Dean Eric C.

Form 4

November 04, 2011

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person [*] Dean Eric C.	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 __X__ Officer (give title _____ Other (specify below) below) Chief Information Officer
(Last) (First) (Middle) C/O LIQUIDITY SERVICES, INC., 1920 L STREET, N.W., 6TH FLOOR	3. Date of Earliest Transaction (Month/Day/Year) 11/02/2011	
(Street) WASHINGTON, DC 20036	4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person ___ Form filed by More than One Reporting Person
(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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	11/02/2011		M		2,000	A	$ 7.48	2,000	D	
Common Stock	11/02/2011		S[(1)]		2,000	D	$ 30.23	0	D	

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

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(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	$ 15.47							(2)	10/01/2020	Common Stock	7,569
Employee Stock Option	$ 15.47							(3)	10/01/2020	Common Stock	14,911
Employee Stock Grant	$ 15.47							(4)	10/01/2020	Common Stock	15,000
Employee Stock Option	$ 7.48	11/02/2011		M		2,000		(5)	10/01/2018	Common Stock	48,005
Employee Stock Option	$ 13.56							(6)	10/15/2017	Common Stock	250,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Dean Eric C. C/O LIQUIDITY SERVICES, INC. 1920 L STREET, N.W., 6TH FLOOR WASHINGTON, DC 20036			Chief Information Officer	

Signatures

/s/ James E. Williams, by power of attorney	11/04/2011
**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 transactions reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on September 12, 2011.

(2)   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.

(3)   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.

(4)   These restricted shares will vest, if at all, based on the Issuer's achievement of certain financial milestones.

(5)   Twenty percent of this option grant vested on October 1, 2009 and thereafter 1/60th of the option grant will vest each month for forty-eight months.

(6)   Twenty-five percent of this option grant vested on 10/15/2008, and thereafter, 1/48th of the option grant will vest each month for thirty-six months.

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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