified Employee Identification Date. If an Employee is a key employee as of a Specified Employee Identification Date, the Employee is treated as a key employee for purposes of the Agreement for the entire 12-month period beginning on the Specified Employee Effective Date.

(i) Section 1 is further amended by adding the definition of "Specified Employee Identification Date" as follows:

"Specified Employee Identification Date" shall mean December 31 of each year.

SECOND: Section 4 is amended by adding the following as subparagraph 4 (a)(3) therein:

(3) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive's Date of Termination, the Executive is considered a "specified employee" within the meaning of

Section 409A(a)(2)(B)(i) of the Code, and if any payment that the Executive becomes entitled to under this Agreement is considered deferred compensation subject to interest and additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, then (A) no such payment shall be payable prior to the date that is the earlier of (i) six months after the Executive's separation from service, or (ii) the Employee's death and (B) promptly following the date of termination, the Company agrees to place such payment in escrow with a third party escrow agent pending the release date set forth in the preceding clause (A). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

THIRD: The effective date of this Amendment shall be December 31, 2008.

FOURTH: In all other respects, the Agreement is hereby ratified and confirmed.

IN WITNESS WHEREOF the parties hereto have set their hands as of the date set forth above.

PFSweb, Inc.

By: _____

Name:

Title:

Executive:

Print Name: