

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**Current Report
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) **February 4, 2013**

LIQUIDITY SERVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-51813
(Commission
File Number)

52-2209244
(IRS Employer
Identification No.)

1920 L Street, N.W., 6th Floor, Washington, D.C.
(Address of principal executive offices)

20036
(Zip Code)

Registrant's telephone number, including area code **(202) 467-6868**

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(c) Appointment of Chief Information Officer

Effective as of February 4, 2013, Mr. Leoncio Casusol was appointed Chief Information Officer of Liquidity Services, Inc. (the "Company"). Mr. Casusol, age 40, will report to the Company's Chairman and Chief Executive Officer, William P. Angrick, III. As the Company's top technology executive, Mr. Casusol will be responsible for partnering with the Company's business and functional leaders to improve and optimize the Company's technology platforms, operations and services in support of customer satisfaction and long-term growth.

Prior to joining the Company, Mr. Casusol was Chief Information Officer of Terremark, a Verizon company that provides advanced information technology infrastructure and managed services to global enterprise and government clients, where he was responsible for the implementation of business technology, new products and strategies to drive operational efficiencies and improved growth from 2008 to the present. From 2000 to 2008, Mr. Casusol worked as Senior Vice President, Engineering and Technology, for Quadrem, a provider of global supply chain solutions and a subsidiary of Ariba, Inc., helping Quadrem establish and grow one of the first and largest business-to-business e-commerce marketplaces in the mining industry, supporting over \$20 billion of annual transaction volume globally. Mr. Casusol holds a bachelor's degree in Systems Engineering from Santa Maria Catholic University of Arequipa and a Masters in Economics and Management from San Agustin University of Arequipa.

In connection with his appointment as Chief Information Officer, Mr. Casusol entered into an Executive Employment Agreement with the Company that provides for an annual base salary of \$300,000. The employment agreement also provides for the grant of 49,113 shares of restricted stock that will vest over a four year vesting schedule. In addition, the employment agreement provides for a grant of 49,113 shares of restricted stock that will vest over a four year time period based on the Company's achievement of certain financial milestones. Mr. Casusol is eligible under his employment agreement to receive an annual bonus, targeted at 60% of his base salary. Mr. Casusol will also be eligible to receive up to an additional \$25,000 for relocation expenses. The foregoing description does not purport to be complete and is qualified in its entirety by reference to the executive employment agreement between Mr. Casusol and the Company, which is filed herewith. The Executive Employment Agreement by and between the Company and Mr. Casusol is attached hereto as Exhibit 10.1.

There are no relationships between Mr. Casusol and any other director or executive officer of the Company. The Company had no transactions, and has no transaction proposed, in which Mr. Casusol, or any member of his immediate family, has a direct or indirect material interest.

Item 7.01. Regulation FD Disclosure.

The press release announcing Mr. Casusol's appointment is attached hereto as Exhibit 99.1.

This exhibit is furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended, nor shall it be deemed incorporated by reference into any of the Company's reports or filings with the Securities and Exchange Commission, whether made before or after the date hereof, except as expressly set forth by specific reference in such report or filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

The following exhibits are filed as part of this report:

- 10.1 Executive Employment Agreement by and between the Company and Leoncio Casusol.
- 99.1 Press Release dated February 4, 2013.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LIQUIDITY SERVICES, INC.
(Registrant)

Date: February 4, 2013

By: /s/ James E. Williams
Name: James E. Williams
Title: Vice President, General Counsel and Corporate Secretary

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
10.1	Executive Employment Agreement by and between the Company and Leoncio Casusol.
99.1	Press Release dated February 4, 2013.

LIQUIDITY SERVICES, INC.
EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (“**Agreement**”) is entered into as of January 2, 2013, with an effective date of February 4, 2013 (the “**Effective Date**”), by and between Liquidity Services, Inc., a Delaware corporation (“**LSI**” or the “**Company**”), and Leoncio Casosol (the “**Executive**”).

1. **Employment Agreement.** On the terms and conditions set forth in this Agreement, the Company agrees to employ the Executive and the Executive agrees to be employed by the Company for the Employment Period set forth in Section 2 hereof and in the position and with the duties set forth in Section 3 hereof. Terms used herein with initial capitalization are defined in Section 10.12 below.

2. **Term.** The term of employment under this Agreement shall be the period set forth in Schedule 1 attached hereto commencing on the Effective Date (the “**Employment Period**”).

3. **Position and Duties.** The Executive shall serve in the position and with the duties and title set forth in Schedule 1 attached hereto during the Employment Period. In such capacity, the Executive shall have the normal duties, responsibilities, and authority of such position, subject to the power of the Executive’s “**Reporting Officer**” as designated in Schedule 1, the Company’s Chief Executive Officer to reasonably expand or limit such duties, responsibilities and authority. The Executive shall report to the Reporting Officer designated in Schedule 1. The Executive shall devote the Executive’s best efforts and full business time and attention to the business and affairs of the Company; *provided, however*, that the Executive may, to the extent such participation or service does not materially interfere with the performance of the obligations described in this Agreement, participate in charitable, civic, political, social, trade, or other non-profit organizations.

4. **Place of Performance.** In connection with the Executive’s employment by the Company, the Executive shall be based at the Company’s office located at 1920 L Street, NW, 6th Floor, Washington, DC 20036, except as otherwise agreed by the Executive and the Company and except for reasonable travel on Company business.

5. **Compensation.**

5.1. **Base Salary.** During the Employment Period, the Company shall pay to the Executive an annual base salary (the “**Base Salary**”), which initially shall be at the rate per year as set forth in Schedule 1. The Base Salary shall be payable semi-monthly or in such other installments as shall be consistent with the Company’s payroll procedures. The Base Salary may be increased at any time or from time to time, but it may not be decreased without the consent of the Executive.

5.2. **Bonus.** The Executive shall be eligible for a performance bonus as set forth in Schedule 1.

5.3. **Benefits.** During the Employment Period, the Executive will be entitled to receive such other benefits approved by the Reporting Officer and made available to similarly situated senior executives of the Company, including health insurance, disability insurance, and 401-K benefits. At all times the Company agrees to maintain director’s and officer’s liability

coverage for the Executive. Nothing contained in this Agreement shall prevent the Company from changing insurance carriers.

5.4. **Employee Leave.** The Executive shall be entitled to six public holidays: New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. The Executive shall also receive 2 floating holidays to use on any business day of the year with the Reporting Officer’s permission. In addition, the Executive shall have a total of 26 business days of paid time off (PTO) in accordance with the applicable policies of the Company, which shall be taken at a reasonable time or times per year.

6. **Expenses and Relocation.** The Executive is expected and is authorized to incur reasonable expenses in the performance of his duties hereunder, including the costs of entertainment, travel, and similar business expenses incurred in the performance of his duties. The Company shall reimburse the Executive for all such expenses promptly upon periodic presentation by the Executive of an itemized account of such expenses and appropriate receipts. In addition, the Company shall reimburse the Executive for expenses associated with relocation of up to \$25,000, after taxes, upon presentation by the Executive of an itemized account of such expenses and appropriate receipts; *provided*, that such relocation occurs on or before September 1, 2013. Commuting costs between the Executive’s home in Texas and Washington D.C. for the period from the Effective Date to September 1, 2013, will be borne by the Company.

7. **Termination of Employment.**

7.1. **Termination.** The Executive’s employment by the Company during the Employment Period will continue until the Executive’s death, disability, resignation or until the Executive’s termination by the Company at any time.

7.2. **Notice of Termination.** Any termination of the Executive’s employment by the Company or the Executive (other than because of the Executive’s death) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 10.1 hereof. For purposes of this Agreement, a “**Notice of Termination**” shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon, if any, and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive’s employment under the provision so indicated. Termination of the Executive’s employment shall take effect on the Date of Termination.

8. **Compensation upon Termination.**

8.1. **Death.** If the Executive’s employment is terminated during the Employment Period as a result of the Executive’s death, the Company shall pay to the Executive’s estate, or as may be directed by the legal representatives of such estate, the Executive’s full Base Salary through the next full calendar month following the Date of Termination and all other unpaid amounts, if any, to which the Executive is entitled as of the Date of Termination in connection with any fringe benefits pursuant to Section 5.3 and expenses pursuant to Section 6. Subject to Section 8.5 below, the payments

contemplated by this Section 8.1 shall be paid at the time they are due, and the Company shall have no further obligations to the Executive or his estate under this Agreement.

8.2. **Disability.** If the Company terminates the Executive's employment during the Employment Period because of the Executive's Disability, the Company shall pay the Executive the Executive's full Base Salary through the third full calendar month following the Date of Termination and all other unpaid amounts, if any, to which the Executive is entitled as of the Date of Termination in connection with any fringe benefits pursuant to Section 5.3 and expenses pursuant to Section 6. Subject to Section 8.5 below, the payments contemplated by this Section 8.2 shall be

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paid at the time they are due, and the Company shall have no further obligations to the Executive under this Agreement; *provided, however*, that the Base Salary shall be reduced by the amount of any disability benefit payments made to the Executive during a period of Disability from any insurance or other policies provided by the Company.

8.3. **By the Company with Cause or by the Executive without Good Reason.** If the Company terminates the Executive's employment during the Employment Period for Cause or if the Executive voluntarily terminates the Executive's employment during the Employment Period other than for Good Reason, the Company shall pay the Executive the Executive's full Base Salary through the Date of Termination and all other unpaid amounts, if any, to which the Executive is entitled as of the Date of Termination in connection with any fringe benefits pursuant to Section 5.3 and expenses pursuant to Section 6. Subject to Section 8.5 below, the payments contemplated by this Section 8.3 shall be paid at the time such payments are due, and the Company shall have no further obligations to the Executive under this Agreement.

8.4. **By the Company without Cause or by the Executive for Good Reason.** If the Company terminates the Executive's employment during the Employment Period other than for Cause, death, or Disability or the Executive terminates his employment during the Employment Period for Good Reason, the Company shall pay the Executive: (A) the Executive's full Base Salary through the Date of Termination and all other unpaid amounts, if any, to which the Executive is entitled as of the Date of Termination in connection with any fringe benefits pursuant to Section 5.3 and expenses pursuant to Section 6; and (B) a lump-sum severance package equal to (1) if the Executive's employment is terminated pursuant to this Section 8.4 prior to the completion of the Executive's twelfth month of employment, twelve months of the Executive's Base Salary plus an amount equal to the product of (i) the quotient of (a) the number of whole months elapsed between the date of the commencement of Executive's employment and the Date of Termination and (b) 12 and (ii) the Executive's target bonus amount described in Schedule 1 or (2) if the Executive's employment is terminated pursuant to this Section 8.4 after the completion of the Executive's twelfth month of employment, six months of the Executive's Base Salary plus an amount equal to six months of the average annual bonus earned by the Executive during the previous two fiscal years (collectively the "**Severance Payment**"). Subject to Section 8.5 below, the Severance Payment shall be payable to the Executive within 30 days of the Notice of Termination, and the Company shall have no further obligations to the Executive under this Agreement.

8.5. **Code Section 409A Matters.** Anything in this Agreement to the contrary notwithstanding, if (A) on the date of the Executive's "separation from service" (within the meaning of Section 409A(a)(2)(A)(i) of the Internal Revenue Code of 1986, as amended (the "**Code**")) with the Company, the Executive is a "specified employee" (within the meaning of Section 409A(a)(2)(B)(i) of the Code) and (B) as a result of such separation from service, the Executive would receive any payment under this Agreement that, absent the application of this Section 8.5, would be subject to the additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(2)(B)(i) of the Code, then no such payment shall be payable prior to the date that is the earliest of (1) six months after the Executive's separation from service, (2) the Executive's death or (3) such other date as will cause such payment not to be subject to such additional tax. Any payments which are required to be delayed as a result of this Section 8.5 shall be accumulated and paid as a lump-sum on the earliest possible date determined in accordance the preceding sentence.

9. **Other Agreements.** As a pre-condition to the effectiveness of this Agreement, the Executive agrees to execute the Employee Agreement attached hereto as Exhibit A (the "**Employee Agreement**"), the terms and conditions of which are specifically incorporated herein by reference.

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10. **Miscellaneous.**

10.1. **Notices.** All notices, demands, requests or other communications required or permitted to be given or made hereunder shall be in writing and shall be delivered, telecopied or mailed by first-class, registered or certified mail, postage prepaid, addressed as follows:

10.1.1. If to the Company:

Liquidity Services, Inc.
1920 L Street NW, 6th Floor
Washington DC 20036
ATTN: James E. Williams, General Counsel
Fax: (202) 558-6246
Phone: (202) 558-6279

10.1.2. If to the Executive:

at the address set forth in Schedule 1;

or to such other address as may be designated by either party in a notice to the other. Each notice, demand, request or other communication that shall be given or made in the manner described above shall be deemed sufficiently given or made for all purposes three days after it is deposited in the U.S. mail, postage prepaid, or at such time as it is delivered to the addressee (with the return receipt, the delivery receipt, the answer back, the confirmation (if telecopy) or the affidavit of messenger being deemed conclusive evidence of such delivery) or at such time as delivery is refused by the addressee upon presentation.

10.2. **Representations.** The Executive agrees to execute any proper oath or verify any proper and material document required to carry out the terms of this Agreement. The Executive represents that performance of all the terms of this Agreement and the Employee Agreement will not breach any non-compete or similar agreement. The Executive has not entered into, and the Executive agrees not to enter into, any oral or written agreement in conflict herewith.

10.3. **Severability.** The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the other provisions of this Agreement, which shall remain in full force and effect.

10.4. **Survival.** It is the express intention and agreement of the parties hereto that the provisions of Sections 8 and 10 hereof shall survive the termination of employment of the Executive. In addition, all obligations of the Company to make payments hereunder shall survive any termination of this Agreement on the terms and conditions set forth herein.

10.5. **Assignment.** The rights and obligations of the parties to this Agreement shall not be assignable or delegable, except that (i) in the event of the Executive's death, the personal representative, legatees or distributees of the Executive's estate, as the case may be, shall have the right to receive any amount owing and unpaid to the Executive hereunder and (ii) the rights and obligations of the Company hereunder shall be assignable and delegable to any Affiliate of the Company or in connection with any subsequent merger, consolidation, sale of all or substantially all of the assets of the Company or similar reorganization of a successor corporation.

10.6. **Binding Effect.** Subject to any provisions hereof restricting assignment, this Agreement shall be binding upon the parties hereto and shall inure to the benefit of the parties and their respective heirs, devisees, executors, administrators, legal representatives, successors and assigns.

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10.7. **Amendment; Waiver.** This Agreement shall not be amended, altered or modified except by an instrument in writing duly executed by the parties hereto; *provided*, that the parties may amend Schedule 1 hereto by executing and delivering a revised version of Schedule 1 and attaching such revised version to this Agreement. Neither the waiver by either of the parties hereto of a breach of or a default under any of the provisions of this Agreement, nor the failure of either of the parties, on one or more occasions, to enforce any of the provisions of this Agreement or to exercise any right or privilege hereunder, shall thereafter be construed as a waiver of any subsequent breach or default of a similar nature, or as a waiver of any such provisions, rights or privileges hereunder.

10.8. **Headings.** Section and subsection headings contained in this Agreement are inserted for convenience of reference only, shall not be deemed to be a part of this Agreement for any purpose, and shall not in any way define or affect the meaning, construction or scope of any of the provisions hereof.

10.9. **Governing Law.** This Agreement, the rights and obligations of the parties hereto, and any claims or disputes relating thereto, shall be governed by and construed in accordance with the laws of the District of Columbia not including the choice of law rules thereof.

10.10. **Entire Agreement.** This Agreement, including Schedule 1 hereto and the Employee Agreement, constitute the entire agreement between the parties respecting the employment of the Executive, there being no representations, warranties or commitments except as set forth herein.

10.11. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which shall be deemed to constitute one and the same instrument.

10.12. **Definitions.**

“**Affiliate**” means as to a specified Person any other person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the specified Person.

“**Agreement**” is defined in the preamble above.

“**Base Salary**” is defined in Section 5.1 above.

“**Beneficial Owner**” means a beneficial owner within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended.

“**Cause**” means (i) the commission of a felony or a crime involving moral turpitude (specifically excluding felonies or crimes under any applicable state or federal vehicle code) or the commission of any other act or omission involving dishonesty or fraud with respect to the Company or any of its subsidiaries or any of their customers or suppliers, or (ii) recurring violations of material Company rules, regulations policies or any material provisions of this Agreement or the Employee Agreement after written notice to the Executive from the Company specifically enumerating all of the facts and circumstances constituting the violation, the conduct or action which can be taken by the Executive to cure the violation, and a reasonable opportunity for the Executive to take corrective action or (iii) gross negligence or willful misconduct with respect to the Company or any of its subsidiaries.

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“**Code**” is defined in Section 8.5 above.

“**Date of Termination**” means: (i) if the Executive's employment is terminated by the Executive's death, the date of the Executive's death; (ii) if the Executive's employment is terminated because of the Executive's Disability, the date specified in the Notice of Termination; (iii) if the Executive's employment is terminated by the Company for Cause or by the Executive for Good Reason, the date specified in the Notice of Termination; or (iv) if the Executive's employment is terminated during the Employment Period other than pursuant to Section 7, the date on which Notice of Termination is given.

“**Disability**” means the Executive's inability to perform all of the Executive's duties hereunder by reason of illness, physical or mental disability or other similar incapacity, as determined by a competent medical doctor appointed by the Reporting Officer after a complete and thorough medical

examination and evaluation, which inability shall continue for more than three consecutive months or for such shorter periods that when aggregated exceed six (6) months in any twelve (12) month period.

“**Effective Date**” is defined in the preamble above.

“**Employee Agreement**” is defined in Section 9 above.

“**Employment Period**” is defined in Section 2 above.

“**Executive**” is defined in the preamble above.

“**Good Reason**” means (i) the Company’s failure to perform or observe any of the material terms or provisions of this Agreement (including the provisions of Schedule 1) or the Employee Agreement, and the continued failure of the Company to cure such default within 30 days after written demand for performance has been given to the Company by the Executive, which demand shall describe specifically the nature of such alleged failure to perform or observe such material terms or provisions; or (ii) a material reduction in the scope of the Executive’s responsibilities and duties without the written consent of the Executive; or (iii) any change to the job title given to the Executive without his written consent; (iv) any reduction in Base Salary or any other benefits provided to the Executive hereunder; (v) any constructive termination of the Executive; or (vi) any request, instruction, directive or order, whether direct or indirect, to the Executive by the Company or any executive officer of the Company to perform any act which is unlawful.

“**LSI**” or “**Company**” is defined in the preamble above.

“**Notice of Termination**” is defined in Section 7.2 above.

“**Person**” means an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

“**Reporting Officer**” is defined in Section 3 above.

“**Severance Payment**” is defined in Section 8.4 above.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement, or have caused this Agreement to be duly executed on their behalf, as of the day and year first hereinabove written.

LIQUIDITY SERVICES, INC.

By: /s/ William P. Angrick, III
William P. Angrick, III
Chief Executive Officer

EXECUTIVE:

/s/ Leoncio Casusol
Leoncio Casusol

FOR IMMEDIATE RELEASE

Liquidity Services, Inc. Announces Appointment of Leoncio Casusol as
Chief Information Officer

WASHINGTON, D.C. Feb. 4, 2013 — Liquidity Services, Inc. (NASDAQ: LQDT), which provides leading corporations, public sector agencies, and buying customers the world's most transparent, innovative, and effective online marketplaces and integrated services for surplus assets, is pleased to announce the appointment of Leoncio Casusol as Chief Information Officer (CIO) for Liquidity Services. Mr. Casusol will serve as a member of the Company's executive leadership team and will report to Bill Angrick, Chairman and CEO of Liquidity Services.

As the Company's top technology executive, Mr. Casusol will be responsible for partnering with the Company's business and functional leaders to improve and optimize the Company's technology platforms, operations and services in support of customer satisfaction and long term growth.

"As our new CIO, Leo will play an integral role in Liquidity Services' development and future growth as we capitalize on the vast opportunities to drive innovation in the reverse supply chain with our e-commerce platform and unique global service offering," said Bill Angrick. "Leo's strong background in designing and operating high-scale global technology platforms, mentoring and developing technology teams and driving operational efficiencies and client value will strengthen our business and market leadership position."

Prior to joining Liquidity Services, Mr. Casusol was CIO of Terremark, a Verizon company that provides advanced IT infrastructure and managed services to global enterprise and government clients, where he was responsible for the implementation of business technology, new products and strategies to drive operational efficiencies and improved growth. Before that, he spent seven years at Quadrem, an Ariba Company, helping establish and grow one of the first and largest B2B e-commerce marketplaces in the mining industry supporting over \$20 billion of annual transaction volume globally.

"Liquidity Services is a world-class company that is transforming the way leading organizations manage their capital assets and inventory," said Casusol. "I'm looking forward to helping scale and grow the company's leading online marketplaces, operations and service offering to capture the tremendous long term potential of our target market."

Mr. Casusol holds a bachelor's degree in Systems Engineering from Santa Maria Catholic University of Arequipa and a Masters in Economics and Management from San Agustin University of Arequipa.

About Liquidity Services, Inc.

Liquidity Services, Inc. (NASDAQ: LQDT) provides leading corporations, public sector agencies and buying customers the world's most transparent, innovative and effective online marketplaces and integrated services for surplus assets. On behalf of its clients, Liquidity Services has completed the sale of over \$3.5 billion of surplus, returned and end-of-life assets in over 500 product categories, including consumer goods, capital assets and industrial equipment. The company is based in Washington, D.C. and has approximately 1,300 employees. Additional information can be found at: <http://www.liquidityservicesinc.com>.

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