

**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 *<br><u>Daunt John</u><br><br>(Last) (First) (Middle)<br>C/O LIQUIDITY SERVICES, INC.<br>6931 ARLINGTON ROAD SUITE 200<br><br>(Street)<br>BETHESDA MD 20814<br><br>(City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol<br><u>LIQUIDITY SERVICES INC [ LQDT ]</u> | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br><br>Director 10% Owner<br><input checked="" type="checkbox"/> Officer (give title below) Other (specify below)<br><u>EVP, Chief Commercial Officer</u> |
|   | 3. Date of Earliest Transaction (Month/Day/Year)<br><u>02/19/2020</u>                 |  |
|   |   | 6. Individual or Joint/Group Filing (Check Applicable Line)<br><br><input checked="" type="checkbox"/> Form filed by One Reporting Person<br><input type="checkbox"/> Form filed by More than One Reporting Person                   |

**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                    | 02/19/2020                           |  | P                              |   | 5,000   | A          | \$4.615 | 54,192  | 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                      | \$8.17   |                                      |  |                                |   |  |     | (1)  | 10/27/2025      | Common Stock  | 25,000                                     | 25,000   | D   |  |
| Employee Stock Option                      | \$6.63   |                                      |  |                                |   |  |     | (2)  | 10/01/2019      | Common Stock  | 3,756                                      | 3,756  | D   |  |
| Employee Stock Option                      | \$6.63   |                                      |  |                                |   |  |     | (1)  | 03/24/2026      | Common Stock  | 1,252                                      | 1,252  | D   |  |
| Employee Stock Option                      | \$10.3   |                                      |  |                                |   |  |     | (3)  | 10/01/2020      | Common Stock  | 2,300                                      | 2,300  | D   |  |
| Employee Stock Option                      | \$10.3   |                                      |  |                                |   |  |     | (4)  | 12/20/2026      | Common Stock  | 2,300                                      | 2,300  | D   |  |
| Employee Stock Grant                       | (5)  |                                      |  |                                |   |  |     | (6)  | 10/01/2027      | Common Stock  | 3,465                                      | 3,465  | D   |  |
| Employee Stock Grant                       | (5)  |                                      |  |                                |   |  |     | (7)  | 10/01/2020      | Common Stock  | 962  | 962  | D   |  |
| Employee Stock Option                      | \$6.75   |                                      |  |                                |   |  |     | (4)  | 07/01/2028      | Common Stock  | 100,000                                    | 100,000  | D   |  |
| Employee Stock Grant                       | (5)  |                                      |  |                                |   |  |     | (6)  | 10/01/2028      | Common Stock  | 4,834                                      | 4,834  | D   |  |
| Employee Stock Grant                       | (5)  |                                      |  |                                |   |  |     | (8)  | 10/01/2021      | Common Stock  | 4,028                                      | 4,028  | D   |  |
| Employee Stock Grant                       | (5)  |                                      |  |                                |   |  |     | (6)  | 12/04/2028      | Common Stock  | 3,350                                      | 3,350  | D   |  |
| Employee Stock Grant                       | (5)  |                                      |  |                                |   |  |     | (9)  | 10/01/2022      | Common Stock  | 2,512                                      | 2,512  | 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 | Title   | Amount or Number of Shares |  |  |   |  |
| Employee Stock Option                      | \$6.11   |                                      |  |                                |   |  |     | (4)  | 12/04/2028      | Common Stock  | 20,800                     |  | 20,800   | D   |  |
| Employee Stock Option                      | \$6.11   |                                      |  |                                |   |  |     | (10)   | 10/01/2022      | Common Stock  | 20,800                     |  | 20,800   | D   |  |
| Employee Stock Grant                       | (5)  |                                      |  |                                |   |  |     | (11)   | 01/01/2024      | Common Stock  | 16,300                     |  | 16,300   | D   |  |
| Employee Stock Grant                       | (5)  |                                      |  |                                |   |  |     | (6)  | 01/01/2024      | Common Stock  | 16,300                     |  | 16,300   | D   |  |
| Employee Stock Option                      | \$6.69   |                                      |  |                                |   |  |     | (4)  | 12/03/2029      | Common Stock  | 38,950                     |  | 38,950   | D   |  |
| Employee Stock Option                      | \$6.69   |                                      |  |                                |   |  |     | (12)   | 12/03/2029      | Common Stock  | 38,950                     |  | 38,950   | D   |  |

**Explanation of Responses:**

- This option becomes exercisable, if at all, based on the Issuer's achievement of certain financial milestones.
- These options became fully vested on October 1, 2019.
- 15/48th of this option grant will vest on January 1, 2018 and thereafter 1/48th of the option grant will vest each month for thirty three months.
- This option becomes exercisable, if at all, based on total shareholder return (TSR) milestones. TSR is calculated based on the change in a the issuer's stock price during the performance period, taking into account any dividends paid during that period, which are assumed to be reinvested in the stock.
- Each restricted stock unit is the economic equivalent of one share of Liquidity Services, Inc. Common Stock.
- These restricted stock units vest, if at all, based on total shareholder return (TSR) milestones. TSR is calculated based on the change in a the issuer's stock price during the performance period, taking into account any dividends paid during that period, which are assumed to be reinvested in the stock.
- Twenty-five percent of this restricted stock grant vested on January 1, 2018, October 1, 2018, and October 1, 2019, and thereafter 1/4th of the restricted stock grant will vest on October 1, 2020.
- Twenty-five percent of this restricted stock grant vested on April 1, 2019, and thereafter 1/4th of the restricted stock grant will vest on July 1, 2019, October 1, 2020, and October 1, 2021.
- Twenty-five percent of this restricted stock grant will vest on January 1, 2020 and thereafter 1/4th of the restricted stock grant will vest on each October 1, 2020, October 1, 2021, and October 1, 2022.
- 15/48th of this option grant will vest on January 1, 2020 and thereafter 1/48th of the option grant will vest each month for thirty three months.
- Twenty-five percent of this restricted stock grant will vest on January 1, 2021 and thereafter 1/4th of the restricted stock grant will vest on each of January 1, 2022, January 1, 2023 and January 1, 2024.
- 12/48th of this option grant will vest on January 1, 2021 and, thereafter, 1/48th of the option grant will vest each month for thirty-six months.

**Remarks:**

/s/ Mark A. Shaffer, by power      02/20/2020  
of attorney

\*\* 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.

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