

Angrick William P III
 Form 4
 September 10, 2012

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 *
 Angrick William P III

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)
 09/06/2012

Director 10% Owner
 Officer (give title below) Other (specify below)
 Chairman of the Board and CEO

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 09/06/2012 | | M | | 13,578 | A | \$ 17.02 |
| Common Stock | 09/06/2012 | | M | | 27,397 | A | \$ 9.96 |
| Common Stock | 09/06/2012 | | M | | 19,999 | A | \$ 8.23 |
| Common Stock | 09/06/2012 | | M | | 3,501 | A | \$ 12.02 |
| | | | | | 4,266,126 | I | |

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| | | | | | | |
|--------------|--|---------|---|--|--|---|
| Common Stock | | | | | | By the William P. Angrick III Revocable Trust ⁽¹⁾ |
| Common Stock | | 873,379 | I | | | By the William P. Angrick III 2005 Irrevocable Trust ⁽¹⁾ |
| Common Stock | | 575,513 | I | | | By the Stephanie S. Angrick 2005 Irrevocable Trust ⁽²⁾ |
| Common Stock | | 114,699 | I | | | By the Stephanie S. Angrick Revocable Trust ⁽²⁾ |

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 Grant | \$ 37.72 | | | | | ⁽³⁾ 10/01/2021 | Common Stock 17,717 |
| Employee Stock | \$ 37.72 | | | | | ⁽⁴⁾ 10/01/2021 | Common Stock 32,139 |

| | | | | | | | | | |
|-----------------------|----------|------------|--|---|--------|------|------------|--------------|--------|
| Option | | | | | | | | | |
| Employee Stock Grant | \$ 17.02 | | | | | (5) | 10/01/2020 | Common Stock | 32,832 |
| Employee Stock Option | \$ 17.02 | 09/06/2012 | | M | 13,578 | (6) | 10/01/2020 | Common Stock | 29,008 |
| Employee Stock Grant | \$ 17.02 | | | | | (7) | 10/01/2020 | Common Stock | 15,603 |
| Employee Stock Grant | \$ 9.96 | | | | | (8) | 10/01/2019 | Common Stock | 17,557 |
| Employee Stock Option | \$ 9.96 | 09/06/2012 | | M | 27,397 | (9) | 10/01/2019 | Common Stock | 57,079 |
| Employee Stock Option | \$ 8.23 | 09/06/2012 | | M | 19,999 | (10) | 10/01/2018 | Common Stock | 21,667 |
| Employee Stock Option | \$ 12.02 | 09/06/2012 | | M | 3,501 | (11) | 10/01/2017 | Common Stock | 3,501 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Angrick William P III C/O LIQUIDITY SERVICES, INC. 1920 L STREET, N.W., 6TH FLOOR WASHINGTON, DC 20036 | X | X | Chairman of the Board and CEO | |

Signatures

/s/ James E. Williams, by power of attorney
09/10/2012

__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).
These shares are held in a trust for the benefit of the reporting person. The reporting person disclaims beneficial ownership of these securities, and the filing of this report is not an admission that the reporting person is the beneficial owner of the securities for the purposes of Section 16 or for any other purpose.
- (1) These shares are held in a trust for the benefit of the reporting person's spouse, who is also trustee of the trust. The reporting person disclaims beneficial ownership of these securities, and the filing of this report is not an admission that the reporting person is the
- (2) These shares are held in a trust for the benefit of the reporting person's spouse, who is also trustee of the trust. The reporting person disclaims beneficial ownership of these securities, and the filing of this report is not an admission that the reporting person is the

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beneficial owner of the securities for the purposes of Section 16 or for any other purpose.

- (3) 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.
- (4) 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.
- (5) 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.
- (6) 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.
- (7) These restricted stock will vest, if at all, based on the Issuer's achievement of certain financial milestones.
- (8) Twenty-five percent of this restricted stock grant vested on October 1, 2010 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, 2010 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
- (10) 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.
- (11) These options became fully vested on October 1, 2011.

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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