Instruction 1(b)

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

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

Name and Address of Reporting Person* Burton Thomas B						2. Issuer Name and Ticker or Trading Symbol LIQUIDITY SERVICES INC [LQDT]										eck all applic	cable)	g Person(s) to Issu 10% Ow Other (s		ner	
(Last) (First) (Middle) C/O LIQUIDITY SERVICES, INC. 1920 L STREET, N.W., 6TH FLOOR						3. Date of Earliest Transaction (Month/Day/Year) 08/12/2008										below)		ov't L	below)	·	
(Street) WASHINGTON DC 20036 (City) (State) (Zip)					_ 4. I	4. If Amendment, Date of Original Filed (Month/Day/Year)										i. Individual or Joint/Group Filing (Check Applicable ine) X Form filed by One Reporting Person Form filed by More than One Reporting Person					
Table I - Non-Derive 1. Title of Security (Instr. 3) 2. Transa Date (Month/D					action		2A. De Execu if any (Month	3. Transaction Code (Instr.							5. Amou Securitie Benefici Owned F	Amount of curities neficially ned Following		n: Direct r Indirect istr. 4)	7. Nature of Indirect Beneficial Ownership		
									Co	de \	v	Amount	(A)) or)	Price	Reported Transact (Instr. 3	tion(s)			(Instr. 4)	
Common Stock 08/12/						8			N	1		12,000	0	A	\$3	12	12,000		D		
Common	Stock			08/12	2/200	2008 s 12,000 D \$12.56 0		0		D											
		-	Table II -									sed of, onvertil				Owned					
1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deeme Execution if any (Month/Day	Date,	4. Transaction Code (Instr 8)		of Deri Sec Acq (A) Disp of (I	umber ivative urities uired or oosed D) (Instr. and 5)	6. Date Exercisa Expiration Date (Month/Day/Yea			of Se Unde Deriv		Title and Amour f Securities nderlying erivative Security nstr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Numbe derivative Securities Beneficial Owned Following Reported Transactio (Instr. 4)	e S Illy	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				(Code	de V		(A) (D)		isable		xpiration late	Title		Amount or Number of Shares						
Employee Stock Option	\$10.93								(1)	1	0/01/2017	Comn		75,000		75,00	0	D		
Employee Stock Option	\$12.89								(2)	0	3/30/2016	Comn		75,000		75,00	0	D		
Employee Stock	\$3	08/12/2008			M			12,000	(3)	0	6/07/2015	Comn		12,000	\$0	47,50	0	D		

Explanation of Responses:

- 1. Twenty-five percent of this option grant will vest on October 1, 2008, with the remaining options vesting at 2.083% per month thereafter on the first day of each month for the next 36 months.
- 2. Twenty-five percent of this option grant vested on March 30, 2007, with the remaining options vesting at 2.083% per month thereafter on the first day of each month for the next 36 months.
- 3. Twenty-five percent of this option grant vested on June 8, 2006, with the remaining options vesting at 2.083% per month thereafter on the first day of each month for the next 36 months.

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

08/14/2008

** 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.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.