

LIQUIDITY SERVICES INC

Form 4

June 11, 2014

**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 \*  
Rallo James M

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)  
05/22/2014

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
CFO, Treasurer, President RSCG

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

(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 Beneficial Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	05/22/2014		J <sup>(20)</sup>	V <u>637</u> <sub>(21)</sub> A <u>15.08</u> <sub>(22)</sub>	\$ 14,702 <sup>(23)</sup>	I	By James M. Rallo 401k
Common Stock	06/06/2014		J <sup>(20)</sup>	V <u>337</u> <sub>(21)</sub> A <u>15.13</u> <sub>(22)</sub>	\$ 15,039 <sup>(23)</sup>	I	By James M. Rallo 401k
Common Stock					8,000	I	By James M. Rallo IRA

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Common Stock				7,885	I	By Kimberly Rallo IRA
Common Stock				4,625	I	By Kimberly Rallo SIMPLE IRA
Common Stock				685	I	By James M. Rallo Cust. Michael Rallo MD UTMA
Common Stock				460	I	By James M. Rallo Cust. Melissa Rallo MD UTMA

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)	8. Price or Value of Underlying Securities (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option	\$ 7.48					<u>(1)</u>	10/01/2018	Common Stock	2,338
Employee Stock	\$ 15.47					<u>(2)</u>	10/01/2020	Common Stock	4,172

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Grant					
Employee Stock Option	\$ 15.47	<u>(3)</u>	10/01/2020	Common Stock	6,678
Employee Stock Grant	\$ 15.47	<u>(4)</u>	10/01/2020	Common Stock	5,526
Employee Stock Grant	\$ 31.11	<u>(5)</u>	10/01/2021	Common Stock	3,723
Employee Stock Option	\$ 31.11	<u>(6)</u>	10/01/2021	Common Stock	12,358
Employee Stock Grant	\$ 38.09	<u>(7)</u>	10/01/2022	Common Stock	3,753
Employee Stock Grant	\$ 38.09	<u>(8)</u>	10/01/2022	Common Stock	5,003
Employee Stock Option	\$ 38.09	<u>(9)</u>	10/01/2022	Common Stock	3,335
Employee Stock Option	\$ 38.09	<u>(10)</u>	10/01/2022	Common Stock	3,335
Employee Stock Grant	\$ 29.47	<u>(11)</u>	07/18/2023	Common Stock	12,216
Employee Stock Grant	\$ 29.47	<u>(12)</u>	07/18/2023	Common Stock	28,503
Employee Stock Option	\$ 29.47	<u>(13)</u>	07/18/2023	Common Stock	24,871
Employee Stock Option	\$ 29.47	<u>(14)</u>	07/18/2023	Common Stock	58,031
Employee Stock Grant	\$ 21.99	<u>(15)</u>	10/01/2023	Common Stock	4,692
Employee Stock Grant	\$ 21.99	<u>(16)</u>	10/01/2023	Common Stock	4,691

Employee Stock Option	\$ 21.99	(17)	10/01/2023	Common Stock	9,938
Employee Stock Option	\$ 21.99	(18)	10/01/2023	Common Stock	9,938
Employee Stock Grant	\$ 13.57	(19)	05/14/2024	Common Stock	44,215

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Rallo James M C/O LIQUIDITY SERVICES, INC. 1920 L STREET, N.W., 6TH FLOOR WASHINGTON, DC 20036			CFO, Treasurer, President RSCG	

## Signatures

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

06/11/2014

\*\*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) Twenty percent of this option grant vested on October 1, 2009 and thereafter 1/60th of the option grant will vest each month for forty-eight months.
- (2) Twenty-five percent of this restricted stock grant vested on October 1, 2011 and thereafter 1/4th of the restricted stock grant will vest on October 1 of each year for three years.
- (3) Twenty-five percent of this option grant vested on October 1, 2011 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
- (4) These restricted shares will vest, if at all, based on the Issuer's achievement of certain financial milestones.
- (5) Twenty-five percent of this restricted stock grant vested on October 1, 2012 and thereafter 1/4th of the restricted stock grant will vest on October 1 of each year for three years.
- (6) Twenty-five percent of this option grant vested on October 1, 2012 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
- (7) Twenty-five percent of this restricted stock grant vested on October 1, 2013 and thereafter 1/4th of the restricted stock grant will vest on October 1 of each year for three years.
- (8) These restricted shares will vest, if at all, based on the Issuer's achievement of certain financial milestones.
- (9) Twenty-five percent of this option grant vested on October 1, 2013 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
- (10) This option becomes exercisable, if at all, based on the Issuer's achievement of certain financial milestones.
- (11) Twenty-five percent of this restricted stock grant will vest on July 1, 2014 and thereafter 1/4th of the restricted stock grant will vest on July 1 of each year for three years.

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- (12) These restricted shares will vest, if at all, based on the Issuer's achievement of certain financial milestones.
- (13) Twenty-five percent of this option grant will vest on July 18, 2014 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
- (14) This option becomes exercisable, if at all, based on the Issuer's achievement of certain financial milestones.
- (15) Twenty-five percent of this restricted stock grant will vest on October 1, 2014 and thereafter 1/4th of the restricted stock grant will vest on October 1 of each year for three years.
- (16) These restricted shares will vest, if at all, based on the Issuer's achievement of certain financial milestones.
- (17) Twenty-five percent of this option grant will vest on October 1, 2014 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
- (18) This option becomes exercisable, if at all, based on the Issuer's achievement of certain financial milestones.
- (19) Fifty percent of this restricted stock grant will vest on November 1, 2015 and thereafter 1/4th of the restricted stock grant will vest on November 1 of each year for two years.
- (20) Shares acquired through participation in Issuer's 401(k) Plan as the result of a corrective action by the trustee/administrator. This transaction is a non-discretionary transaction by the trustee/administrator of a tax qualified plan and is voluntarily reported on Form 4.
- (21) Represents the approximate number of shares acquired (excluding fractionals) by the trustee/administrator of the Issuer's 401(k) Plan for the Reporting Person's benefit, based on a statement of the trustee/administrator.
- (22) The price per share is based on a statement provided by the Issuer's 401(k) Plan trustee/administrator.
- (23) The number of securities shown as being held in Issuer's 401(k) account for the Reporting Person's benefit is the approximate number of shares of common stock. De minimis fractional interests reported by the Issuer's 401(k) Plan trustee/administrator and held indirectly through the Plan's stock purchase account are not reflected.

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.