

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**Current Report  
Pursuant to Section 13 or 15(d) of  
The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) **December 12, 2006**

**LIQUIDITY SERVICES, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**0-51813**  
(Commission  
File Number)

**52-2209244**  
(IRS Employer  
Identification No.)

**1920 L Street, N.W., 6th Floor, Washington, D.C.**  
(Address of principal executive offices)

**20036**  
(Zip Code)

Registrant's telephone number, including area code **(202) 467-6868**

**N/A**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 8.01. Other Events.**

On December 12, 2006, Jaime Mateus-Tique, President and Chief Operating Officer, James M. Rallo, Treasurer and Chief Financial Officer, and Thomas B. Burton, President and Chief Operating Officer of Government Liquidation, LLC, each entered into a written sales plan pursuant to the guidance specified by Rule 10b5-1 under the Securities Exchange Act of 1934, as amended. Under each individual's sales plan, a broker-dealer is authorized to sell up to a specified number of shares of the common stock of Liquidity Services, Inc. (the "Company"), par value \$0.001 per share (the "Shares"), pursuant to the terms and conditions of such individual's sales plan, over a period of up to a year, unless the plan is terminated earlier pursuant to its terms. Mr. Mateus-Tique's plan calls for the sale of up to 350,000 shares; Mr. Rallo's plan calls for the sale of up to 88,016 shares and the exercise of up to 90,833 vested stock options; and Mr. Burton's plan calls for the sale of up to 81,600 shares.

Each plan has been approved pursuant to the terms of the Company's policies. Each plan is a component of the individual's overall tax and financial planning strategy that is designed to provide enhanced diversification and liquidity. Other Company executives may from time to time adopt 10b5-1 plans.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**LIQUIDITY SERVICES, INC.**  
(Registrant)

Date: December 18, 2006

By: /s/ James E. Williams

Name: James E.  
Williams  
Title: Vice President,  
General  
Counsel and  
Secretary