

**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): March 18, 2019

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 75013
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

On March 15, 2019, PFSweb, Inc. (the “Company”) entered into a Nomination and Standstill Agreement (the “Agreement”) with Arnaud Ajdler, Engine Capital, L.P. and certain of its affiliates (collectively, the “Engine Group”). Pursuant to the Agreement, the Board of Directors of the Company (the “Board”) voted to appoint Robert Frankfurt as a director to the Board and agreed to nominate Mr. Frankfurt for election as a director in its proxy statement for its 2019 annual meeting of stockholders (the “2019 Meeting”).

The Agreement includes certain restrictions applicable from March 15, 2019 until the date that is fifteen (15) business days prior to the nomination deadline for the submission of stockholder nominations of directors for the 2020 annual meeting of stockholders pursuant to the Company’s Amended and Restated Bylaws (the “Standstill Period”), including that at the 2019 Meeting and at any meeting of the Company’s stockholders held prior to the expiration of the Standstill Period, the Engine Group will vote all of its shares of Company common stock in favor of the election of directors nominated by the Board and otherwise in accordance with the Board’s recommendation, subject to certain exceptions for other extraordinary transactions and certain matters with a contrary recommendation from Institutional Shareholder Services Inc. and Glass Lewis & Co., LLC.

The Agreement further provides that during the Standstill Period Engine Group shall not, among other things:

- propose, acquire or offer to acquire any voting securities of the Company or beneficial ownership thereto in excess of 10% of the Company’s outstanding common stock;
- engage in the solicitation of proxies with respect to the election or removal of directors of the Company;
- call or request to call any meeting (including a special meeting) of the Company’s stockholders and making any public or private proposal or public statement with respect to the composition of the Board or the Company’s corporate governance structure and other related matters;
- institute, solicit, assist or join in any litigation or other proceeding against or involving the Company or any director or officers, other than to enforce the Agreement; and
- sell, offer or agree to sell its shares of Common Stock to any third party that would own, control or have a beneficial ownership interest in the aggregate of 5% or more of the Company’s outstanding Common Stock, subject to certain exceptions.

The summary above is qualified in its entirety by reference to the full text of the Agreement, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The information set forth in Item 1.01 of this Current Report on Form 8-K is hereby incorporated by reference.

Pursuant to the Agreement, and effective as of March 19, 2019, the Board increased the size of the Board and appointed Mr. Frankfurt as a director. The Board determined that Mr. Frankfurt is an “independent director” under the NASDAQ Stock Market, Inc. listing standards.

Mr. Frankfurt, 53, is currently President and Founder of Myca Partners (“Myca”). Prior to founding Myca in 2006, Mr. Frankfurt spent more than a decade as a Partner and senior portfolio manager at various investment partnerships including Steel Partners and Sandell Asset Management. Mr. Frankfurt began his career as a financial analyst in the mergers and acquisitions department of Bear, Stearns & Co. and later joined Hambro Bank America as an associate focused on merger and acquisition and venture capital transactions. Mr. Frankfurt graduated from the Wharton School of Business in 1987 with a B.S. in Economics and he received his MBA at the Anderson Graduate School of Management at UCLA in 1995 where he was a Venture Capital Fellow and served as Alumni Class President.

Mr. Frankfurt has no family relationship with any of the executive officers or directors of the Company. There have been no transactions in the past two years to which the Company or any of its subsidiaries was or is to be a party, in which Mr. Frankfurt had, or will have, a direct or indirect material interest.

Mr. Frankfurt is eligible to participate in the Company’s compensation program and plans for non-employee directors, as described in the Company’s Form 10-K Amendment No. 1, filed on April 30, 2018.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	<u>Nomination and Standstill Agreement, dated as of March 15, 2019, by and among PFSweb, Inc., Arnaud Ajdler, Engine Capital, L.P., Engine Jet Capital, L.P., Engine Capital Management, L.P., Engine Capital Management GP, LLC, and Engine Investments, LLC.</u>

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: March 19, 2019

PFSweb, Inc.

By: /s/ Thomas J. Madden
Name: Thomas J. Madden
Title: Executive Vice President,
Chief Financial and
Accounting Officer

PFSweb to Appoint Robert Frankfurt to Board of Directors

Allen, TX – March 18, 2019 – PFSweb, Inc. (NASDAQ: PFSW), a global commerce services company, today announced that, after discussions with representatives of Engine Capital, LP, the Company’s Board of Directors (the “Board”) has voted to appoint Robert Frankfurt as a director of the Board effective immediately. The Board will also nominate Mr. Frankfurt for election as a director in the Company’s proxy statement for its 2019 annual meeting of stockholders in connection with a settlement and standstill agreement entered into on March 15, 2019 with Arnaud Ajdler, Engine Capital, LP and certain of its affiliates.

Mr. Frankfurt, 53, is currently President and Founder of Myca Partners (“Myca”). Prior to founding Myca in 2006, Mr. Frankfurt spent more than a decade as a Partner and senior portfolio manager at various investment partnerships including Steel Partners and Sandell Asset Management. Mr. Frankfurt began his career as a financial analyst in the mergers and acquisitions department of Bear, Stearns & Co. and later joined Hambro Bank America as an associate focused on merger and acquisition and venture capital transactions. Mr. Frankfurt graduated from the Wharton School of Business in 1987 with a B.S. in Economics and he received his MBA at the Anderson Graduate School of Management at UCLA in 1995 where he was a Venture Capital Fellow and served as Alumni Class President.

A copy of the settlement and standstill agreement will be filed with the Securities and Exchange Commission by the Company on Form 8-K.

About PFSweb, Inc.

PFSweb (NASDAQ:PFSW) is a global commerce services company that manages the online customer shopping experience on behalf of major branded manufacturers and retailers. Across two business units – **LiveArea** for strategy consulting, creative design, digital marketing, and web development services, and **PFS** for order fulfillment, contact center, payment processing/fraud management, and order management services – they provide solutions to a broad range of Fortune 500® companies and household brand names such as Procter & Gamble, L’Oréal USA, Ralph Lauren, PANDORA, ASICS, the United States Mint, and many more. PFSweb enables these brands to provide a more convenient and brand-centric online shopping experience through both traditional and online business channels. The company is headquartered in Allen, TX with additional locations around the globe. For more information, please visit www.pfsweb.com.

Investor Relations:

Sean Mansouri or Scott Liolios

Liolios

1-949-574-3860

PFSW@liolios.com

Exhibit A**Press Release****PFSweb to Appoint Robert Frankfurt to Board of Directors**

Allen, TX – March 18, 2019 – PFSweb, Inc. (NASDAQ: PFSW), a global commerce services company, today announced that, after discussions with representatives of Engine Capital, LP, the Company’s Board of Directors (the “Board”) has voted to appoint Robert Frankfurt as a director of the Board effective immediately. The Board will also nominate Mr. Frankfurt for election as a director in the Company’s proxy statement for its 2019 annual meeting of stockholders in connection with a settlement and standstill agreement entered into on March 15, 2019 with Arnaud Ajdler, Engine Capital, LP and certain of its affiliates.

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