

PFSWEB INC  
Form SC 13D  
August 17, 2017

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 13D**

(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO § 240.13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO  
§ 240.13d-2(a)

(Amendment No. )<sup>1</sup>

PFSweb, Inc.

(Name of Issuer)

Common Stock, \$0.001 par value

(Title of Class of Securities)

717098206

(CUSIP Number)

ANDREW FREEDMAN, ESQ.

OLSHAN FROME WOLOSKY LLP

1325 Avenue of the Americas

New York, New York 10019

(212) 451-2300

(Name, Address and Telephone Number of Person

Authorized to Receive Notices and Communications)

August 7, 2017

Edgar Filing: PFSWEB INC - Form SC 13D

(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box “

*Note:* Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. *See* § 240.13d-7 for other parties to whom copies are to be sent.

1 The remainder of this cover page shall be filled out for a reporting person’s initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934 (“Act”) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, *see* the *Notes*).

CUSIP No. 717098206

1 NAME OF REPORTING PERSON

ENGINE CAPITAL, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER (a) OF A GROUP

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC  
CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF	7	SOLE VOTING POWER
SHARES BENEFICIALLY		787,705

OWNED BY	8	SHARED VOTING POWER
EACH REPORTING		- 0 -

PERSON WITH	9	SOLE DISPOSITIVE POWER
-------------	---	------------------------

		787,705
	10	SHARED DISPOSITIVE POWER

- 0 -

11 AGGREGATE AMOUNT  
BENEFICIALLY OWNED  
BY EACH REPORTING  
PERSON

787,705

12 CHECK BOX IF  
THE AGGREGATE  
AMOUNT IN ROW  
(11) EXCLUDES  
CERTAIN SHARES

13 PERCENT OF CLASS  
REPRESENTED BY  
AMOUNT IN ROW (11)

4.1%

14 TYPE OF REPORTING  
PERSON

PN

CUSIP No. 717098206

1	NAME OF REPORTING PERSON
	ENGINE JET CAPITAL, L.P.
2	CHECK THE APPROPRIATE BOX IF A MEMBER (a) OF A GROUP (b)
3	SEC USE ONLY
4	SOURCE OF FUNDS
	WC
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)
6	CITIZENSHIP OR PLACE OF ORGANIZATION
	DELAWARE
NUMBER OF	7 SOLE VOTING POWER
SHARES BENEFICIALLY	162,963
OWNED BY	8 SHARED VOTING POWER
EACH REPORTING	- 0 -
PERSON WITH	9 SOLE DISPOSITIVE POWER
	162,963
	10 SHARED DISPOSITIVE POWER

- 0 -

11

AGGREGATE AMOUNT  
BENEFICIALLY OWNED  
BY EACH REPORTING  
PERSON

162,963

12

CHECK BOX IF  
THE AGGREGATE  
AMOUNT IN ROW  
(11) EXCLUDES  
CERTAIN SHARES

13

PERCENT OF CLASS  
REPRESENTED BY  
AMOUNT IN ROW (11)

14

Less than 1%  
TYPE OF REPORTING  
PERSON

PN

3

CUSIP No. 717098206

1	NAME OF REPORTING PERSON
	ENGINE CAPITAL MANAGEMENT, LLC
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
	(b)
3	SEC USE ONLY
4	SOURCE OF FUNDS
	OO
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)
6	CITIZENSHIP OR PLACE OF ORGANIZATION
	DELAWARE
7	SOLE VOTING POWER
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	950,668
8	SHARED VOTING POWER
	- 0 -
9	SOLE DISPOSITIVE POWER
	950,668
10	SHARED DISPOSITIVE

POWER

- 0 -

11 AGGREGATE AMOUNT  
BENEFICIALLY OWNED BY  
EACH REPORTING PERSON

950,668

12 CHECK BOX IF THE  
AGGREGATE  
AMOUNT IN ROW  
(11) EXCLUDES  
CERTAIN SHARES

13 PERCENT OF CLASS  
REPRESENTED BY  
AMOUNT IN ROW (11)

5.0%

14 TYPE OF REPORTING  
PERSON

OO



CUSIP No. 717098206

1	NAME OF REPORTING PERSON
	ENGINE INVESTMENTS, LLC
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
	(b)
3	SEC USE ONLY
4	SOURCE OF FUNDS
	OO
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)
6	CITIZENSHIP OR PLACE OF ORGANIZATION
	DELAWARE
7	SOLE VOTING POWER
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	950,668
8	SHARED VOTING POWER
	- 0 -
9	SOLE DISPOSITIVE POWER
	950,668
10	SHARED DISPOSITIVE

POWER

- 0 -

11 AGGREGATE AMOUNT  
BENEFICIALLY OWNED  
BY EACH REPORTING  
PERSON

950,668

12 CHECK BOX IF THE  
AGGREGATE  
AMOUNT IN ROW  
(11) EXCLUDES  
CERTAIN SHARES

13 PERCENT OF CLASS  
REPRESENTED BY  
AMOUNT IN ROW (11)

5.0%

14 TYPE OF REPORTING  
PERSON

OO

CUSIP No. 717098206

1	NAME OF REPORTING PERSON
	ARNAUD AJDLER
2	CHECK THE APPROPRIATE BOX IF A MEMBER (a) OF A GROUP (b)
3	SEC USE ONLY
4	SOURCE OF FUNDS
	OO
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)
6	CITIZENSHIP OR PLACE OF ORGANIZATION
	BELGIUM
NUMBER OF	7 SOLE VOTING POWER
SHARES BENEFICIALLY OWNED BY	950,668
EACH REPORTING PERSON WITH	8 SHARED VOTING POWER
	- 0 -
9	SOLE DISPOSITIVE POWER
	950,668
10	SHARED DISPOSITIVE POWER

- 0 -

11 AGGREGATE AMOUNT  
BENEFICIALLY OWNED  
BY EACH REPORTING  
PERSON

950,668

12 CHECK BOX IF  
THE AGGREGATE  
AMOUNT IN ROW  
(11) EXCLUDES  
CERTAIN SHARES

13 PERCENT OF CLASS  
REPRESENTED BY  
AMOUNT IN ROW (11)

5.0%

14 TYPE OF REPORTING  
PERSON

IN

CUSIP No. 717098206

The following constitutes the Schedule 13D filed by the undersigned (the "Schedule 13D").

Item 1.

Security and Issuer.

This statement relates to the Common Stock, \$0.001 par value (the "Shares"), of PFSweb, Inc., a Delaware corporation (the "Issuer"). The address of the principal executive offices of the Issuer is 505 Millenium Drive, Allen, Texas 75013.

Item 2.

Identity and Background.

(a) This statement is filed by:

- (i) Engine Capital, L.P., a Delaware limited partnership ("Engine Capital"), with respect to the Shares directly and beneficially owned by it;
- (ii) Engine Jet Capital, L.P., a Delaware limited partnership ("Engine Jet"), with respect to the Shares directly and beneficially owned by it;
- (iii) Engine Capital Management, LLC, a Delaware limited liability company ("Engine Management"), as the investment manager of each of Engine Capital and Engine Jet;
- (iv) Engine Investments, LLC, a Delaware limited liability company ("Engine Investments"), as the general partner of each of Engine Capital and Engine Jet; and
- (v) Arnaud Ajdler, as the managing member of Engine Management and Engine Investments.

Each of the foregoing is referred to as a "Reporting Person" and collectively as the "Reporting Persons." Each of the Reporting Persons is party to that certain Joint Filing Agreement, as further described in Item 6. Accordingly, the Reporting Persons are hereby filing a joint Schedule 13D.

(b) The address of the principal office of each of Engine Capital, Engine Jet, Engine Management, Engine Investments, and Mr. Ajdler is 1370 Broadway, 5th Floor, New York, New York 10018.

(c) The principal business of each of Engine Capital and Engine Jet is investing in securities. Engine Management is the investment manager of each of Engine Capital and Engine Jet. Engine Investments serves as the general partner of each of Engine Capital and Engine Jet. Mr. Ajdler serves as the managing member of each of Engine Management and Engine Investments.

(d) No Reporting Person has, during the last five (5) years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) No Reporting Person has, during the last five (5) years, been party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

CUSIP No. 717098206

(f) Mr. Ajdler is a citizen of Belgium.

Item 3. Source and Amount of Funds or Other Consideration.

The Shares purchased by each of Engine Capital and Engine Jet were purchased with working capital (which may, at any given time, include margin loans made by brokerage firms in the ordinary course of business) in open market purchases. The aggregate purchase price of the 787,705 Shares beneficially owned by Engine Capital is approximately \$6,773,944, including brokerage commissions. The aggregate purchase price of the 162,963 Shares beneficially owned by Engine Jet is approximately \$1,431,413, including brokerage commissions.

Item 4. Purpose of Transaction.

The Reporting Persons purchased the Shares based on the Reporting Persons' belief that the Shares, when purchased, were undervalued and represented an attractive investment opportunity. Depending upon overall market conditions, other investment opportunities available to the Reporting Persons, and the availability of Shares at prices that would make the purchase or sale of Shares desirable, the Reporting Persons may endeavor to increase or decrease their position in the Issuer through, among other things, the purchase or sale of Shares on the open market or in private transactions or otherwise, on such terms and at such times as the Reporting Persons may deem advisable.

No Reporting Person has any present plan or proposal which would relate to or result in any of the matters set forth in subparagraphs (a) - (j) of Item 4 of Schedule 13D except as set forth herein or such as would occur upon or in connection with completion of, or following, any of the actions discussed herein. The Reporting Persons intend to review their investment in the Issuer on a continuing basis. Depending on various factors, including, without limitation, the Issuer's financial position and investment strategy, the price levels of the Shares, conditions in the securities markets and general economic and industry conditions, the Reporting Persons may in the future take such actions with respect to their investment in the Issuer as they deem appropriate, including, without limitation, engaging in communications with management and the Board of Directors (the "Board") of the Issuer, engaging in discussions with stockholders of the Issuer and others about the Issuer and the Reporting Persons' investment, making proposals to the Issuer concerning strategic alternatives, changes to the capitalization, ownership structure, board structure (including board composition) or operations of the Issuer, purchasing additional Shares, selling some or all of their Shares, engaging in short selling of or any hedging or similar transaction with respect to the Shares, or changing their intention with respect to any and all matters referred to in Item 4.

Item 5. Interest in Securities of the Issuer.

The aggregate percentage of Shares reported owned by each person named herein is based upon 18,983,505 Shares outstanding, as of August 4, 2017, which is the total number of Shares outstanding as reported in the Issuer's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 9, 2017.

A. Engine Capital

(a) As of the close of business on August 17, 2017, Engine Capital directly owned 787,705 Shares.  
Percentage: 4.1%

CUSIP No. 717098206

- (b)
1. Sole power to vote or direct vote: 787,705
  2. Shared power to vote or direct vote: 0
  3. Sole power to dispose or direct the disposition: 787,705
  4. Shared power to dispose or direct the disposition: 0

(c) The transactions in the Shares by Engine Capital during the past sixty (60) days are set forth in Schedule A and are incorporated herein by reference.

B. Engine Jet

(a) As of the close of business on August 17, 2017, Engine Jet directly owned 162,963 Shares.  
Percentage: Less than 1%

- (b)
1. Sole power to vote or direct vote: 162,963
  2. Shared power to vote or direct vote: 0
  3. Sole power to dispose or direct the disposition: 162,963
  4. Shared power to dispose or direct the disposition: 0

(c) The transactions in the Shares by Engine Jet during the past sixty (60) days are set forth in Schedule A and are incorporated herein by reference.

C. Engine Management

(a) Engine Management, as the investment manager of each of Engine Capital and Engine Jet, may be deemed to beneficially own the Shares owned directly by Engine Capital and Engine Jet. As of the date hereof, Engine Management may be deemed to beneficially own 950,668 Shares.  
Percentage: 5.0%

- (b)
1. Sole power to vote or direct vote: 950,668
  2. Shared power to vote or direct vote: 0
  3. Sole power to dispose or direct the disposition: 950,668
  4. Shared power to dispose or direct the disposition: 0

(c) Engine Management has not entered into any transactions in the Shares during the past (60) sixty days.  
D. Engine Investments

(a) Engine Investments, as the general partner of each of Engine Capital and Engine Jet, may be deemed to beneficially own the Shares owned directly by Engine Capital and Engine Jet. As of the date hereof, Engine Investments may be deemed to beneficially own 950,668 Shares.  
Percentage: Approximately 5.0%

- (b)
1. Sole power to vote or direct vote: 950,668
  2. Shared power to vote or direct vote: 0
  3. Sole power to dispose or direct the disposition: 950,668
  4. Shared power to dispose or direct the disposition: 0

CUSIP No. 717098206

(c) Engine Investments has not entered into any transactions in the Shares during the past (60) sixty days.

E. Arnaud Ajdler

(a) Mr. Ajdler, as the managing member of Engine Management and Engine Investments, may be deemed to beneficially own the 950,668 Shares owned beneficially by Engine Management and Engine Investments. Percentage: Approximately 5.0%

- (b)
1. Sole power to vote or direct vote: 950,668
  2. Shared power to vote or direct vote: 0
  3. Sole power to dispose or direct the disposition: 950,668
  4. Shared power to dispose or direct the disposition: 0

(c) Mr. Ajdler has not entered into any transactions in the Shares during the past sixty (60) days.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.  
On August 17, 2017, the Reporting Persons entered into a Joint Filing Agreement in which the Reporting Persons agreed to the joint filing on behalf of each of them of statements on Schedule 13D with respect to securities of the Issuer, to the extent required by applicable law. A copy of the Joint Filing Agreement is attached as Exhibit 99.1 hereto and is incorporated herein by reference.

Other than as described herein, there are no contracts, arrangements, understandings or relationships among the Reporting Persons, or between the Reporting Persons and any other person, with respect to the securities of the Issuer.

Item 7. Material to be Filed as Exhibits.

99.1 Joint Filing Agreement by and among Engine Capital, L.P., Engine Jet Capital, L.P., Engine Investments, LLC, Engine Capital Management, LLC and Arnaud Ajdler, dated August 17, 2017.

10



CUSIP No. 717098206

**SIGNATURES**

After reasonable inquiry and to the best of his knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

August 17, 2017

Engine Capital, L.P.

Engine Investments, LLC,  
By:  
General Partner

By:/s/ Arnaud Ajdler  
Name: Arnaud Ajdler  
Title: Managing Member

Engine Jet Capital, L.P.

Engine Investments, LLC,  
By:  
General Partner

By:/s/ Arnaud Ajdler  
Name: Arnaud Ajdler  
Title: Managing Member

Engine Capital Management,  
LLC

By:/s/ Arnaud Ajdler  
Name: Arnaud Ajdler  
Title: Managing Member

Engine Investments, LLC

By:/s/ Arnaud Ajdler  
Name: Arnaud Ajdler

Title: Managing Member

/s/ Arnaud Ajdler  
ARNAUD AJDLER

11

CUSIP No. 717098206

**SCHEDULE A****Transactions in the Shares During the Past Sixty (60) Days**

Nature of the Transaction	Amount of Securities Purchased / (Sold)	Price Per Share (\$)	Date of Purchase / Sale
---------------------------	--	----------------------	----------------------------

**Engine Capital, L.P.**

Purchase of Common Stock	3,449	7.3487	06/20/2017
Purchase of Common Stock	4,142	7.6982	06/26/2017
Purchase of Common Stock	2,651	7.7434	07/06/2017
Purchase of Common Stock	2,550	7.8625	07/10/2017
Purchase of Common Stock	331	7.9888	07/12/2017
Purchase of Common Stock	5,490	7.8500	07/28/2017
Purchase of Common Stock	5,000	7.7000	08/01/2017
Purchase of Common Stock	4,143	7.7000	08/01/2017
Purchase of Common Stock	4,143	7.6000	08/04/2017
Purchase of Common Stock	6,357	7.3000	08/07/2017
Purchase of Common Stock	1,657	7.3970	08/10/2017

**Engine Jet Capital, L.P.**

Purchase of Common Stock	858	7.6982	06/26/2017
Purchase of Common Stock	549	7.7434	07/06/2017
Purchase of Common Stock	531	7.8625	07/10/2017
Purchase of Common Stock	69	7.9888	07/12/2017
Purchase of Common Stock	1,135	7.8500	07/28/2017
Purchase of Common Stock	857	7.7000	08/01/2017
Purchase of Common Stock	857	7.6000	08/04/2017
Purchase of Common Stock	1,315	7.3000	08/07/2017
Purchase of Common Stock	343	7.3970	08/10/2017