

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
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1. Name and Address of Reporting Person* <u>Sweeney Michael E</u>  (Last) (First) (Middle) C/O LIQUIDITY SERVICES, INC. 1920 L STREET, N.W., 6TH FLOOR  (Street) WASHINGTON DC 20036  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>LIQUIDITY SERVICES INC [ LQDT ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)  Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>VP &amp; Chief Accounting Officer</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>01/02/2018</u>	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

**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	01/02/2018		J <sup>(1)</sup>		4,338	A	\$4.9	4,338	D	
Common Stock	01/02/2018		F <sup>(2)</sup>		1,742	D	\$4.9	2,596	D	

**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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					
Employee Stock Grant	\$5.53							(3)	04/01/2026	Common Stock	10,500	10,500	D	
Employee Stock Grant	\$9.75	01/02/2018		J <sup>(1)</sup>			3,350	(4)	12/22/2026	Common Stock	3,350	\$4.9	10,050	D
Employee Stock Grant	\$9.75							(5)	12/22/2026	Common Stock	6,600		6,600	D
Employee Stock Grant	\$10.3	01/02/2018		J <sup>(1)</sup>			988	(6)	12/20/2026	Common Stock	988	\$4.9	2,962	D
Employee Stock Grant	\$10.3							(5)	12/20/2026	Common Stock	3,950		3,950	D
Employee Stock Option	\$10.3							(7)	12/20/2026	Common Stock	2,350		2,350	D
Employee Stock Option	\$10.3							(8)	12/20/2026	Common Stock	2,350		2,350	D
Employee Stock Option	\$4.47							(9)	10/01/2027	Common Stock	6,000		6,000	D
Employee Stock Grant	\$4.47							(5)	10/01/2027	Common Stock	600		600	D
Employee Stock Option	\$4.47							(10)	10/01/2027	Common Stock	4,000		4,000	D
Employee Stock Grant	\$4.47							(11)	10/01/2027	Common Stock	400		400	D

**Explanation of Responses:**

1. Represents the vesting of restricted stock.

2. Represents an advance election by the insider to satisfy tax withholding obligations related to vesting of restricted shares by authorizing the issuer to sell a number of shares with an aggregate fair market value that would satisfy the withholding amount due.
3. Twenty-five percent of this restricted stock grant will vest on April 1, 2017 and thereafter 1/4 of the restricted stock grant will vest on April 1 of each year for three years.
4. Twenty-five percent of this restricted stock grant vested on January 1, 2018 and thereafter 1/4 of the restricted stock grant will vest on January 1 of each year for three years.
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 January 1, 2018 and thereafter 1/4th of the restricted stock grant will vest on each of October 1, 2018, October 1, 2019 and October 1, 2020.
7. 15/48th of this option grant will vest on January 1, 2018 and then 1/48th of the option grant will vest each month for thirty-three months.
8. This option becomes exercisable, if at all, based on the Issuer's achievement of certain financial milestones.
9. This option becomes exercisable, if at all, based on the Issuer's achievement of certain financial milestones.
10. 15/48th of this option grant will vest on January 1, 2019 and thereafter 1/48th of the option grant will vest each month for thirty three months.
11. Twenty-five percent of this restricted stock grant will vest on January 1, 2019 and thereafter 1/4th of the restricted stock grant will vest on each October 1, 2019, October 1, 2020, and October 1, 2021.

**Remarks:**

/s/ Mark A. Shaffer, by power      01/03/2018  
of attorney

\*\* Signature of Reporting Person      Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* 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).

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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