

PFSWEB INC  
Form 4  
April 05, 2016

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Rosenzweig Benjamin L

(Last) (First) (Middle)

C/O PFSWEB, 505 MILLENNIUM

(Street)

ALLEN, TX 75013

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
PFSWEB INC [PFSW]

3. Date of Earliest Transaction  
(Month/Day/Year)  
04/01/2016

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Underlying Securities (Instr. 3 and 4)
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Derivative Security			(A) or Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares		
			Code	V						
Deferred Stock Unit <sup>(1)</sup>	\$ 0	04/01/2016	A	V	1,906	<u>(1)</u>	<u>(1)</u>	Common Stock	1,906	\$

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Rosenzweig Benjamin L C/O PFSWEB, 505 MILLENNIUM ALLEN, TX 75013				X

## Signatures

/s/ Benjamin Rosenzweig  
 04/05/2016  
 \*\*Signature of Reporting Person                      Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
  - (1) Issuance of Deferred Stock Unit under the 2005 Employee Stock Option and Incentive Plan representing the right to receive the stated number of shares of Common Stock upon termination of service as a Director.
- Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. es New Roman;overflow: hidden;font-size:0pt;"> 211,661

327,199

207,125

General and administrative expense

3,239,916

5,009,636

2,581,163

Total share-based expense

\$

4,528,232

\$

6,931,438

\$

3,553,414

As of December 31, 2014, there was \$1,101,088 of total unrecognized compensation cost, net of estimated forfeitures, related to all non-vested share-based compensation awards. That cost is expected to be recognized over a weighted-average period of approximately 1 year.

40

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## Stock Incentive Plans

### 2000 Performance Equity Plan

We adopted a performance equity plan in July 2000 (the “2000 Plan”). The 2000 Plan provided for the grant of options and other stock awards to employees, directors and consultants, not to exceed 5,000,000 shares of common stock. The 2000 Plan provided for benefits in the form of incentive and nonqualified stock options, stock appreciation rights, restricted share awards, stock bonuses and various stock benefits or cash. Upon shareholder approval of amendments to our 2011 Long-Term Incentive Equity Plan on June 17, 2014, the 2000 Plan was amended such that no further awards may be granted under this plan.

### 2008 Equity Incentive Plan

We adopted an equity incentive plan in August 2008 (the “2008 Plan”). The 2008 Plan provides for the grant of stock-based awards to employees (excluding named executives), directors and consultants, not to exceed 500,000 shares of common stock. The 2008 Plan provides for benefits in the form of incentive stock options, nonqualified stock options, stock appreciation rights, restricted share awards, and other stock based awards. Forfeited and expired options under the 2008 Plan become available for reissuance. The plan provides that no participant may be granted awards in excess of 50,000 shares in any calendar year. At December 31, 2014, 9,315 shares of common stock were available for future grants.

### 2011 Long-Term Incentive Equity Plan

We adopted a long-term incentive equity plan in September 2011 that provided for the grant of stock-based awards to employees, officers, directors and consultants, not to exceed 5,000,000 shares of common stock. On June 17, 2014, shareholders approved amendments to the September 2011 plan increasing the shares available in the plan by 7,000,000 shares and clarifying certain limitations on exchanges of outstanding awards (as amended, the “2011 Plan”). The 2011 Plan provides for benefits in the form of incentive stock options, nonqualified stock options, stock appreciation rights, restricted share awards, and other stock based awards. Forfeited and expired options under the 2011 Plan become available for reissuance. The plan provides that no participant may be granted awards in excess of 1,500,000 shares in any calendar year. At December 31, 2014, 6,504,925 shares of common stock were available for future grants.

### Restricted Stock Awards

RSAs are issued as executive and employee incentive compensation and as payment for services to others. The value of the award is based on the closing price of our common stock on the date of grant. RSAs are generally immediately vested. We had no unvested RSAs at December 31, 2014, 2013, or 2012 and no RSAs were forfeited during 2014, 2013, or 2012.

## Restricted Stock Units

RSUs are issued as incentive compensation to executives, employees, and non-employee directors as well as payment for services to consultants. Each RSU represents a right to one share of our common stock, upon vesting. The RSUs are not entitled to voting rights or dividends, if any, until vested. RSUs generally vest over a three year period for employee awards, a one year period for non-employee director awards and the life of the related service contract for third-party awards. The fair value of RSUs is generally based on the closing price of our common stock on the date of grant and is amortized to share-based compensation expense over the estimated life of the award, generally the vesting period. In the case of RSUs issued to consultants, the fair value is recognized based on the closing price of our common stock on each vesting date.

41

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## Plan-Based RSAs and RSU

The following table presents a summary of RSA and RSU activity under the 2000, 2008, and 2011 Plans (collectively, the "Stock Plans") as of December 31, 2014:

	Non-vested Shares	
	Shares	Weighted-Average Grant-Date Fair Value
Non-vested at beginning of year	999,050	\$ 2.90
Granted	226,450	1.38
Vested	(109,999)	3.44
Forfeited	(1,350)	2.83
Non-vested at end of year	1,114,151	\$ 2.54

The total fair value of RSAs and RSUs vested under the Stock Plans for the year ended December 31, 2014 is \$268,110.

## Non-Plan RSUs

RSUs granted outside the Stock Plans represent awards issued as payment for services to consultants. The shares underlying these non-plan RSUs are unregistered.

	Non-vested Shares	
	Shares	Weighted-Average Grant-Date Fair Value
Non-vested at beginning of year	883,334	\$ 3.90
Granted	480,000	1.24
Vested	(293,334)	2.45
Forfeited	0	0
Non-vested at end of year	1,070,000	\$ 3.10

Non-plan RSUs include 480,000 RSUs granted to a consultant in August 2014 that vest over a one year period beginning September 1, 2014. As of December 31, 2014, 160,000 of these RSUs have vested. Non-plan RSUs also

include 750,000 RSUs granted in November 2013 to consultants as performance incentives. These RSUs vest only upon achievement of certain market conditions, as measured based on the closing price of our common stock during a period ending on the earlier of (i) December 31, 2015 or (ii) thirty days following termination of the related consulting agreement. Upon thirty days' notice, the consulting agreements may be terminated and any unvested portion of the RSUs will be cancelled.

Compensation cost related to the vesting of non-plan RSUs was approximately \$819,000, \$1,912,000, and \$960,000 for the years ended December 31, 2014, 2013, and 2012 respectively, and is included in general and administrative expense in the table of share-based compensation expense shown above.

#### Stock Options and Warrants

Stock options are issued as incentive compensation to executives, employees, and non-employee directors as well as payment for services to consultants. In addition, we have granted warrants to investors in connection with securities offerings. Stock options and warrants are generally granted with exercise prices at or above fair market value of the underlying shares at the date of grant.



## Plan-Based Options

Options for employees, including executives and non-employee directors, are generally granted under the Stock Plans. The following table presents a summary of option activity under the Stock Plans for the year ended December 31, 2014:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value (\$)
Outstanding at beginning of year	6,929,210	\$ 2.87		
Granted	276,750	1.38		
Exercised	(404,650)	2.34		
Forfeited	(532)	1.85		
Expired	(563,781)	9.52		
Outstanding at end of year	6,236,997	2.23	3.96 years	\$ 99,265
Vested and expected to vest at end of year	6,232,821	\$ 2.24	3.96 years	\$ 99,265

The weighted average fair value of option shares granted during the years ended December 31, 2014, 2013, and 2012 was \$1.13, \$2.53, and \$2.65, respectively. The total fair value of option shares vested during the years ended December 31, 2014, 2013, and 2012 was \$3,069,131, \$3,285,859, and \$1,404,456, respectively.

The fair value of options granted under the Stock Plans is estimated using the Black-Scholes option pricing model. Generally, fair value is determined as of the grant date. In the case of option grants to third parties, the fair value is estimated at each interim reporting date until vested.

The fair value of option grants under the Stock Plans for the years ended December 31, 2014, 2013, and 2012, respectively, was estimated using the Black-Scholes option-pricing model with the following assumptions:

	Year ended December 31,		
	2014	2013	2012
Expected option term 1	6 years	5 to 6 years	6 to 7 years
Expected volatility factor 2	106.40%	97.9% to 103.7%	90.2% to 94.8%
Risk-free interest rate 3	1.90%	0.8% to 1.8%	0.8% to 1.0%

Explanation of Responses:

Expected annual dividend yield 0% 0% 0%

1 The expected term was generally determined based on historical activity for grants with similar terms and for similar groups of employees and represents the period of time that options are expected to be outstanding. For employee options, groups of employees with similar historical exercise behavior are considered separately for valuation purposes. For consultants, the expected term was determined based on the contractual life of the award.

2 The stock volatility for each grant is measured using the weighted average of historical daily price changes of our common stock over the most recent period equal to the expected option life of the grant.

3 The risk-free interest rate for periods equal to the expected term of the share option is based on the U.S. Treasury yield curve in effect at the measurement date.

43

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The aggregate intrinsic value of plan-based options exercised during 2014, 2013, and 2012 was \$1,081,495, \$648,433, and \$62,945, respectively.

#### Non-Plan Options and Warrants

Options and warrants granted outside the Stock Plans represent options issued as payment for services to consultants and warrants issued in connection with offerings of securities. As of December 31, 2014, all outstanding non-plan options and warrants have been registered by us on a registration statement. The following table presents a summary of non-plan option and warrant activity for the year ended December 31, 2014:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value (\$)
Outstanding at beginning of year	1,959,517	\$ 0.81		
Granted	0	0		
Exercised	(500,313)	1.42		
Forfeited	0	0		
Expired	0	0		
Outstanding at end of year	1,459,204	0.60	0.91 years	\$ 524,422
Vested and expected to vest at end of year	1,459,204	\$ 0.60	0.91 years	\$ 524,422

The aggregate fair value of non-plan options and warrants vested during the years ended December 31, 2014, 2013, and 2012 was \$0, \$129,192, and \$166,668, respectively.

Non-plan options and warrants outstanding at December 31, 2014 and 2013 include warrants issued in connection with the sale of equity securities in various public and private placement transactions from 2009 to 2011 that represent 1,399,204 and 1,849,517 shares respectively. The estimated fair value of these warrants as of December 31, 2014 and 2013 are included in shareholders' equity in the accompanying balance sheets.

We did not issue any non-plan options or warrants for the year ended December 31, 2014. The fair value of non-plan options and warrants for the years ended December 31, 2013 and 2012 respectively, was estimated using the Black-Scholes option-pricing model at each measurement date with the following assumptions:

	2013	2012
Expected option term 1	4 to 5 years	4 to 6 years
Expected volatility factor 2	91.5% to 104%	93.4% to 104.3%
Risk-free interest rate 3	0.5% to 1.0%	0.7% to 1.0%
Expected annual dividend yield	0%	0%

1 The expected term was determined based on the remaining contractual life of the award on the measurement date.

2 The stock volatility for each grant is measured using the weighted average of historical daily price changes of our common stock over the most recent period equal to the expected life of the award.

44

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<sup>3</sup> The risk-free interest rate for periods equal to the expected term of the award is based on the U.S. Treasury yield curve in effect at the measurement date.

The aggregate intrinsic value of non-plan options and warrants exercised during 2014, 2013, and 2012 was \$1,793,694, \$3,038,635, and \$3,831,971 respectively.

#### Options and Warrants by Price Range

The options and warrants outstanding at December 31, 2014 under all plans, including the non-plan options and warrants, have exercise price ranges, weighted average contractual lives, and weighted average exercise prices are as follows:

Range of Exercise Prices	Options and Warrants Outstanding			Options and Warrants Vested		
	Number Outstanding at December 31, 2014	Wtd. Avg. Exercise Price	Wtd. Avg. Remaining Contractual Life	Number Exercisable at December 31, 2014	Wtd. Avg. Exercise Price	Wtd. Avg. Remaining Contractual Life
\$0.54 - \$0.89	3,661,671	\$ 0.74	2.63	3,657,504	\$ 0.74	2.63
\$1.03 - \$2.01	686,750	\$ 1.34	5.41	285,000	\$ 1.31	4.76
\$2.26 - \$3.64	2,890,437	\$ 2.83	4.19	2,824,675	\$ 2.84	4.17
\$3.88 - \$6.90	253,780	\$ 4.76	2.99	239,196	\$ 4.81	2.83
\$7.25 - \$10.98	191,063	\$ 8.34	0.72	191,063	\$ 8.34	0.72
\$11.86 - \$26.75	12,500	\$ 14.84	0.08	12,500	\$ 14.84	0.08
	7,696,201	\$ 1.92	3.42	7,209,938	\$ 1.95	3.27

Upon exercise of options and warrants under all plans, we issue new shares of our common stock. For shares issued upon exercise of warrants or equity awards granted under the Stock Plans, the shares of common stock are registered. For shares issued upon exercise of non-plan RSU or option awards, the shares are not registered unless they have been subsequently registered by us on a registration statement. Cash received from option and warrant exercises for the years ended December 31, 2014, 2013, 2012, and 2011, was \$1,655,550, \$1,147,380, and \$1,381,694 respectively. No tax benefit was realized for the tax deductions from exercise of the share-based payment arrangements for the years ended December 31, 2014, 2013, and 2012 as the benefits were fully offset by a valuation allowance (see Note 7).

#### 9. STOCK AUTHORIZATION AND ISSUANCE

Explanation of Responses:

### Preferred Stock

We have 15,000,000 shares of preferred stock authorized for issuance at the direction of the board of directors. As of December 31, 2013, we had no outstanding preferred stock.

On November 17, 2005, our board of directors designated 100,000 shares of authorized preferred stock as the Series E Preferred Stock in conjunction with its adoption of a Shareholder Protection Rights Agreement (Note 10).

### Common Stock and Warrants

We have filed several shelf registration statements (“Shelf”) with the SEC for purposes of providing flexibility to raise funds from the offering of various securities over a period of three years, subject to market conditions. Securities offered under the shelf registration statements were used to fund working capital, capital expenditures, vendor purchases, and other capital needs. Offerings made under a Shelf during 2013 and 2012 are included in the table below. As of December 31, 2014 and 2013, there were no securities available under any Shelf.

45

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The following table presents a summary of completed equity offerings for the years ended December 31, 2014, 2013, and 2012 (in thousands, except for per share amounts):

Date	Transaction	# of Common Shares/ Units Sold (in 000's)	Price per Share/Unit	# of Warrants Issued (in 000's)	Exercise Price per Warrant	Net Proceeds (in 000's) (1)	Offering as % of Out-standing Common Stock (2)
March 13, 2014	Offering to two institutional investors	2,667	\$4.50	n/a	n/a	\$11,900	2.80%
August 6, 2013	Offering to a limited number of institutional and other investors	3,681	\$3.80	n/a	n/a	\$13,000	4.00%
March 26, 2013	Shelf underwritten offering (3)	4,715	\$3.25	n/a	n/a	\$14,300	5.40%
September 19, 2012	Shelf offering to a limited number of institutional and other investors	4,382	\$2.30	n/a	n/a	\$9,200	5.30%
April 18, 2012	Shelf offering to a limited number of institutional and other investors	8,139	\$1.05	n/a	n/a	\$8,300	10.70%

(1) After deduction of applicable underwriters' discounts, placement agent fees, and other offering costs.

(2) Calculated on an after-issued basis.

(3) Ladenburg Thalmann Financial Services Inc. acted as underwriter for the transaction.

On December 23, 2014, we entered into a warrant subscription agreement with 1624 PV, LLC ("1624") for the sale of three warrants, each for the purchase of up to 1,884,058 shares of our common stock at exercise prices of \$1.50, \$2.50 and \$3.50, respectively. The warrants were sold for an aggregate purchase price of \$1.3 million. The transaction was consummated on January 15, 2015. In addition, in January 2015, we issued 250,000 shares of unregistered common stock to our securities counsel, Graubard Miller in exchange for a \$250,000 prepaid retainer for legal services.

## 10. SHAREHOLDER PROTECTION RIGHTS AGREEMENT

On November 21, 2005, we adopted a Shareholder Protection Rights Agreement ("Rights Agreement") which calls for the issuance, on November 29, 2005, as a dividend, rights to acquire fractional shares of Series E Preferred Stock. We

did not assign any value to the dividend as the value of these rights is not believed to be objectively determinable. The principal objective of the Rights Agreement is to cause someone interested in acquiring us to negotiate with our Board of Directors rather than launch an unsolicited or hostile bid. The Rights Agreement subjects a potential acquirer to substantial voting and economic dilution. Each share of Common Stock issued by ParkerVision will include an attached right.

The rights initially are not exercisable and trade with the Common Stock of ParkerVision. In the future, the rights may become exchangeable for shares of Series E Preferred Stock with various provisions that may discourage a takeover bid. Additionally, the rights have what are known as “flip-in” and “flip-over” provisions that could make any acquisition of us more costly to the potential acquirer. The rights may separate from the Common Stock following the acquisition of 15% or more of the outstanding shares of Common Stock by an acquiring person. Upon separation, the holder of the rights may exercise their right at an exercise price of \$45 per right (the “Exercise Price”), subject to adjustment and payable in cash.



Upon payment of the exercise price, the holder of the right will receive from us that number of shares of Common Stock having an aggregate market price equal to twice the Exercise Price, as adjusted. The Rights Agreement also has a flip over provision allowing the holder to purchase that number of shares of common/voting equity of a successor entity, if we are not the surviving corporation in a business combination, at an aggregate market price equal to twice the Exercise Price.

We have the right to substitute for any of our shares of Common Stock that we are obligated to issue, shares of Series E Preferred Stock at a ratio of one ten-thousandth of a share of Series E Preferred Stock for each share of Common Stock. The Series E Preferred Stock, if and when issued, will have quarterly cumulative dividend rights payable when and as declared by the board of directors, liquidation, dissolution and winding up preferences, voting rights and will rank junior to other securities of ParkerVision unless otherwise determined by the board of directors.

The rights may be redeemed upon approval of the board of directors at a redemption price of \$0.01. The Rights Agreement expires on November 21, 2015.

## 11. COMMITMENTS AND CONTINGENCIES

### Lease Commitments

Our headquarters facility in Jacksonville, Florida is leased pursuant to a non-cancelable lease agreement effective June 1, 2006. The lease term, as amended in September 2014, provides for a straight-lined monthly rental payment of approximately \$26,000 through January 2018 with an option for renewal.

We also lease office space in Lake Mary, Florida for our wireless design center. The lease term, as amended in December 2013 provides for a straight-lined monthly rental payment of approximately \$18,500 through May 2017 with an option for renewal. Deferred rent is amortized to rent expense over the respective lease term.

In addition to sales tax payable on base rental amounts, certain leases obligate us to pay pro-rated annual operating expenses for the properties. Rent expense for properties, for the years ended December 31, 2014, 2013, and 2012 was \$523,454, \$476,782, and \$515,437, respectively.

In addition, we lease certain equipment, primarily for research and development activities, under non-cancelable operating leases with lease terms of less than one year. Equipment rental expense for the years ended December 31, 2014, 2013, and 2012 was \$191,527, \$235,370, and \$232,659, respectively.

## Contractual Obligations

Future minimum lease payments under all non-cancelable operating leases and capital leases that have initial or remaining terms in excess of one year as of December 31, 2014 were as follows:

Contractual obligations:	2015	2016		2017		2018	Total
Operating leases	\$ 585,700	605,500	\$	434,600	\$	14,200	\$ 1,640,000
Capital leases	\$ 43,000	\$ 10,000	\$	300	\$	0	\$ 53,300

## Legal Proceedings

From time to time, we are subject to legal proceedings and claims which arise in the ordinary course of our business. We believe, based on advice from our outside legal counsel, that the final disposition of such matters will not have a material adverse impact on our financial position, results of operation or

liquidity. In addition, we are subject to the following legal proceedings:

#### ParkerVision vs. Qualcomm, Inc.

On July 20, 2011, we filed a patent infringement action in the United States District Court of the Middle District of Florida against Qualcomm Incorporated (“Qualcomm”) seeking damages and injunctive relief for infringement of several of our patents related to radio-frequency receivers and the down-conversion of electromagnetic signals. Qualcomm filed a counterclaim against us alleging invalidity and unenforceability of each of our patents. In October 2013, a jury found that all of Qualcomm’s accused products directly and indirectly infringed all eleven claims of the four patents asserted by us and awarded us \$172.7 million in damages. The jury also found that Qualcomm did not prove its claims of invalidity for any of the eleven claims of the four patents in the case, and furthermore found that we did not prove our claims of willfulness, which would have allowed enhancement of the jury-awarded damages. On June 20, 2014, a final district court ruling was issued in which the court overturned the jury’s verdict of infringement thus nullifying the damages award. We have appealed this decision to the U.S. Court of Appeals for the Federal Circuit. Qualcomm has filed a counter-appeal on the issues of validity and damages. We and Qualcomm have both filed our respective briefs with the appellate court. No date has yet been set for a hearing by the U.S. Court of Appeals. The collection of damages from Qualcomm in this action, if any, will be dependent upon the final disposition of this case.

#### ParkerVision vs. Qualcomm, HTC, and Samsung

On May 1, 2014, we filed a complaint in the United States District Court of the Middle District of Florida against Qualcomm, Qualcomm Atheros, Inc., HTC Corporation and HTC America, Inc. seeking unspecified damages and injunctive relief for infringement of seven of our patents related to RF up-conversion, systems for control of multi-mode, multi-band communications, baseband innovations including control and system calibration, and wireless protocol conversion. On August 21, 2014, we amended our complaint adding Samsung Electronics Co., Ltd., Samsung Electronics America, Inc., and Samsung Telecommunications America, LLC as defendants (all parties collectively, “Defendants”). We also added infringement claims of four additional patents to this case. On November 17, 2014, certain of the Defendants filed counterclaims of non-infringement and invalidity for all patents in the case. Discovery in this case is ongoing with a claim construction hearing scheduled for August 12, 2015 and a trial start date scheduled for August 1, 2016.

#### RPX and Farmwald vs. ParkerVision

In June and July 2014, RPX Corporation and Michael Farmwald (collectively, the “Petitioners”) filed petitions for Inter Partes review (“IPR”) with the Patent Trial and Appeal Board of the United States Patent and Trademark Office (“PTAB”) seeking to invalidate certain claims related to each of the four patents in our July 2011 district court case against Qualcomm. We filed our preliminary responses to these petitions in September and October 2014. On December 18, 2014, the PTAB issued a decision to institute trial on certain claims included in three of the four IPR petitions, but denied institution of one of the challenged claims. On January 8, 2015, the PTAB also denied institution of trial for the fourth IPR petition. Our final responses to the instituted petitions are scheduled to be filed on March 19, 2015 with the Petitioners’ reply scheduled to be filed on June 19, 2015. Oral arguments on these remaining IPR petitions are scheduled for August 27, 2015.

Maxtak Capital Advisors LLC vs. ParkerVision

On December 28, 2011, Maxtak Capital Advisors LLC, Maxtak Partners LP and David Greenbaum (the “Plaintiffs”) filed a complaint in the United States District Court of New Jersey against us, our chief executive officer, Jeffrey Parker and one of our directors, Robert Sterne, alleging common law fraud and negligent misrepresentation of material facts concerning the effectiveness of our technology and our success in securing customers. The Plaintiffs were seeking unspecified damages, including attorneys’ fees and costs. In October 2012, the court granted our motion to transfer the case to the Middle District of

48

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Florida where discovery commenced.

In July 2014, we conducted a demonstration of our d2p technology for the Plaintiffs. As a result of the demonstration and the discovery conducted to date, the parties entered into a confidential resolution of this action. In connection with the resolution, the Plaintiffs stated that they agree and acknowledge that the d2p technology works in a manner consistent with our representations during the period covered by the litigation. The Plaintiffs further agreed and acknowledged that their allegations with regard to the efficacy of the d2p technology and all statements in their complaint attributed to or based upon the pvnotes website, Michael Farmwald, Barbara Paldus, Alfred Riddle, Steven Cripps and Joy Laskar with regard to the efficacy of our d2p technology are without merit. The financial terms of the confidential resolution had no impact on our financial position, results of operations or liquidity.

## 12. RELATED-PARTY TRANSACTIONS

We paid approximately \$1,705,000, \$587,000, and \$906,000 in 2014, 2013, and 2012, respectively, for patent-related legal services to a law firm, of which Robert Sterne, one of our directors since September 2006, is a partner.

On September 19, 2012 we sold 300,000 shares of our common stock to entities controlled by Messrs. Austin W. Marx and David M. Greenhouse (“Marx and Greenhouse Entities”) at a price of \$2.30 per share in an offering off our September 2012 Shelf. On April 18, 2012 we sold 2,857,143 shares of our common stock to Marx and Greenhouse Entities at a price of \$1.05 per share in an offering off our September 2009 Shelf. Messrs. Marx and Greenhouse are considered related parties under the rules of NASDAQ as they were beneficial owners of more than 5% of our outstanding stock at the time of the transactions.

## 13. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject us to a concentration of credit risk principally consist of cash and cash equivalents and our available for sale securities. Cash and cash equivalents are primarily held in bank accounts and overnight investments. At times our cash balances on deposit with banks may exceed the balance insured by the F.D.I.C.

Our available-for-sale securities are held in accounts with brokerage institutions and consist of mutual funds invested primarily in short-term municipal securities. We maintain our investments with what management believes to be quality financial institutions and while we limit the amount of credit exposure to any one institution, we could be subject to credit risks from concentration of investments in a single fund as well as credit risks arising from adverse conditions in the financial markets as a whole.



## 14. FAIR VALUE MEASUREMENTS

We have determined the estimated fair value amounts of our financial instruments using available market information. Our assets that are measured at fair value on a recurring basis included in our balance sheet at December 31, 2014 and 2013 are:

	Total	Fair Value Measurements		
		Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Other Inputs (Level 3)
December 31, 2014:				
Available-for-sale securities:				
Municipal bond mutual funds	\$ 10,985,000	\$ 10,985,000	\$ 0	\$ 0
December 31, 2013:				
Available-for-sale securities:				
Municipal bond mutual funds	\$ 16,957,489	\$ 16,957,489	\$ 0	\$ 0

## 15. QUARTERLY FINANCIAL DATA (UNAUDITED)

The quarterly financial data presented below is in thousands except for per share data:

	For the three months ended			
	March 31, 2014	June 30, 2014	September 30, 2014	December 31, 2014
Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Gross margin	0	0	0	0

Explanation of Responses:

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Net loss	(5,772)	(5,841)	(6,409)	(5,547)
Basic and diluted net loss per common share	\$ (0.06)	\$ (0.06)	\$ (0.07)	\$ (0.06)

For the three months ended

	March 31, 2013	June 30, 2013	September 30, 2013	December 31, 2013
Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Gross margin	0	0	0	0
Net loss	(6,462)	(7,127)	(6,424)	(7,859)
Basic and diluted net loss per common share	\$ (0.08)	\$ (0.08)	\$ (0.07)	\$ (0.08)

50

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Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Under Rules 13a-15(e) and 15d-15(e) of the Exchange Act, “disclosure controls and procedures” are controls and other procedures that are designed to ensure that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified under the rules and forms of the SEC. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that such information is accumulated and communicated to our management, including our chief executive officer and our chief financial officer, as appropriate to allow timely decisions regarding required disclosures. Our management, with the participation of our chief executive officer and our chief financial officer, has evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2014.

Based on such evaluation, our chief executive officer and our chief financial officer have concluded that as of December 31, 2014, our disclosure controls and procedures were effective.

Management’s Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting and for the assessment of the effectiveness of internal control over financial reporting. Under Rules 13a-15(f) and 15d-15(f) of the Exchange Act, “internal control over financial reporting” is defined as a process designed by, or under the supervision of, our chief executive officer and our chief financial officer, and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Internal control over financial reporting includes policies and procedures that pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect our transactions and our dispositions of assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of our financial statements in accordance with generally accepted accounting; provide reasonable assurance that receipts and expenditures of the company are made only in accordance with authorizations of management and directors; and provide reasonable assurance regarding the prevention or the timely detection of the unauthorized acquisition, use or disposition of the company’s assets that could have a material effect on our financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Management, with the participation of our chief executive officer and our chief financial officer, conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2014 using the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. Based on this evaluation, management concluded, as of December 31, 2014, our internal control over financial reporting was effective..

PricewaterhouseCoopers LLP, the independent registered certified public accounting firm that audited the financial statements included in this Form 10-K, has also issued an attestation report on our internal

51

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control over financial reporting. The attestation report is set forth in their Report of Independent Registered Certified Public Accounting Firm, which is included in Item 8 of this Annual Report.

#### Changes in Internal Control over Financial Reporting

During the fiscal quarter ended December 31, 2014, there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

#### Item 9B. Other Information.

In accordance with and satisfaction of the requirements of Form 8-K, we include the following disclosure:

On March 16, 2015, we issued a press release announcing our results of operations and financial condition for the fourth quarter and year ended December 31, 2014. The press release is attached hereto as Exhibit 99.1.

The foregoing information, including the exhibit related thereto, is furnished in response to Item 2.02 of Form 8-K and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any disclosure document of the Registrant, except as shall be expressly set forth by specific reference in such document.

### PART III

#### Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this item is incorporated by reference to our Definitive Proxy Statement to be filed with the Commission in connection with our 2015 Annual Meeting of Shareholders no later than 120 days after the end of the fiscal year covered by this report (our “2015 Proxy Statement”).

#### Item 11. Executive Compensation.

Explanation of Responses:

The information required by this item is incorporated by reference to our 2015 Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this item is incorporated by reference to our 2015 Proxy Statement.

Item 13. Certain Relationships and Related Transactions and Director Independence.

The information required by this item is incorporated by reference to our 2015 Proxy Statement.

Item 14. Principal Accountant Fees and Services.

The information required by this item is incorporated by reference to our 2015 Proxy Statement.

52

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PART IV

Item 15. Exhibits and Financial Statement Schedule.

(a) Documents filed as part of this report:

(1) Financial statements:

Balance Sheets as of December 31, 2014 and 2013

Statements of Comprehensive Loss for the years ended December 31, 2014, 2013, and 2012

Statements of Shareholders' Equity for the years ended December 31, 2014, 2013, and 2012

Statements of Cash Flows for the years ended December 31, 2014, 2013, and 2012

Notes to Financial Statements for the years ended December 31, 2014, 2013, and 2012

(2) Financial statement schedules:

Schedule II – Valuation and Qualifying Accounts

Schedules other than those listed have been omitted since they are either not required, not applicable or the information is otherwise included.

Explanation of Responses:

(3) Exhibits.

(3)  
Exhibits:  
Exhibit  
Number

Description

- |     |   |
|-----|---|
| 3.1 | Articles of Incorporation, as amended (incorporated by reference from Exhibit 3.1 of Registration Statement No. 33-70588-A)   |
| 3.2 | Amendment to Amended Articles of Incorporation dated March 6, 2000 (incorporated by reference from Exhibit 3.2 of Annual Report on Form 10-K for the year ended December 31, 1999)  |
| 3.3 | Bylaws, as amended (incorporated by reference from Exhibit 3.2 of Annual Report on Form 10-K for the year ended December 31, 1998)<br>Amendment to Certificate of Incorporation dated July 17, 2000 (incorporated by reference from Exhibit 3.1 of Quarterly Report on Form 10-Q for the quarter ended June 30, 2000) |
| 3.4 |   |
| 53  |   |
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- 3.5 Certificate of Designations of the Preferences, Limitations and Relative Rights of Series E Preferred Stock (incorporated by reference from Exhibit 4.02 of Form 8-K dated November 21, 2005)
- 3.6 Amended and Restated Bylaws (incorporated by reference from Exhibit 3.1 of Current Report on Form 8-K filed August 14, 2007)
- 3.7 Articles of Amendment to Articles of Incorporation, dated October 3, 2012 (incorporated by reference from Exhibit 3.1 of Current Report on Form 8-K filed October 4, 2012)
- 3.8 Articles of Amendment to Articles of Incorporation, dated July 11, 2013 (incorporated by reference from Exhibit 3.1 of Current Report on Form 8-K filed July 12, 2013)
- 4.1 Form of common stock certificate (incorporated by reference from Exhibit 4.1 of Registration Statement No. 33-70588-A)
- 4.2 Shareholder Protection Rights Agreement between the Registrant and American Stock Transfer & Trust Company, as Rights Agent (incorporated by reference from Exhibit 4.01 of Form 8-K dated November 21, 2005)
- 4.3 Form of Rights Certificate pursuant to Shareholder Protection Rights Agreement (incorporated by reference from Exhibit 4.03 of Form 8-K dated November 21, 2005)
- 4.4 Form of Warrant Certificate (incorporated by reference from Exhibit 4.1 of Form 8-K dated October 28, 2010)
- 4.5 Form of Warrant Agreement between Registrant and American Stock Transfer and Trust Company, LLC (incorporated by reference from Exhibit 4.2 of Form 8-K dated October 28, 2010)
- 4.6 Form of Common Stock Purchase Warrant between Registrant and 1624 PV LLC dated January 15, 2015\*
- 10.1 2000 Performance Equity Plan (incorporated by reference from Exhibit 10.11 of Registration Statement No. 333-43452) \*\*
- 10.2 Form of 2002 Indemnification Agreement for Directors and Officers (incorporated by reference from Exhibit 10.1 of Quarterly Report on Form 10-Q for the period ended September 30, 2002) \*\*
- 10.3 Standard Form of Employee Option Agreement (incorporated by reference from Exhibit 4.11 of Annual Report on Form 10-K for the year ended December 31, 2006)\*\*
- 10.4 2008 Equity Incentive Plan (Non-Named Executives), as amended (incorporated by reference from Exhibit 4.1 of Form S-8 dated October 24, 2008) \*\*
- 10.5 Form of Restricted Stock Unit Agreement between Registrant and Executives (incorporated by reference from Exhibit 10.6 on Form 8-K dated June 4, 2008) \*\*
- 10.6 2011 Long-Term Incentive Equity Plan, as amended and restated (incorporated by reference from Exhibit 4.1 of Form S-8 dated July 30, 2014) \*\*
- 10.7 Employment Agreement between Registrant and Jeffrey Parker dated June 6, 2012 (incorporated by reference from Exhibit 10.1 on Form 8-K dated June 6, 2012) \*\*

54

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- 10.8 Employment Agreement between Registrant and Cynthia Poehlman dated June 6, 2012 (incorporated by reference from Exhibit 10.2 on Form 8-K dated June 6, 2012) \*\*
- 10.9 Employment Agreement between Registrant and David Sorrells dated June 6, 2012 (incorporated by reference from Exhibit 10.3 on Form 8-K dated June 6, 2012) \*\*
- 10.10 Employment Agreement between Registrant and John Stuckey dated June 6, 2012 (incorporated by reference from Exhibit 10.4 on Form 8-K dated June 6, 2012) \*\*
- 10.11 Underwriting Agreement, dated March 21, 2013, between Registrant and Ladenburg Thalmann & Co. Inc. (incorporated by reference from Exhibit 1.1 of Current Report on Form 8-K filed March 21, 2013)
- 10.12 Form of Securities Purchase Agreement (incorporated by reference from Exhibit 10.1 of Current Report on Form 8-K filed August 2, 2013)
- 10.13 List of Investors (incorporated by reference from Exhibit 10.2 of Current Report on Form 8-K filed August 2, 2013)
- 10.14 Form of Registration Rights Agreement (incorporated by reference from Exhibit A to Exhibit 10.1 of Current Report on Form 8-K filed August 2, 2013)
- 10.15 ParkerVision, Inc. Performance Bonus Plan (incorporated by reference from Exhibit 10.1 of Current Report on Form 8-K filed July 12, 2013)
- 10.16 Form of Securities Purchase Agreement dated March 13, 2014 (incorporated by reference from Exhibit 10.22 of Annual Report on Form 10-K filed March 17, 2014)
- 10.17 Form of Registration Rights Agreement dated March 13, 2014 (incorporated by reference from Exhibit 10.23 of Annual Report on Form 10-K filed March 17, 2014)
- 10.18 Licensing Services Agreement between Registrant and 3LP Advisors, LLC dated February 4, 2014 (incorporated by reference from Exhibit 10.1 of Quarterly Report on Form 10-Q filed May 12, 2014)
- 10.19 Funding Agreement between Registrant and 1624 PV LLC dated December 23, 2014\*\*\*
- 10.20 Warrant Subscription Agreement between Registrant and 1624 PV LLC dated December 23, 2014\*
- 23.1 Consent of PricewaterhouseCoopers LLP\*
- 31.1 Rule 13a-14 and 15d-14 Certification of Jeffrey L. Parker\*
- 31.2 Rule 13a-14 and 15d-14 Certification of Cynthia L. Poehlman\*
- 32.1 Section 1350 Certification of Jeffrey L. Parker and Cynthia L. Poehlman\*
- 99.1 Earnings Press Release\*

XBRL  
Instance

- 101.INS Document\*
- XBRL  
Taxonomy  
Extension
- 101.SCH Schema\*

55



XBRL  
Taxonomy  
Extension  
Calculation  
101.CAL Linkbase\*  
XBRL  
Taxonomy  
Extension  
Definition  
101.DEF Linkbase\*  
XBRL  
Taxonomy  
Extension  
Label  
101.LAB Linkbase\*  
XBRL  
Taxonomy  
Extension  
Presentation  
101.PRE Linkbase\*

\* Filed herewith

\*\* Management contract or compensatory plan or arrangement.

\*\*\* Portions of these exhibits have been omitted pursuant to a request for confidential treatment filed separately with the SEC.

56

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SIGNATURES

Pursuant to the requirements of Section 13 of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 16, 2015

PARKERVISION, INC.  
 By: /s/ Jeffrey L. Parker  
 Jeffrey L. Parker  
 Chief Executive Officer

Pursuant to the requirements of the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
By: /s/ Jeffrey L. Parker Jeffrey L. Parker	Chief Executive Officer and Chairman of the Board (Principal Executive Officer)	March 16, 2015
By: /s/ Cynthia L. Poehlman Cynthia L. Poehlman	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer) and Corporate	March 16, 2015
By: /s/ David F. Sorrells David F. Sorrells	Chief Technology Officer and Director	March 16, 2015
By: /s/ William A. Hightower William A. Hightower	Director	March 16, 2015
By: /s/ John Metcalf John Metcalf	Director	March 16, 2015
By: /s/ Robert G. Sterne	Director	March 16, 2015

Robert G. Sterne

By: /s/ Nam P. Suh  
Nam P. Suh

Director

March 16, 2015

By: /s/ Papken S. der Torossian  
Papken S. der Torossian

Director

March 16, 2015

57

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## SCHEDULE II

## PARKERVISION, INC. AND SUBSIDIARY

## VALUATION AND QUALIFYING ACCOUNTS

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Valuation Allowance for Income Taxes	Balance at Beginning of Year	Provision	Write-Offs	Balance at End of Year
Year ended December 31, 2012	\$ 92,592,971	7,640,454	(2,226,498)	98,006,927
Year ended December 31, 2013	98,006,927	10,648,966	(706,055)	107,949,839
Year ended December 31, 2014	107,949,839	8,870,098	(1,144,444)	115,675,493

58

EXHIBIT INDEX

4.6	Form of Common Stock Purchase Warrant between Registrant and 1624 PV LLC dated January 15, 2015
10.19	Funding Agreement between Registrant and 1624 PV LLC dated December 23, 2014***
10.20	Warrant Subscription Agreement between Registrant and 1624 PV LLC dated December 23, 2014
23.1	Consent of PricewaterhouseCoopers LLP
31.1	Rule 13a-14 and 15d-14 Certification of Jeffrey L. Parker
31.2	Rule 13a-14 and 15d-14 Certification of Cynthia L. Poehlman
32.1	Section 1350 Certification of Jeffrey L. Parker and Cynthia L. Poehlman
99.1	Earnings Press Release
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Definition Extension Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

\*\*\* Portions of these exhibits have been omitted pursuant to a request for confidential treatment filed separately with the SEC.

59

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