

OMB APPROVAL	
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**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

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

1. Name and Address of Reporting Person* <u>Shaffer Mark A</u>  (Last) (First) (Middle) C/O LIQUIDITY SERVICES, INC. 6931 ARLINGTON ROAD, SUTIE 200  (Street) BETHESDA MD 20814  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>LIQUIDITY SERVICES INC [ LQDT ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)  Director _____ 10% Owner _____ Officer (give title below) _____ Other (specify below) _____ Chief Legal Officer & Corp Sec
	3. Date of Earliest Transaction (Month/Day/Year) 01/18/2021	
	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	01/18/2021		M <sup>(1)</sup>		384	A	\$0	49,828	D	
Common Stock	01/18/2021		M <sup>(2)</sup>		2,610	A	\$0	52,438	D	
Common Stock	01/18/2021		M <sup>(3)</sup>		6,333	A	\$0	58,771	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 Grant	(4)							(5)	09/30/2020	Common Stock 3,806		3,806	D	
Employee Stock Option	\$8.3							(6)	10/01/2026	Common Stock 5,250		5,250	D	
Employee Stock Option	\$8.3							(7)	10/01/2026	Common Stock 5,250		5,250	D	
Employee Stock Option	\$4.47							(8)	10/01/2027	Common Stock 7,296		7,296	D	
Employee Stock Option	\$4.47							(9)	10/01/2027	Common Stock 2,533		2,533	D	
Employee Stock Grant	(4)	01/18/2021		M <sup>(10)</sup>		744		(11)	10/01/2021	Common Stock 744	\$0	0	D	
Employee Stock Grant	(4)							(12)	10/01/2021	Common Stock 310		310	D	
Employee Stock Option	\$6.11							(8)	10/01/2028	Common Stock 31,150		31,150	D	
Employee Stock Grant	(4)	01/18/2021		M <sup>(10)</sup>		5,050		(11)	01/01/2023	Common Stock 5,050	\$0	0	D	
Employee Stock Option	\$6.11							(13)	10/01/2028	Common Stock 18,494		18,494	D	
Employee Stock Grant	(4)							(14)	01/01/2023	Common Stock 2,525		2,525	D	
Employee Stock Option	\$6.69							(8)	12/03/2029	Common Stock 29,200		29,200	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
Employee Stock Option	\$6.69							(15)	12/03/2029	Common Stock	29,200		29,200	D	
Employee Stock Grant	(4)	01/18/2021		M <sup>(10)</sup>			12,250	(11)	01/01/2024	Common Stock	12,250	\$0	0	D	
Employee Stock Grant	(4)							(16)	01/01/2024	Common Stock	9,187		9,187	D	
Employee Stock Option	\$9.46							(17)	12/01/2030	Common Stock	42,400		42,400	D	
Employee Stock Option	\$9.46							(18)	12/01/2030	Common Stock	42,400		42,400	D	
Employee Stock Grant	(4)							(19)	01/01/2025	Common Stock	7,650		7,650	D	
Employee Stock Grant	(4)							(20)	01/01/2025	Common Stock	7,650		7,650	D	

**Explanation of Responses:**

- Represents the net issuance of 384 shares from the vesting of 744 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 360 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.
- Represents the net issuance of 2,610 shares from the vesting of 5,050 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 2,440 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.
- Represents the net issuance of 6,333 shares from the vesting of 12,250 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 5,917 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.
- Each restricted stock unit is the economic equivalent of one share of Liquidity Services, Inc. Common Stock.
- These restricted stock units will vest, if at all, based on the Issuer's achievement of certain financial milestones.
- These options became fully exercisable on October 1, 2020.
- These options become exercisable, if at all, based on the issuer's achievement of certain financial milestones.
- These options become 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
- 15/48th of this option grant vested on January 1, 2019 and thereafter, an additional 1/48th vests each month for thirty-three months.
- Represents the vesting of restricted stock units.
- 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 unit grant vested on January 1, 2019 and thereafter, an additional 1/4th vests on each of October 1, 2019, October 1, 2020, and October 1, 2021.
- 15/48th of this option grant vested on January 1, 2020 and thereafter, an additional 1/48th vests each month for thirty-three months.
- Twenty-five percent of this restricted stock unit grant vested on January 1, 2020 and thereafter, an additional 1/4th vests on each of January 1, 2021, January 1, 2022, and January 1, 2023.
- 12/48th of this option grant vested on January 1, 2021 and thereafter, an additional 1/48th vests each month for thirty-six months.
- Twenty-five percent of this restricted stock unit grant vested on January 1, 2021 and thereafter, an additional 1/4th vests on each of January 1, 2022, January 1, 2023 and January 1, 2024.
- 12/48th of this option grant will vest on January 1, 2022 and thereafter, an additional 1/48th will vest each month for thirty-six months.
- This option becomes exercisable, if at all, based on the Issuer's achievement of certain stock price appreciation milestones.
- These restricted stock units vest, if at all, based on the Issuer's achievement of certain stock price appreciation milestones.
- Twenty-five percent of this restricted stock unit grant will vest on January 1, 2022 and thereafter, an additional 1/4th will vest on each of January 1, 2023, January 1, 2024 and January 1, 2025.

**Remarks:**

/s/ Mark A. Shaffer

01/20/2021

\*\* 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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