UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q/A

(Mark One)

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

For the quarterly period ended March 31, 2008

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 x No o

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 o	Accelerated filer x
Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

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

There were 22,734,916 shares of the Registrant s common stock, par value $0.0001, outstanding on May 6, 2008.

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EXPLANATORY NOTE

Overstock.com, Inc. (the Company) is amending its Quarterly Report on Form 10-Q (Form 10-Q or Original Filing) for the quarter ended March 31, 2008, to restate its consolidated financial statements and other financial information for the quarters ended March 31, 2007 and 2008 to correct errors related to the accounting for customer refunds and credits, the accounting for gift cards issued to customers. This Amendment to Form 10-Q/A (Amendment) amends the Quarterly Report on Form 10-Q for the quarter ended March 31, 2008, as filed on May 09, 2008.

The Company s decision to restate the aforementioned financial information was made on October 20, 2008 as a result of management s identification of errors related to the accounting for customer refunds and credits. Management subsequently determined that a portion of the error previously believed to be related to the accounting for customer refunds and credits was actually related to the accounting for gift cards issued to customers. As more fully described in Note 3 of the financial statements (see Item 1 of Part I, Financial Statements (Unaudited) (Restated) Note 3 Restatement of Financial Statements) management, including its CEO (principal executive officer) and Senior Vice President, Finance (principal financial officer), concluded, and the Board of Directors agreed with management s conclusions that:

The Company s controls were not designed or operating effectively to ensure all refunds and credits issued to customers and gift cards issued to customers were completely and accurately recorded in the consolidated financial statements. These control failures impacted accounts receivable and deferred revenue in the consolidated balance sheet as well as revenue and returns expense (a component of revenue), in the consolidated statement of operations. As a result, revenue, net of returns expense, was misstated in the consolidated statement of operations and accounts receivable and deferred revenue were misstated in the consolidated balance sheet as of and for the years ended December 31, 2007, 2006, 2005, and 2004 and the related interim periods, and as of March 31, 2008 and the three months ended March 2008. The amount of these errors were determined to be material to the consolidated financial statements.

In addition, from the Company s inception through the third quarter of 2007, the Company had recorded revenue based on product ship date. As disclosed the Annual Report on Form 10-K for the year ended December 31, 2007, the Company determined that it should not record revenue until product delivery date because risk of loss transfers to the customer upon delivery and acceptance. In the fourth quarter of 2007, the Company performed a detailed analysis of this error and determined that the impact of this error on any prior annual or interim period was not material and the impact of recording the cumulative effect of the error in the fourth quarter of 2007 was immaterial to the full year. Therefore, the Company recorded the cumulative effect of the error in the fourth quarter of 2007. As the Company is now restating its previously issued consolidated financial statements to correct accounting errors related to customer refunds and credits and gift cards issued to customers, it has reversed the cumulative effect of the correction of the error in the fourth quarter of 2007 and restated all prior periods to reflect revenue recognition based on the product s estimated delivery date in its consolidated financial statements for the years ended December 31, 2007, 2006, 2005, 2004 and 2003 (see Item 1 of Part I, Financial Statements (Unaudited) (Restated) Note 3 Restatement of Financial Statements). The Company also recorded other miscellaneous adjustments as part of this restatement that were previously identified but determined to be immaterial.

In addition, the control failures described above constitute a material weakness in the Company s internal control over financial reporting as of March 31, 2008 (See Item 4 of Part I, Controls and Procedures (Restated)).

Except as required to reflect the effects of the restatement for the items above, no additional modifications or updates in this Amendment have been made to the Original Filing on Form 10-Q. Information not affected by the restatement remains unchanged and reflects the disclosures made at the time of the Original Filing. This amendment does not describe other events occurring after the original filing, including exhibits, or modify or update those disclosures affected by subsequent events. This Amendment should be read in conjunction with the Company s filings made with the SEC subsequent to the filing of the Original Filing, as those filings may have been amended, as information in such reports and documents may update or supersede certain information contained in this Amendment. Accordingly, this Amendment only amends and restates Item 1, 2 and 4 of Part I of the Original Filing, in each case, solely as a result of, and to reflect, the restatement, and no other information in the Original Filing is amended hereby. Additionally, pursuant to the rules of the SEC, Item 6 of Part II of the Original Filing has been amended to contain currently dated certifications of the Chief Executive Officer and Senior Vice President, Finance. As required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002, the certifications of our Chief Executive Officer and Senior Vice President, Finance, are attached to this Amendment as Exhibits 31.1, 31.2, 32.1 and 32.2.

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PART 1. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Overstock.com, Inc.

Consolidated Balance Sheets (unaudited)

(in thousands)

	December 31, 2007 (Restated)	March 31, 2008 (Restated)
Assets		
Current assets:		
Cash and cash equivalents	$ 101,394	$ 60,094
Marketable securities	46,000	29,750
Cash, cash equivalents and marketable securities	147,394	89,844
Accounts receivable, net	11,208	9,277
Notes receivable (Note 5)	1,506	1,004
Inventories, net	25,643	17,970
Prepaid inventory	3,572	2,568
Prepaid expenses	7,572	10,118
Total current assets	196,895	130,781
Property and equipment, net	27,197	22,069
Goodwill	2,784	2,784
Other long-term assets, net	86	30
Notes receivable (Note 5)	4,181	4,317
Total assets	$ 231,143	$ 159,981
Liabilities and Stockholders Equity		
Current liabilities:		
Accounts payable	$ 70,358	$ 32,839
Accrued liabilities	37,155	24,486
Deferred revenue	22,965	21,190
Capital lease obligations, current	3,796	2
Total current liabilities	134,274	78,517
Other long-term liabilities	3,034	2,828
Convertible senior notes	75,623	75,710
Total liabilities	212,931	157,055
Commitments and contingencies (Notes 8 and 9)		
Stockholders equity:		
Preferred stock, $0.0001 par value, 5,000 shares authorized, no shares issued and outstanding as of December 31, 2007 and March 31, 2008		
Common stock, $0.0001 par value, 100,000 shares authorized, 25,423 shares issued as of December 31, 2007 and March 31, 2008, respectively	2	2
Additional paid-in capital	333,909	335,188
Accumulated deficit	(252,327)	(257,051)
Treasury stock, 1,605 and 2,713 shares at cost as of December 31, 2007 and March 31, 2008, respectively	(63,278)	(75,218)

Accumulated other comprehensive income (loss)		(94)		5
Total stockholders equity		18,212		2,926
Total liabilities and stockholders equity	$	231,143	$	159,981

The accompanying notes are an integral part of these consolidated financial statements.

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Overstock.com, Inc.

Consolidated Statements of Operations (unaudited)

(in thousands, except per share data)

	Three months ended March 31, 2007 (Restated)	Three months ended March 31, 2008 (Restated)
Revenue		
Direct revenue	$ 46,990	$ 51,764
Fulfillment partner revenue	115,166	151,050
Total revenue	162,156	202,814
Cost of goods sold		
Direct(1)	41,469	44,803
Fulfillment partner	96,077	124,040
Total cost of goods sold	137,546	168,843
Gross profit	24,610	33,971
Operating expenses:		
Sales and marketing(1)	11,284	15,019
Technology(1)	14,973	14,516
General and administrative(1)	10,689	9,563
Restructuring	6,089	
Total operating expenses	43,035	39,098
Operating loss	(18,425)	(5,127)
Interest income	990	1,304
Interest expense	(1,029)	(901)
Loss from continuing operations	(18,464)	(4,724)
Loss from discontinued operations	(3,624)	
Net loss	$ (22,088)	$ (4,724)
Net loss per common share basic and diluted:		
Loss from continuing operations	$ (0.78)	$ (0.20)
Loss from discontinued operations	$ (0.16)	$
Net loss per common share basic and diluted	$ (0.94)	$ (0.20)
Weighted average common shares outstanding basic and diluted	23,594	23,345

(1) Includes stock-based compensation as follows (Note 12):		
Cost of goods sold direct	$ 107	$ 49
Sales and marketing	$ 78	$ 84
Technology	$ 177	$ 214

General and administrative	$	711	$	987

The accompanying notes are an integral part of these consolidated financial statements.

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Overstock.com, Inc.

Consolidated Statements of Stockholders Equity

and Comprehensive Loss (unaudited)

(in thousands)

	Common stock		Additional	Accumulated	Treasury stock		Accumulated Other	
	Shares	Amount	Paid-in Capital	Deficit	Shares	Amount	Comprehensive Income (loss)	Total
Balance at December 31, 2007 (Restated)	25,423	$ 2	$ 333,909	$ (252,327)	(1,605)	$ (63,278)	$ (94)	$ 18,212
Treasury stock issued for 401(k) matching contribution			(41)		2	60		19
Stock-based compensation			1,184					1,184
Stock-based compensation to consultants in exchange for services			(14)					(14)
Stock-based compensation related to performance shares			150					150
Purchase of treasury stock					(1,110)	(12,000)		(12,000)
Comprehensive loss (Restated):								
Net loss (Restated)				(4,724)				(4,724)
Net unrealized gain on marketable securities							122	122
Cumulative translation adjustment							(23)	(23)
Total comprehensive loss (Restated)								(4,625)
Balance at March 31, 2008 (Restated)	25,423	$ 2	$ 335,188	$ (257,051)	(2,713)	$ (75, 218)	$ 5	$ 2,926

The accompanying notes are an integral part of these consolidated financial statements.

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Overstock.com, Inc.

Consolidated Statements of Cash Flows (unaudited)

(in thousands)

	Three months ended March 31,		Twelve months ended March 31,	
	2007 (Restated)	**2008 (Restated)**	**2007 (Restated)**	**2008 (Restated)**
Cash flows from operating activities of continuing operations:				
Net loss	$ (22,088)	$ (4,724)	$ (112,125)	$ (30,672)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities of continuing operations:				
Loss from discontinued operations	3,624		9,727	300
Depreciation and amortization	7,771	6,497	33,948	28,221
Realized (gain) from marketable securities			(1,868)	
Loss on disposition of property and equipment			1	1
Stock-based compensation	1,073	1,184	4,235	4,633
Stock-based compensation to consultants for services	5	(14)	(15)	170
Stock-based compensation performance shares		150		(400)
Issuance of common stock from treasury for 401(k) matching contribution	602	19	882	(89)
Amortization of debt discount and deferred financing fees	86	87	364	345
Asset impairment and depreciation (restructuring)			791	2,169
Restructuring charges	6,089		10,972	4,025
Notes receivable accretion		(136)		(408)
Changes in operating assets and liabilities, net of effect of acquisition and discontinued operations:				
Accounts receivable, net	8,084	1,931	(882)	(1,331)
Inventories, net	5,792	7,673	60,827	108
Prepaid inventory	(360)	1,004	6,234	33
Prepaid expenses	(1,962)	(2,546)	936	(683)
Other long-term assets, net	90		539	381
Accounts payable	(35,088)	(37,519)	(8,574)	9,418
Accrued liabilities	(23,289)	(12,669)	(17,945)	4,712
Deferred revenue	(8,669)	(1,775)	(2)	6,639
Other long-term liabilities		(206)		(399)
Net cash (used in) provided by operating activities of continuing operations	(58,240)	(41,044)	(11,955)	27,173
Cash flows from investing activities of continuing operations:				
Change in restricted cash			55	
Purchases of marketable securities		(6,539)		(81,756)
Sales and maturities of marketable securities		22,911	49,475	52,169
Expenditures for property and equipment	(477)	(1,313)	(17,114)	(3,479)
Proceeds from sale of property and equipment			1	
Proceeds from the sale of OTravel, net of cash transferred				9,892
Collection of note receivable	3,941	502	3,941	1,757
Decrease in cash resulting from de-consolidation of variable interest entity			(102)	

Net cash provided by (used in) investing activities of continuing operations		3,464		15,561		36,256		(21,417)
Cash flows from financing activities of continuing operations:								
Payments on capital lease obligations		(5,247)		(3,794)		(5,776)		(3,808)
Drawdown on line of credit		1,169		5,268		57,122		6,522
Payments on line of credit		(1,169)		(5,268)		(77,122)		(6,522)
Issuance of common stock in offerings, net of issuance costs						64,406		
Purchase of treasury stock				(12,000)				(12,000)
Exercise of stock options		1,153				2,660		2,077
Net cash (used in) provided by financing activities of continuing operations		(4,094)		(15,794)		41,290		(13,731)
Effect of exchange rate changes on cash		(15)		(23)		4		(11)
Cash provided by (used in) operating activities of discontinued operations		410				2,167		(614)
Cash used in investing activities of discontinued operations		(53)				(578)		
Net (decrease) increase in cash and cash equivalents		(58,528)		(41,300)		67,184		(8,600)
Change in cash and cash equivalents from discontinued operations		(357)				(1,590)		614
Cash and cash equivalents, beginning of period		126,965		101,394		2,486		68,080
Cash and cash equivalents, end of period	$	68,080	$	60,094	$	68,080	$	60,094
Supplemental disclosures of cash flow information:								
Interest paid	$	651	$	639	$	4,050	$	3,870
Deemed dividend on redeemable common stock	$		$		$	66	$	
Lapse of rescission rights on redeemable common stock	$		$		$	2,750	$	

The accompanying notes are an integral part of these consolidated financial statements.

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Overstock.com, Inc.

Notes to Unaudited Consolidated Financial Statements

1. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared by Overstock.com, Inc. (the Company) pursuant to the rules and regulations of the Securities and Exchange Commission regarding interim financial reporting. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements and should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations (Restated) and the audited annual consolidated financial statements and related notes thereto included in the Annual Report on Form 10-K/A for the year ended December 31, 2007. The accompanying unaudited consolidated financial statements reflect all adjustments, consisting of normal recurring adjustments, which are, in the opinion of management, necessary for a fair statement of results for the interim periods presented. Preparing financial statements requires management to make estimates and assumptions that affect the amounts that are reported in the consolidated financial statements and accompanying disclosures. Although these estimates are based on management s best knowledge of current events and actions that the Company may undertake in the future, actual results may be different from the estimates. The results of operations for the three months ended March 31, 2008 are not necessarily indicative of the results to be expected for any future period or the full fiscal year.

2. ACCOUNTING POLICIES

Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. The consolidated financial statements include the accounts of the Company s OTravel subsidiary through April 25, 2007 (see Note 5 Sale of Discontinued Operations). All significant intercompany account balances and transactions have been eliminated in consolidation.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent liabilities in the consolidated financial statements and accompanying notes. Estimates are used for, but not limited to, valuation of investments, receivables valuation, revenue recognition, sales returns, incentive discount offers, inventory valuation, depreciable lives of fixed assets, internally-developed software, valuation of acquired intangibles, income taxes, stock-based compensation, and contingencies. Actual results could differ materially from those estimates.

Revenue recognition

The Company derives revenue primarily from two sources: direct revenue and fulfillment partner revenue, which includes listing fees and commissions collected from products being listed and sold through the Auctions tab of its Website as well as advertisement revenue derived from its cars listing business. The Company has organized its operations into two principal segments based on these primary sources of revenue (see Note 13 Business Segments).

Revenue is recognized when the following revenue recognition criteria are met: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or the service has been provided; (3) the selling price or fee revenue earned is fixed or determinable; and (4) collection of the resulting receivable is reasonably assured.

Revenue related to merchandise sales is recognized upon delivery to the Company s customers. As the Company ships high volumes of packages through multiple carriers, it is not practical for the Company to track the actual delivery date of each shipment. Therefore, the Company uses estimates to determine which shipments are delivered and therefore recognized as revenue at the end of the period. The delivery date estimates are based on average shipping transit times, which are calculated using the following factors: (i) the shipping carrier (as carriers differ in transit times); (ii) the fulfillment source (either the Company s warehouses or those of its fulfillment partners); (iii) the delivery destination; and (iv) actual transit time experience, which shows that delivery date is typically one to eight business days from the date of shipment.

The Company evaluates the criteria outlined in EITF Issue No. 99-19, *Reporting Revenue Gross as a Principal Versus Net as an Agent*, in determining whether it is appropriate to record the gross amount of product sales and related costs or the net amount earned as commissions. When the Company is the primary obligor in a transaction, is subject to inventory risk, has latitude in establishing prices and selecting suppliers, or has several but not all of these indicators, revenue is recorded gross. If the Company is not the primary obligor in the transaction and amounts earned are determined using a fixed percentage, revenue is recorded on a net basis. Currently, the majority of both direct revenue and fulfillment partner revenue is recorded

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on a gross basis, as the Company is the primary obligor.

The Company periodically provides incentive offers to its customers to encourage purchases. Such offers include current discount offers, such as percentage discounts off current purchases, and other similar offers. Current discount offers, when accepted by its customers, are treated as a reduction to the purchase price of the related transaction.

Direct revenue

Direct revenue consists of merchandise sold through the Company s Website to individual consumers and businesses that are fulfilled from its leased warehouses.

Fulfillment partner revenue

Fulfillment partner revenue consists of merchandise sold through the Company s Website and shipped by third parties directly to consumers and other businesses from warehouses maintained by the fulfillment partners.

During September 2004, the Company added an online auction service to its Website. The Auctions tab allows sellers to list items for sale, buyers to bid on items of interest, and users to browse through listed items online. The Company is not considered the seller of the items sold on the auction site and has no control over the pricing of those items. Therefore, for these sales, only the listing fees for items listed and commissions for items sold are recorded as revenue during the period items are listed or items are sold. The auction business revenues were insignificant during the three months ended March 31, 2007 and 2008. Revenue from the auctions business has been included in the fulfillment partner segment, as it is not large enough to separate out as its own segment at this early stage of the business.

During December 2006, the Company added an online site for listing cars for sale as a part of its Website. The cars listing service allows dealers to list vehicles for sale and allows buyers to review vehicle descriptions, post offers to purchase, and provides the means for purchasers to contact sellers for further information and negotiations on the purchase of an advertised vehicle. Revenue from its cars listing business is included in the fulfillment partner segment, as it is not significant enough to separate out as its own segment.

Internal-Use Software and Website Development

The Company includes in fixed assets the capitalized cost of internal-use software and website development, including software used to upgrade and enhance its Website and processes supporting the Company s business. As required by Statement of Position (SOP) 98-1, *Accounting for the Costs of Computer Software Developed or Obtained for Internal Use,* the Company capitalizes costs incurred during the application development stage of internal-use software and amortizes these costs over the estimated useful life of two to three years. The Company expenses costs incurred related to design or maintenance of internal-use software as incurred.

During the three months ended March 31, 2007 and 2008, the Company capitalized $1.3 million and $727,000, respectively, of costs associated with internal-use software and website development, which are offset by amortization of previously capitalized amounts of $3.4 million and $3.1 million for those respective periods.

Advertising expense

The Company recognizes advertising expenses in accordance with SOP 93-7, *Reporting on Advertising Costs*. As such, the Company expenses the costs of producing advertisements at the time production occurs or the first time the advertising takes place and expenses the cost of communicating advertising in the period during which the advertising space or airtime is used. Internet advertising expenses are recognized as incurred based on the terms of the individual agreements, which are generally: (i) a commission for traffic driven to the Website that generates a sale, and (ii) based on the number of clicks on keywords or links to our Website generated during a given period. Advertising expense included in sales and marketing expenses totaled $10.6 million and $13.9 million during the three months ended March 31, 2007 and 2008, respectively.

Restructuring

Restructuring expenses have been primarily comprised of lease termination costs and the costs incurred for returning leased facilities back to their original condition in anticipation of subleasing current office space. Statement of Financial Accounting Standard (SFAS 146), *Accounting for Costs Associated with Exit or Disposal Activities*, requires that when an entity ceases using a property that is leased under an operating lease before the end of its term contract, the termination costs should be recognized and measured at fair value when the entity ceases using the facility. Key assumptions in determining the restructuring expenses include the terms that may be negotiated to exit certain contractual obligations (see Note 4 Restructuring Expense).

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Fair Value of Financial Instruments

In September 2006, the Financial Accounting Standards Board (FASB), issued SFAS No. 157, *Fair Value Measurements* (SFAS 157), which defines fair value, establishes guidelines for measuring fair value and expands disclosures regarding fair value measurements. SFAS 157 does not require any new fair value measurements but rather eliminates inconsistencies in guidance found in various prior accounting pronouncements. SFAS 157 is effective for fiscal years beginning after November 15, 2007. In February 2008, the FASB issued FASB Staff Position, or FSP, FAS No. 157-2, *Effective Date of FASB Statement No. 157* (FSP FAS 157-2), which delayed the effective date of SFAS 157 to fiscal years beginning after November 15, 2008 and interim periods within those fiscal years for all non-financial assets and non-financial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). The Company adopted SFAS 157 for fiscal 2008, except as it applies to those non-financial assets and non-financial liabilities as described in FSP FAS 157-2, and it did not have a material impact on its consolidated financial position, results of operations or cash flows.

On a quarterly basis, the Company measures at fair value certain financial assets, including cash equivalents and available-for-sale securities. SFAS 157 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company s market assumptions. These two types of inputs have created the following fair-value hierarchy:

- Level 1 Quoted prices for identical instruments in active markets;
- Level 2 Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets; and
- Level 3 Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

This hierarchy requires the Company to minimize the use of unobservable inputs and to use observable market data, if available, when determining fair value. The fair value of these financial assets and liabilities was determined using the following levels of inputs as of March 31, 2008 (in thousands):

	Fair Value Measurements as of March 31, 2008:			
	Total	**Level 1**	**Level 2**	**Level 3**
Assets:				
Cash equivalents Money market mutual funds	$ 41,711	$ 41,711	$	$
Available-for-sale securities	29,750	29,750		
Total assets	$ 71,461	$ 71,461	$	$

Earnings (loss) per share

In accordance with SFAS 128, *Earnings per share*, basic earnings (loss) per share is computed by dividing net income (loss) attributable to common shares by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is computed by dividing net income (loss) for the period by the weighted average number of common and potential common shares outstanding during the period. Potential common shares, composed of incremental common shares issuable upon the exercise of stock options, restricted stock units, convertible senior notes and shares under the Performance Share Plan, are included in the calculation of diluted net earnings (loss) per share to the extent such shares are dilutive.

The following table sets forth the computation of basic and diluted earnings (loss) per share for the periods indicated (in thousands, except per share amounts):

	Three months ended March 31, 2007 (Restated)		2008 (Restated)	
Loss from continuing operations	$	(18,464)	$	(4,724)
Loss from discontinued operations		(3,624)		
Net loss	$	(22,088)	$	(4,724)
Weighted average common shares outstanding basic		23,594		23,345
Effective of dilutive securities:				
Stock options				
Restricted stock units				
Convertible senior notes				
Shares under the Performance Share Plan				
Weighted average common shares outstanding diluted		23,594		23,345
Net loss per common share basic and diluted:				
Loss from continuing operations	$	(0.78)	$	(0.20)
Loss from discontinued operations	$	(0.16)	$	
Net loss per common share basic and diluted	$	(0.94)	$	(0.20)

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The stock options, restricted stock units, convertible senior notes outstanding and shares under the Performance Share Plan were not included in the computation of diluted earnings (loss) per share because to do so would have been antidilutive. The number of stock options outstanding at March 31, 2007 and 2008 was 1,376,000 and 1,120,000, respectively. In the first quarter of 2008, the Compensation Committee of the Board of Directors approved grants of approximately 460,000 restricted stock units to officers and employees of the Company. As of March 31, 2008, there were 447,000 restricted stock units outstanding (see Note 12 Stock Based Awards). As of March 31, 2008, the Company had $77.0 million of convertible senior notes outstanding, which could potentially convert into 1,010,000 shares of common stock in the aggregate.

Recent accounting pronouncements

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* (SFAS 159). Under SFAS 159, companies may elect to measure certain financial instruments and certain other items at fair value. The standard requires that unrealized gains and losses on items for which the fair value option has been elected be reported in earnings. SFAS 159 is effective for fiscal years beginning after November 15, 2007. The Company adopted SFAS 159 for fiscal 2008; however, it did not elect to apply the fair value option to any financial instruments or other items upon adoption of SFAS 159 during the three months ended March 31, 2008. Therefore, the adoption of SFAS 159 did not impact the Company s consolidated financial position, results of operations or cash flows.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current period s presentation. The effect of these reclassifications had no impact on net loss, total assets, total liabilities, or stockholders equity.

3. RESTATEMENT OF FINANCIAL STATEMENTS

Overstock.com, Inc. (the Company) is restating its consolidated financial statements for the quarters ended March 31, 2007 and 2008 to correct errors related to the accounting for customer refunds and credits and the accounting for gift cards issued to customers.

The Company s decision to restate the aforementioned financial statements was made as a result of management s identification of errors related to the accounting for customer refunds and credits. On October 20, 2008, management, including the CEO (principal executive officer) and Senior Vice President, Finance (principal financial officer), concluded, and the Board of Directors has agreed with management s conclusions that certain refunds and credits issued to customers were not completely and accurately recorded in the consolidated financial statements.

Management subsequently determined, and the Board of Directors adopted management s conclusion, that a portion of the error previously believed to be related to the accounting for customer refunds and credits was actually related to the accounting for gift cards issued to customers and that gift cards issued to customers were not completely and accurately recorded in the consolidated financial statements.

These errors impacted accounts receivable and deferred revenue in the consolidated balance sheet as well as revenue and returns expense (a component of revenue), in the consolidated statement of operations. As a result, revenue, net of returns expense, was misstated in the consolidated statement of operations for the three months ended March 31, 2008 and 2007and accounts receivable and deferred revenue were misstated in the consolidated balance sheet as of March 31, 2008 and December 31, 2007.   The amounts of these errors were determined to be material to the consolidated financial statements.

The effect of these error corrections on the Consolidated Results of Operations for the quarter ended March 31, 2008 is to increase the net loss by $815,000 (including increasing $281,000 of direct revenue and $1.8 million of fulfillment partner revenue and increasing $489,000 of direct and $2.4 million of fulfillment cost of goods sold). The effect of these error corrections on the Consolidated Results of Operations for the quarter ended March 31, 2007 is to increase the net loss by $888,000 (including reducing $348,000 of direct revenue and $804,000 of fulfillment partner revenue and reducing $31,000

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direct cost of goods sold and $233,000 of fulfillment partner cost of goods sold).

In addition, from the Company s inception through the third quarter of 2007, the Company had recorded revenue based on product ship date. In the fourth quarter of 2007, the Company determined that it should not record revenue until product delivery date because risk of loss transfers to the customer upon delivery and acceptance. In the fourth quarter of 2007, the Company performed a detailed analysis of this error and determined that the impact of this error on any prior annual or interim period was not material and the impact of recording the cumulative effect of the error in the fourth quarter of 2007 was immaterial to the full year. Therefore, the Company recorded the cumulative effect of the error in the fourth quarter of 2007. As the Company is now restating its previously issued consolidated financial statements to correct accounting errors related to customer refunds and credits and gift cards issued to customers, it has reversed the cumulative effect of the correction of the error in the fourth quarter of 2007 and restated all prior periods to reflect revenue recognition based on the product s estimated delivery date in its consolidated financial statements for the years ended December 31, 2007, 2006, 2005, 2004 and 2003. The Company also recorded other miscellaneous adjustments as part of this restatement that were previously identified but determined to be immaterial.

The effect of this error correction relating to product delivery date on the Consolidated Results of Operations for the quarter ended March 31, 2007 is to decrease the net loss by $183,000 (including recognizing $1.6 million of direct revenue and $3.7 million of fulfillment partner revenue and recognizing a corresponding $2.2 million of direct cost of goods sold and $3.0 million of fulfillment partner cost of goods sold). There was no effect of this error correction on the Consolidated Results of Operation for the quarter ended March 31, 2008 as this error was corrected by the Company during the fourth quarter of 2007.

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The restated consolidated statements of operations, balance sheets and statements of cash flows have been restated as follows:

Consolidated Statements of Operations

(in thousands, except per share data)

	Quarter Ended March 31, 2008		
	As Previously Reported	Adjustments	As Restated
Revenue			
Direct	$ 51,483	281	$ 51,764
Fulfillment partner	149,262	1,788	151,050
Total revenue	200,745	2,069	202,814
Cost of goods sold			
Direct	44,314	489	44,803
Fulfillment partner	121,645	2,395	124,040
Total cost of goods sold	165,959	2,884	168,843
Gross profit	34,786	(815)	33,971
Operating expenses:			
Sales and marketing	15,019		15,019
Technology	14,516		14,516
General and administrative	9,563		9,563
Restructuring			
Total operating expenses	39,098		39,098
Operating loss	(4,312)	(815)	(5,127)
Interest income	1,304		1,304
Interest expense	(901)		(901)
Other income, net			
Loss from continuing operations	(3,909)	(815)	(4,724)
Loss from discontinued operations			
Net loss	(3,909)	(815)	(4,724)
Deemed dividend related to redeemable common shares			
Net loss attributable to common shares	$ (3,909)	$ (815)	$ (4,724)
Net loss per common share basic and diluted			
Loss from continuing operations	$ (0.17)	$ (0.03)	$ (0.20)
Loss from discontinued operations	$	$	$
Net loss per common share basic and diluted	$ (0.17)	$ (0.03)	$ (0.20)
Weighted average common shares outstanding basic and diluted	23,345		23,345

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Consolidated Statements of Operations

(in thousands, except per share data)

	Quarter Ended March 31, 2007		
	As Previously Reported	Adjustments	As Restated
Revenue			
Direct	$ 45,701	1,289	$ 46,990
Fulfillment partner	112,229	2,937	115,166
Total revenue	157,930	4,226	162,156
Cost of goods sold			
Direct	39,320	2,149	41,469
Fulfillment partner	93,295	2,782	96,077
Total cost of goods sold	132,615	4,931	137,546
Gross profit	25,315	(705)	24,610
Operating expenses:			
Sales and marketing	11,284		11,284
Technology	14,973		14,973
General and administrative	10,689		10,689
Restructuring	6,089		6,089
Total operating expenses	43,035		43,035
Operating loss	(17,720)	(705)	(18,425)
Interest income	990		990
Interest expense	(1,029)		(1,029)
Other income, net			
Loss from continuing operations	(17,759)	(705)	(18,464)
Loss from discontinued operations	(3,624)		(3,624)
Net loss	(21,383)	(705)	(22,088)
Deemed dividend related to redeemable common shares			
Net loss attributable to common shares	$ (21,383)	$ (705)	$ (22,088)
Net loss per common share basic and diluted			
Loss from continuing operations	$ (0.75)	$ (0.03)	$ (0.78)
Loss from discontinued operations	$ (0.15)	$	$ (0.15)
Net loss per common share basic and diluted	$ (0.90)	$ (0.03)	$ (0.93)
Weighted average common shares outstanding basic and diluted	23,594		23,345

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Consolidated Balance Sheets

(in thousands)

	As of March 31, 2008		
	As Previously Reported	**Adjustments**	**As Restated**
Assets			
Current assets:			
Cash and cash equivalents	$ 60,094	$	$ 60,094
Marketable securities	29,750		29,750
Cash, cash equivalents and marketable securities	89,844		89,844
Accounts receivable, net	13,042	(3,765)	9,277
Note receivable	1,004		1,004
Inventories, net	17,970		17,970
Prepaid inventory	2,568		2,568
Prepaid expenses	10,118		10,118
Total current assets	134,546	(3,765)	130,781
Property and equipment, net	22,069		22,069
Goodwill	2,784		2,784
Other long-term assets, net	30		30
Notes receivable	4,317		4,317
Total assets	$ 163,746	$ (3,765)	$ 159,981
Liabilities, Redeemable Securities and Stockholders Equity			
Current liabilities:			
Accounts payable	32,839		$ 32,839
Accrued liabilities	23,820	666	24,486
Deferred revenue	16,188	5,002	21,190
Capital lease obligations, current	2		2
Total current liabilities	72,849	5,668	78,517
Other long-term liabilities	2,828		2,828
Convertible senior notes	75,710		75,710
Total liabilities	151,387	5,668	157,055
Stockholders equity:			
Preferred stock, $0.0001 par value, 5,000 shares authorized, no shares issued and outstanding as of December 31, 2007 and March 31, 2008			
Common stock, $0.0001 par value, 100,000 shares authorized, 25,423 shares issued as of December 31, 2007 and March 31, 2008	2		2
Additional paid-in capital	335,188		335,188
Accumulated deficit	(247,618	(9,433)	(257,051)
Treasury stock, 1,605 and 2,713 shares at cost as of December 31, 2007 and March 31, 2008, respectively	(75,218		(75,218)
Accumulated other comprehensive income	5		5
Total stockholders equity	12,359	(9,433)	2,926
Total liabilities, redeemable securities and stockholders equity	$ 163,746	$ (3,765)	$ 159,981

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Consolidated Balance Sheets

(in thousands)

	As of December 31, 2007		
	As Previously Reported	Adjustments	As Restated
Assets			
Current assets:			
Cash and cash equivalents	$ 101,394	$	$ 101,394
Marketable securities	46,000		46,000
Cash, cash equivalents and marketable securities	147,394		147,394
Accounts receivable, net	12,304	(1,096)	11,208
Note receivable	1,506		1,506
Inventories, net	25,933	(290)	25,643
Prepaid inventory	3,572		3,572
Prepaid expenses	7,572		7,572
Total current assets	198,281	(1,386)	196,895
Property and equipment, net	27,197		27,197
Goodwill	2,784		2,784
Other long-term assets, net	86		86
Notes receivable	4,181		4,181
Total assets	232,529	$ (1,386)	$ 231,143
Liabilities, Redeemable Securities and Stockholders Equity			
Current liabilities:			
Accounts payable	$ 70,648	$ (290)	$ 70,358
Accrued liabilities	35,241	1,914	37,155
Deferred revenue	17,357	5,608	22,965
Capital lease obligations, current	3,796		3,796
Total current liabilities	127,042	7,232	134,274
Other long-term liabilities	3,034		3,034
Convertible senior notes	75,623		75,623
Total liabilities	205,699	7,232	212,931
Stockholders equity:			
Preferred stock, $0.0001 par value, 5,000 shares authorized, no shares issued and outstanding as of December 31, 2007			
Common stock, $0.0001 par value, 100,000 shares authorized, 25,423 shares issued as of December 31, 2007	2		2
Additional paid-in capital	333,909		333,909
Accumulated deficit	(243,709)	(8,618)	(252,327)
Treasury stock, 1,605 shares at cost as of December 31, 2004	(63,278)		(63,278)
Accumulated other comprehensive loss	(94)		(94)
Total stockholders equity	26,830	(8,618)	18,212
Total liabilities, redeemable securities and stockholders equity	$ 232,529	$ (1,386)	$ 231,143

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Overstock.com, Inc.

Consolidated Statements of Cash Flows

(in thousands)

	Three months ended March 31, 2008		
	As Previously Reported	Adjustments	As Restated
Cash flows from operating activities of continuing operations:			
Net loss	$ (3,909)	(815)	$ (4,724)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities of continuing operations:			
Loss from discontinued operations			
Depreciation and amortization	6,497		6,497
Realized loss (gain) on marketable securities			
Loss on disposition of property and equipment			
Stock-based compensation	1,184		1,184
Stock-based compensation to consultants for services	(14)		(14)
Stock-based compensation performance shares	150		150
Issuance of common stock from treasury for 401(k) matching contribution	19		19
Amortization of debt discount and deferred financing fees	87		87
Gain from retirement of convertible senior notes			
Asset impairment and depreciation (restructuring)			
Restructuring charges			
Notes receivable accretion	(136)		(136)
Changes in operating assets and liabilities, net of effect of acquisition and discontinued operations:			
Accounts receivable, net	(738)	2,669	1,931
Inventories, net	7,963	(290)	7,673
Prepaid inventory	1,004		1,004
Prepaid expenses	(2,546)		(2,546)
Other long-term assets			
Accounts payable	(37,809)	290	(37,519)
Accrued liabilities	(11,421)	(1,248)	(12,669)
Deferred revenue	(1,169)	(606)	(1,775)
Other long-term liabilities	(206)		(206)
Net cash provided by (used in) operating activities of continuing operations	(41,044)		(41,044)
Cash flows from investing activities of continuing operations:			
Change in restricted cash			
Purchases of marketable securities	(6,539)		(6,539)
Sales of marketable securities	22,911		22,911
Expenditures for property and equipment	(1,313)		(1,313)
Acquisition of Ski West			
Proceeds from the sale of OTravel, net of cash transferred			
Collection of note receivable	502		502
Proceeds from the sale of property and equipment			

Other investments			
Decrease in cash resulting from de-consolidation of variable interest entity			
Net cash provided by (used in) investing activities of continuing operations	15,561		15,561
Cash flows from financing activities of continuing operations:			
Payments on capital lease obligations	(3,794)		(3,794)
Drawdown on line of credit	5,268		5,268
Payments on line of credit	(5,268)		(5,268)
Payments to retire convertible senior notes			
Issuance of common stock in offerings, net of issuance costs			
Purchase of treasury stock	(12,000)		(12,000)
Purchased call options for purchase of treasury stock			
Settlement of call options for cash			
Exercise of stock options and warrants			
Net cash provided by (used in) financing activities of continuing operations	(15,794)		(15,794)
Effect of exchange rate changes on cash	(23)		(23)
Cash (used in) provided by operating activities of discontinued operations			
Cash (used in) provided by investing activities of discontinued operations			
Net increase (decrease) in cash and cash equivalents	(41,300)		(41,300)
Less change in cash and cash equivalents from discontinued operations			
Cash and cash equivalents, beginning of year	101,394		101,394
Cash and cash equivalents from continuing operations, end of year	$ 60,094	$	$ 60,094

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Overstock.com, Inc.

Consolidated Statements of Cash Flows

(in thousands)

	Three months ended March 31, 2007		
	As Previously Reported	Adjustments	As Restated
Cash flows from operating activities of continuing operations:			
Net loss	$ (21,383)	(705)	$ (22,088)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities of continuing operations:			
Loss from discontinued operations	3,624		3,624
Depreciation and amortization	7,771		7,771
Realized loss (gain) on marketable securities			
Loss on disposition of property and equipment			
Stock-based compensation	1,073		1,073
Stock-based compensation to consultants for services	5		5
Stock-based compensation performance shares			
Issuance of common stock from treasury for 401(k) matching contribution	602		602
Amortization of debt discount and deferred financing fees	86		86
Gain from retirement of convertible senior notes			
Asset impairment and depreciation (restructuring)			
Restructuring charges	6,089		6,089
Notes receivable accretion			
Changes in operating assets and liabilities, net of effect of acquisition and discontinued operations:			
Accounts receivable, net	3,827	4,257	8,084
Inventories, net	3,612	2,180	5,792
Prepaid inventory	(360)		(360)
Prepaid expenses	(1,962)		(1,962)
Other long-term assets	90		90
Accounts payable	(38,059)	2,971	(35,088)
Accrued liabilities	(23,709)	420	(23,289)
Deferred revenue	454	(9,123)	(8,669)
Other long-term liabilities			
Net cash provided by (used in) operating activities of continuing operations	(58,240)		(58,240)
Cash flows from investing activities of continuing operations:			
Change in restricted cash			
Purchases of marketable securities			
Sales of marketable securities			
Expenditures for property and equipment	(477)		(477)
Acquisition of Ski West			
Proceeds from the sale of OTravel, net of cash transferred			
Collection of note receivable	3,941		3,941
Proceeds from the sale of property and equipment			

Other investments			
Decrease in cash resulting from de-consolidation of variable interest entity			
Net cash provided by (used in) investing activities of continuing operations	3,464		3,464
Cash flows from financing activities of continuing operations:			
Payments on capital lease obligations	(5,247)		(5,247)
Drawdown on line of credit	1,169		1,169
Payments on line of credit	(1,169)		(1,169)
Payments to retire convertible senior notes			
Issuance of common stock in offerings, net of issuance costs			
Purchase of treasury stock			
Purchased call options for purchase of treasury stock			
Settlement of call options for cash			
Exercise of stock options and warrants	1,153		1,153
Net cash provided by (used in) financing activities of continuing operations	(4,094)		(4,094)
Effect of exchange rate changes on cash	(15)		(15)
Cash (used in) provided by operating activities of discontinued operations	410		410
Cash (used in) provided by investing activities of discontinued operations	(53)		(53)
Net increase (decrease) in cash and cash equivalents	(58,528)		(58,528)
Less change in cash and cash equivalents from discontinued operations	(357)		(357)
Cash and cash equivalents, beginning of year	126,965		126,965
Cash and cash equivalents from continuing operations, end of year	$ 68,080	$	$ 68,080

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Overstock.com, Inc.

Consolidated Statements of Cash Flows

(in thousands)

	Twelve months ended March 31, 2007		
	As Previously Reported	**Adjustments**	**As Restated**
Cash flows from operating activities of continuing operations:			
Net loss	$ (27,541)	(3,131)	$ (30,672)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities of continuing operations:			
Loss from discontinued operations	300		300
Depreciation and amortization	28,221		28,221
Realized loss (gain) on marketable securities			
Loss on disposition of property and equipment	1		1
Stock-based compensation	4,633		4,633
Stock-based compensation to consultants for services	170		170
Stock-based compensation performance shares	(400)		(400)
Issuance of common stock from treasury for 401(k) matching contribution	(89)		(89)
Amortization of debt discount and deferred financing fees	345		345
Gain from retirement of convertible senior notes			
Asset impairment and depreciation (restructuring)	2,169		2,169
Restructuring charges	4,025		4,025
Notes receivable accretion	(408)		(408)
Changes in operating assets and liabilities, net of effect of acquisition and discontinued operations:			
Accounts receivable, net	(5,531)	4,200	(1,331)
Inventories, net	(1,308)	1,416	108
Prepaid inventory	33		33
Prepaid expenses	(683)		(683)
Other long-term assets	381		381
Accounts payable	4,762	4,656	9,418
Accrued liabilities	5,392	(680)	4,712
Deferred revenue	13,100	(6,461)	6,639
Other long-term liabilities	(399)		(399)
Net cash provided by (used in) operating activities of continuing operations	27,173		27,173
Cash flows from investing activities of continuing operations:			
Change in restricted cash			
Purchases of marketable securities	(81,756)		(81,756)
Sales of marketable securities	52,169		52,169
Expenditures for property and equipment	(3,479)		(3,479)
Acquisition of Ski West			
Proceeds from the sale of OTravel, net of cash transferred	9,892		9,892
Collection of note receivable	1,757		1,757
Proceeds from the sale of property and equipment			

Other investments			
Decrease in cash resulting from de-consolidation of variable interest entity			
Net cash provided by (used in) investing activities of continuing operations	(21,417)		(21,417)
Cash flows from financing activities of continuing operations:			
Payments on capital lease obligations	(3,808)		(3,808)
Drawdown on line of credit	6,522		6,522
Payments on line of credit	(6,522)		(6,522)
Payments to retire convertible senior notes			
Issuance of common stock in offerings, net of issuance costs			
Purchase of treasury stock	(12,000)		(12,000)
Purchased call options for purchase of treasury stock			
Settlement of call options for cash			
Exercise of stock options and warrants	2,077		2,077
Net cash provided by (used in) financing activities of continuing operations	(13,731)		(13,731)
Effect of exchange rate changes on cash	(11)		(11)
Cash (used in) provided by operating activities of discontinued operations	(614)		(614)
Cash (used in) provided by investing activities of discontinued operations			
Net increase (decrease) in cash and cash equivalents	(8,600)		(8,600)
Less change in cash and cash equivalents from discontinued operations	614		614
Cash and cash equivalents, beginning of year	68,080		68,080
Cash and cash equivalents from continuing operations, end of year	$ 60,094	$	$ 60,094

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Overstock.com, Inc.

Consolidated Statements of Cash Flows

(in thousands)

	Twelve months ended March 31, 2007		
	As Previously Reported	Adjustments	As Restated
Cash flows from operating activities of continuing operations:			
Net loss	$ (107,239)	(4,886)	$ (112,125)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities of continuing operations:			
Loss from discontinued operations	9,727		9,727
Depreciation and amortization	33,948		33,948
Realized loss (gain) on marketable securities	(1,868)		(1,868)
Loss on disposition of property and equipment	1		1
Stock-based compensation	4,235		4,235
Stock-based compensation to consultants for services	(15)		(15)
Stock-based compensation performance shares			
Issuance of common stock from treasury for 401(k) matching contribution	882		882
Amortization of debt discount and deferred financing fees	364		364
Gain from retirement of convertible senior notes			
Asset impairment and depreciation (restructuring)		791	791
Restructuring charges	11,763	(791)	10,972
Notes receivable accretion			
Changes in operating assets and liabilities, net of effect of acquisition and discontinued operations:			
Accounts receivable, net	(541)	(341)	(882)
Inventories, net	58,703	2,124	60,827
Prepaid inventory	6,234		6,234
Prepaid expenses	936		936
Other long-term assets	539		539
Accounts payable	(9,638)	1,064	(8,574)
Accrued liabilities	(19,241)	1,296	(17,945)
Deferred revenue	(745)	743	(2)
Other long-term liabilities			
Net cash provided by (used in) operating activities of continuing operations	(11,955)		(11,955)
Cash flows from investing activities of continuing operations:			
Change in restricted cash	55		55
Purchases of marketable securities			
Sales of marketable securities	49,475		49,475
Expenditures for property and equipment	(17,114)		(17,114)
Acquisition of Ski West			
Proceeds from the sale of OTravel, net of cash transferred			
Collection of note receivable	3,941		3,941
Proceeds from the sale of property and equipment	1		1
Other investments			
Decrease in cash resulting from de-consolidation of variable interest entity	(102)		(102)

Net cash provided by (used in) investing activities of continuing operations	36,256	36,256
Cash flows from financing activities of continuing operations:		
Payments on capital lease obligations	(5,776)	(5,776)
Drawdown on line of credit	57,122	57,122
Payments on line of credit	(77,122)	(77,122)
Payments to retire convertible senior notes		
Issuance of common stock in offerings, net of issuance costs	64,406	64,406
Purchase of treasury stock		
Purchased call options for purchase of treasury stock		
Settlement of call options for cash		
Exercise of stock options and warrants	2,660	2,660
Net cash provided by (used in) financing activities of continuing operations	41,290	41,290
Effect of exchange rate changes on cash	4	4
Cash (used in) provided by operating activities of discontinued operations	2,167	2,167
Cash (used in) provided by investing activities of discontinued operations	(578)	(578)