



Overstock.com Announces Settlement of Claims Against Gradient Analytics and Its Principals

October 13, 2008

All Attention Now on Copper River and Its Principals

SALT LAKE CITY, Oct. 13 /PRNewswire-FirstCall/ -- Overstock.com, Inc. (Nasdaq: OSTK) announced it has settled all claims against Gradient Analytics and its principals and officers named as defendants in Overstock's defamation case filed in Marin County, California.

Overstock.com chairman and CEO, Patrick Byrne said, "I am pleased to publish this statement from Gradient Analytics:

Overstock issues this Statement concerning research reports previously published by it regarding Overstock.com, Inc. Having reviewed all SEC filings, relevant accounting literature, and all other information available to it, Gradient now believes that, to the best of its knowledge, Overstock's stated accounting policies did in fact conform with Generally Accepted Accounting Principles (GAAP) and regrets any prior statements to the contrary.

Some of Gradient's prior reports asserted that certain Overstock directors -- i.e., Allison Abraham, John Fisher and Gordon Macklin -- were not independent directors according to Gradient's criteria for evaluating independence. However, under NASD Rules, those directors were independent. Gradient extends its apology to the Macklin family for any remarks or observations concerning the suitability or independence of Mr. Gordon Macklin, who served with distinction as a past President of the NASD, was widely regarded as a pioneer in the financial industry, and, due to his expertise, was asked to serve on many corporate boards.

Gradient has examined and improved its internal policies concerning how it communicates with clients, including hedge funds, and the media. Gradient acknowledges that former Executive Vice President of Research Matthew Kiber, a named defendant in this litigation, was not responsible for any of Gradient's research on Overstock.

Gradient regrets that the parties have been embroiled in litigation over its reports and looks forward to both sides moving forward with their respective businesses.

Byrne added: "I wish Gradient Analytics the best in their future endeavors. Overstock.com will now focus on the remaining defendants, Copper River, David Rocker, and Mark Cohodes."

The details of the settlement reached today are confidential.

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 to 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>.

Overstock.com® is a registered trademark of Overstock.com, Inc. All other trademarks are the property of their respective owners.

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 about the future focus of the lawsuit. 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.

SOURCE: Overstock.com, Inc.