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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934**

**July 26, 2019**

Date of Report (date of earliest event reported)

**Overstock.com, Inc.**

(Exact name of Registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**000-49799**  
(Commission File Number)

**87-0634302**  
(I.R.S. Employer  
Identification Number)

**799 West Coliseum Way**  
**Midvale, Utah 84047**  
(Address of principal executive offices)

**(801) 947-3100**  
(Registrant's telephone number, including area code)  
**Not Applicable**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

- Emerging growth company

- If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.
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Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value	OSTK	NASDAQ Global Market

**Introduction**

On July 30, 2019, Overstock.com, Inc. (the “*Company*”) announced that its Board of Directors (the “*Board*”) has declared a dividend (the “*Dividend*”) payable in shares of its Digital Voting Series A-1 Preferred Stock (the “*Series A-1 Preferred Stock*”). The record date for the Dividend will be September 23, 2019, and the payment date for the Dividend will be November 15, 2019. The Dividend will be payable at a ratio of 1:10, meaning that one share of Series A-1 Preferred Stock will be issued for every ten shares of common stock, Series A-1 Preferred Stock or Voting Series B Preferred Stock (the “*Series B Preferred Stock*”) held by holders of such shares as of the record date.

**Item 3.03 Material Modification to Rights of Security Holders.**

On July 26, 2019, the Company filed an Amended and Restated Certificate of Designation of Voting Series B Preferred Stock of the Company with the Delaware Secretary of State (the “*Amended and Restated Series B Certificate of Designation*”), decreasing the number of authorized shares of Series B Preferred Stock to 370,000 shares. The rights of the holders of shares of Series B Preferred Stock are not materially affected by the amendment. The foregoing description does not purport to be complete and is qualified in its entirety by reference to the Amended and Restated Series B Certificate of Designation, a copy of which is attached to this Current Report on Form 8-K as Exhibit 3.1 and is incorporated by reference into this Item 3.03.

On July 26, 2019, the Company filed a Certificate of Elimination of Blockchain Voting Series A Preferred Stock of the Company (the “*Series A Preferred Stock*”) with the Delaware Secretary of State (the “*Series A Certificate of Elimination*”), as of which date no shares of Series A Preferred Stock were outstanding. The Series A Certificate of Elimination has the effect of eliminating from the Company’s certificate of incorporation all matters set forth in the Certificate of Designation of Blockchain Voting Series A Preferred Stock of the Company. Pursuant to the resolutions of the Board of Directors set forth in the Certificate of Elimination, no further shares of Series A Preferred Stock will be issued. The foregoing description does not purport to be complete and is qualified in its entirety by reference to the Series A Certificate of Elimination, a copy of which is attached to this Current Report on Form 8-K as Exhibit 3.2 and is incorporated by reference into this Item 3.03.

On July 26, 2019, the Company filed an Amended and Restated Certificate of Designation of the Series A-1 Preferred Stock of the Company with the Delaware Secretary of State (the “*Amended and Restated Series A-1 Certificate of Designation*”), increasing the number of authorized shares of Series A-1 Preferred Stock to 4,630,000 shares. The rights of the holders of shares of Series A-1 Preferred Stock are not materially affected by the amendment. The foregoing description does not purport to be complete and is qualified in its entirety by reference to the Amended and Restated Series A-1 Certificate of Designation, a copy of which is attached to this Current Report on Form 8-K as Exhibit 3.3 and is incorporated by reference into this Item 3.03.

**Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.**

The information set forth under Item 3.03 of this Current Report on Form 8-K is incorporated by reference in its entirety into this Item 5.03.

**Item 7.01 Regulation FD Disclosure.**

On July 30, 2019, the Company issued a press release regarding the declaration of the Dividend. A copy of the press release is filed with this report as Exhibit 99.1 and is incorporated herein by reference.

*The information in Item 8.01 of this Current Report on Form 8-K, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, nor shall it be deemed subject to the requirements of amended Item 10 of Regulation S-K, nor shall it be deemed incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing. The furnishing of this information hereby shall not be deemed an admission as to the materiality of any such information.*

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

The following exhibit is furnished with this report:

- |                             |   |
|-----------------------------|---|
| <a href="#"><u>3.1</u></a>  | Amended and Restated Certificate of Designation of Voting Series B Preferred Stock of Overstock.com, Inc.           |
| <a href="#"><u>3.2</u></a>  | Certificate of Elimination of Blockchain Voting Series A Preferred Stock of Overstock.com, Inc.                     |
| <a href="#"><u>3.3</u></a>  | Amended and Restated Certificate of Designation of Digital Voting Series A-1 Preferred Stock of Overstock.com, Inc. |
| <a href="#"><u>99.1</u></a> | Press Release dated July 30, 2019   |
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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**OVERSTOCK.COM, INC.**

By: /s/ E. Glen Nickle  
E. Glen Nickle  
Vice President, Legal, and General Counsel  
Date: July 30, 2019

## AMENDED AND RESTATED CERTIFICATE OF DESIGNATION

OF

## VOTING SERIES B PREFERRED STOCK

OF

## OVERSTOCK.COM, INC.

Overstock.com, Inc., a Delaware corporation (the "*Corporation*"), certifies that pursuant to authority conferred upon the Board of Directors of the Corporation (the "*Board of Directors*") by Article IV of the Amended and Restated Certificate of Incorporation of the Corporation (the "*Certificate of Incorporation*") and pursuant to the provisions of §151 of the General Corporation Law of the State of Delaware, the Board of Directors duly adopted and approved on July 25, 2019 the following resolution, which resolution remains in full force and effect on the date hereof:

**WHEREAS**, pursuant to Article IV of the Certificate of Incorporation and § 151(g) of the Delaware General Corporation Law, the Board of Directors is authorized to increase or decrease (but not below the number of shares of any such series then outstanding) the number of shares of any such series subsequent to the issue of shares of that series.

**NOW, THEREFORE, BE IT RESOLVED**, that the designation, relative rights, limitations and preferences of the Voting Series B Preferred Stock are as follows:

**Section 1. Designation.** The designation of such series is "Voting Series B Preferred Stock" ("**Series B Preferred**").

**Section 2. Number of Shares.** The number of shares of Series B Preferred shall be 370,000. Such number may from time to time be increased (but not in excess of the total number of authorized shares of Preferred Stock undesignated as to series) or decreased (but not below the number of shares of Series B Preferred then outstanding) by the Board of Directors. Shares of Series B Preferred that are redeemed, purchased or otherwise acquired by the Corporation shall be cancelled and the Corporation shall take all such actions as are necessary to cause such shares to revert to status of authorized but unissued shares of Preferred Stock undesignated as to series.

**Section 3. Definitions.** As used herein with respect to the Series B Preferred:

(a) "**Accrued Dividends**" with respect to any share of the Series B Preferred, means an amount computed at the annual Dividend Rate (as defined below) from the Original Issue Date to and including the date to which such dividends have accrued (whether or not such dividends have been declared), less the aggregate amount of all dividends previously paid on such share.

(b) "**Junior stock**" means the Common Stock and any other class or series of stock of the Corporation hereafter authorized as to which the Series B Preferred has preference or priority in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(c) "**Original Issue Date**" means December 15, 2016.

(d) "**Original Purchase Price**" means \$15.68 per share of Series B Preferred.

(e) "**Parity stock**" means the Series A Preferred and any other class or series of stock of the Corporation, other than the Common Stock, that ranks on a parity with the Series B Preferred in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(f) "**Series A Preferred**" means the Blockchain Voting Series A Preferred Stock designated by the Corporation.

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#### **Section 4. Dividends.**

(a) **Rate.** Each holder of issued and outstanding Series B Preferred shall be entitled to receive, when, as and if declared by the Board of Directors, for each share of Series B Preferred held by such holder, annual dividends payable in cash at the annual rate of 1.0% (the “**Dividend Rate**”) multiplied by the Original Purchase Price, in preference to any dividend payment to the holders of the Common Stock (the “**Priority Dividends**”), but only out of funds that are legally available therefor, with all cash dividends being rounded to the nearest \$0.01 per share.

Priority Dividends will accrue and cumulate from the Original Issue Date and shall be payable, if, as and when declared by the Board of Directors annually in arrears on a date selected by the Board of Directors in its sole discretion, to holders of record on a date determined by the Board of Directors in its sole discretion. Any payment of a Priority Dividend will first be credited against the earliest accumulated but unpaid Priority Dividend due with respect to such share that remains payable.

The Priority Dividends payable for any dividend period shorter or longer than a full annual dividend period will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Priority Dividends not paid will accrue at the Dividend Rate annually on the anniversary of the Original Issue Date whether or not the Corporation has earnings or profits, whether or not there are funds legally available for the payment of dividends and whether or not Priority Dividends are declared, and will be entitled to be paid prior to any dividend on the Common Stock.

(b) **Priority of Priority Dividends.** Priority Dividends on the Series B Preferred shall be paid pari passu with dividends on the Series A Preferred. So long as any share of Series B Preferred is outstanding, no dividend may be declared or paid or set aside for payment or other distribution declared or made upon any junior stock of any kind unless, in each case, full cumulative Priority Dividends on all shares of Series B Preferred have been or are contemporaneously paid as provided in Section 4(a). If Priority Dividends are not paid in full or a sum sufficient for such full payment is not so set apart upon the Series B Preferred, all dividends declared upon the Series B Preferred and all dividends declared on any parity stock shall be declared pro rata so that the amount of dividends declared per share of the Series B Preferred and dividends declared per share of such parity stock shall in all cases bear to each other the same ratio that accrued and unpaid Priority Dividends per share on the Series B Preferred and accrued and unpaid dividends per share of such parity stock bear to each other.

(c) **Participation Rights in Dividends on Common Stock.** In addition to the dividend rights set forth above regarding the Priority Dividends, the Corporation shall not pay a dividend, whether payable in cash, securities or other property, to the holders of the Common Stock unless the Corporation substantially concurrently pays a dividend to the holders of the Series B Preferred (as of the same record date as the record date for such distribution to the holders of the Common Stock) of the same kind and of the same amount per share of Series B Preferred as is paid per share of Common Stock, payable on the same payment date set for the holders of the Common Stock with respect to such dividend to the holders of record of the Series B Preferred on the same record date as the record date for such dividend to holders of the Common Stock; provided, however, that this Section 4(c) shall not require any dividend payment to the holders of the Series B Preferred and shall not prevent or restrict any dividend to the holders of the Common Stock if the Corporation pays a dividend on the Common Stock consisting solely of shares of its Common Stock, in which case the provisions of Section 7 hereof shall control. If the Corporation redeems or otherwise acquires shares of Series B Preferred prior to the record date for any dividend on the Series B Preferred, the redeemed or acquired shares of Series B Preferred shall have no right to any such dividend.

#### **Section 5. Liquidation Rights.**

(a) **Liquidation.** In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, the outstanding shares of Series B Preferred shall be treated as if such shares were additional outstanding shares of Common Stock for the purpose of determining any rights to any distributions of assets.

(b) **Merger, Consolidation and Sale of Assets Not Liquidation.** For purposes of this Section 5, the merger or consolidation of the Corporation with any other corporation, including a merger in which the holders of Series B Preferred receive cash or property for their shares, or the sale of all or substantially all of the assets of the Corporation, shall not constitute a liquidation, dissolution or winding up of the Corporation.

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**Section 6. Redemption.**

(a) **Optional Redemption.** Shares of Series B Preferred may be redeemed, in whole or in part, at the option of the Corporation, by the Corporation by giving notice of such redemption at any time prior to the third anniversary of the Original Issue Date. If the Corporation gives notice of redemption prior to the third anniversary of the Original Issuance Date, the Corporation may effect the redemption after the third anniversary of the Original Issuance Date. Notice of redemption may be given either by mailing notice to the holders of record or by press release or other public announcement. If notice is given by public announcement, by press release or otherwise, such notice shall be effective as of the date of such announcement, regardless of whether notice is also mailed or otherwise given to holders of record. The redemption price for any shares of Series B Preferred to be redeemed (the “**Redemption Price**”) shall be payable in cash, out of funds legally available therefor, and shall be equal to the highest of the following: (1) the Original Purchase Price plus any Accrued Dividends; (2) 105% of the average trading price of the Common Stock during a five-trading-day period determined by the Corporation in its sole discretion (the “**Trading Period**”); and (3) 105% of the average trading price of the Series B Preferred during the Trading Period. If fewer than all of the outstanding shares of Series B Preferred are to be redeemed at any time, the Corporation may choose to redeem shares proportionally from all holders, or may choose the shares to be redeemed by lot or by any other equitable method. Shares of Series B Preferred are not subject to optional redemption under this Section 6(a) unless notice of such redemption is given prior to the third anniversary of the Original Issue Date.

(b) **Effectiveness of Redemption.** From and after the redemption date specified in the notice of redemption, if funds necessary for the redemption are available and have been irrevocably deposited or set aside, dividends on the Series B Preferred to be redeemed on such redemption date will cease to accrue; such shares will no longer be deemed to be outstanding; and all rights of the holder thereof as a holder of Series B Preferred (except the right to receive from the Corporation the Redemption Price without interest) shall cease and terminate with respect to such shares; provided, that if a share of Series B Preferred is not redeemed on the Redemption Date for any reason (including without limitation, because the Corporation is unable to lawfully pay the Redemption Price), such share of Series B Preferred will remain outstanding and will be entitled to, without interruption, all of the rights, preferences and powers as provided herein.

**Section 7. Certain Adjustments.** If the Corporation pays a dividend on the Common Stock consisting solely of shares of its Common Stock or if it splits or combines the Common Stock, the Corporation shall use its reasonable efforts to make a corresponding pro rata adjustment to the outstanding shares of Series B Preferred.

**Section 8. Voting Rights.** Except as otherwise provided herein or as required by law, the holders of the shares of Series B Preferred shall vote together with the holders of the shares of Series A Preferred and the holders of the shares of Common Stock (and not as a separate class) at any annual or special meeting of stockholders of the Corporation, and each holder of Series B Preferred shall have one vote on all matters submitted to a vote of the holders of the Common Stock for each share of Series B Preferred owned by such holder on the applicable record date. Holders of Series B Preferred will vote as a class upon any amendment increasing or decreasing the aggregate number of authorized shares of Series B Preferred or altering or changing the powers, preferences or special rights of the Series B Preferred that would adversely affect the holders of the Series B Preferred.

**Section 9. Rights in the Event of Merger or Consolidation Involving the Corporation.** If the Corporation is party to any merger or consolidation pursuant to which all or part of the Common Stock shall be changed into or exchanged for stock or other securities of any other person (or the Corporation) or cash or any other property (or a right to receive the foregoing), then, and in each such case, the Corporation shall use all commercially reasonable efforts to make proper provision so that each outstanding share of Series B Preferred shall be treated as if such share were an additional outstanding share of Common Stock for all purposes in connection with any such merger or consolidation.

**Section 10. Other Rights.** The shares of Series B Preferred shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein.

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IN WITNESS WHEREOF, Overstock.com, Inc. has caused this certificate to be signed by a duly authorized officer this 26th day of July, 2019.

OVERSTOCK.COM, INC.

By: /s/ Patrick M. Byrne  
Name: Patrick M. Byrne  
Title: Chief Executive Officer

**CERTIFICATE OF ELIMINATION**  
**OF**  
**BLOCKCHAIN VOTING SERIES A PREFERRED STOCK**  
**OF**  
**OVERSTOCK.COM, INC.**

(Pursuant to Section 151 of the General Corporation Law of the State of Delaware)

Overstock.com, Inc., a Delaware corporation (the “*Corporation*”), pursuant to the provisions of § 151 of the General Corporation Law of the State of Delaware, hereby certifies the following:

1. That, pursuant to Section 151 of the General Corporation Law of the State of Delaware and the authority granted in Article IV the certificate of incorporation of the Corporation (the “*Certificate of Incorporation*”), the Board of Directors of the Corporation previously designated 2,000,000 shares of preferred stock as “*Blockchain Voting Series A Preferred Stock*,” par value \$0.0001 per share, and established the powers, preferences, rights, restrictions, and limitations of the shares of such series, and filed on December 14, 2016 a certificate of designations with respect to such series of preferred stock (the “*Series A Certificate of Designation*”) with the Secretary of State of the State of Delaware.
2. That the Board of Directors duly adopted and approved the following resolution on July 25, 2019, which resolution remains in full force and effect on the date hereof:

**NOW, THEREFORE, BE IT RESOLVED**, in accordance with § 151(g) of the DGCL, that the Corporation will, upon the event that no authorized shares of Blockchain Voting Series A Preferred Stock remain outstanding, issue no more shares of Blockchain Voting Series A Preferred Stock subject to the Certificate of Designation of Blockchain Voting Series A Preferred Stock of the Corporation.

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IN WITNESS WHEREOF, Overstock.com, Inc. has caused this certificate to be signed by a duly authorized officer this 26th day of July, 2019.

OVERSTOCK.COM, INC.

By: /s/ Patrick M. Byrne  
Name: Patrick M. Byrne  
Title: Chief Executive Officer

## AMENDED AND RESTATED CERTIFICATE OF DESIGNATION

OF

## DIGITAL VOTING SERIES A-1 PREFERRED STOCK

OF

## OVERSTOCK.COM, INC.

Overstock.com, Inc., a Delaware corporation (the “*Corporation*”), certifies that pursuant to authority conferred upon the Board of Directors of the Corporation (the “*Board of Directors*”) by Article IV of the Amended and Restated Certificate of Incorporation of the Corporation (the “*Certificate of Incorporation*”) and pursuant to the provisions of §151 of the General Corporation Law of the State of Delaware, the Board of Directors duly adopted and approved on July 25, 2019 the following resolution, which resolution remains in full force and effect on the date hereof:

**WHEREAS**, pursuant to Article IV of the Certificate of Incorporation and § 151(g) of the Delaware General Corporation Law, the Board of Directors is authorized to increase or decrease (but not below the number of shares of any such series then outstanding) the number of shares of any such series subsequent to the issue of shares of that series.

**NOW, THEREFORE, BE IT RESOLVED**, that the designation, relative rights, limitations and preferences of the Digital Voting Series A-1 Preferred Stock are as follows:

**Section 1. Designation.** The designation of such series is “Digital Voting Series A-1 Preferred Stock” (“*Series A-1 Preferred*”).

**Section 2. Number of Shares.** The number of shares of Series A-1 Preferred shall be 4,630,000. Such number may from time to time be increased (but not in excess of the total number of authorized shares of Preferred Stock undesignated as to series) or decreased (but not below the number of shares of Series A-1 Preferred then outstanding) by the Board of Directors. Shares of Series A-1 Preferred that are redeemed, purchased or otherwise acquired by the Corporation shall be cancelled and the Corporation shall take all such actions as are necessary to cause such shares to revert to status of authorized but unissued shares of Preferred Stock undesignated as to series.

**Section 3. Definitions.** As used herein with respect to the Series A-1 Preferred:

(a) “*Accrued Dividends*” with respect to any share of the Series A-1 Preferred, means an amount computed at the annual Dividend Rate (as defined below) from the Dividend Accrual Date (as defined below) to and including the date to which such dividends have accrued (whether or not such dividends have been declared), less all dividends previously paid on such share of the Series A-1 Preferred.

(b) “*Dividend Accrual Date*” means December 16, 2018.

(c) “*Junior stock*” means the Common Stock and any other class or series of stock of the Corporation hereafter authorized as to which the Series A-1 Preferred has preference or priority in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(d) “*Original Series A Preferred*” means the Blockchain Voting Series A Preferred Stock designated by the Corporation.

(e) “*Redemption Notice Deadline*” means December 15, 2019.

(f) “*Series B Preferred*” means the Voting Series B Preferred Stock designated by the Corporation.

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#### Section 4. Dividends.

(a) **Rate.** Each holder of issued and outstanding Series A-1 Preferred shall be entitled to receive, when, as and if declared by the Board of Directors, for each share of Series A-1 Preferred held by such holder, annual dividends (the “**Priority Dividends**”) payable in cash at the annual rate of \$0.16 per share (the “**Dividend Rate**”), in preference to any dividend payment to the holders of the Common Stock, but only out of funds that are legally available therefor.

Priority Dividends will accrue and cumulate from the Dividend Accrual Date and shall be payable, if, as and when declared by the Board of Directors annually in arrears on a date selected by the Board of Directors in its sole discretion, to holders of record on a date determined by the Board of Directors in its sole discretion. Any payment of a Priority Dividend will first be credited against the earliest accumulated but unpaid Priority Dividend due with respect to such share that remains payable.

Priority Dividends payable for any dividend period shorter or longer than a full annual dividend period, if any, will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Priority Dividends not paid will accrue at the Dividend Rate annually on December 15 of each year beginning with December 15, 2019, whether or not the Corporation has earnings or profits, whether or not there are funds legally available for the payment of dividends and whether or not Priority Dividends are declared, and will be entitled to be paid prior to any dividend on the Common Stock.

(b) **Priority of Priority Dividends.** Priority Dividends on the Series A-1 Preferred shall be paid *pari passu* with dividends on the Original Series A Preferred and on the Series B Preferred. So long as any share of Series A-1 Preferred is outstanding, no dividend may be declared or paid or set aside for payment or other distribution declared or made upon any junior stock of any kind unless, in each case, full cumulative Priority Dividends on all shares of Series A-1 Preferred have been or are contemporaneously paid as provided in Section 4(a). If Priority Dividends are not paid in full or a sum sufficient for such full payment is not so set apart upon the Series A-1 Preferred, all dividends declared upon the Series A-1 Preferred, the Original Series A Preferred, the Series B Preferred and any other shares ranking on a parity with the Series A-1 Preferred with respect to dividends shall be declared pro rata so that the amount of dividends declared per share of the Series A-1 Preferred and dividends declared per share of such shares ranking on a parity with the Series A-1 Preferred with respect to dividends shall in all cases bear to each other the same ratio that accrued and unpaid Priority Dividends per share on the Series A-1 Preferred and accrued and unpaid dividends per share of such shares ranking on a parity with the Series A-1 Preferred bear to each other.

(c) **Participation Rights in Dividends on Common Stock.** In addition to the dividend rights set forth above regarding the Priority Dividends, the Corporation shall not pay a dividend, whether payable in cash, securities or other property, to the holders of the Common Stock unless the Corporation substantially concurrently pays a dividend to the holders of the Series A-1 Preferred (as of the same record date as the record date for such distribution to the holders of the Common Stock) of the same kind and of the same amount per share of Series A-1 Preferred as is paid per share of Common Stock, payable on the same payment date set for the holders of the Common Stock with respect to such dividend to the holders of record of the Series A-1 Preferred on the same record date as the record date for such dividend to holders of the Common Stock; provided, however, that this Section 4(c) shall not require any dividend payment to the holders of the Series A-1 Preferred and shall not prevent or restrict any dividend to the holders of the Common Stock if the Corporation pays a dividend on the Common Stock consisting solely of shares of its Common Stock, in which case the provisions of Section 8 hereof shall control. If the Corporation redeems or otherwise acquires shares of Series A-1 Preferred prior to the record date for any dividend on the Series A-1 Preferred, the redeemed or acquired shares of Series A-1 Preferred shall have no right to any such dividend.

#### Section 5. Liquidation Rights.

(a) **Liquidation.** In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, the outstanding shares of Series A-1 Preferred shall be treated as if such shares were additional outstanding shares of Common Stock for the purpose of determining any rights to any distributions of assets.

(b) **Merger, Consolidation and Sale of Assets Not Liquidation.** For purposes of this Section 5, the merger or consolidation of the Corporation with any other corporation, including a merger in which the holders of Series A-1 Preferred receive cash or property for their shares, or the sale of all or substantially all of the assets of the Corporation, shall not constitute a liquidation, dissolution or winding up of the Corporation.

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## Section 6. Redemption.

**(a) Optional Redemption.** Shares of Series A-1 Preferred may be redeemed, in whole or in part, at the option of the Corporation, by the Corporation by giving notice of such redemption at any time prior to the Redemption Notice Deadline. If the Corporation gives notice of redemption prior to the Redemption Notice Deadline, the Corporation may effect the redemption after the Redemption Notice Deadline. Notice of redemption may be given either by mailing notice to the holders of record or by press release or other public announcement. If notice is given by public announcement, by press release or otherwise, such notice shall be effective as of the date of such announcement, regardless of whether notice is also mailed or otherwise given to holders of record. The redemption price for any shares of Series A-1 Preferred to be redeemed (the “**Redemption Price**”) shall be payable in cash, out of funds legally available therefor, and shall be equal to the highest of the following: (1) \$15.68 plus any Accrued Dividends; (2) 105% of the average trading price of the Common Stock during a five-trading-day period determined by the Corporation in its sole discretion (the “**Trading Period**”); and (3) 105% of the average trading price of the Series A-1 Preferred during the Trading Period. If fewer than all of the outstanding shares of Series A-1 Preferred are to be redeemed at any time, the Corporation may choose to redeem shares proportionally from all holders, or may choose the shares to be redeemed by lot or by any other equitable method. Shares of Series A-1 Preferred are not subject to optional redemption under this Section 6(a) unless notice of such redemption is given prior to the Redemption Notice Deadline.

**(b) Effectiveness of Redemption.** From and after the redemption date specified in the notice of redemption, if funds necessary for the redemption are available and have been irrevocably deposited or set aside, dividends on the Series A-1 Preferred to be redeemed on such redemption date will cease to accrue; such shares will no longer be deemed to be outstanding; and all rights of the holder thereof as a holder of Series A-1 Preferred (except the right to receive from the Corporation the Redemption Price without interest) shall cease and terminate with respect to such shares; provided, that if a share of Series A-1 Preferred is not redeemed on the Redemption Date for any reason (including without limitation, because the Corporation is unable to lawfully pay the Redemption Price), such share of Series A-1 Preferred will remain outstanding and will be entitled to, without interruption, all of the rights, preferences and powers as provided herein.

## Section 7. Conversion.

**(a) Right of Corporation to Cause Conversion.** Subject to the provisions of Section 7(b), the Corporation is entitled, at its sole option, to convert, at any time, each outstanding share of Series A-1 Preferred into one duly authorized, validly issued, fully paid and nonassessable share of Series B Preferred. To convert shares of Series A-1 Preferred into shares of Series B Preferred, the Corporation shall give notice to each holder of record of shares of Series A-1 Preferred stating that the Corporation elects to convert the shares of Series A-1 Preferred into shares of Series B Preferred and the date of such conversion (the “**Conversion Date**”). On the Conversion Date, all outstanding shares of Series A-1 Preferred shall be converted into shares of Series B Preferred automatically without any further action by the holders of such shares.

**(b) Dividend Arrearages.** If on the Conversion Date there would be a dividend arrearage on the Series A-1 Preferred and there would not be an equal per share dividend arrearage on the Series B Preferred, the Corporation shall make such dividend payment on either the Series A-1 Preferred or the Series B Preferred as may be necessary in order to equalize such per share difference in such dividend arrearages prior to effecting any conversion of the outstanding shares of Series A-1 Preferred into shares of Series B Preferred. Subject to such per share dividend arrearage equalization, if there is a dividend arrearage on the Series A-1 Preferred on the Conversion Date, the shares of Series B Preferred issued upon the conversion shall be deemed to be subject to the same dividend arrearage as all other then outstanding shares of Series B Preferred.

**(c) Effect of Conversion.** From and after the Conversion Date, no shares of Series A-1 Preferred will be outstanding or deemed to be outstanding, and all rights of the holders thereof as such (except the right to receive from the Corporation the shares of Series B Preferred issuable upon the conversion of the Series A-1 Preferred) shall cease and terminate in all respects.

**(d) No Right of Holders to Cause Conversion.** No holder of Series A-1 Preferred shares shall have any right to cause or require the conversion of any Series A-1 Preferred shares into any other class of capital stock of the Corporation or any other security or any right to cause or require any exchange of any Series A-1 Preferred shares for any other class of capital stock of the Corporation or any other security.

**Section 8. Certain Adjustments.** If the Corporation pays a dividend on the Common Stock consisting solely of shares of its Common Stock or if it splits or combines the Common Stock, the Corporation shall use its reasonable efforts to make a corresponding pro rata adjustment to the outstanding shares of Series A-1 Preferred.

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**Section 9. Voting Rights.** Except as otherwise provided herein or as required by law, the holders of the shares of Series A-1 Preferred shall vote together with the holders of the shares of the Original Series A Preferred, the Series B Preferred and the Common Stock (and not as a separate class) at any annual or special meeting of stockholders of the Corporation, and each holder of Series A-1 Preferred shall have one vote on all matters submitted to a vote of the holders of the Common Stock for each share of Series A-1 Preferred owned by such holder on the applicable record date. Holders of Series A-1 Preferred will vote as a class upon any amendment increasing or decreasing the aggregate number of authorized shares of Series A-1 Preferred or altering or changing the powers, preferences or special rights of the Series A-1 Preferred that would adversely affect the holders of the Series A-1 Preferred.

**Section 10. Rights in the Event of Merger or Consolidation Involving the Corporation.** If the Corporation is party to any merger or consolidation pursuant to which all or part of the Common Stock shall be changed into or exchanged for stock or other securities of any other person (or the Corporation) or cash or any other property (or a right to receive the foregoing), then, and in each such case, the Corporation shall use all commercially reasonable efforts to make proper provision so that each outstanding share of Series A-1 Preferred shall be treated as if such share were an additional outstanding share of Common Stock for all purposes in connection with any such merger or consolidation.

**Section 11. Uncertificated Book-Entry Digital Securities.** The Series A-1 Preferred shall be issued as book-entry digital securities directly registered in the stockholder's name on the Corporation's books and records. The Series A-1 Preferred shall not be represented by certificates but instead shall be uncertificated securities of the Corporation.

**Section 12. Restrictions and Limitations Applicable to the Series A-1 Preferred.**

(a) Shares of Series A-1 Preferred may be held only through an online brokerage account established by one or more broker-dealers specifically designated by the Corporation from time to time for such purpose (each herein called a "**Designated Broker-Dealer**"), in accordance with such policies and procedures as may be adopted by such Designated Broker-Dealer from time to time.

(b) Shares of Series A-1 Preferred cannot be transferred except through the holder's account with a Designated Broker-Dealer utilizing an alternative trading system registered with the Securities and Exchange Commission ("**SEC**") and operated by PRO Securities LLC, a broker-dealer registered with the SEC, or any successor thereto, including any successor alternative trading system operated by PRO Securities LLC (the "**ATS**").

**Section 13. Other Rights.** The shares of Series A-1 Preferred shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein.

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IN WITNESS WHEREOF, Overstock.com, Inc. has caused this certificate to be signed by a duly authorized officer this 26th day of July, 2019.

OVERSTOCK.COM, INC.

By: /s/ Patrick M. Byrne  
Name: Patrick M. Byrne  
Title: Chief Executive Officer

**Media Contact:**  
[pr@overstock.com](mailto:pr@overstock.com)

**Investor Contact:**  
[ir@overstock.com](mailto:ir@overstock.com)

### **Overstock.com, Inc. Declares Dividend of One Digital Share for Every Ten Shares Held**

*Digital Shares of Series A-1 Preferred Stock to be Tradable on PRO Securities ATS Operated by tZERO's Subsidiary, PRO Securities*

**SALT LAKE CITY - July 30, 2019** - [Overstock.com, Inc.](http://Overstock.com) (NASDAQ:OSTK) announces that its Board of Directors has declared a dividend (the "Dividend") payable in shares of its Digital Voting Series A-1 Preferred Stock (the "Series A-1"). The record date for the Dividend will be September 23, 2019, and the distribution date for the Dividend will be November 15, 2019. The Dividend will be payable at a ratio of 1:10, meaning that one share of Series A-1 will be issued for every ten shares of common stock, Series A-1 or Voting Series B Preferred Stock held by all holders of such shares as of the record date.

The existing Series A-1 shares currently can be traded on the PRO Securities alternative trading system (ATS) operated by PRO Securities, LLC. The PRO Securities ATS is powered by technology owned and licensed to it by Overstock's majority owned subsidiary tZERO Group, Inc., which owns PRO Securities, LLC. The PRO Securities ATS is the same platform on which tZERO's security tokens began to be resold among accredited investors earlier this year.

"Five years ago, we set out to create a parallel universe: a legal, blockchain-based capital market. We've succeeded," said Overstock.com founder and CEO Patrick M. Byrne. "The approximately 40,000 holders of the currently outstanding  $\approx$ 37 million shares of Overstock will be issued a dividend of  $\approx$ 3.7 million of these new digital shares to trade in that new capital market. Because the bundle of legal rights represented by each of these new A-1 shares is similar to the bundle of legal rights embodied in shares of our common stock (OSTK) that trades on NASDAQ, I might normally expect these blockchain-based A-1 shares to trade in rough approximation with OSTK. However, our legacy OSTK shares trade in a capital market with trading and settlement mechanisms about which I have long made my criticisms and doubts known to the public, whereas our new blockchain-based A-1 shares trade in a blockchain-based capital market which I believe is resistant to such dynamics. I cannot predict what kind of trading parity, if any, will emerge between the two. Perhaps arbitrageurs will notice and explore such matters, and in the process, punch a wormhole between the universe of legacy NMS and new universe of a blockchain capital market. I am going to be as interested as anyone else to see what the result of that will be."

These new shares of Series A-1 to be issued in connection with the Dividend have not been, and are not required to be, registered under the Securities Act of 1933 or applicable state securities laws. Consequently, no secondary resales of such shares will occur until they become eligible for resales under Rule 144 under the Securities Act, or if another exemption from registration is available. The time period after which the Dividend shares will become eligible for Rule 144 varies depending on individual circumstances. In general, it is six months from the payment date for non-affiliate investors, subject to the applicable requirements and limitations of Rule 144. Once secondary resales are permitted, investors are expected to be able to trade shares of the Series A-1 on the PRO Securities ATS, operated by PRO Securities, through a brokerage account established with Dinosaur Financial Group, LLC. More details on that will be made available at a later date.

The company has set up a dedicated customer service team to answer any shareholder questions regarding this dividend announcement, which can be reached by calling 1-833-895-1554 M-F between the hours of 8 AM (ET) and 4:30 PM (ET).

### **Investor Notice**

Investors should note that trading in digital securities could involve substantial risks, including no guarantee of returns, costs associated with selling and purchasing, no assurance of liquidity which could impact the price and ability to sell, and possible loss of principal invested. Further, an investment in single digital security could mean lack of diversification and, consequently, higher risk.

Investors may currently trade the Series A-1, on the PRO Securities ATS only through a brokerage account established with Dinosaur Financial Group, LLC, a subscriber to the ATS, with clearing and custody provided by Electronic Transaction Clearing, a registered broker-dealer, and Computershare as transfer agent.

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## **No Offer, Solicitation, Investment Advice or Recommendations**

This release is for informational purposes only and does not constitute an offer to sell, a solicitation to buy, or a recommendation for any digital securities, nor does it constitute an offer to provide investment advisory or other services by Overstock.com, Inc. or any of its affiliates, subsidiaries, officers, directors or employees. No reference to any specific digital securities constitutes a recommendation to buy, sell or hold that security or any other security. Nothing in this release shall be considered a solicitation or offer to buy or sell any security, token, future, option or other financial instrument or to offer or provide any investment advice or service to any person in any jurisdiction. Nothing contained in this release constitutes investment advice or offers any opinion with respect to the suitability of any digital security, and the views expressed in this release should not be taken as advice to buy, sell or hold any security. In preparing the information contained in this release, we have not taken into account the investment needs, objectives and financial circumstances of any particular investor. This information has no regard to the specific investment objectives, financial situation and particular needs of any specific recipient of this information and investments discussed may not be suitable for all investors. Any views expressed in this release by us were prepared based upon the information available to us at the time such views were written. Changed or additional information could cause such views to change. All information is subject to possible correction. Information may quickly become unreliable for various reasons, including changes in market conditions or economic circumstances.

## **About Overstock.com**

Overstock.com, Inc. *Common Shares (NASDAQ:OSTK) / Digital Voting Series A-1 Preferred Stock (Medici Ventures' tZERO platform: OSTKO) / Series B Preferred (OTCQX:OSTBP)* is an online retailer and technology company based in Salt Lake City, Utah. Its leading e-commerce website sells a broad range of new products at low prices, including furniture, décor, rugs, bedding, home improvement, and more. The online shopping site, which is visited by nearly 40 million customers a month, also features a marketplace providing customers access to millions of products from third-party sellers. Overstock was the first major retailer to accept cryptocurrency in 2014, and in the same year founded Medici Ventures, its wholly-owned subsidiary developing and accelerating blockchain technologies to democratize capital, eliminate middlemen, and re-humanize commerce. Overstock regularly posts information about the company and other related matters on the [Newsroom](#) and [Investor Relations](#) pages on its website, [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 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, 2019, which was filed with the SEC on May 9, 2019, and any subsequent filings with the SEC.

## **About tZERO**

tZERO Group, Inc. ("tZERO") is a majority owned subsidiary of Overstock.com, Inc. focusing on the development and commercialization of financial technology (FinTech) based on cryptographically-secured, decentralized ledgers - more commonly known as blockchain technologies. Since its inception, tZERO has pioneered the effort to bring greater efficiency and transparency to capital markets through the integration of blockchain technology. For more information on tZERO, please visit: <https://www.tzero.com/>.

tZERO is not a registered broker-dealer, funding portal, underwriter, investment bank, investment adviser or investment manager, and is not providing brokerage, investment banking or underwriting services, recommendations or investment advice to any person, and does not provide any brokerage services. tZERO takes no part in the negotiation or execution of secondary market transactions for the purchase or sale of securities and at no time has possession of investor funds or securities in connection with such transactions.

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**About PRO Securities, LLC**

PRO Securities, LLC is a broker-dealer registered with the SEC and a member of FINRA and SIPC. More information about PRO Securities may be found at [www.finra.org](http://www.finra.org).

SOURCE: Overstock.com, Inc.