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Overstock.com to Purchase Common Stock in Elio Motors

PHOENIX, April 24, 2018 /PRNewswire/ -- Overstock.com, Inc. (Nasdaq: OSTK) and Elio Motors (OTC QB: ELIO) jointly announced today Overstock's strategic purchase of common stock in Elio, pursuant to which Overstock has agreed to buy \$2,500,000 of newly issued shares of Elio common stock at \$2.75 per share in a private placement. Elio intends to use the proceeds of the new investment to fund capital expenditures and repay certain outstanding debt and accounts payable.



The shares have not been registered under the Securities Act of 1933. Accordingly, the shares may not be offered or sold in the U.S. except pursuant to an effective registration statement or an applicable exemption from the registration requirements under that Act. In connection with the private placement, Elio will enter into a registration rights agreement with Overstock.

Concurrent with the strategic purchase, Elio board members Stu Lichter and Ken Way have agreed to convert all of the convertible debt of Elio that they collectively hold into common stock of Elio at the conversion price of \$2.75 per share. As of the date of this press release, the aggregate outstanding principal amount of the convertible debt is equal to approximately \$1,700,000.

"I believe Elio's vision and business model to build a \$7,500 ultra-high mileage, ultra-fuel-efficient car-like vehicle is a win for America," said Overstock CEO and founder, Patrick M. Byrne. "An Elio that was brought to Manhattan drew a crowd just parked against the curb. I sat in it for five minutes and was in awe. It is really comfortable, and feels like great fun. I am confident that this will become my car for at least two-thirds of the days I drive. Given its breakthrough pricing and ultra-low delivery cost, I anticipate that [Overstock Cars](#) and even

[Overstock Retail](#) will play a role in bringing this product to the public."

JonesTrading Institutional Services LLC acted as the adviser to Elio on the transaction. Bracewell LLP acted as legal adviser on the transaction to Overstock, Duane Morris LLP acted as legal adviser to Elio, and Morrison & Foerster LLP acted as legal adviser to JonesTrading.

Elio Motors Announces ElioCoin Security Token Offering

Elio Motors announced today that it expects to launch a security token offering (STO) to, among other things, fund production of the Elio vehicle. JonesTrading Institutional Services LLC is expected to act as lead placement agent for the STO. Elio Motors believes that the digital token to be sold in the STO, anticipated to be called ElioCoin, will be the first of its kind - a digital token that is associated with the production of a motor vehicle - as well as the first digital token sale led by a major investment bank.

"This is a huge day for the digital asset movement," said Bryan Turley Managing Director for JonesTrading, "We believe that we have designed a unique STO that will compete in the digital token space. We anticipate that the Elio STO will give investors a new kind of investment option while being structured with the intention to comply with U.S. federal securities law requirements for sales of securities, as opposed to taking an approach that assumes that the token sale would not be a sale of securities."

Specifically, the ElioCoin STO is expected to be conducted under both Regulation D and Regulation S under the Securities Act of 1933, with initial tokens being sold only to institutional accredited investors. It is expected that the STO will include a pre-sale of the ElioCoin.

"It is our fondest hope that, once issued and cleared for trading, ElioCoin may trade on the blockchain-based securities trading platform that is in development at tZERO," said Overstock.com CEO and founder Patrick M. Byrne. tZERO is a subsidiary company of Overstock.com.

About Overstock.com

[Overstock.com](#) *Common Shares* (NASDAQ:OSTK) / *Series A Preferred* (Medici Ventures' tZERO platform:OSTKP) / *Series B Preferred* (OTCQX:OSTBP) is an online retailer based in Salt Lake City, Utah that sells a broad range of products at low prices, including [furniture](#), [décor](#), [rugs](#), [bedding](#), and [home improvement](#). In addition to home goods, Overstock.com offers a variety of products including jewelry, electronics, apparel, and more, as well as a marketplace providing customers access to hundreds of thousands of products from third-party sellers. Additional stores include Pet Adoptions and Worldstock.com dedicated to selling artisan-crafted products from around the world. Forbes ranked Overstock in its list of the Top 100 Most Trustworthy Companies in 2014. Overstock regularly posts information about the company and other related matters under Investor Relations on its website, <http://www.overstock.com>.

About Elio Motors

Founded by car enthusiast Paul Elio in 2009, Elio Motors Inc. represents a revolutionary

approach to manufacturing an ultra-high-mileage vehicle. The three-wheel *Elio* is engineered to attain a highway mileage rating of up to 84 mpg, while providing the comfort of amenities such as power windows, power door lock air conditioning and cruise control, accompanied by the safety of multiple air bags and an aerodynamic, enclosed vehicle body. *Elio's* first manufacturing site will be in Shreveport, Louisiana.

About JonesTrading

JonesTrading is one of the oldest and largest pure trading firms headquartered in the U.S. and a worldwide leader in block trading. Since 1975, the sole focus of JonesTrading has been creating liquidity for institutions on an unconflicted basis. The ability to provide a secure, trusted platform connecting a diverse group of institutional market players enables the firm to unlock liquidity, while providing best-quality execution for larger and more complex trades. JonesTrading has leveraged its approach to liquidity creation into the capital markets. Access to institutional liquidity brings a price-efficient and cost-effective new approach to these historically underserved clients.

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Forward Looking Statements

Certain statements in this press release including, but not limited to, statements related to anticipated commencement of commercial production, targeted pricing and performance goals, and statements that otherwise relate to future periods are forward-looking statements. These statements involve risks and uncertainties, which are described in more detail in the Company's periodic reports filed with the SEC, specifically the most recent reports which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements. Forward-looking statements are made and based on information available to the Company on the date of this press release. Elio Motors assumes no obligation to update the information in this press release.

Disclaimer

This press release shall not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

Learn more about Elio Motors at eliomotors.com

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