FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

| l | OMB APPROVAL | | | | | | | | | |
|---|------------------------|-----------|--|--|--|--|--|--|--|--|
| | OMB Number: | 3235-0287 | | | | | | | | |
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| l | hours per response: | 0.5 | | | | | | | | |

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

| 1. Name ar | | 2. Issuer Name and Ticker or Trading Symbol LIQUIDITY SERVICES INC [LQDT] | | | | | | | | | S. Relationship of Reporting Person(s) to Issuer (Check all applicable) X Director X 10% Owner Officer (give title Other (specify) | | | | | | | | |
|--|---|---|--|--------------------------------------|--------------|--|--------|--|------------------|--|--|--------------------------------------|---|---|---|----------|--|--|----------|
| (Last) (First) (Middle) C/O LIQUIDITY SERVICES, INC. 1920 L STREET, N.W., 6TH FLOOR | | | | | | | Earlie | est Trar | saction | (Mont | h/Day/Year) | | X Officer (give title Other (specify below) President & Chief Op Officer | | | | | | |
| (Street) WASHINGTON DC 20036 | | | | | | | ndmen | t, Date | of Origi | nal File | ed (Month/D | | 6. Individual or Joint/Group Filing (Check Applicable Line) X Form filed by One Reporting Person | | | | | | |
| (City) | (S | | - | Form filed by More than Or Person | | | | | | | | | | | n One R | eporting | | | |
| | | | (Zip) le I - N | on-Deriv | /ative | Sec | uriti | es Ac | quire | d, Di | sposed o | of, or Be | enefici | ally Owne | d | | | | \dashv |
| 1. Title of | | 2. Transaction Date (Month/Day/Ye | | Exect (ear) if an | | . Deemed ecution Date, any onth/Day/Year) | | action (Instr. | Disposed (| s Acquired (A) or of (D) (Instr. 3, 4 and | | Securities Beneficial Owned Fo | 5. Amount of Securities Beneficially Owned Following Reported | | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | | e of ial hip | | |
| | | | | | | | | | Code | v | Amount | (A) or (D) | Price | Transaction (Instr. 3 a | on(s) nd 4) | | | (Instr. 4) | |
| Common Stock | | | | 08/04/2009 | | | | S ⁽¹⁾ | | 8,000 | D | \$11. | 5 2,461, | 375 ⁽²⁾ |) D | | | | |
| Common | Stock | | | 08/05/ | ′2009 | | | | S ⁽¹⁾ | | 8,000 | D | \$10. | 3 2,453, | | |) | | _ |
| Common | Stock | | | 08/06/2009 | | | | S ⁽¹⁾ | | 8,000 | D | \$10.1 | 5 2,445, | B75 ⁽²⁾ D | |) | \perp | | |
| Common Stock | | | | | | | | | | | | | 359, | 000 | I | | By the Em El 2007 Irrevocable Trust | | |
| Common Stock | | | | | | | | | | | | | | 257, | 311 | I | | By the Jaime Mateus- Tique 2005 Qualified Grantor Retained Annuity Trust | |
| Common Stock | | | | | | | | | | | | | 32,4 | 32,400 | | I | | By the Mateus- Tique Foundation | |
| 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. Dee Execution if any (Month/I | med | 4. Transa | 5. Number 6 ansaction of Derivative (I | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | | t 8. Price of Derivative Security | 9. Num derivati Securit Benefic Owned Followi Reporte Transac (Instr. 4 | titive ities Owner Form: Direct or Indi (I) (Instant) | | hip of I Ber O) Ow ect (Ins | Nature ndirect neficial nership str. 4) | |
| | | | | | Code | v | (A) | (D) | Date Exercis | | Expiration Date | Title | Amoun or Numbe of Shares | r | | | | | |
| Employee Stock Option | \$12.02 | | | | | | | | (3) | | 10/01/2017 | Common Stock | 76,00 | | 76, | 000 | D | | |
| Employee Stock Option | \$17.63 | | | | | | | | (4) | | 09/21/2016 | Common Stock | 75,00 | | 75,000 | | D | | |
| Employee Stock Option | \$7 | | | | | | | (5) | | 12/21/2015 | Common Stock | 30,00 | 0 | 30, | 000 | D | | | |
| | | | | | | | | | | | | | | | | | | | |

- 1. The transactions reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on December 12, 2006.
- 2. Includes 10,000 shares of restricted stock that vest on September 30, 2009. These restricted shares were reported in Table II of the Form 4 filed on behalf of the reporting person on December 31, 2008.

- 3. Twenty-five percent of this option grant vested on October 1, 2008, and thereafter 1/48th of the option grant will vest each month for thirty-six months.
- 4. Twenty-five percent of this option grant vested on September 21, 2007, and thereafter 1/48th of the option grant will vest each month for thirty-six months.
- 5. This option became fully vested on April 19, 2006.

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

08/06/2009

** 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.