

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): July 6, 2000

PFSWEB, INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other
jurisdiction of
incorporation)000-28275
(Commission
File Number)75-283058
(I.R.S. Employer
Identification
Number)500 NORTH CENTRAL EXPRESSWAY, PLANO, TX
(Address of principal executive offices)75074
(Zip Code)

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

NONE

(Former name or former address, if changed since last report)

ITEM 1. CHANGE IN CONTROL OF REGISTRANT

On June 8, 2000, the Board of Directors of Daisytek International Corporation ("Daisytek") approved the spin-off of PFSweb, Inc. ("PFSweb") to holders of Daisytek's common stock. In order to effect this spin-off, the Daisytek board declared a dividend on Daisytek common stock consisting of a total of 14,305,000 shares of PFSweb common stock owned by Daisytek, representing about 80.1% of the outstanding PFSweb common stock. The dividend was paid at the close of business on July 6, 2000 to the holders of record of Daisytek common stock as of the close of business on June 19, 2000, in the amount of 0.81 of a share of PFSweb common stock for each share of outstanding Daisytek common stock, as described below.

Holders of Daisytek common stock on the record date were not required to pay any cash or other consideration for the shares of PFSweb common stock distributed to them or to surrender or exchange their shares of Daisytek common stock in order to receive the dividend of PFSweb common stock.

No fractional shares were issued in connection with the spin-off. Instead, ChaseMellon Shareholder Services, the distribution agent for the spin-off, was instructed to aggregate all of the fractional shares into whole shares and sell them in an open market transaction. Holders of Daisytek common stock who otherwise would be entitled to receive a fractional share will receive a cash payment in the amount of their pro rata share of the total net proceeds of that sale.

Further information regarding the spin-off and the relationship between Daisytek and PFSweb may be found in the Information Statement dated June 20, 2000 (filed as Exhibit 99 to Form 8-K filed by Daisytek on June 22, 2000) and the PFSweb Prospectus dated December 2, 1999.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

- (a) Financial statements of business acquired
Not applicable
- (b) Pro forma financial information
Not applicable
- (c) Exhibits
 - 2.1 Amendment to Initial Public Offering and Distribution Agreement dated July 6, 2000 by and among Daisytek International Corporation, Daisytek, Incorporated and PFSweb, Inc.

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: July 12, 2000

By: /s/ THOMAS J. MADDEN

Thomas J. Madden
Executive Vice President
Chief Financial and Accounting Officer

INDEX TO EXHIBITS

EXHIBIT NUMBER -----	DESCRIPTION -----
2.1	Amendment to Initial Public Offering and Distribution Agreement dated July 6, 2000 by and among Daisytek International Corporation, Daisytek, Incorporated and PFSweb, Inc.

AMENDMENT TO INITIAL PUBLIC OFFERING AND DISTRIBUTION AGREEMENT

This AMENDMENT ("Amendment") is made and entered into as of July 6, 2000 and amends that certain INITIAL PUBLIC OFFERING AND DISTRIBUTION AGREEMENT (the "Agreement"), dated as of December 7, 1999, by and among Daisytek International Corporation, a Delaware corporation ("Daisytek International"), Daisytek, Incorporated, a Delaware corporation and a wholly-owned subsidiary of Daisytek International ("Daisytek"), and PFSweb, Inc., a Delaware corporation and a wholly-owned subsidiary of Daisytek ("PFSweb"). Certain capitalized terms used herein are defined in Section 1 of the Agreement, as amended herein.

RECITALS

WHEREAS, in connection with the consummation of the Distribution the parties hereto have agreed to amend and restate certain provisions of the Agreement;

NOW, THEREFORE, for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

I. Amendment and Restatement. The following Sections of the Agreement are amended and restated as follows:

(a) The following definitions are added, amended or restated as follows:

"Daisytek Employee" means an individual employed by Daisytek or any Daisytek Affiliate prior to the Distribution Date and who thereafter remains employed by Daisytek or any Daisytek Affiliate as of the Distribution Date.

"Daisytek Option" means an option to purchase shares of Daisytek Common Stock issued under any stock option plan of Daisytek International or otherwise.

"Replacement Option" means an option, including an Unstapled Option, to purchase shares of Daisytek Common Stock and/or PFSweb Common Stock issued by Daisytek International and/or PFSweb pursuant to Section 2.10 below.

"Unstapled Option" means an option to purchase shares of both Daisytek Common Stock and PFSweb Common Stock (which may be exercised separately) issued by Daisytek International and PFSweb pursuant to Section 2.10 below.

(b) Section 2.9 of the Agreement is amended and restated to read as follows:

2.9. Fractional Shares. On or as soon as practicable after the Distribution Date, Daisytek International shall direct the Daisytek Transfer Agent to determine the number of whole shares and fractional shares of PFSweb Common Stock allocable to each holder of record or beneficial

owner of Daisytek Common Stock as of the Record Date, to aggregate all such fractional shares and sell the whole shares obtained thereby in open market transactions at then prevailing trading prices, and to cause to be distributed to each such holder or for the benefit of each such beneficial owner to which a fractional share shall be allocable such holder's or owner's ratable share of the proceeds of such sale, after making appropriate deductions of the amount required to be withheld for federal income tax purposes and after deducting an amount equal to all brokerage charges, commissions and transfer taxes attributed to such sale. Daisytek International and the Daisytek Transfer Agent may aggregate the shares of Daisytek Common Stock that may be held by any beneficial owner thereof through more than one account in determining the fractional share allocable to such beneficial owner.

(c) Section 2.10 of the Agreement is amended and restated as follows:

2.10. Replacement of Daisytek Options. As of the Distribution Date, each outstanding Daisytek Option shall be adjusted and replaced as follows:

(a) Daisytek Options held by PFSweb Employees will be adjusted and replaced with either (at the holder's election, in accordance with such election procedures as shall be established by PFSweb) options to acquire shares of PFSweb Common Stock and/or Unstapled Options. Daisytek Options held by Daisytek Employees will be adjusted and replaced with either (at the holder's election, in accordance with such election procedures as shall be established by Daisytek International) options to acquire shares of Daisytek Common Stock and/or Unstapled Options.

(b) All Replacement Options will comply with a formula designed to ensure that: (1) the aggregate "intrinsic value" (i.e. the difference between the exercise price of the option and the market price of the common stock underlying the option) of the Replacement Options will not exceed the aggregate intrinsic value of the outstanding Daisytek Option which is replaced by such Replacement Option immediately prior to the Distribution, and (2) the ratio of the exercise price of each outstanding Daisytek Option and Replacement Option, respectively, to the market value of the applicable underlying stock immediately before and after the Distribution is preserved.

(c) Substantially all of the other terms and conditions of each Replacement Option, including the time or times when, and the manner in which, each option will be exercisable, the duration of the exercise period, the permitted method of exercise, settlement and payment, the rules that will apply in the event of the termination of employment of the employee, the events, if any, that may give rise to an employee's right to accelerate the vesting or the time or exercise thereof and the vesting provisions, will be the same as those of the replaced Daisytek Option, except that option holders who are employed by one company will be permitted to exercise, and will be subject to all of the terms and provisions of, options to acquire shares in the other company as if such holder was an employee of such other company.

(d) Following the Distribution Date each of Daisytek International and PFSweb shall take all corporate action and make all required filings under applicable state Blue Sky laws and the Securities Act to register or qualify the Replacement Options issued by it and/or the underlying shares thereof so that the shares acquired upon exercise thereof are freely tradable under the

Securities Act, except for shares acquired by affiliates (as defined in the Securities Act), and each applicable state's Blue Sky laws.

(e) As soon as practicable following the Distribution Date, Daisytek International and PFSweb shall jointly prepare a schedule of all Replacement Options which shall be deemed issued and outstanding as of the Distribution Date for all purposes.

II. Ratification of Distribution. Each of the parties hereto ratify and confirm the Distribution and acknowledge that all of the conditions precedent thereto are, as of the date hereof, satisfied and/or waived.

III. No Further Changes. Except as otherwise set forth herein, all of the terms and provisions of the Agreement remain in full force and effect in accordance with the terms of the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date and year first written above.

DAISYTEK INTERNATIONAL CORPORATION

By: /s/ James R. Powell
Name: James R. Powell
Title: President and Chief Executive Officer

DAISYTEK, INCORPORATED

By: /s/ James R. Powell
Name: James R. Powell
Title: President

PFSWEB, INC.

By: /s/ Mark C. Layton
Name: Mark C. Layton
Title: President and Chief Executive Officer