FORM 4

## UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

l	OMB APPROVAL									
	OMB Number:	3235-0287								
l	Estimated average burden									
	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

						2. Issuer Name <b>and</b> Ticker or Trading Symbol <u>LIQUIDITY SERVICES INC</u> [ LQDT ]								5. 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. 920 L STREET, N.W., 6TH FLOOR					3. Date of Earliest Transaction (Month/Day/Year) 02/13/2007								X Officer (give title Other (specify below)  President and Chief Op Officer						
(Street) WASHINGTON DC 20036				-   4. I1 -	4. If Amendment, Date of Original Filed (Month/Day/Year)									Individual or Joint/Group Filing (Check Applica Line)     X Form filed by One Reporting Person     Form filed by More than One Reporting Person						
(City)	?)	State)	(Zip)												Persor	1				
		Tab	le I - No	on-Deriv	vative	Sec	curitie	s Ac	quired	l, Di	sposed (	of, or Be	enefici	ally	Owned	ı				
			2. Transaction Date (Month/Day/Year		2A. Deemed Execution Date, if any (Month/Day/Year)		3. Transaction Code (Instr. 8)		4. Securities Acquired (A) Disposed Of (D) (Instr. 3, 4 5)			d	5. Amount of Securities Beneficially Owned Following Reported		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		Transactio (Instr. 3 an				(111341. 4)	
Common	Stock			02/13/	2007	07			S <sup>(1)</sup>		3,000	D	\$21.9	92	3,071,708		B D			
Common	Stock			02/14/	2007	)07			S <sup>(1)</sup>		3,000	D	\$19.	4	3,068,708		D			
Common	Stock			02/15/	2007	07		S <sup>(1)</sup>		3,000	D	\$19.3	36	3,065,708		D				
Common Stock														700,000		I		By the Jaime Mateus- Tique 2005 Qualified Grantor Retained Annuity Trust		
Common Stock															35,000		I		By the Mateus- Tique Foundation	
		Т	able II								posed of				Owned					
1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	e (Month/Day/Year) if any Code (Instr. Derivati (Month/Day/Year) 8) Derivati		mber ative rities ired osed		xerci on Da	sable and te	7. Title and Amou of Securities Underlying Derivative Securi (Instr. 3 and 4)		nt 8. Price c Derivativ Security (Instr. 5)		9. Numb derivati Securiti Benefic Owned Followin Reporte Transac (Instr. 4)	ove Owner: es Form: ally Direct or Indii d (I) (Institution(s)		D) Beneficial Ownership (Instr. 4)					
					Code	v	(A)		Date Exercisa	ble	Expiration Date	Title	Amoun or Numbe of Shares	er						
Emloyee Stock Option	\$17.63								(2)		09/21/2016	Common Stock	75,00	0		75,000		D		
Employee Stock Option	\$7								(3)		12/21/2015	Common Stock	60,00	0	60,		0000 D			

## **Explanation of Responses:**

- 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. Twenty-five percent of this option grant will vest on 9/21/2007, and thereafter, 1/48th of the option grant will vest each month for thirty-six months.
- 3. The option becomes vested and exercisable, if at all, in 25% increments if the average closing price of the Company's common stock during any twenty consecutive trading day period is \$9.00, \$10.00, \$11.00 and \$12.00, respectively.

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

02/15/2007

\*\* 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.