

OVERSTOCK.COM, INC
Form 8-K
January 26, 2012

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

Date of Report (date of earliest event reported) **January 26, 2012 (January 24, 2012)**

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)

6350 South 3000 East

Salt Lake City, Utah 84121

(Address of principal executive offices)

(801) 947-3100

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(Registrant's telephone number, including area code)

(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))

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

(e) On January 24, 2012 the Compensation Committee of the Board of Directors of Overstock.com, Inc. (the Company) (i) approved 2011 bonus payments, (ii) set 2012 salaries, (iii) approved an executive target bonus pool plan for 2012 and (iv) approved restricted stock unit grants under the Company's 2005 Equity Incentive Plan to officers of the Company, including the officers named below for whom disclosure may be required by Item 5.02(e) of Form 8-K (the Officers), as follows:

Name and Title	2011 Bonus (1)	2012 Salary	Restricted Stock Unit Grant (2)
Patrick M. Byrne, Chairman of the Board and Chief Executive Officer	\$ 0	\$ 100,000	45,000
Jonathan E. Johnson III, President	\$ 18,652	\$ 350,000	40,000
Stormy D. Simon, Senior Vice President, Customer Experience	\$ 15,543	\$ 300,000	35,000
Stephen J. Chesnut, Senior Vice President, Finance and Risk Management	\$ 15,543	\$ 300,000	35,000
Samuel J. Peterson, Senior Vice President, Information Technology	\$ 15,543	\$ 300,000	35,000

(1) The Chairman and Chief Executive Officer of the Company, Patrick M. Byrne, declined to accept any bonus payment relating to 2011.

(2) Restricted stock unit grants are made pursuant to the Company's 2005 Equity Incentive Plan and vest over a three-year period commencing on the date of grant at the rate of: 25% at the end of year one, 25% at the end of year two, and 50% at the end of year three. Figures shown are the number of units/shares.

The bonus pool plan (the 2012 Bonus Plan) is a discretionary bonus pool plan, subject to adjustment, upward or downward, by the Compensation Committee after 2012 results are available. The total bonus pool under the 2012 Bonus Plan is expected to be an amount equal to 33% of the amount, if any, by which a Measurement Amount to be calculated under the 2012 Bonus Plan exceeds \$19,000,000, with 33% of the pool being allocated to the members of the executive team. The executive team consists of approximately 15 executives, including the Officers. For purposes of the 2012 Bonus Plan, the term Measurement Amount means net income adjusted for depreciation and amortization, stock-based compensation expenses, capital structure expenses, expenses incurred in connection with our prime broker litigation and related matters, capital expenditures, restructuring charges, and other miscellaneous expenses. The amounts, if any, that may be payable to each of the Officers under the 2012 Bonus Plan are not determinable at present.

Item 8.01 Other Events

On January 24, 2012 the Compensation Committee reduced the cash fees the Company will pay to its outside directors during 2012 from \$60,000 annually to \$50,000 annually.

Certain statements contained in this Form 8-K, including all statements other than statements of historical fact, may constitute forward-looking statements. In addition to the uncertainty of all forward-looking information, there are specific risks identified in the Company's Annual Report on Form 10-K for the year ended December 31, 2010 filed with the SEC on February 28, 2011, as updated by the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2011 filed with the SEC on October 27, 2011, that the Company faces that could cause actual results to be materially different from those that may be set forth in forward-looking statements made by the Company. There also may be additional risks that the Company does not presently know or that it currently believes are immaterial which could also impair its business and results of operations. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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/ Stephen J. Chesnut Stephen J. Chesnut Senior Vice President, Finance and Risk Management
Date:	January 26, 2012