

LIQUIDITY SERVICES INC

Form 4

May 14, 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

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**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)

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

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

400 EAST PRATT STREET, SUITE 910

05/10/2012

(Street)

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

BALTIMORE, MD 21202-3116

(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		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)
			Code	V	Amount	(A) or (D)			
Common Stock	05/10/2012		M		21,086	A	\$ 8.55 40,868	D	
Common Stock	05/10/2012		M		18,612	A	\$ 10.7 59,480	D	
Common Stock	05/10/2012		M		15,012	A	\$ 14.3 74,492	D	
Common Stock	05/10/2012		S		69,002	D	\$ 65.56 5,490	D	

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474  
(9-02)

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

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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	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	05/10/2012		M	21,086	<u>(3)</u>	04/28/2019	Common Stock	21,086
Employee Stock Option	\$ 10.7	05/10/2012		M	18,612	<u>(4)</u>	02/01/2020	Common Stock	18,612
Employee Stock Option	\$ 14.3	05/10/2012		M	15,012	<u>(5)</u>	02/01/2021	Common Stock	15,012
Employee Stock Option	\$ 42.31					<u>(6)</u>	02/01/2022	Common Stock	5,328
Restricted Stock Grant	\$ 42.31					<u>(7)</u>	02/01/2022	Common Stock	851
Restricted Stock Grant	\$ 42.31					<u>(8)</u>	02/01/2022	Common Stock	709

## Reporting Owners

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

## Signatures

/s/ James E. Williams, by power of attorney  
05/14/2012

\_\_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 one-year vesting period such that 100% of this option grant will vest on February 1, 2013.
- (7) These restricted shares have one-year vesting period such that 100% of this restricted share grant will vest on February 1, 2013.
- (8) These restricted shares have 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. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.