

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

OMB APPROVAL	
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1. Name and Address of Reporting Person * <u>Casusol Segundo Leoncio</u> (Last) (First) (Middle) C/O LIQUIDITY SERVICES, INC. 1920 L STREET, N.W., 6TH FLOOR (Street) WASHINGTON DC 20036 (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 <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Chief Information Officer</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>01/03/2017</u>	
		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person

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	01/03/2017		J ⁽¹²⁾		12,279	A	\$9.66	12,279	D	
Common Stock	01/03/2017		S ⁽¹³⁾		12,279	D	\$9.66	0	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	\$21.99							(1)	10/01/2023	Common Stock	933	933	D		
Employee Stock Option	\$21.99							(2)	10/01/2023	Common Stock	7,900	7,900	D		
Employee Stock Grant	\$33.13	01/03/2017		J ⁽¹²⁾		12,279		(3)	01/01/2023	Common Stock	12,279	\$9.66	0	D	
Employee Stock Grant	\$13.57							(4)	05/14/2024	Common Stock	55,269		27,635	D	
Employee Stock Grant	\$10.41							(5)	10/01/2024	Common Stock	28,638		28,638	D	
Employee Stock Option	\$10.41							(6)	10/01/2024	Common Stock	10,077		10,077	D	
Employee Stock Grant	\$6.63							(7)	10/01/2025	Common Stock	25,342		25,342	D	
Employee Stock Grant	\$5.11							(8)	10/01/2025	Common Stock	8,447		8,447	D	
Employee Stock Option	\$6.63							(9)	10/01/2025	Common Stock	18,522		18,522	D	
Employee Stock Option	\$6.63							(10)	10/01/2025	Common Stock	4,630		4,630	D	
Employee Stock Grant	\$6.63							(11)	10/01/2025	Common Stock	26,395		26,395	D	

Explanation of Responses:

- Twenty-five percent of this restricted stock grant vested on October 1, 2014 and thereafter 1/4th of the restricted stock grant will vest on October 1 of each year for three years.
- Twenty-five percent of this option grant vested on October 1, 2014 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 January 1, 2014 and thereafter 1/4th of the restricted stock grant will vest on January 1 of each year for three years.
4. Fifty percent of this restricted stock grant vested on November 1, 2015 and thereafter 1/4th of the restricted stock grant will vest on November 1 of each year for two years.
5. Twenty-five percent of this restricted stock grant vested on October 1, 2015 and thereafter 1/8th of the restricted stock grant will vest on April 1 and October 1 of each year for three years.
6. Twenty-five percent of this option grant vested on October 1, 2015 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
7. Twenty-five percent of this restricted stock grant vested on October 1, 2016 and thereafter 1/4th of the restricted stock grant will vest on October 1 of each year for three years.
8. These restricted shares will vest, if at all, based on the Issuer's achievement of certain financial milestones.
9. Twenty-five percent of this option grant vested on October 1, 2016 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
10. This option becomes exercisable, if at all, based on the Issuer's achievement of certain financial milestones.
11. These restricted shares will vest, if at all, based on the Issuer's achievement of certain milestones with respect to the Liquidity One Transformation plan.
12. Represents the vesting of restricted stock
13. Represents reporting person's advance election to sell upon vesting such restricted shares

/s/ Mark A. Shaffer, by power 01/05/2017
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.

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.