



Overstock.com and FNY Capital Conclude \$5 Million Cryptobond Deal

July 31, 2015
SALT LAKE CITY, July 31, 2015 (GLOBE NEWSWIRE) – [Overstock.com, Inc.](#) (NASDAQ:OSTK) announced the sale of a \$5 million digital security in the form of a cryptobond to FNY Managed Accounts LLC ("First New York"), an affiliate of FNY Capital. The sale is intended to serve as an additional proof-of-concept of the safety and efficiency of exchanging financial instruments via a cryptographically secured, public ledger. "In recent months the financial industry has been coming to understand the power of digital securities based on cryptotechnology and how this is going to change their world," said Overstock CEO Patrick M. Byrne. "We welcome First New York, salute the vision of the company's leadership, and anticipate that this could be the start of a beautiful relationship between our firms." Donald Maschewitz, CEO of First New York, commented, "Our investment in this \$5 million cryptobond reflects our commitment to be at the forefront when it comes to adopting new technologies." This strategic transaction uniquely positions First New York's proprietary front end, HYDRATrade, and Overstock's [iStock](#) cryptocurrencies trading platform to offer the first fully integrated CryptTrading software suite. In June, Byrne made history when he purchased a \$500,000 TIGRUB digital bond the company issued through [Etrex.net](#) – the first such transaction in history. Digital securities are different from traditional securities in that they trade exclusively on a cryptographically protected, public and transparent ledger, using the same technology that powers the bitcoin digital currency. The \$5 million cryptobond Overstock has sold to First New York bears interest at 7 percent per annum over a five-year term. The cryptobond is unsecured and has no covenants, however, it has both put and call provisions pursuant to which Overstock expects it and First New York may unwind the bond in the fourth quarter of 2015 or sooner. In addition, simultaneous with the issue of this bond, Overstock is making a \$5 million loan to First New York at 3 percent per annum with similar put and call terms and with cross default provisions against the bond, thus transferring the economic risk associated with any failure of this technology back upon Overstock. While Overstock may issue identical cryptobonds to other qualified institutional investors, it does not intend to make any similar loans to any future purchasers of any of its cryptobonds. Byrne added, "On the evening of August 4 we are holding a brunch party at NASDAQ headquarters to expose to the world the great strides we are making in our efforts to adapt cryptotechnology to the needs of Wall Street, of which this bond is but one example." The offering of the digital cryptobond is being made exclusively to qualified institutional buyers that meet the definition of "accredited investor" and a limited number of other accredited investors in compliance with Rule 506(c) of Regulation D under the Securities Act of 1933, as amended and therefore are not required to comply with certain specific disclosure requirements. The Securities and Exchange Commission has not passed upon the merits of or approved the digital cryptobond or the terms of the offering. This press release shall not constitute an offer to sell or a solicitation of an offer to buy the securities described herein.

About Overstock.com
[Overstock.com, Inc.](#) (NASDAQ:OSTK) is an online shopping retailer based in Salt Lake City, Utah that sells a broad range of products at low prices including furniture, rugs, bedding, electronics, clothing, and jewelry. [Overstock.com](#) is a fair trade department dedicated to selling artisan-crafted products from around the world whereas Main Street Revolution supports small businesses across the U.S. by providing them a national customer base. Overstock has additional community-focused initiatives such as [a Fair Trade Market](#) and [an Adoption Service](#). Forbes ranked Overstock in its list of the Top 100 Most Trustworthy Companies in 2014. Overstock sells instrumentally under the name O.co. Overstock [http://www.overstock.com](#) and [http://www.o.co](#) regularly posts information about the company and other related matters under [www.pr.newswire.com](#) on its website.

About FNY Capital Management LP
First New York is a premier principal trading firm headquartered in New York City, with offices in London. First New York has more than 200 traders worldwide whose portfolios span all asset classes. First New York delivers an intelligent, comprehensive and powerful platform investing in traders, trading teams, and hedge funds. Its investment flexibility is innovative and timely. O, Overstock.com, O.com, O.co, Club O, Main Street Revolution, Worldstock Fair Trade, Worldstock, and O Village are registered trademarks. O.biz, Club O Dollars, OGlobal, and TB.com are trademarks of Overstock.com, Inc. The Overstock.com, Club O, and Worldstock Fair Trade logos are also registered trademarks of Overstock.com, Inc. Other service marks, trademarks and trade names which may be referred to herein 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 all statements other than statements of historical fact. Additional information regarding factors that could materially affect results and the accuracy of the forward looking statements contained herein may be found in the Company's Form 10-Q for the quarter ended March 31, 2015, which was filed with the SEC on April 28, 2015, and any subsequent filings with the SEC.

SOURCE: Overstock.com, Inc.
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