

LIQUIDITY SERVICES INC  
Form 4  
April 28, 2011

**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 \*  
CLOUGH PHILLIP A

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)  
400 EAST PRATT STREET, SUITE 910

3. Date of Earliest Transaction (Month/Day/Year)  
04/26/2011

Director  10% Owner  
 Officer (give title below)  Other (specify below)

(Street)  
BALTIMORE, MD 21202-3116

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

(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)
				(A) or (D)	Price		
Common Stock	04/26/2011		S(1)	25,000 (2)	D \$ 19.5	1,263,541 (3)	I See footnote (4)
Common Stock	04/27/2011		S(1)	25,000 (5)	D \$ 19.54	1,238,541 (6)	I See footnote (4)
Common Stock	04/28/2011		S(1)	25,000 (7)	D \$ 19.65	1,213,541 (8)	I See footnote (4)
Common						17,740	D

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Stock

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)	8. Price or Value of Derivative Security (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option	\$ 12.89					<u>(9)</u> 04/03/2016		Common Stock	20,000
Employee Stock Option	\$ 14.75					<u>(10)</u> 10/02/2016		Common Stock	9,393
Employee Stock Option	\$ 11.19					<u>(11)</u> 10/01/2017		Common Stock	8,560
Employee Stock Option	\$ 11.66					<u>(12)</u> 06/03/2018		Common Stock	15,082
Employee Stock Option	\$ 8.55					<u>(13)</u> 04/28/2019		Common Stock	21,086
Employee Stock Option	\$ 10.7					<u>(14)</u> 02/01/2020		Common Stock	18,612
Employee Stock Option	\$ 14.3					<u>(15)</u> 02/01/2021		Common Stock	15,012
	\$ 14.3					<u>(16)</u> 02/01/2021			2,517

Restricted Stock Grant					Common Stock	
Restricted Stock Grant	\$ 14.3	(17)	02/01/2021		Common Stock	2,098

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CLOUGH PHILLIP A 400 EAST PRATT STREET, SUITE 910 BALTIMORE, MD 21202-3116	X			

## Signatures

/s/ James E. Williams, by power of attorney  
Date: 04/28/2011

\*\*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 December 10, 2010.  
Consists of the following shares sold by the following entities: (a) 21,969 shares by ABS Capital Partners VI, LP ("ABS VI"), (b) 418 shares by ABS Capital Partners VI-A, LP ("ABS VI-A"), and (c) 2,613 shares by ABS Capital Partners VI Offshore, LP ("ABS Capital Partners VI Offshore" and together with ABS VI and ABS VI-A, the "ABS Entities"). ABS Partners VI, LLC is the general partner of the ABS Entities and has voting and dispositive powers over these shares. The address for these entities affiliated with ABS Capital Partners is 400 East Pratt Street, Suite 910, Baltimore, MD 21202-3116.
- (2) Consists of the following shares held by the following entities: (a) 1,110,401 shares by ABS Capital Partners VI, LP ("ABS VI"), (b) 21,153 shares by ABS Capital Partners VI-A, LP ("ABS VI-A"), and (c) 131,987 shares by ABS Capital Partners VI Offshore, LP ("ABS Capital Partners VI Offshore" and together with ABS VI and ABS VI-A, the "ABS Entities"). ABS Partners VI, LLC is the general partner of the ABS Entities and has voting and dispositive powers over these shares. The address for these entities affiliated with ABS Capital Partners is 400 East Pratt Street, Suite 910, Baltimore, MD 21202-3116.
- (3) Mr. Phillip Clough is a managing member of ABS Partners VI, LLC, the general partner of the ABS Entities. Mr. Clough disclaims beneficial ownership of these shares except to the extent of his pecuniary interest. The address for these entities affiliated with ABS Capital Partners is 400 East Pratt Street, Suite 910, Baltimore, MD 21202-3116.
- (4) Consists of the following shares sold by the following entities: (a) 21,969 shares by ABS Capital Partners VI, LP ("ABS VI"), (b) 418 shares by ABS Capital Partners VI-A, LP ("ABS VI-A"), and (c) 2,613 shares by ABS Capital Partners VI Offshore, LP ("ABS Capital Partners VI Offshore" and together with ABS VI and ABS VI-A, the "ABS Entities"). ABS Partners VI, LLC is the general partner of the ABS Entities and has voting and dispositive powers over these shares. The address for these entities affiliated with ABS Capital Partners is 400 East Pratt Street, Suite 910, Baltimore, MD 21202-3116.
- (5) Consists of the following shares held by the following entities: (a) 1,088,432 shares by ABS Capital Partners VI, LP ("ABS VI"), (b) 20,735 shares by ABS Capital Partners VI-A, LP ("ABS VI-A"), and (c) 129,374 shares by ABS Capital Partners VI Offshore, LP ("ABS Capital Partners VI Offshore" and together with ABS VI and ABS VI-A, the "ABS Entities"). ABS Partners VI, LLC is the general partner of the ABS Entities and has voting and dispositive powers over these shares. The address for these entities affiliated with ABS Capital Partners is 400 East Pratt Street, Suite 910, Baltimore, MD 21202-3116.
- (6)
- (7)

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Consists of the following shares sold by the following entities: (a) 21,969 shares by ABS Capital Partners VI, LP ("ABS VI"), (b) 418 shares by ABS Capital Partners VI-A, LP ("ABS VI-A"), and (c) 2,613 shares by ABS Capital Partners VI Offshore, LP ("ABS Capital Partners VI Offshore" and together with ABS VI and ABS VI-A, the "ABS Entities"). ABS Partners VI, LLC is the general partner of the ABS Entities and has voting and dispositive powers over these shares. The address for these entities affiliated with ABS Capital Partners is 400 East Pratt Street, Suite 910, Baltimore, MD 21202-3116.

- Consists of the following shares held by the following entities: (a) 1,066,463 shares by ABS Capital Partners VI, LP ("ABS VI"), (b) 20,317 shares by ABS Capital Partners VI-A, LP ("ABS VI-A"), and (c) 126,761 shares by ABS Capital Partners VI Offshore, LP ("ABS Capital Partners VI Offshore" and together with ABS VI and ABS VI-A, the "ABS Entities"). ABS Partners VI, LLC is the general partner of the ABS Entities and has voting and dispositive powers over these shares. The address for these entities affiliated with ABS Capital Partners is 400 East Pratt Street, Suite 910, Baltimore, MD 21202-3116.
- (8) ("ABS Capital Partners VI Offshore" and together with ABS VI and ABS VI-A, the "ABS Entities"). ABS Partners VI, LLC is the general partner of the ABS Entities and has voting and dispositive powers over these shares. The address for these entities affiliated with ABS Capital Partners is 400 East Pratt Street, Suite 910, Baltimore, MD 21202-3116.
  - (9) These options became fully vested on April 3, 2008.
  - (10) These options became fully vested on October 2, 2007.
  - (11) These options became fully vested on October 1, 2008.
  - (12) These options became fully vested on April 29, 2009.
  - (13) These options became fully vested on February 18, 2010.
  - (14) These options became fully vested on February 1, 2011.
  - (15) These options have a one-year vesting period such that 100% of this option grant will vest on February 1, 2012.
  - (16) These restricted shares have a one-year vesting period such that 100% of this restricted share grant will vest on February 1, 2012.
  - (17) These restricted shares have a one-year vesting period such that 100% of this restricted share grant will vest on February 1, 2012.

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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