

**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

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| <b>OMB APPROVAL</b>                          |           |
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|   |   |   |
|---|---|---|
| <p>1. Name and Address of Reporting Person*</p> <p><u>Mateus-Tique Jaime</u></p> <hr/> <p>(Last) (First) (Middle)</p> <p><u>C/O LIQUIDITY SERVICES, INC.</u></p> <p><u>1920 L STREET, N.W., 6TH FLOOR</u></p> <hr/> <p>(Street)</p> <p><u>WASHINGTON DC 20036</u></p> <hr/> <p>(City) (State) (Zip)</p> | <p>2. Issuer Name and Ticker or Trading Symbol</p> <p><u>LIQUIDITY SERVICES INC [ LQDT ]</u></p> <hr/> <p>3. Date of Earliest Transaction (Month/Day/Year)</p> <p><u>03/23/2007</u></p> <hr/> <p>4. If Amendment, Date of Original Filed (Month/Day/Year)</p> | <p>5. Relationship of Reporting Person(s) to Issuer (Check all applicable)</p> <p><input checked="" type="checkbox"/> Director <span style="margin-left: 100px;"><input checked="" type="checkbox"/> 10% Owner</span></p> <p>Officer (give title below) <span style="margin-left: 100px;">Other (specify below)</span></p> <p style="text-align: center;"><u>President and Chief Op Officer</u></p> <hr/> <p>6. Individual or Joint/Group Filing (Check Applicable Line)</p> <p><input checked="" type="checkbox"/> Form filed by One Reporting Person</p> <p><input type="checkbox"/> Form filed by More than One Reporting Person</p> |
|---|---|---|

**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                    | 03/23/2007                           |  | s                              |   | 77,353  | D          | \$17.055 | 2,986,355   | D  |   |
| Common Stock                    |                                      |  |                                |   |   |            |          | 690,531   | I  | By the Jaime Mateus-Tique 2005 Qualified Grantor Retained Annuity Trust |
| Common Stock                    |                                      |  |                                |   |   |            |          | 35,000  | I  | By the Mateus-Tique Foundation  |

**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 |   |  |  |   |  |
| Employee Stock Option                      | \$17.63  |                                      |  |                                |   |  |     | (1)  | 09/21/2016      | Common Stock  | 75,000                                     | 75,000   | D   |  |
| Employee Stock Option                      | \$7  |                                      |  |                                |   |  |     | (2)  | 12/21/2015      | Common Stock  | 60,000                                     | 60,000   | D   |  |

**Explanation of Responses:**

- 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.
- This option became fully vested on April 19, 2006.

/s/ James E. Williams, by  
power of attorney 03/27/2007

\*\* 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.**