

---

---

**UNITED STATES  
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): January 13, 2014**

---

**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.)

**505 Millennium Drive**  
**Allen, TX**  
(Address of principal executive offices)

**75013**  
(zip code)

**(972) 881-2900**  
**Registrant's telephone number, including area code**

**N/A**  
(Former name or former address, if changed since last report.)

**N/A**  
(Former name or former 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 communications 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))
- 
-

---

**Item 8.01. Other Events.**

On January 13, 2014, the Board of Directors (the “Board”) of PFSweb, Inc. (the “Company”) established the compensation for the current nonemployee Directors for 2014 until the Company’s 2014 annual meeting of shareholders. Each nonemployee Director will receive a retainer (the “Retainer”) of \$25,000, payable on or about the first day of each quarter during such period. The Board authorized the Compensation Committee (the “Committee”) to determine the form and method of payment of such Retainer, including payment of such Retainer in cash or in an equity based award (an “Award”) under the Company’s 2005 Employee Stock Option and Incentive Plan (the “Plan”), and, in the event the Retainer is in the form of an Award, the Board further authorized the Committee to issue on a one-time basis an option (the “Option”) under the Plan for the purchase of 30,000 shares of the Company’s common stock. The Board currently contemplates continuing this compensation program following the 2014 annual meeting.

The Committee subsequently determined that the payment of such Retainer to all nonemployee Directors (other than Dr. Neil Jacobs) will be in the form of a Deferred Stock Unit (a “DSU”) under the Plan. The DSU represents the right to receive a number of shares of Common Stock equal to the Retainer divided by the immediately preceding closing price of the Common Stock. Shares are not issuable under the DSU until the Director no longer serves on the Board. The Committee further authorized the issuance of the Option on a one-time basis to each Director for whom the Retainer is paid through the issuance of the DSU.

The terms and provisions of the DSU and Option are set forth in the forms thereof filed as exhibits herewith.

**Item 9.01 Financial Statements and Exhibits.**

99.1 – Form of Deferred Stock Unit.

99.2 – Form of Option.

**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.

Date: January 17, 2014

**PFSweb, Inc.**

By: /s/ Thomas J. Madden

Name: Thomas J. Madden

Title: *Executive Vice President and  
Chief Financial and Accounting Officer*

Exhibit Index

<u>Exhibit No.</u>	<u>Exhibit</u>
99.1	Form of Deferred Stock Unit.
99.2	Form of Option.

DEFERRED STOCK UNIT AWARD AGREEMENT

THIS AGREEMENT (this "Agreement") dated as of \_\_\_\_\_, 2014 (the "Date of Grant") between PFSweb, Inc., a Delaware corporation (the "Company"), and the Participant set forth on the signature page to this Agreement (the "Participant"). All capitalized terms not defined herein shall have the meaning set forth in the 2005 Employee Stock Option and Incentive Plan (as amended to date, the "Plan") of the Company.

WHEREAS, the Company, acting through the Committee, has authorized the issuance of an Award of a number of Deferred Stock Units on the terms and subject to the conditions set forth in this Agreement and the Plan.

NOW, THEREFORE, in consideration of the promises and of the mutual agreements contained in this Agreement, the parties hereto hereby agree as follows:

1. Grant of DSUs. Effective on the Date of Grant, the Company hereby grants to the Participant the number of Deferred Stock Units ("DSUs") listed on the attached signature page, on the terms and conditions hereinafter set forth. This grant is made pursuant to the terms of the Plan.

2. Payment of Shares. The Company shall, subject to the remainder of this Agreement, issue to the Participant a number of Shares equal to the number of DSUs granted to the Participant under this Agreement on, or within, and not later than, 30 days following, the date on which the Participant ceases to serve as a member of the Board of Directors of the Company. Said Shares shall be issued in certificate or book-entry form and in accordance with such administrative procedures as the Committee shall determine to be necessary or appropriate.

3. Adjustments Upon Certain Events. The number of Shares to be issued hereunder shall be adjusted in accordance with, and subject to the occurrence of an event set forth in, Section 16.1 of the Plan.

4. No Right to Continued Service as a Director. Neither the Plan nor this Agreement shall be construed as giving the Participant the right to continue to serve as a director of the Company.

5. No Rights of a Shareholder. The Participant shall not have any rights as a shareholder of the Company in respect of the Shares to be issued hereunder, including any right to vote said Shares or receive dividends thereon, until the Shares have been issued hereunder.

6. Transferability. The DSUs evidenced hereby may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant otherwise than by will or by the laws of descent and distribution, and any purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance not permitted by this Section shall be void and unenforceable against the Company.

7. Choice of Law. THE INTERPRETATION, PERFORMANCE AND ENFORCEMENT OF THE PARTICIPANT'S RIGHTS WITH RESPECT TO THE DSUs SHALL BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

8. DSUs Subject to Plan. By accepting the award of DSUs, the Participant agrees and acknowledges that the Participant has received and read a copy of the Plan and that all DSUs are subject to the Plan. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail.

9. Section 409A. Notwithstanding anything in this Agreement to the contrary, any payments hereunder that would be subject to the additional income tax imposed by Section 409A of the Internal Revenue Code of 1986, as amended, shall be deferred until the earliest date that such payments may be made without the imposition of such tax.

\*\*\*\*\*

DEFERRED STOCK UNIT AWARD AGREEMENT SIGNATURE PAGE

In Witness Whereof, effective as of the Date of Grant, the Company has executed and delivered this Deferred Stock Unit Award Agreement.

Date of Grant: \_\_\_\_\_, 2014  
Name of Holder: \_\_\_\_\_  
Number of DSUs: \_\_\_\_\_  
DSU Certificate Number: \_\_\_\_\_

PFSWEB, INC.

By: \_\_\_\_\_  
Its: \_\_\_\_\_

STOCK OPTION AGREEMENT

THIS AGREEMENT is dated as of the Date of Grant set forth on the signature page hereof and is made by and between PFSWEB, INC., a Delaware corporation (hereinafter referred to as "Company") and the individual whose name and signature appear on the signature page hereof (hereinafter referred to as "Holder"):

WHEREAS, the Company wishes to evidence the issuance to the Holder of the Options set forth herein, subject to, and in accordance with, the terms and provisions of the Company's 2005 Employee Stock and Incentive Plan (the "Plan") (the terms of which are hereby incorporated by reference and made a part of this Agreement); and

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

#### I. DEFINITIONS

Except as otherwise defined herein, terms defined in the Plan shall have the same meaning when used herein.

#### II. GRANT OF OPTION

2.1 Grant of Option. For good and valuable consideration, effective as of the date set forth on the signature page hereof as the "Date of Grant" (the "Date of Grant"), the Company hereby grants to the Holder the option (the "Option") to purchase any part or all of the number of shares of the Company's Common Stock, \$.001 par value (the "Common Stock") set forth on the signature page hereof, subject to and upon the terms and conditions set forth in the Plan and this Agreement.

2.2 Purchase Price. The purchase price per share of the shares of Common Stock covered by the Option shall be the Purchase Price set forth on the signature page hereof, without commission or other charge.

#### III. PERIOD OF EXERCISABILITY

##### 3.1 Commencement of Exercisability.

(a) Except as otherwise set forth herein or in the Plan, the Option shall vest in equal one-third increments commencing on the one year anniversary of the Date of Grant and each of the following two annual anniversary dates thereafter, so that the Option shall be fully vested on the third anniversary of the Date of Grant.



(b) Notwithstanding the foregoing, any unvested portion of the Option shall vest and shall become fully exercisable upon the earlier to occur of (i) the Holder's death or Disability during his Continuous Status as a Participant and (ii) a Change in Control.

(c) Upon the termination of the Holder's Continuous Status as a Participant for any reason other than the Holder's death or Disability, the unvested portion of the Option shall terminate and shall not be exercisable.

3.2 Expiration of Option. Subject to the terms and provisions of the Plan, the Option may not be exercised to any extent by anyone after the expiration of ten (10) years from the Date of Grant.

#### IV. EXERCISE OF OPTION

4.1 Person Eligible to Exercise. During the lifetime of the Holder, only he or she may exercise the Option or any portion thereof. After the death of the Holder, any exercisable portion of the Option may, prior to the time when the Option becomes unexercisable under Section 3.2, be exercised by his or her personal representative or by any person empowered to do so under the Holder's will or under the then applicable laws of descent and distribution.

4.2 Partial Exercise. Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable under Section 3.2; provided, however, that each partial exercise shall be for not less than one-hundred (100) shares (or the minimum installment set forth in Section 3.1, if a smaller number of shares) and shall be for whole shares only.

4.3 Manner of Exercise. The Option, or any exercisable portion thereof, may be exercised solely by delivery to the Secretary or his office of all of the following (except as otherwise waived by such officer) prior to the time when the Option or such portion becomes unexercisable under Section 3.2:

(a) Notice in writing signed by the Holder or the other person then entitled to exercise the Option or portion, stating that the Option or portion is thereby exercised, such notice complying with all applicable rules established by the Committee; and

(b) (i) Full payment (in cash or by check) for the shares with respect to which such Option or portion is exercised; or

(ii) With the consent of the Committee, (A) shares of the Company's Common Stock owned by the Holder duly endorsed for transfer to the Company or (B) subject to the requirements of the Plan, shares of the Company's Common Stock issuable to the Holder upon exercise of the Option, in each case, with a fair market value (as determined under the Plan) on the date of Option exercise equal to the aggregate Option price of the shares with respect to which such Option or portion is thereby exercised; or

(iii) With the consent of the Committee, any combination of the consideration provided in the foregoing subsections (i) and (ii);

(c) Full payment to the Company (or other employer corporation) of all amounts which, under federal, state or local tax law, it is required to withhold upon exercise of the Option; provided, however, with the consent of the Committee, any combination of the consideration provided in the foregoing subsections (i) and (ii) of the preceding paragraph (b) may be used to make all or part of such payment; and

(d) In the event the Option or portion shall be exercised pursuant to Section 4.1 by any person or persons other than the Holder, appropriate proof of the right of such person or persons to exercise the Option.

4.4 Conditions to Issuance of Stock Certificates. The shares of stock deliverable upon the exercise of the Option, or any portion thereof, may be either previously authorized but unissued shares or issued shares which have then been reacquired by the Company. Such shares shall be fully paid and nonassessable. The Company shall not be required to issue or deliver any certificate or certificates for shares of stock purchased upon the exercise of the Option or portion thereof prior to fulfillment of all of the following conditions (except as otherwise waived by the Committee):

(a) The admission of such shares to listing on all stock exchanges on which such class of stock is then listed; and

(b) The completion of any registration or other qualification of such shares under any state or federal law or under rulings or regulations of the Securities and Exchange Commission or of any other governmental regulatory body, which the Committee shall, in its absolute discretion, deem necessary or advisable; and

(c) The obtaining of any approval or other clearance from any state or federal governmental agency which the Committee shall, in its absolute discretion, determine to be necessary or advisable; and

(d) The payment to the Company (or other employer corporation) of all amounts which, under federal, state or local tax law, it is required to withhold upon exercise of the Option; and

(e) The lapse of such reasonable period of time following the exercise of the Option as the Committee may from time to time establish for reasons of administrative convenience.

4.5 Rights as a Shareholder. The holder of the Option shall not be, nor have any of the rights or privileges of, a shareholder of the Company in respect of any shares purchasable upon the exercise of any part of the Option unless and until certificates representing such shares shall have been issued by the Company to such holder or the issuance by book-entry thereof.

## V. OTHER PROVISIONS

5.1 Administration. The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon the Holder, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the Option.

5.2 Option not Transferable. Neither the Option nor any interest or right therein or part thereof shall be liable for the debts, contracts or engagements of the Holder or his successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment of any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that this Section 5.2 shall not prevent transfers by will or by the applicable laws of descent and distribution. Notwithstanding the foregoing, the Committee may, in its discretion, permit the Holder to transfer the Option, or any portion thereof, to such Holder's spouse, lineal descendent or trust established for the benefit thereof.

5.3 Shares to be Reserved. The Company shall at all times during the term of the Option reserve and keep available such number of shares of stock as will be sufficient to satisfy the requirements of this Agreement.

5.4 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of its Secretary, and any notice to be given to the Holder shall be addressed to him or her at the address set forth in the Company records. By a notice given pursuant to this Section 5.4, either party may hereafter designate a different address for notices to be given to such party. Any notice which is required to be given to the Holder shall, if the Holder is then deceased, be given to the Holder's personal representative if such representative has previously informed the Company of his status and address by written notice under this Section 5.4. Any notice shall be deemed duly given upon receipt and shall be delivered by hand, reputable overnight courier or deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

5.5 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

5.6 Terms of the Plan. All of the terms and provisions of the Plan are incorporated herein by reference as if fully set forth at length herein, and the Holder acknowledges receipt and review of the Plan. In the event of any conflict or inconsistency between the Plan and the terms set forth herein, the same shall be determined and interpreted by the Committee, whose determination and interpretation shall be final and binding in all respects and upon all interested persons.

\*\*\*\*\*

STOCK OPTION SIGNATURE PAGE

In Witness Whereof, effective as of the Date of Grant, the Company has executed and delivered this Option.

Date of Grant: January , 2014  
Name of Holder:  
Number of Shares: 30,000  
Exercise Price Per Share: \$  
Option Certificate Number:  
Incentive Stock Option (Y/N): N  
Non-Qualified Stock Option (Y/N): Y

PFSWEB, INC.

By: \_\_\_\_\_  
Its: \_\_\_\_\_