

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>GROSS PATRICK W</u> (Last) (First) (Middle) <u>C/O LIQUIDITY SERVICES, INC.</u> <u>1920 L STREET, N.W., 6TH FLOOR</u> (Street) <u>WASHINGTON DC 20036</u> (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) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below) |
| | 3. Date of Earliest Transaction (Month/Day/Year) <u>02/03/2014</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 | | | | | | | | 1,798 | 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 Option | \$12.89 | | | | | | | (1) | 04/03/2016 | Common Stock | 20,000 | 20,000 | D | |
| Employee Stock Option | \$14.75 | | | | | | | (2) | 10/02/2016 | Common Stock | 11,271 | 11,271 | D | |
| Employee Stock Option | \$11.19 | | | | | | | (3) | 10/01/2017 | Common Stock | 10,272 | 10,272 | D | |
| Employee Stock Option | \$11.66 | | | | | | | (4) | 06/03/2018 | Common Stock | 4,457 | 4,457 | D | |
| Employee Stock Option | \$8.55 | | | | | | | (5) | 04/28/2019 | Common Stock | 21,086 | 21,086 | D | |
| Employee Stock Option | \$10.7 | | | | | | | (6) | 02/01/2020 | Common Stock | 18,612 | 18,612 | D | |
| Employee Stock Option | \$14.3 | | | | | | | (7) | 02/01/2021 | Common Stock | 15,012 | 15,012 | D | |
| Employee Stock Option | \$42.31 | | | | | | | (8) | 02/01/2022 | Common Stock | 5,328 | 5,328 | D | |
| Employee Stock Option | \$40.11 | | | | | | | (9) | 02/01/2023 | Common Stock | 5,954 | 5,954 | D | |
| Employee Stock Option | \$21.53 | 02/03/2014 | | A | | 20,061 | | (10) | 02/01/2024 | Common Stock | 20,061 | \$0 | 20,061 | D |
| Restricted Stock Grant | \$21.53 | 02/03/2014 | | A | | 10,000 | | (11) | 02/01/2024 | Common Stock | 10,000 | \$0 | 10,000 | D |

Explanation of Responses:

- These options became fully vested on April 3, 2008.
- These options became fully vested on October 2, 2007.
- These options became fully vested on October 1, 2008.
- These options became fully vested on June 3, 2009.

5. These options became fully vested on February 18, 2010.
6. These options became fully vested on February 1, 2011.
7. These options became fully vested on February 1, 2012.
8. These options became fully vested on February 1, 2013.
9. These options became fully vested on February 1, 2014.
10. These options have a one-year vesting period such that 100% of this option grant will vest on February 1, 2015.
11. These restricted shares have a one-year vesting period such that 100% of this restricted share grant will vest on February 1, 2015.

/s/ James E. Williams, by
power of attorney

02/18/2014

** 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.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.