



#### Overstock.com Obtains Another Positive Ruling in Prime Brokerage Litigation

February 16, 2008

Court Gives Overstock.com the Okay to Continue to Proceed on California's Securities Anti-Fraud Cause of Action and Portions of California's Unfair Business Practices Act Cause of Action

SALT LAKE CITY, Feb. 15, PRNewswire-FirstCall -- Overstock.com, Inc. (Nasdaq: OSTK) (<http://www.overstock.com>) announced today another favorable ruling in the lawsuit pending in the Superior Court of California, County of San Francisco against most of the largest prime brokerage firms in the country, including Morgan Stanley & Co., Incorporated, Goldman Sachs & Co., Bear Stearns Companies, Inc., Bank of America Securities LLC, Bank of New York, Citigroup Inc., Credit Suisse (USA) Inc., Deutsche Bank Securities, Inc., Merrill Lynch, Pierce, Fenner & Smith, Inc., UBS Financial Services, Inc. and Lehman Brothers Holdings Inc.

On February 15, 2008, Judge John Murter of the California Superior Court for the City and County of San Francisco denied defendants' motion to strike Overstock's claims under California's Securities Anti-Fraud statute. Judge Murter also denied defendants' motion to strike Overstock's common law punitive damages claims. Judge Murter granted in part the defendants' motion to strike Overstock's claims under California's Unfair Business Practices Act, but allowed Overstock's claims for injunctive relief under California's Unfair Business Practices Act.

"This case continues forward for us," said Jonathan Johnson, Overstock Senior Vice President of Legal. "We are eager to start the next round of discovery and obtain trading records from the defendants, records which we expect will expose in detail the defendants' misconduct."

"Our approach in this suit has been belt, suspenders and cummerbund," said Patrick Byrne, Overstock Chairman and Chief Executive Officer. "Today the court cinched tight the belt and suspenders, but took off the cummerbund. We are well positioned to take this case to trial."

The suit alleges that the defendants, who control over 80% of the prime brokerage market, participated in a massive, illegal stock market manipulation scheme and that the defendants had no intention of covering such orders with borrowed stock, as they are required to do, causing what are referred to as "fails to deliver." The suit also alleges that the defendants' actions caused and continue to cause dramatic distortions with regard to the nature and amount of trading in the company's stock which have caused the share price of the company's stock to dramatically drop. The suit asserts that a persistent large number of "fails to deliver" creates large downward pressure on the price of a company's stock and that the amount of "fails to deliver" has exceeded the company's entire supply of outstanding shares. The company is seeking damages of \$1.48 billion.

About Overstock.com

Overstock.com, Inc. is an online "warehouse" retailer offering discount, brand-name merchandise for sale over the Internet. The company offers its customers an opportunity to shop for bargains conveniently, while offering its suppliers an alternative inventory liquidation distribution channel. Overstock.com, headquartered in Salt Lake City, is a publicly traded company listed on the NASDAQ Global Market System and can be found online at <http://www.overstock.com>.

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This press release contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements include, but are not limited to, statements regarding documents to be obtained in discovery and what such documents will expose, the company's position for trial, as well as all such other risks as identified in our Form 10-K for the year ended December 31, 2006, and all our subsequent filings with the Securities and Exchange Commission, which contain and identify important factors that could cause the actual results to differ materially from those contained in our projections or forward-looking statements.

SOURCE: Overstock.com, Inc.

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