Roy G Cayce Form 4 March 17, 2010

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

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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

1(b).

(Last)

(City)

(Print or Type Responses)

See Instruction

1. Name and Address of Reporting Person * Roy G Cayce

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

LIQUIDITY SERVICES INC

[LQDT]

Director 10% Owner

(Check all applicable)

3. Date of Earliest Transaction

(Month/Day/Year) 03/15/2010

Other (specify X_ Officer (give title below)

Exec. VP/Pres. Asset Recovery

C/O LIQUIDITY SERVICES, INC., 1920 L STREET, N.W., 6TH **FLOOR**

(Street)

(First)

(Middle)

(Zip)

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

6. Individual or Joint/Group Filing(Check

Applicable Line)

WASHINGTON, DC 20036

(State)

X Form filed by One Reporting Person Form filed by More than One Reporting

(City)	(State) (Zip) Table	e I - Non-D	erivative	Secur	ities Acqu	uired, Disposed of	f, or Beneficial	ly Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactio Code (Instr. 8)	4. Securities Acquired In(A) or Disposed of (D) (Instr. 3, 4 and 5) (A) or Amount (D) Price			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 Indirect Beneficial Ownership (Instr. 4)
Common Stock	03/15/2010		M <u>(1)</u>	4,000	A	\$0	4,000	D	
Common Stock	03/15/2010		S <u>(1)</u>	513	D	\$ 12.52	3,487	D	

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

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$\label{thm:convergence} \begin{tabular}{ll} Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned \\ (e.g., puts, calls, warrants, options, convertible securities) \end{tabular}$

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. Transactic Code (Instr. 8)	onof D Secu Acq (A) o Disp (D)	urities uired or oosed of rr. 3, 4,	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
Restricted Stock Grant	\$ 9.05						(2)	10/01/2019	Common Stock	9,422
Employee Stock Option	\$ 9.05						(3)	10/01/2019	Common Stock	29,481
Restricted Share Grant	\$ 9.05	03/15/2010		M		4,000	<u>(4)</u>	10/01/2019	Common Stock	4,000
Employee Stock Option	\$ 10.82						<u>(5)</u>	07/30/2018	Common Stock	320,000
Employee Stock Option	\$ 10.82						<u>(6)</u>	07/30/2018	Common Stock	259,166

Reporting Owners

Reporting Owner Name / Address	Relationships							
	Director	10% Owner	Officer	Other				
Roy G Cayce C/O LIQUIDITY SERVICES, INC. 1920 L STREET, N.W., 6TH FLOOR WASHINGTON, DC 20036			Exec. VP/Pres. Asset Recovery					
Signatures								

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

03/17/2010

**Signature of Reporting Person

Date

Reporting Owners 2

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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 restricted shares fully vested on March 15, 2010, based on the Issuer's achievement of certain financial milestones. The transactions in this Form 4 represent the portion of these shares sold.
- (2) Twenty-five percent of this restricted stock grant will vest on October 1, 2010 and thereafter 1/4th of the restricted share grant will vest on October 1 of each year for three years.
- (3) Twenty-five percent of this option grant will vest on October 1, 2010 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
- (4) These restricted shares fully vested on March 15, 2010, based on the Issuer's achievement of certain financial milestones.
- (5) This option becomes vested and exercisable, if at all, based on the Issuer's Asset Recovery Division's achievement of certain financial milestones.
- (6) Twenty-five percent of this option grant vested on August 25, 2009 and thereafter 1/48th of the option grant will vest each month for thirty-six months.

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.