

Roy G Cayce
Form 4
February 22, 2012

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
Roy G Cayce

2. Issuer Name **and** Ticker or Trading
Symbol
LIQUIDITY SERVICES INC
[LQDT]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)
C/O LIQUIDITY SERVICES,
INC., 1920 L STREET, N.W., 6TH
FLOOR

3. Date of Earliest Transaction
(Month/Day/Year)
02/17/2012

____ Director ____ 10% Owner
X Officer (give title below) ____ Other (specify below)
Exec. VP/Pres. Asset Recovery

(Street)
WASHINGTON, DC 20036

4. If Amendment, Date Original
Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check
Applicable Line)
X 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 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)
Common Stock	02/17/2012		M	30,000	A	\$ 10.82	30,000 D
Common Stock	02/17/2012		S	30,000	D	\$ 41.89	0 D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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information contained in this form are not
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SEC 1474
(9-02)

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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 Underlying Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Employee Stock Grant	\$ 31.11					(1) 10/01/2021	Common Stock 4,704
Employee Stock Option	\$ 31.11					(2) 10/01/2021	Common Stock 7,806
Employee Stock Grant	\$ 15.47					(3) 10/01/2020	Common Stock 6,525
Employee Stock Option	\$ 15.47					(4) 10/01/2020	Common Stock 12,856
Employee Stock Grant	\$ 15.47					(5) 10/01/2020	Common Stock 21,875
Restricted Stock Grant	\$ 9.05					(6) 10/01/2019	Common Stock 4,711
Employee Stock Option	\$ 9.05					(7) 10/01/2019	Common Stock 15,355
Employee Stock Option	\$ 10.82					(8) 07/30/2018	Common Stock 320,000
Employee Stock Option	\$ 10.82	02/17/2012		M	30,000	(9) 07/30/2018	Common Stock 112,611

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Roy G Cayce
C/O LIQUIDITY SERVICES, INC.
1920 L STREET, N.W., 6TH FLOOR
WASHINGTON, DC 20036

Exec. VP/Pres. Asset Recovery

Signatures

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

02/22/2012

__Signature of Reporting Person

Date

Explanation of Responses:

- * 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).
- (1) Twenty-five percent of this restricted stock grant will vest on October 1, 2012 and thereafter 1/4th of the restricted stock grant will vest on October 1 of each year for three years.
 - (2) Twenty-five percent of this option grant will vest on October 1, 2012 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
 - (3) Twenty-five percent of this restricted stock grant vested on October 1, 2011 and thereafter 1/4th of the restricted stock grant will vest on October 1 of each year for three years.
 - (4) Twenty-five percent of this option grant vested on October 1, 2011 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
 - (5) These restricted shares will vest, if at all, based on the Issuer's achievement of certain financial milestones.
 - (6) Twenty-five percent of this restricted stock grant vested on October 1, 2010 and thereafter 1/4th of the restricted stock grant will vest on October 1 of each year for three years.
 - (7) Twenty-five percent of this option grant vested on October 1, 2010 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
 - (8) This option becomes exercisable, if at all, based on the Issuer's Asset Recovery Division's achievement of certain financial milestones.
 - (9) Twenty-five percent of this option grant vested on August 25, 2009 and thereafter 1/48th of the option grant will vest each month for thirty-six months.

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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