

OVERSTOCK.COM, INC
Form 10-Q
October 29, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2010

Or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ **to** _____

Commission file number: 000-49799

OVERSTOCK.COM, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

87-0634302

(I.R.S. Employer
Identification Number)

6350 South 3000 East

Salt Lake City, Utah 84121

(Address, including zip code, of Registrant's principal executive offices)

Registrant's telephone number, including area code: **(801) 947-3100**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐

Accelerated filer ☒

Non-accelerated filer ☐
(Do not check if a smaller reporting company)

Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the act). Yes ☐ No ☒

There were 23,059,132 shares of the Registrant's common stock, par value \$0.0001, outstanding on October 18, 2010.

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(in thousands, except per share data)

	September 30, 2010 (Unaudited)	December 31, 2009
Assets		
Current assets:		
Cash and cash equivalents	\$ 76,408	\$ 139,757
Restricted cash	2,542	4,414
Accounts receivable, net	8,388	11,640
Inventories, net	34,393	23,375
Prepaid inventories, net	2,711	2,879
Prepays and other assets	13,228	10,275
Total current assets	137,670	192,340
Fixed assets, net	30,388	20,618
Goodwill	2,784	2,784
Other long-term assets, net	1,454	758
Total assets	\$ 172,296	\$ 216,500
Liabilities and Stockholders Equity		
Current liabilities:		
Accounts payable	\$ 45,819	\$ 76,623
Accrued liabilities	37,243	43,296
Deferred revenue	20,750	20,665
Finance obligations, current	3,325	
Capital lease obligations, current	722	520
Total current liabilities	107,859	141,104
Capital lease obligations, non-current	188	806
Finance obligations, non-current	11,252	
Other long-term liabilities	3,438	3,580
Convertible senior notes, net of debt discount - \$180 and \$528	34,445	59,466
Total liabilities	157,182	204,956
Commitments and contingencies (Note 6)		
Redeemable common stock, \$0.0001 par value:		
Outstanding - 65 and 65	843	744
Stockholders Equity:		
Preferred stock, \$0.0001 par value:		
Authorized shares - 5,000		
Issued and outstanding shares - none		
	2	2

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Common stock, \$0.0001 par value		
Authorized shares - 100,000		
Issued shares - 25,856 and 25,583		
Outstanding shares - 22,993 and 22,776		
Additional paid-in capital	348,215	343,040
Accumulated deficit	(257,186)	(256,056)
Treasury stock:		
Shares at cost - 2,863 and 2,807	(76,760)	(76,186)
Total stockholders' equity	14,271	10,800
Total liabilities and stockholders' equity	\$ 172,296	\$ 216,500

See accompanying notes to consolidated financial statements.

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Overstock.com, Inc.

Consolidated Statements of Operations (unaudited)

(in thousands, except per share data)

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Revenue, net				
Direct	\$ 47,508	\$ 32,281	\$ 140,458	\$ 95,848
Fulfillment partner	197,912	161,502	600,545	458,562
Total net revenue	245,420	193,783	741,003	554,410
Cost of goods sold				