

OMB APPROVAL	
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**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

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 <span style="float:right">10% Owner</span> <input checked="" type="checkbox"/> Officer (give title below) <span style="float:right">Other (specify below)</span> <u>Chief Legal Officer &amp; Corp Sec</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>01/20/2021</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	01/20/2021		M		5,250	A	\$8.3	64,021	D	
Common Stock	01/20/2021		M		253	A	\$4.47	64,274	D	
Common Stock	01/20/2021		M		649	A	\$6.11	64,923	D	
Common Stock	01/20/2021		M		6,142	A	\$6.69	71,065	D	
Common Stock	01/20/2021		M		2,992	A	\$8.3	74,057	D	
Common Stock	01/20/2021		M		7,296	A	\$4.47	81,353	D	
Common Stock	01/20/2021		F <sup>(1)</sup>		7,394	D	\$19.91	73,959	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 Grant	(2)							(3)	09/30/2020	Common Stock	3,806		3,806	D	
Employee Stock Option	\$8.3	01/20/2021		M <sup>(4)</sup>		5,250		(5)	10/01/2026	Common Stock	5,250	\$0	0	D	
Employee Stock Option	\$8.3	01/20/2021		M <sup>(4)</sup>		2,992		(6)	10/01/2026	Common Stock	5,250	\$0	2,258	D	
Employee Stock Option	\$4.47	01/20/2021		M <sup>(4)</sup>		7,296		(7)	10/01/2027	Common Stock	7,296	\$0	0	D	
Employee Stock Option	\$4.47	01/20/2021		M <sup>(4)</sup>		253		(8)	10/01/2027	Common Stock	2,533	\$0	2,280	D	
Employee Stock Grant	(2)							(9)	10/01/2021	Common Stock	310		310	D	
Employee Stock Option	\$6.11	01/20/2021		M <sup>(4)</sup>		649		(7)	10/01/2028	Common Stock	31,150	\$0	30,501	D	
Employee Stock Option	\$6.11							(10)	10/01/2028	Common Stock	18,494		18,494	D	
Employee Stock Grant	(2)							(11)	01/01/2023	Common Stock	2,525		2,525	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	\$6.69	01/20/2021		M <sup>(4)</sup>			6,142	(7)	12/03/2029	Common Stock	29,200	\$0	23,058	D	
Employee Stock Option	\$6.69							(12)	12/03/2029	Common Stock	29,200		29,200	D	
Employee Stock Grant	(2)							(13)	01/01/2024	Common Stock	9,187		9,187	D	
Employee Stock Option	\$9.46							(14)	12/01/2030	Common Stock	42,400		42,400	D	
Employee Stock Option	\$9.46							(15)	12/01/2030	Common Stock	42,400		42,400	D	
Employee Stock Grant	(2)							(16)	01/01/2025	Common Stock	7,650		7,650	D	
Employee Stock Grant	(2)							(17)	01/01/2025	Common Stock	7,650		7,650	D	

**Explanation of Responses:**

- The reporting person surrendered 7,394 shares with a market value of \$147,214.54 to the Issuer to pay the purchase price of 5,250 shares at \$8.30 per share; 253 shares at \$4.47 per share; 649 shares at \$6.11 per share; 6,142 shares at \$6.69 per share; 2,992 shares at \$8.30 per share; and 7,296 shares at \$4.47 per share.
- 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.
- Represents the exercise of stock options.
- 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.
- 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

01/21/2021

\*\* 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.

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.