
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**

June 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.
-

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 May 1, 2019, Overstock.com, Inc. (the “*Company*”) informed holders of its Blockchain Voting Series A Preferred Stock, par value \$0.0001 per share (the “*Series A Preferred Stock*”) of an opportunity to exchange (the “*Exchange*”) outstanding Series A Preferred Stock for newly-issued shares of the Company’s Digital Voting Series A-1 Preferred Stock, par value \$0.0001 per share (the “*Series A-1 Preferred Stock*”). On June 26, 2019, the Exchange was completed for participating stockholders.

In connection with the Company’s 2016 SEC-registered offering of the Series A Preferred, tZERO Group, Inc., a subsidiary of the Company (“*tZERO*”), developed a suite of software and technologies referred to as the tZERO Issuance and Trading Technology (the “*tZERO Technology*”). The tZERO Technology is utilized by the SEC-registered alternative trading system (the “*PRO Securities ATS*”) owned and operated by PRO Securities, LLC, a FINRA-registered broker-dealer and wholly owned subsidiary of tZERO. Prior to completion of the Exchange, the Series A Shares traded exclusively on the PRO Securities ATS, utilizing the tZERO technology developed in 2016. The Exchange was to enable the trading of the Company’s Series A-1 Preferred Stock on the PRO Securities ATS using the latest tZERO Technology, which also supports tZERO’s Preferred Equity Tokens and would ultimately support other issuer’s digital securities that may trade on the PRO Securities ATS. The shares of Series A Preferred Stock were subject to a number of restrictions on the ownership and trading of the shares that were necessary for the PRO Securities ATS to use legacy tZERO technology. The new shares of Series A-1 Preferred Stock have the flexibility to be able to trade on the PRO Securities ATS utilizing the new tZERO Technology.

In connection with the Exchange, 122,526 shares of Series A Preferred Stock were validly tendered and accepted for exchange by the Company and the Company issued 122,526 shares of Series A-1 Preferred Stock in exchange therefor.

On June 26, 2019, in connection with the completion of the Exchange, 1,144 shares of Series A Preferred Stock were converted into shares of Voting Series B Preferred Stock (the “*Series B Preferred Stock*”) (such transaction, the “*Conversion*”). Following the Conversion, 2,895 shares of Series A Preferred Stock remain outstanding temporarily while accounts at a PRO Securities’ subscriber, acting as the introducing broker-dealer for holders of Series A Preferred Stock to the PRO Securities ATS, are completed to hold Series A-1 Preferred Stock for five stockholders that have requested to participate in the Exchange. Once such brokerage accounts are complete, the outstanding Series A Preferred Stock will be converted into Series A-1 and placed into the respective brokerage accounts. For any brokerage accounts that are not substantially complete by July 5, 2019, the respective Series A Preferred Stock will be converted into Series B Preferred Stock.

Item 3.02 Unregistered Sale of Equity Securities

The Exchange was conducted pursuant to an exemption from the registration requirements of the Securities Act of 1933, as amended (the “*Securities Act*”) contained in Section 3(a)(9) of the Securities Act on the basis that the Exchange constituted an exchange with existing holders of the Company’s securities and no commission or other remuneration was paid or given directly or indirectly to any party for soliciting such exchange. The Company has not filed a registration statement under the Securities Act or any other federal or state securities laws with respect to the Series A-1 Preferred Shares.

Item 3.03 Material Modification to Rights of Security Holders

On June 26, 2019, in connection with the completion of the Exchange, the Company filed the Series A-1 Certificate of Designation with the Delaware Secretary of State (the “*Series A-1 Certificate of Designation*”). The terms of each share of Series A-1 Preferred Stock are substantially identical in all material respects to the terms of the shares of Series A Preferred Stock, except that the new shares of Series A-1 Preferred Stock are not subject to all of the restrictions on ownership and related matters that applied to the shares of Series A Preferred Stock. The following restrictions are not applicable to new shares of Series A-1 Preferred Stock:

- The restriction that Series A Preferred Stock may be owned only directly and of record by the beneficial owner and may not be held of record by any nominee or fiduciary for or on behalf of the beneficial owner except for certain narrow exceptions.
- The restriction that no person may purchase or own Series A Preferred Stock unless the person is (i) an individual U.S. resident and furnishes a Form W-9 to the Company or an agent of the Company, and such person is a United States citizen or a United States permanent resident alien who has maintained a residence in the United States for a minimum of one year and possesses a valid U.S. Social Security number, (ii) a corporation, partnership or limited liability company formed under the laws of the United States or any state and that has a physical address in the United States and provides a valid U.S. employer identification number, (iii) subject to potential additional requirements, a trust, all of the trustees of which would qualify to purchase Series A Preferred Stock on their own behalf and that has a physical address in the United States, or (iv) certain custodians for minors.
- The restrictions that neither Series A Preferred Stock nor any interest therein can be (i) transferred by way of pledge or other hypothecation, or (ii) used as collateral security for any obligation, including use as margin securities.

The foregoing description is qualified in its entirety by reference to the Series A-1 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.

The terms of each share of Series B Preferred Stock, issued by the Company pursuant to the Conversion, are substantially identical in all material respects to the terms of the shares of Series A Preferred Stock, except that the shares of Series B Preferred Stock are not subject to all of the terms and restrictions that applied to the shares of Series A Preferred Stock, as set forth in Item 3.03 of the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on December 15, 2016, which 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 June 27, 2019, the Company issued a press release regarding the completion of the Exchange and various matters related thereto. 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 7.01 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:

3.1	Certificate of Designation of Digital Voting Series A-1 Preferred Stock of Overstock.com, Inc.
99.1	Overstock Press Release dated June 27, 2019
99.2	tZERO Press Release dated June 27, 2019

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: June 27, 2019

**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 Four 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 May 8, 2019 the following resolution, which resolution remains in full force and effect on the date hereof:

WHEREAS, the Certificate of Incorporation authorizes two classes of stock: common stock, par value \$0.0001 per share (the “*Common Stock*”), and preferred stock, par value \$0.0001 per share (the “*Preferred Stock*”), issuable from time to time in one or more series; and

WHEREAS, pursuant to the Certificate of Incorporation, any Preferred Stock not previously designated as to series may be issued from time to time in one or more series pursuant to a resolution or resolutions providing for such issue duly adopted by the Board of Directors (authority to do so being expressly vested in the Board of Directors by the Certificate of Incorporation), without further stockholder approval, which resolution or resolutions shall also set forth the voting powers, full or limited or none, of each such series of Preferred Stock and shall fix the designations, preferences and relative, participating, optional or other special rights of each such series of Preferred Stock and the qualifications, limitations or restrictions of such powers, designations, preferences or rights; and

WHEREAS, pursuant to the Certificate of Incorporation, the Board of Directors is also authorized to fix the number of shares of each such series of Preferred Stock; and

WHEREAS, the Board of Directors has previously established, and the Company has issued shares of, two series of Preferred Stock, respectively designated the “*Blockchain Voting Series A Preferred Stock*” and the “*Voting Series B Preferred Stock*”; and

WHEREAS, the Board of Directors desires to authorize, establish and designate an additional series of Preferred Stock substantially similar to the Blockchain Voting Series A Preferred Stock but without certain of the restrictions applicable to the Blockchain Voting Series A Preferred Stock;

NOW, THEREFORE, BE IT RESOLVED, that a series of Preferred Stock with the designation, relative rights, limitations and preferences as provided herein is hereby authorized, established and designated 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 One Million (1,000,000). 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.

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.

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.

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.

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

OVERSTOCK.COM, INC.

By: /s/ E. Glen Nickle
Name: E. Glen Nickle
Title: VP, Legal & General Counsel

Media Contact:
pr@overstock.com

Investor Contact:
ir@overstock.com

Overstock.com Issues New Digital Voting Series A-1 Preferred Stock, OSTKO

OSTKO to be traded on ATS operated by tZERO subsidiary PRO Securities

SALT LAKE CITY - June 27, 2019 - Overstock.com, Inc. (NASDAQ:OSTK) announces the creation of a new Digital Voting Series A-1 Preferred Stock, OSTKO. OSTKO will be traded on the PRO Securities ATS, an SEC registered alternative trading system operated by PRO Securities, a tZERO subsidiary and a broker-dealer, and powered by tZERO's new security token trading technology. The majority of existing shares of the Series A Digital Preferred Stock OSTKP have been converted into the new Digital Voting Series A-1 Preferred Stock, OSTKO, with others converted into Series B Digital Preferred stock, OSTBP. The Series A Digital Preferred Stock OSTKP will be retired following the conversions.

OSTKO became available for trading on the PRO Securities ATS on Thursday, June 27, 2019 -- the same platform on which tZERO's security tokens began to trade among accredited investors earlier this year. Investors must have an active brokerage account with broker-dealer Dinosaur Financial Group in order to purchase and trade OSTKO on the ATS. For such accounts, clearing and custody will be provided by Electronic Transaction Clearing and the transfer agent for OSTKO will be Computershare.

Overstock.com, Inc.'s Common Stock, OSTK, and its Series B Preferred Stock, OSTBP, will continue to trade on NASDAQ.

"This is quite a significant event. Followers of Overstock may remember that several years ago, I compared us to Jonas Salk, who invented the polio vaccine, then had to give it to himself in public to convince others it was safe," said Overstock founder and CEO Patrick M. Byrne. "Similarly, I said that as tZERO developed technology to support a legal, regulated, blockchain capital market, Overstock would be availing itself of those developing capabilities. For that reason, in April 2015, Overstock filed a shelf registration statement on Form S-3 with the SEC to register digital securities. It took a whopping legal bill, but by December 2015, the SEC declared Overstock's shelf registration statement effective. In December 2016, Overstock issued a small amount (\$11 million) of preferred securities, \$2 million of which was issued in the OSTKP blockchain digital security. That has traded in minute quantities since then, but it is the first public blockchain security. Today, the majority of Series A OSTKP preferred shares have been converted into the new Digital Voting Series A-1 Preferred Stock, OSTKO, so that they can be compatible with tZERO's latest technology. At this point, investors with brokerage accounts at Dinosaur Financial can now buy and sell this blockchain-based instrument on the ATS operated by tZERO subsidiary PRO Securities. While the numbers are not large, the historical significance of this event is hard to overstate."

In 2016, tZERO provided the technology behind the issuance and trading of Overstock's Series A Preferred Digital Stock OSTKP, the first public digital stock. In 2018, tZERO issued its tZERO security tokens in a Security Token Offering, deployed its token contract, minted its security tokens, and issued them into a tZERO custodial wallet on behalf of investors. Since January 2019, tZERO security tokens can be resold on the PRO Securities ATS among accredited investors with brokerage accounts at Dinosaur Financial.

tZERO is a majority-owned subsidiary of Medici Ventures, Overstock.com's wholly-owned blockchain accelerator. Medici Ventures' mission is to introduce blockchain technology to existing markets to democratize capital, eliminate middlemen, and re-humanize commerce.

Today, Medici Ventures oversees a global *keiretsu* of companies building the foundation of a technology stack for civilization based on trust systems that utilize blockchain and other related technologies instead of middlemen. Medici Ventures' network of companies is introducing blockchain technologies to industries such as identity, land governance, money and banking, capital markets, supply chain, and voting.

Investor Notice

Investors should note that trading Digital Voting Series A-1 Preferred Stock 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 Series A-1 Preferred Stock could mean lack of diversification and, consequently, higher risk.

About Overstock.com

Overstock.com, Inc *Common Stock (NASDAQ:OSTK) / Digital Voting Series A-1 Preferred Stock (tZERO platform: OSTKO) / Series B Preferred Stock (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.

About tZERO Group, Inc.

tZERO Group, Inc. (“tZERO”) is a majority owned subsidiary of Overstock.com, 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.

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.

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.

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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.

SOURCE: Overstock.com, Inc.

tZERO**Overstock Digital Voting Series A-1 Preferred Stock OSTKO Begins Trading on ATS Operated by tZERO Subsidiary Pro Securities**
OSTKO Is Now the Second Digital Security to Trade on PRO Securities ATS

New York, NY - June 27, 2019 - tZERO, a technology company and global leader in blockchain innovation for capital markets, announced today that the Digital Voting Series A-1 Preferred Stock, OSTKO (formerly OSTKP), has begun live trading on the PRO Securities ATS, an SEC registered alternative trading system operated by PRO Securities, a tZERO subsidiary and a broker-dealer, and powered by tZERO's new security token trading technology. OSTKO is the second digital security traded on the PRO Securities ATS, following the commencement of secondary resales among accredited investors of tZERO's security tokens in January 2019.

Dinosaur Financial Group, a subscriber to PRO, is the introducing broker-dealer for the Digital Voting Series A-1 Preferred Stock OSTKO. Investors can now trade the Digital Voting Series A-1 Preferred Stock OSTKO with other investors only through a digital securities brokerage account at Dinosaur. For such accounts, clearing and custody is provided by Electronic Transaction Clearing and the transfer agent for OSTKO Digital Voting Series A-1 Preferred Stock is Computershare.

"OSTKO is the second asset to trade on the PRO Securities ATS," said Saum Noursalehi, CEO of tZERO. "This is a key step in the drive to attract additional assets, such as private companies, real estate, debt instruments, and commodities."

In December 2016, Overstock issued the first SEC-registered digital security in the world, the Blockchain Voting Series A Preferred Stock (OSTKP), using tZERO-developed technology. The new Digital Voting Series A-1 Preferred shares of OSTKO were issued in exchange for the Series A Digital Preferred Stock OSTKP, which will be retired following these conversions.

Investor Notice

Investors should note that trading Digital Voting Series A-1 Preferred Stock 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 Series A-1 Preferred Stock could mean lack of diversification and, consequently, higher risk.

About tZERO

tZERO Group, Inc. ("tZERO") is a majority owned subsidiary of Overstock.com, 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.

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.

About Overstock.com

Overstock.com, Inc. *Common Stock (NASDAQ:OSTK) / Digital Voting Series A-1 Preferred Stock (tZERO platform: OSTKO) / Series B Preferred Stock (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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