

LIQUIDITY SERVICES INC  
 Form 4  
 February 22, 2012

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 CLOUGH PHILLIP A

2. Issuer Name and Ticker or Trading Symbol  
 LIQUIDITY SERVICES INC  
 [LQDT]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 400 EAST PRATT STREET, SUITE 910

3. Date of Earliest Transaction (Month/Day/Year)  
 02/17/2012

Director  10% Owner  
 Officer (give title below)  Other (specify below)

(Street)  
 BALTIMORE, MD 21202-3116

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| Common Stock                    |                                      |  |                                | (A) or (D)<br>Code V Amount (D) Price                             | 19,782  | D  |                                   |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Employee Stock Option                      | \$ 11.19   |                                      |  |                                |   | <u>(1)</u> 10/01/2017                                    | Common Stock  | 8,560                         |
| Employee Stock Option                      | \$ 11.66   |                                      |  |                                |   | <u>(2)</u> 06/03/2018                                    | Common Stock  | 15,082                        |
| Employee Stock Option                      | \$ 8.55  |                                      |  |                                |   | <u>(3)</u> 04/28/2019                                    | Common Stock  | 21,086                        |
| Employee Stock Option                      | \$ 10.7  |                                      |  |                                |   | <u>(4)</u> 02/01/2020                                    | Common Stock  | 18,612                        |
| Employee Stock Option                      | \$ 14.3  |                                      |  |                                |   | <u>(5)</u> 02/01/2021                                    | Common Stock  | 15,012                        |
| Employee Stock Option                      | \$ 42.31   | 02/17/2012                           |  | A                              | 5,328   | <u>(6)</u> 02/01/2022                                    | Common Stock  | 5,328                         |
| Restricted Stock Grant                     | \$ 42.31   | 02/17/2012                           |  | A                              | 851   | <u>(7)</u> 02/01/2022                                    | Common Stock  | 851                           |
| Restricted Stock Grant                     | \$ 42.31   | 02/17/2012                           |  | A                              | 709   | <u>(8)</u> 02/01/2022                                    | Common Stock  | 709                           |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| CLOUGH PHILLIP A<br>400 EAST PRATT STREET, SUITE 910<br>BALTIMORE, MD 21202-3116 |               | X         |         |       |

## Signatures

/s/ James E. Williams, by power of  
attorney

02/22/2012

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) These options became fully vested on October 1, 2008.
- (2) These options became fully vested on April 29, 2009.
- (3) These options became fully vested on February 18, 2010.
- (4) These options became fully vested on February 1, 2011.
- (5) These options became fully vested on February 1, 2012.
- (6) These options have a one-year vesting period such that 100% of this option grant will vest on February 1, 2013.
- (7) These restricted shares have a one-year vesting period such that 100% of this restricted share grant will vest on February 1, 2013.
- (8) These restricted shares have a one-year vesting period such that 100% of this restricted share grant will vest on February 1, 2013.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.  
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