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Overstock.com shares tumble after CEO's cryptic comments about "Deep State"

BY AIMEE PICCHI

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- Shares of online retailer Overstock.com sank this week after CEO Patrick Byrne issued an unusual statement referring to the "Deep State."
- In the statement, Byrne suggested that in 2015 he helped the federal government with investigations into Russian interference in the 2016 presidential election and into a probe involving Hillary Clinton.
- The company's stock fell 36% over the next three days of trading, but recovered roughly half that loss Thursday.

Overstock.com CEO Patrick Byrne has long been known as a colorful character --a Marshall scholar with a doctorate in philosophy from Stanford University, he's described by the company as a someone who seeks to

"curtail injustice." But his latest efforts – which he describes as fulfilling his "citizenship obligations" -- have investors fleeing.



Byrne on Monday issued a cryptic statement with the headline, "Overstock.com CEO Comments on Deep State, Withholds Further Comment." The five-paragraph document includes a number of confusing statements, including his assertion that he helped "the 'Clinton Investigation' and the 'Russian Investigation,'" presumably referring to the FBI investigation into Russian interference in the 2016 presidential election.

Shares of the retailer promptly plunged, losing 36% of their value from Monday through the close of trading Wednesday. In dollar terms, the loss represents more than \$300 million in market value. The stock rebounded Thursday, regaining roughly half this week's loss.

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Byrne is known for his unconventional remarks, such as describing an executive as an "empath who, like Star Trek's Deanna Troi, wanders through our organization psychically tuning it up wherever it is needed." But the latest statement seems to have spooked some investors.

"Men in Black"

Byrne claimed in the statement this week that he has helped the FBI on several investigations, calling them the "Men in Black."

"It was the third time in my life I helped the Men in Black: the first was when my friend Brian Williams was murdered, and the second was when I helped the M.I.B. shake up Wall Street a decade ago," he wrote, linking to a 2008 article about government and corporate control of the media in which Byrne figured.

"Unfortunately, this third time turned out to be less about law enforcement and more about political espionage conducted against Hillary Clinton and Donald Trump (and to a lesser degree, Marco Rubio and Ted Cruz)."

Byrne also referred to articles written by Fox News contributor Sara Carter, who has written that he allegedly turned over documents to the FBI that relate to the investigation into Russian tampering with the 2016 election. Byrne said he confirmed Carter's articles, while adding that he would speak "no more on the subject."

"Instead, having lived in places lacking Rule of Law and having witnessed the consequences of its absence, I plan on sitting back and watching the United States Department of Justice re-establish Rule of Law in our country," he wrote.

Overstock.com didn't immediately return a request for comment.

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