

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

| OMB APPROVAL                                 |           |
|--|-----------|
| OMB Number:                                  | 3235-0287 |
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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**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

|  |   |  |
|--|---|--|
| 1. Name and Address of Reporting Person *<br><u>Celaya Jorge</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 &amp; Chief Financial Officer</u> |
|  | 3. Date of Earliest Transaction (Month/Day/Year)<br><u>01/02/2020</u>                 |  |
| 4. If Amendment, Date of Original Filed (Month/Day/Year)   |   |  |

**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                    | 01/02/2020                           |  | M <sup>(1)</sup>               |   | 706    | A   | \$0   | 62,851 | 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                      | \$6.63   |                                      |  |                                |   |  |     | (2)  | 10/01/2019      | Common Stock  | 13,891                                     | 13,891   | D   |  |
| Employee Stock Option                      | \$6.63   |                                      |  |                                |   |  |     | (3)  | 10/01/2025      | Common Stock  | 3,473                                      | 3,473  | D   |  |
| Employee Stock Grant                       | (4)  |                                      |  |                                |   |  |     | (5)  | 10/01/2020      | Common Stock  | 2,425                                      | 2,425  | D   |  |
| Employee Stock Grant                       | (4)  |                                      |  |                                |   |  |     | (6)  | 10/01/2026      | Common Stock  | 6,644                                      | 6,644  | D   |  |
| Employee Stock Option                      | \$8.3  |                                      |  |                                |   |  |     | (7)  | 10/01/2020      | Common Stock  | 5,750                                      | 5,750  | D   |  |
| Employee Stock Option                      | \$8.3  |                                      |  |                                |   |  |     | (8)  | 10/01/2026      | Common Stock  | 5,750                                      | 5,750  | D   |  |
| Employee Stock Option                      | \$4.47   |                                      |  |                                |   |  |     | (9)  | 10/01/2027      | Common Stock  | 30,420                                     | 30,420   | D   |  |
| Employee Stock Grant                       | (4)  |                                      |  |                                |   |  |     | (10)   | 10/01/2027      | Common Stock  | 1,248                                      | 1,248  | 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                      | \$4.47   |                                      |  |                                |   |  |       | (11)   | 10/01/2021      | Common Stock  | 20,280                     |  | 20,280   | D   |  |
| Employee Stock Grant                       | (4)  |                                      |  |                                |   |  |       | (12)   | 10/01/2021      | Common Stock  | 1,040                      |  | 1,040  | D   |  |
| Employee Stock Grant                       | (4)  |                                      |  |                                |   |  |       | (10)   | 10/01/2028      | Common Stock  | 5,900                      |  | 5,900  | D   |  |
| Employee Stock Grant                       | (4)  | 01/02/2020                           |  | M <sup>(13)</sup>              |   |  | 1,475 | (14)   | 10/01/2022      | Common Stock  | 5,900                      | \$0  | 4,425  | D   |  |
| Employee Stock Option                      | \$6.11   |                                      |  |                                |   |  |       | (9)  | 10/01/2028      | Common Stock  | 36,500                     |  | 36,500   | D   |  |
| Employee Stock Option                      | \$6.11   |                                      |  |                                |   |  |       | (15)   | 10/01/2022      | Common Stock  | 36,500                     |  | 36,500   | D   |  |
| Employee Stock Option                      | \$6.69   |                                      |  |                                |   |  |       | (9)  | 12/03/2029      | Common Stock  | 54,000                     |  | 54,000   | D   |  |
| Employee Stock Option                      | \$6.69   |                                      |  |                                |   |  |       | (16)   | 12/03/2029      | Common Stock  | 54,000                     |  | 54,000   | D   |  |
| Employee Stock Grant                       | (4)  |                                      |  |                                |   |  |       | (10)   | 01/01/2024      | Common Stock  | 22,650                     |  | 22,650   | D   |  |
| Employee Stock Grant                       | (4)  |                                      |  |                                |   |  |       | (17)   | 01/01/2024      | Common Stock  | 22,650                     |  | 22,650   | D   |  |

**Explanation of Responses:**

1. Represents the net issuance of 706 shares from the vesting of 1,475 restricted stock units from which the federal and state withholding due at the vesting of such restricted stock units was satisfied by the issuer withholding 769 shares. The reporting person relinquished the shares and the issuer cancelled the shares and returned them to treasury in exchange for remitting federal and state tax withholding obligations of the reporting person resulting from the vesting of restricted stock units. Shares withheld represent an exempt transaction pursuant to Section 16b-3(e). No shares were sold by the reporting person.
2. These options became fully vested on October 1, 2019.
3. 75% of the options were certified as vested on December 6, 2018. The remaining options become exercisable, if at all, based on the Issuer's achievement of certain financial milestones.
4. Each restricted stock unit is the economic equivalent of one share of Liquidity Services, Inc. Common Stock.
5. Twenty-five percent of this restricted stock grant vested on April 1, 2018, October 1, 2018 and October 1, 2019, and thereafter 1/4th of the restricted stock grant will vest on October 1, 2020.
6. These restricted stock units will vest, if at all, based on the Issuer's achievement of certain financial milestones.
7. 18/48th of this option grant vested on April 1, 2018 and thereafter 1/48th of the option grant will vest each month for thirty months.
8. This option becomes exercisable, if at all, based on the Issuer's achievement of certain financial milestones.
9. 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.
10. 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.
11. 15/48th of this option grant will vest on January 1, 2019 and thereafter 1/48th of the option grant will vest each month for thirty three months.
12. Twenty-five percent of this restricted stock grant vested on January 1, 2019 and October 1, 2019, and thereafter 1/4th of the restricted stock grant will vest on each October 1, 2020, and October 1, 2021.
13. Represents the vesting of restricted stock.
14. 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. 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.
16. 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.
17. 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.

**Remarks:**

/s/ Mark A. Shaffer, by power  
of attorney

01/06/2020

\*\* 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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