

Burton Thomas B
Form 4
November 20, 2012

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

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
burden hours per
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Burton Thomas B

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)

C/O LIQUIDITY SERVICES,
INC., 1920 L STREET, N.W., 6TH
FLOOR

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
11/16/2012

____ Director ____ 10% Owner
X Officer (give title below) ____ Other (specify below)
Pres, COO, Gov't Liquid LLC

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	(D)	Price

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

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information contained in this form are not
required to respond unless the form
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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)

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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	\$ 38.09	11/16/2012		A		2,872		<u>(1)</u>	10/01/2022	Common Stock	2,872
Employee Stock Grant	\$ 38.09	11/16/2012		A		2,872		<u>(2)</u>	10/01/2022	Common Stock	2,872
Employee Stock Option	\$ 38.09	11/16/2012		A		5,090		<u>(3)</u>	10/01/2022	Common Stock	5,090
Employee Stock Option	\$ 38.09	11/16/2012		A		5,089		<u>(4)</u>	10/01/2022	Common Stock	5,089
Employee Stock Grant	\$ 38.09	11/16/2012		A		10,000		<u>(5)</u>	10/01/2022	Common Stock	10,000
Employee Stock Grant	\$ 31.11							<u>(6)</u>	10/01/2021	Common Stock	5,334
Employee Stock Option	\$ 31.11							<u>(7)</u>	10/01/2021	Common Stock	11,801
Employee Stock Grant	\$ 15.47							<u>(8)</u>	10/01/2020	Common Stock	4,249
Employee Stock Option	\$ 15.47							<u>(9)</u>	10/01/2020	Common Stock	12,556
Employee Stock Grant	\$ 15.47							<u>(10)</u>	10/01/2020	Common Stock	13,108
Employee Stock Option	\$ 7.48							<u>(11)</u>	10/01/2018	Common Stock	44,003
Employee	\$ 10.93							<u>(12)</u>	10/01/2017	Common	17,999

Stock
Option

Stock

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
Burton Thomas B C/O LIQUIDITY SERVICES, INC. 1920 L STREET, N.W., 6TH FLOOR WASHINGTON, DC 20036	Pres, COO, Gov't Liquid LLC

Signatures

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

11/20/2012

__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) Twenty-five percent of this restricted stock grant will vest on October 1, 2013 and thereafter 1/4th of the restricted stock grant will vest on October 1 of each year for three years.
- (2) These restricted shares will vest, if at all, based on the Issuer's achievement of certain financial milestones.
- (3) Twenty-five percent of this option grant will vest on October 1, 2013 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
- (4) This option becomes exercisable, if at all, based on the Issuer's achievement of certain financial milestones.
- (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 October 1, 2012 and thereafter 1/4th of the restricted stock grant will vest on October 1 of each year for three years.
- (7) Twenty-five percent of this option grant vested on October 1, 2012 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
- (8) 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.
- (9) 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.
- (10) These restricted shares will vest, if at all, based on the Issuer's achievement of certain financial milestones.
- (11) 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.
- (12) These options became fully vested on October 1, 2011.

Remarks:

No non-derivative securities are beneficially owned.

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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