

LIQUIDITY SERVICES INC  
Form 4  
February 27, 2015

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

(Last) (First) (Middle)

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

3. Date of Earliest Transaction (Month/Day/Year)  
02/25/2015

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 Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
Common Stock	02/25/2015		S		10,014	D	\$ 10
Common Stock	02/26/2015		S		1,497	D	\$ 10
Common Stock					15,039 <sup>(1)</sup>	I	
Common Stock					8,000	I	

By James M. Rallo  
401k

By James M. Rallo

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Common Stock	7,885	I	IRA By Kimberly Rallo IRA (2)
Common Stock	4,625	I	By Kimberly Rallo SIMPLE IRA (2)
Common Stock	685	I	By James M. Rallo Cust. Michael Rallo MD UTMA (2)
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.

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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)	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					(3)	10/01/2018	Common Stock	2,338

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Employee Stock Option	\$ 15.47	<u>(4)</u>	10/01/2020	Common Stock	6,678
Employee Stock Grant	\$ 15.47	<u>(5)</u>	10/01/2020	Common Stock	5,527
Employee Stock Grant	\$ 31.11	<u>(6)</u>	10/01/2021	Common Stock	1,862
Employee Stock Option	\$ 31.11	<u>(7)</u>	10/01/2021	Common Stock	12,358
Employee Stock Grant	\$ 38.09	<u>(8)</u>	10/01/2022	Common Stock	2,502
Employee Stock Option	\$ 38.09	<u>(9)</u>	10/01/2022	Common Stock	3,335
Employee Stock Grant	\$ 29.47	<u>(10)</u>	07/18/2023	Common Stock	9,162
Employee Stock Option	\$ 29.47	<u>(11)</u>	07/18/2023	Common Stock	24,871
Employee Stock Grant	\$ 21.99	<u>(12)</u>	10/01/2023	Common Stock	3,519
Employee Stock Grant	\$ 21.99	<u>(13)</u>	10/01/2023	Common Stock	4,691
Employee Stock Option	\$ 21.99	<u>(14)</u>	10/01/2023	Common Stock	9,938
Employee Stock Option	\$ 21.99	<u>(15)</u>	10/01/2023	Common Stock	9,938
Employee Stock Grant	\$ 13.57	<u>(16)</u>	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

02/27/2015

\*\*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) 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.
- (2) Mr. Rallo disclaims beneficial ownership of these shares.
- (3) These options became fully vested on October 1, 2013.
- (4) These options became fully vested on October 1, 2014.
- (5) These restricted shares will vest, if at all, based on the Issuer's achievement of certain financial milestones.
- (6) 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.
- (7) 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.
- (8) 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.
- (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) Twenty-five percent of this restricted stock grant vested on July 1, 2014 and thereafter 1/4th of the restricted stock grant will vest on July 1 of each year for three years.
- (11) Twenty-five percent of this option grant vested on July 18, 2014 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
- (12) Twenty-five percent of this restricted stock grant vested on October 1, 2014 and thereafter 1/4th of the restricted stock grant will vest on October 1 of each year for three years.
- (13) These restricted shares will vest, if at all, based on the Issuer's achievement of certain financial milestones.
- (14) Twenty-five percent of this option grant vested on October 1, 2014 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
- (15) This option becomes exercisable, if at all, based on the Issuer's achievement of certain financial milestones.
- (16) 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.

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.