

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

1. Name and Address of Reporting Person* <u>Murray Novelette</u>			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 _____ <input checked="" type="checkbox"/> Officer (give title below) _____ Other (specify below) _____ <u>Chief Human Resources Officer</u>		
(Last) (First) (Middle) 6931 ARLINGTON ROAD SUITE 200			3. Date of Earliest Transaction (Month/Day/Year) 10/01/2020					
(Street) BETHESDA MD 20814			4. If Amendment, Date of Original Filed (Month/Day/Year)			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person		
(City) (State) (Zip)								

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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	10/01/2020		J ⁽¹⁾		775	A	\$0	775	D	
Common Stock	10/01/2020		J ⁽²⁾		200	D	\$7.38	575	D	
Common Stock	10/01/2020		J ⁽¹⁾		1,813	A	\$0	2,388	D	
Common Stock	10/01/2020		J ⁽²⁾		467	D	\$7.38	1,921	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 Grant	(3)							(4)	01/01/2024	Common Stock	1,850	1,850	D		
Employee Stock Grant	(3)							(5)	01/01/2024	Common Stock	1,850	1,850	D		
Employee Stock Option	\$6.69							(6)	12/03/2029	Common Stock	4,450	4,450	D		
Employee Stock Option	\$6.69							(7)	12/03/2029	Common Stock	4,450	4,450	D		
Employee Stock Grant	(3)							(8)	01/01/2023	Common Stock	1,575	1,575	D		
Employee Stock Grant	(3)							(5)	01/01/2023	Common Stock	2,100	2,100	D		
Employee Stock Option	\$6.11							(9)	12/04/2028	Common Stock	12,900	12,900	D		
Employee Stock Option	\$6.11							(7)	12/04/2028	Common Stock	12,900	12,900	D		
Employee Stock Grant	(3)	10/01/2020		J ⁽¹⁾		1,813		(10)	10/01/2021	Common Stock	3,627	\$0	1,814	D	
Employee Stock Grant	(3)							(5)	03/15/2022	Common Stock	4,353	4,353	D		
Employee Stock Grant	(3)	10/01/2020		J ⁽¹⁾		775		(11)	10/01/2020	Common Stock	775	\$0	0	D	
Employee Stock Option	\$10.3							(12)	12/20/2026	Common Stock	1,850	1,850	D		
Employee Stock Option	\$10.3							(13)	12/20/2026	Common Stock	1,850	1,850	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	(3)							(14)	10/01/2020	Common Stock	554		554	D	
Employee Stock Grant	(3)	10/01/2020		A		20,000		(5)	10/01/2024	Common Stock	20,000	\$0	20,000	D	
Employee Stock Grant	(3)	10/01/2020		A		20,000		(15)	10/01/2024	Common Stock	20,000	\$0	20,000	D	

Explanation of Responses:

- Represents the vesting of restricted stock units.
- Represents an advance election by the officer to satisfy tax withholding obligations related to vesting of restricted stock units by authorizing the issuer to sell a number of shares with an aggregate fair market value that would satisfy the withholding amount due.
- Each restricted stock unit is the economic equivalent of one share of Liquidity Services, Inc. Common Stock.
- Twenty-five percent of this restricted stock unit grant will vest on January 1, 2021 and thereafter, an additional 1/4th will vest on each of January 1, 2022, January 1, 2023 and January 1, 2024.
- 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.
- 12/48th of this option grant will vest on January 1, 2021 and thereafter, an additional 1/48th will vest each month for thirty-six months.
- 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.
- 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, 2020 and thereafter an additional 1/48th vests each month for thirty-six months.
- Twenty-five percent of this restricted stock unit grant vested on April 1, 2019 and thereafter, an additional 1/4th vests on each of July 1, 2019, October 1, 2020, and October 1, 2021.
- These restricted stock units fully vested on October 1, 2020.
- These options become exercisable, if at all, based on the completion of the issuer's strategic transformation as well as the issuer's achievement of certain financial milestones.
- 15/48th of this option grant vested on January 1, 2018 and thereafter, an additional 1/48th vests each month for thirty-three months.
- These restricted stock units vest, if at all, based on the Issuer's achievement of certain financial milestones.
- Twenty-five percent of this restricted stock unit grant will vest on October 1, 2021 and thereafter, an additional 1/4th will vest on each of October 1, 2022, October 1, 2023, and October 1, 2024.

Remarks:

/s/ Mark A. Shaffer, by power 10/02/2020
of attorney

** 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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