Rallo James M Form 4 January 03, 2012

## FORM 4

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

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]

3. Date of Earliest Transaction

(Last) (First) (Middle)

(Month/Day/Year) 11/23/2011

5. Relationship of Reporting Person(s) to

Issuer

below)

Director

X\_ Officer (give title

(Check all applicable)

CFO, Treasurer

10% Owner

Other (specify

**OMB** 

Number:

Expires:

response...

Estimated average

burden hours per

**OMB APPROVAL** 

3235-0287

January 31,

2005

0.5

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

(Street)

**FLOOR** 

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

3.

6. Individual or Joint/Group Filing(Check

Applicable Line) \_X\_ Form filed by One Reporting Person Form filed by More than One Reporting

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 2A. Deemed (Month/Day/Year) Execution Date, if

(Month/Day/Year)

TransactionAcquired (A) or Disposed of (D) Code (Instr. 8) (Instr. 3, 4 and 5)

4. Securities

Securities Beneficially Owned Following Reported

5. Amount of

6. Ownership 7. Nature of Form: Direct (D) or Indirect (I) (Instr. 4)

Indirect Beneficial Ownership (Instr. 4)

(A) Transaction(s) (Instr. 3 and 4)

Code V Amount (D) Price

600 D

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)

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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. Transac Code (Instr. 8		5. Number of orDerivative 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	\$ 7.48								<u>(1)</u>	10/01/2018	Common Stock	51,336
Employee Stock Grant	\$ 15.47								(2)	10/01/2020	Common Stock	12,514
Employee Stock Option	\$ 15.47								(3)	10/01/2020	Common Stock	17,464
Employee Stock Grant	\$ 15.47								<u>(4)</u>	10/01/2020	Common Stock	8,750
Employee Stock Grant	\$ 31.11	11/23/2011		A		7,	,446		<u>(5)</u>	10/01/2021	Common Stock	7,446
Employee Stock Option	\$ 31.11	11/23/2011		A		12	2,358		<u>(6)</u>	10/01/2021	Common Stock	12,358

# **Reporting Owners**

Reporting Owner Name / Address	Relationships								
1	Director	10% Owner	officer  CFO, Treasurer	Other					
Rallo James M C/O LIQUIDITY SERVICES, INC. 1920 L STREET, N.W., 6TH FLOOR WASHINGTON, DC 20036			CFO, Treasurer						
Signatures									
/s/ James E. Williams, by power of attorney		01/03/2012							
**Signature of Reporting Person		Date							

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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) 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 will vest 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 will vest on October 1, 2012 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.