

The following comments are from the Overstock message board and support why the grandfather provision must be rescinded and naked short selling stopped:

I think the reality is that no matter what Patrick was or wasn't doing, the stock would be getting crushed. This is because one company is no match for a cartel of organized hedge funds who collectively represent hundreds of billions of selling power, along with prime brokers who can and will print many millions of shares to aid and abet their powerful, rich hedge fund customers.

That is the sad fact. I've watched NFI, which is wildly profitable, and has quadrupled their earnings over the last 4 years, remain at the same stock price as two years ago - regardless of their financial performance.

That is why the naked short selling thing is so destructive - companies don't perform on their merits - it is a rigged game that benefits criminality, and it doesn't matter what the company does or doesn't do right.

Put it this way. If Patrick quit tomorrow, and they brought in a famous, seasoned retail pro, the bad guys would still be stuck hugely underwater with no choice but to still continue trying to crush the stock. The notion that the company could "do" something to stop that is naive. If the company throws a profit this year, the miscreants will simply have 20 articles published discussing how that profit was illusory, or a trick, or unsustainable, or in jeopardy.

When NFI earnings came in 25% higher than anyone had predicted, and increased the dividend 20%, and raised guidance (in Q2, 2003) the stock got sold off 45%.

Get this into your head: The company and its performance is irrelevant to the bad guys. The stock is merely a currency to transfer wealth from investors to miscreants. Until we have a market where a semblance of the rule of law is in play, this will continue to get worse, for larger and larger companies. It used to be a penny stock problem. Then it became pervasive on the OTCBB. Now it is \$300 million to \$1 billion. It is slowly creeping into the \$1-\$3 billion range.

NO COMPANY IS SAFE AT THE END OF THIS - that is the only logical conclusion one can draw from the progressive nature of the pathology. That has always been my point. The larger the successes of the miscreants, the more emboldened they become, and the more financial horsepower they command - and the larger the targets can be.

What is happening to the stock sucks. The stock SHOULD trade based upon supply and demand, as created by the issuer. Instead, Wall Street has decided to crank up the printing presses and create supply, in infinite numbers. That is what the FOIA data tells us. It is what Patrick's experience buying tells us. It is what the price action tells us.

The SEC is allowing the company's stock price to be devastated by the system and its predators, rather than doing its job. That is what it comes down to. So if you are angry,

which you should be far above any losses you've sustained, my advice is to do what I've done, and focus on the true problem, versus an illusory one. The cops aren't busting the gang members that rob the liquor store you invested in. They rob it every day. The idea that if only the liquor store was better run, or more profitable, that the gang members would eventually tire of robbing it, and move on, is, well, silly. They won't. They rob stores, because they are criminals, and that's what criminals do. That's why we have cops. Now, the cops aren't stopping them, which tells the criminals that it's open season on your liquor store. Want to be pissed at the store manager? OK. But that isn't your problem.

Your problem is gang members robbing the store every day. You first have to stop that, in order to figure out how to make your store the most viable. If you don't, you will go out of business, your last bottle stolen at gunpoint while the cops laugh at you.

That's why I shifted to tackling the larger problem of lawlessness, rather than getting caught up in company specific issues. Because as long as the gang can come in and rob, arguing company specific issues is angels on the head of a pin.

IMO, of course.