
**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): September 3, 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.)

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))
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Item 1.01. Entry into a Material Definitive Agreement**Item 2.01. Completion of Acquisition or Disposition of Assets**

On September 3, 2014, Priority Fulfillment Services, Inc. (“PFS”), a wholly-owned subsidiary of PFSweb, Inc. (the “Company”), entered into, and consummated the transactions contemplated by, a Stock Purchase Agreement (the “Purchase Agreement”) with REV Solutions Limited, a Dubai corporation (“Seller”), Steven J. Stephan, an individual (“Stephan”), The Ashu Chahal Irrevocable Children’s Trust, (the “AC Trust”), The Babu Venkatesh Irrevocable Children’s Trust (the “BV Trust”), Babu Venkatesh, an individual (“Venkatesh”) and Ashu Chahal, an individual (“Chahal”) (Seller, Stephan, AC Trust, BV Trust, Venkatesh and Chahal being collectively referred to herein as the “Selling Parties”).

Pursuant to the terms of the Purchase Agreement, effective as of September 1, 2014, PFS purchased from the Seller all of the outstanding capital stock of REV Solutions, Inc., a Delaware corporation (“REV-US”) and 99.99% of the outstanding capital stock of REVTech Solutions India Private Limited, an Indian corporation (“REV-India”) (collectively, the “Shares”).

In consideration for the purchase of the Shares, PFS paid an aggregate cash payment of \$2,580,000, subject to a post-closing adjustment to be based upon a closing date balance sheet analysis to be completed 90 days following the closing. In addition, PFS will pay the following additional amounts:

(a) An amount for calendar year 2014 (the “2014 Earn-out Payment”), payable in 2015, equal to 0.743 times the amount of “India Income” for calendar year 2014, provided, however, that, regardless of the amount of India Income, the 2014 Earn-out Payment shall not be less than \$700,000.00, nor more than \$1,500,000.00; and

(b) An amount for calendar year 2015 (the “2015 Earn-out Payment”), payable in 2016, equal to 0.615 times the amount of India Income for calendar year 2015, provided, however, that, regardless of the amount of India Income, the 2015 Earn-out Payment shall not be less than \$700,000.00, nor more than \$1,750,000.00.

For purposes of determining the 2014 Earn-out Payment and 2015 Earn-out Payment, “India Income” is defined as 1.25 times REV-India’s operating expenses, subject to certain excluded expenses.

At PFS’ election, up to \$200,000 of the 2014 Earn-out Payment and up to \$250,000 of the 2015 Earn-out Payment is payable in unregistered shares of Company common stock, based on its then current market value at the time of issuance.

None of the Selling Parties have any prior material relationship with PFS or the Company.

Item 8.01. Other Events.

On September 4, 2014, the Company issued a press release announcing the acquisition of REV-US and REV-India.

Item 9.01. Financial Statements and Exhibits.**(d) Exhibits**

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, dated September 4, 2014.

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: September 4, 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 Number</u>	<u>Description</u>
99.1	Press Release, dated September 4, 2014.



PFSweb Acquires eCommerce System Integrator REV Solutions

- Acquisition Enhances Demandware Practice and Broadens Portfolio of Technology Services with Addition of Oracle ATG -

Allen, TX – September 4, 2014 – PFSweb, Inc. (NASDAQ: PFSW), a global provider of end-to-end eCommerce solutions, has completed the acquisition of REV Solutions (REV), an eCommerce system integrator.

REV Solutions is an eCommerce solutions provider enabling retailers, manufacturers and suppliers around the world to optimize the customer experience across multiple sales channels. Offering a unique blend of retail experience, implementation methodology and operations in the U.S. and India, REV delivers eCommerce technical design, development and support services with the value, speed to market and world-class expertise the marketplace demands. Founded in 2007 by Steven Stephan, REV is partnered with two of the most iconic software platforms in the marketplace, Oracle and Demandware.

REV employs approximately 135 employees, including over 100 employees in India, and is expected to have approximately \$7 million of revenue in calendar year 2014. PFSweb expects the transaction to be accretive to its Adjusted EBITDA performance.

As a result of the acquisition, PFSweb has increased its 2014 service fee equivalent revenue guidance to range between \$129 million and \$135 million, up from \$127 million to \$133 million. The company also reiterates its 2014 Adjusted EBITDA outlook to range between \$12 million and \$14 million.

“REV enhances our technology service offering in multiple ways, and represents the initiation of our stated strategy of accelerating growth in our higher margin professional services segment by expanding these service offerings,” said Michael Willoughby, CEO of PFSweb.

PFSweb’s Demandware practice is now augmented by REV’s expert team of Demandware ‘Implementation Certified’ developers as well as their experienced eCommerce thought leaders and advanced development methodologies. REV also diversifies PFSweb’s portfolio of technology capabilities with the addition of support for Oracle ATG.

“Support for Oracle ATG provides the opportunity to extend our end-to-end offering into an exciting new global target market,” continued Willoughby, “and it enables us to better support our current clients using the Oracle platform.

“Complementing our offshore strategy in Manila, REV’s extensive development resources in India will allow us to minimize implementation support costs and improve our competitive position against other end-to-end providers and pure-play system integrators. As we begin to leverage our new joint capabilities with REV and their strong management team, we will build upon this momentum and continue to explore additional strategic opportunities for growth through acquisition. We will now have more than 300 IT professionals combined on a worldwide basis.”

In conjunction with the transaction, REV will become a wholly owned subsidiary of PFSweb, and will operate under the name REV, a PFSweb Company.

Steven Stephan, President of REV Solutions stated, “The REV team is very excited to become a part of the PFSweb solution. We look forward to extending the leverage of our capabilities to a broader set of clients, while enabling access for our existing clients to a wider range of services within the PFSweb end-to-end solution.”

For more information on REV Solutions, please visit the company’s website at www.revsolutionsinc.com.

About PFSweb Inc.

PFSweb (NASDAQ: PFSW) is a global provider of end-to-end eCommerce solutions including digital agency and marketing services, technology development services, business process outsourcing services and a complete omni-channel technology ecosystem. The company provides these solutions and services to major brand names and other companies seeking to optimize every customer experience and enhance their traditional and online business channels, which include both direct-to-consumer and business-to-business sales channels. PFSweb supports organizations across various industries, including Procter & Gamble, L’Oreal, LEGO, Columbia Sportswear, Ricoh, Roots Canada Ltd., Diageo, BCBGMAXAZRIA, T.J. Maxx, the United States Mint, and many more. PFSweb is headquartered in Allen, TX with additional locations in Tennessee, Mississippi, Minnesota, Canada, Belgium, India and the Philippines. For more information, please visit www.pfsweb.com or download the free PFSweb IR App on your [iPhone](#), [iPad](#) or [Android](#) device.

Non-GAAP Financial Measures

This news release contains certain non-GAAP measures, including adjusted earnings before interest, income taxes, depreciation and amortization (Adjusted EBITDA) and service fee equivalent revenue.

Adjusted EBITDA represents earnings (or losses) before interest, income taxes, depreciation, and amortization without the effect of stock-based compensation and acquisition related costs. Service fee equivalent revenue represents service fee revenue plus the gross profit earned on product revenue.

Adjusted EBITDA and service fee equivalent revenue are used by management, analysts, investors and other interested parties in evaluating our operating performance compared to that of other companies in our industry. The calculation of Adjusted EBITDA eliminates the effect of stock-based compensation, acquisition related costs and the effect of financing, income taxes and the accounting effects of capital spending, which items may vary from different companies for reasons unrelated to overall operating performance. Service fee equivalent revenue allows client contracts with similar operational support models but different financial models to be combined as if all contracts were being operated on a service fee revenue basis.

PFSweb believes these non-GAAP measures provide useful information to both management and investors by focusing on certain operational metrics and excluding certain expenses to present its core operating performance and results. These measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for, or superior to, GAAP results.

Forward-Looking Statements

The matters discussed herein consist of forward-looking information under the Private Securities Litigation Reform Act of 1995 and is subject to and involves risks and uncertainties, which could cause actual results to differ materially from the forward-looking information. PFSweb's Annual Report on Form 10-K for the year ended December 31, 2013 identifies certain factors that could cause actual results to differ materially from those projected in any forward looking statements made and investors are advised to review the Annual Report of the Company and the Risk Factors described therein. PFSweb undertakes no obligation to update publicly any forward-looking statement for any reason, even if new information becomes available or other events occur in the future. There may be additional risks that we do not currently view as material or that are not presently known.

Investor Relations:

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