

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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| OMB Number: | 3235-0287 |
| Estimated average burden hours per response: | 0.5 |

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|---|---|--|
| 1. Name and Address of Reporting Person* <u>CLOUGH PHILLIP A</u> (Last) (First) (Middle) 400 EAST PRATT STREET, SUITE 910 (Street) BALTIMORE MD 21202-3116 (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) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below) |
| | 3. Date of Earliest Transaction (Month/Day/Year) 02/01/2016 | |
| | | 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 | | | | | | | 28,035 | 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 | | | | | |
| Employee Stock Option | \$11.66 | | | | | | | (1) | 06/03/2018 | Common Stock | 15,082 | 15,082 | D | |
| Employee Stock Option | \$42.31 | | | | | | | (2) | 02/01/2022 | Common Stock | 5,328 | 5,328 | D | |
| Employee Stock Option | \$40.11 | | | | | | | (3) | 02/01/2023 | Common Stock | 5,954 | 5,954 | D | |
| Employee Stock Option | \$21.53 | | | | | | | (4) | 02/01/2024 | Common Stock | 13,144 | 13,144 | D | |
| Employee Stock Option | \$9.84 | | | | | | | (5) | 02/01/2025 | Common Stock | 19,050 | 19,050 | D | |
| Employee Stock Option | \$6.29 | 02/01/2016 | | A | | 14,730 | | (6) | 02/01/2026 | Common Stock | 14,730 | \$0 | 14,730 | D |
| Restricted Stock Grant | \$6.29 | 02/01/2016 | | A | | 12,082 | | (7) | 02/01/2026 | Common Stock | 12,082 | \$0 | 12,082 | D |

Explanation of Responses:

- These options became fully vested on April 29, 2009.
- These options became fully vested on February 1, 2013.
- These options became fully vested on February 1, 2014.
- These options became fully vested on February 1, 2015.
- These options became fully vested on February 1, 2016.
- These options have a one-year vesting period such that 100% of this option grant will vest on February 1, 2017.
- These restricted shares have a one-year vesting period such that 100% of this restricted share grant will vest on February 1, 2017.

/s/ James E. Williams, by
power of attorney 02/03/2016

** 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.

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