

Dean Eric C.
Form 4
February 10, 2012

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 *
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
 Officer (give title below) Other (specify 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)
02/08/2012

(Street)
WASHINGTON, DC 20036

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 Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	02/08/2012		M	A	\$ 52,552 13.56	D	
Common Stock	02/08/2012		S	D	\$ 52,552 39.01	D	
Common Stock	02/09/2012		M	A	\$ 137,510 13.56	D	
Common Stock	02/09/2012		S	D	\$ 137,510 39.02	D	
	02/10/2012		M	A	9,938	D	

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Common Stock					\$					13.56
Common Stock	02/10/2012		S	9,938	D	\$	39	0		D

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

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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 Number Shares
Employee Stock Grant	\$ 31.11					(1) 10/01/2021	Common Stock 5,634
Employee Stock Option	\$ 31.11					(2) 10/01/2021	Common Stock 9,351
Employee Stock Grant	\$ 15.47					(3) 10/01/2020	Common Stock 7,569
Employee Stock Option	\$ 15.47					(4) 10/01/2020	Common Stock 14,911
Employee Stock Grant	\$ 15.47					(5) 10/01/2020	Common Stock 13,125
Employee Stock Option	\$ 7.48					(6) 10/01/2018	Common Stock 44,000
Employee Stock Option	\$ 13.56	02/08/2012		M	52,552	(7) 10/15/2017	Common Stock 200,000
Employee Stock	\$ 13.56	02/09/2012		M	137,510	(7) 10/15/2017	Common Stock 147,440

Option

Employee

Stock

\$ 13.56

02/10/2012

M

9,938

(7)

10/15/2017

Common
Stock

9,938

Option

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

02/10/2012

**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, 2012 and thereafter 1/4th of the restricted stock grant will vest on October 1 of each year for three years.

(2) Twenty-five percent of this option grant will vest on October 1, 2012 and thereafter 1/48th of the option grant will vest each month for thirty-six months.

(3) 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.

(4) 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.

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

(6) 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.

(7) 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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