



Overstock.com Reappears on the Regulation SHO Threshold List

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Wire 588 Betting '500' Celebriass CEO Byrne
SALT LAKE CITY, July 24 (PRNewswire-FirstCall) -- Overstock.com, Inc. (Nasdaq: OSTO) announced today, after a 14 trading day reprieve, it has reappeared on Nasdaq's Regulation SHO threshold list. (Source: <http://www.nasdaqtrader.com/quotes/regsho.aspx>)
Regulation SHO requires the stock exchanges to publish daily a list of companies whose stock has failures-to-deliver above a certain threshold. It also requires mandatory close-outs for open fail-to-deliver positions in threshold securities persisting for over 13 days, with the aim that no security would appear on the threshold for any extended period. Despite that aim, Overstock.com has now appeared on the Regulation SHO threshold list for 839 trading days -- about 95% of the nearly 900 days the list has been in existence.
"We're back on the list," said Overstock.com chairman and CEO Patrick Byrne, "but I'm not surprised. Data provided by a financial news organization suggests that of our approximate 6,000 owners, the top 50 own 100% of our stock. And yet last Friday, it appears that 20% of our issued and outstanding stock traded, as the price of it fell 40% when we announced earnings that largely beat the Wall Street consensus expectations."
Last Friday, nearly 4.5 million Overstock.com shares traded -- nearly ten times the average volume. In addition, there was an abnormally large volume of trades in the options market on Friday -- even for an options expiration day.
Historically, this happened while the SEC put in place an emergency apartheid order that provides special protection against naked short selling for a select 19 companies, those being Fannie Mae, Freddie Mac, and 17 vital Street firms, only seven of which have ever been on the Reg SHO list to date, and nine of whom have been enabling naked short selling against Overstock.com (according to a lawsuit filed by Overstock). Byrne said, "This apartheid protection of the elite of Wall Street is Orwellian; why should a select group of brokerage firms receive special protection from illegal trading practices, when many of these firms have enabled others to engage in these very same practices, targeting public companies that now receive no protection under the SEC's emergency order?"
The American Bankers Association has asked that the apartheid system be expanded to include more banks. However, Overstock.com, the Financial Services Roundtable, and former SEC Chairman Harvey Pitt, have called on the SEC to expand and extend the rule of law to the entire market.
Byrne continued: "When someone sells something that they neither own, nor borrow, nor deliver, a reasonable person may ask, 'What is being sold?' The answer is, 'Nothing.' The SEC has realized that liquidity born of 'hotting' may be unhealthy for the market."
Overstock.com believes that in order for naked shorting to stop the SEC must:

1. Eliminate the option market maker exception of Regulation SHO.
2. Extend the pre-borrow requirement of the emergency order to the entire market, not just the 19 select companies.
3. Cause to be disclosed the volume of failures to deliver on a timely basis -- at least as often as the exchanges disclose legitimate short interests (twice a month).
4. Expand the purview of Regulation SHO to include transactions that occur outside the Depository Trust and Clearing Corporation.

"The SEC must do more to stop chronic failures-to-deliver," said Overstock.com senior vice president of corporate affairs and legal, Jonathan Johnson. "If it continues to take mere half measures, abusive manipulators will continue to have their way in the markets."
As of today, 568 companies are on the Regulation SHO threshold list: 245 for over 13 consecutive trading days, 62 for over 100 consecutive trading days, and one, Medi Technologies Ltd., for 746 consecutive trading days. (Source: http://byrnes.net/stock/short_list.php?sa=20080724)

About Overstock.com
Overstock.com, Inc. is an online retailer offering brand-name merchandise at discount prices. The company offers its customers an opportunity to shop for bargains conveniently, while offering its suppliers an alternative inventory 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 the future effect of recommended remedies for naked short selling and the SEC's ability to ever stop manipulative naked short selling. Our Form 10-K for the year ended December 31, 2007, our subsequent quarterly reports on Form 10-Q, or any amendments thereto, and our other subsequent filings with the Securities and Exchange Commission identify important factors that could cause our actual results to differ materially from those contained in our projections, estimates or forward-looking statements.

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