

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ _____

Please see attachment.

18 Can any resulting loss be recognized? ▶ Please see attachment.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ Please see attachment.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶  Date ▶ May 26, 2020

Print your name ▶ Glen Nickle Title ▶ Vice President, Legal & General Counsel

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

Overstock.com, Inc.
Attachment to Form 8937
"Report of Organizational Actions Affecting Basis of Securities"

CONSULT YOUR TAX ADVISOR

The information contained herein provides a general summary regarding the application of certain provisions of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations thereunder (the "Regulations") relating to the tax basis of Series A-1 preferred stock received pursuant to the issuance of a stock dividend, as more fully described below (the "Dividend"). The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of stockholders. Overstock.com does not provide tax advice to its stockholders. You are urged to consult your own tax advisor regarding the particular consequences of the Dividend to you, including the applicability and effect of all U.S. federal, state, local and foreign tax laws.

Part I, Items 3-7

Contact Information

Non-registered ("street name") stockholders should contact their brokerage firm directly for inquiries pertaining to their account.

Registered stockholders should contact the Transfer Agent for Overstock.com for inquiries pertaining to their account.

Transfer Agent:
Computershare Trust Company, N.A.
P.O. Box 30170
College Station, TX 77842
Tel: (877) 373-6374
Website: <https://www-us.computershare.com/Investor/Contact>

Overstock.com Investor Relations
799 West Coliseum Way
Midvale, UT 84047
Tel: (801) 947-3100
Email: ir@overstock.com

Part I, Item 8

Date of Action

The dividend is payable on May 19, 2020, to shareholders of record on April 27, 2020.

Part I, Item 10

CUSIP Number

Common Stock: 690370101
Series A-1 Preferred: 690370507
Series B Preferred: 690370309

Part II, Item 14
Description of organization action.

On April 5, 2020, the Overstock Board of Directors approved a stock dividend at a rate of one share of Series A-1 preferred for every 10 shares of common stock, Series A-1 preferred, and Series B preferred, respectively (the "Dividend"). Cash was paid in lieu of fractional shares. The number of shares owned was determined by each class of shares and was not aggregated for purposes of determining the number of Series A-1 preferred shares distributed to a shareholder. The dividend was payable on May 19, 2020, to shareholders of record on April 27, 2020.

Part II, Item 15
Description of the quantitative effect of the organizational action on the basis of the security in the hands of the U.S. taxpayer as an adjustment per share or as a percentage of old stock basis.

Each holder of common stock, Series A-1 preferred, and Series B preferred received one share of Series A-1 preferred for every ten shares of common stock, Series A-1 preferred, and Series B preferred, respectively, held. Cash was paid in lieu of fractional shares. A person receiving cash in lieu of a fractional share of Series A-1 Preferred is generally treated as having received such fractional share pursuant to the Dividend, which is then redeemed for cash by Overstock. The change in basis to a shareholder as a result of the Dividend is calculated by taking the adjusted basis of the class of stock owned by the shareholder prior to the Dividend and allocating it between such stock and the new Series A-1 preferred issued (including fractional shares in respect of which cash was received) in proportion to the fair market value of each on the date of distribution. This organizational action results in a decreased per share basis and an increase in the number of shares held by each holder receiving the Dividend.

Part II, Item 16
Description of the calculation of the change in basis and the data that supports the calculation.

A stockholder will allocate its basis in the shares owned prior to the Dividend between such shares and the new Series A-1 preferred shares received (including fractional shares in respect of which cash was received) based on the fair market value of the shares on the date of distribution. The following is an example calculation, with amounts and values that are provided for illustrative purposes and is not intended to be relied on in terms of figures and values applicable to our shareholders and their tax basis or the fair market value on the date of distribution of any classes of our stock. By way of example, if a shareholder held 10 shares of common stock it would receive 1 share of Series A-1 preferred, for a total of 10 shares of common stock and 1 share of Series A-1 preferred. The shareholder determined its common stock basis was \$20/share or \$200 total, which is the total amount of basis to be allocated among the shares previously referenced. If the common stock was valued at \$8 per share on the date of distribution and the Series A-1 preferred stock was valued at \$9 per share on the date of distribution, the common stock held represents 90% of the fair market value ($\$80/\89) and the Series A-1 preferred share represents 10% of the fair market value ($\$9/\89) of the previously referenced shares on the date of distribution. The \$200 basis would be allocated 90% to the common stock and 10% to the Series A-1 preferred, with the result that each common share has a basis of \$18 ($200 \times 90\% / 10$) and each Series A-1 preferred share has a basis of \$20 ($200 \times 10\% / 1$).

The company's common stock, Series A-1 preferred, and Series B preferred are publicly traded stock and current and historical trading prices are available for the three classes at the following websites:

Common Stock: <https://www.nasdaq.com/market-activity/stocks/ostk/historical>

Series A-1 Preferred: <https://ats.tzero.com/market-data>

Series B Preferred: <https://www.otcmarts.com/stock/OSTBP/quote#trade-data>

For stockholder convenience, on May 19, 2020, the date of distribution, the average trading price was (i) \$16.74 for the Common Stock, (ii) \$16.00 for the Series A-1 preferred, and (iii) \$12.50 for the Series B preferred.

More information about the dividend, including a list of frequently asked questions and answers, may be found on Overstock's website at <https://www.overstock.com/dividend>.

Part II, Item 17-18

List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based and ability of any resulting loss to be recognized.

I.R.C. § 305(a) and I.R.C. § 307(a). No loss is recognized on the date of distribution to each shareholder.

Part II, Item 19

Provide any other information necessary to implement the adjustment.

For an Overstock.com stockholder whose taxable year is a calendar year, the reportable tax year is 2020.