

Williams James Edwin  
 Form 4  
 December 08, 2010

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

OMB APPROVAL  
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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 \*  
 Williams James Edwin

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

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)  
 \_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
 VP, Gen. Counsel & Secretary

(Last) (First) (Middle)

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

3. Date of Earliest Transaction (Month/Day/Year)  
 12/06/2010

VP, Gen. Counsel & Secretary

(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

WASHINGTON, DC 20036

(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 Indirect Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	12/06/2010		M		23,749	A	\$ 10.93
Common Stock	12/06/2010		M		7,097	A	\$ 9.05
Common Stock	12/06/2010		M		2,250	A	\$ 7.48
Common Stock	12/06/2010		S		25,000	D	\$ 15.13
	12/07/2010		S		8,096	D	\$ 15.2

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Common  
Stock

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)

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	\$ 12.89					<sup>(1)</sup> 03/30/2016	Common Stock 30,000
Employee Stock Option	\$ 10.93	12/06/2010		M	23,749	<sup>(2)</sup> 10/01/2017	Common Stock 30,000
Employee Stock Option	\$ 7.48	12/06/2010		M	2,250	<sup>(3)</sup> 10/01/2018	Common Stock 14,626
Restricted Stock Grant	\$ 9.05					<sup>(4)</sup> 10/01/2019	Common Stock 5,834
Employee Stock Option	\$ 9.05	12/06/2010		M	7,097	<sup>(5)</sup> 10/01/2019	Common Stock 24,336

## Reporting Owners

**Reporting Owner Name / Address**

**Relationships**

Director 10% Owner Officer Other

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

VP, Gen. Counsel & Secretary

WASHINGTON, DC 20036

## Signatures

/s/ James E.

12/08/2010

Williams

\_\_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 March 1, 2010.
- (2) One-quarter of this option grant vested on October 1, 2008, with the remaining options vesting at 2.083% per month on the first day of each month for the next 36 months.
- (3) Twenty-five percent of this option grant vested on October 1, 2009 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
- (4) Twenty-five percent of this restricted stock grant vested on October 1, 2010 and thereafter 1/4th of the restricted share grant will vest on October 1 of each year for three years.
- (5) Twenty-five percent of this option grant vested on October 1, 2010 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.

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