

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>Angrick William P III</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) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) Chairman of the Board and CEO |
| | 3. Date of Earliest Transaction (Month/Day/Year) 02/28/2011 | |
| | 4. If Amendment, Date of Original Filed (Month/Day/Year) | |

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 | 02/28/2011 | | S ⁽¹⁾ | | 10,000 | D | \$15.94 | 5,034,396 | I | By the William P. Angrick III Revocable Trust ⁽²⁾ |
| Common Stock | 03/01/2011 | | S ⁽¹⁾ | | 10,000 | D | \$16.01 | 5,024,396 | I | By the William P. Angrick III Revocable Trust ⁽²⁾ |
| Common Stock | 03/02/2011 | | S ⁽¹⁾ | | 10,000 | D | \$15.65 | 5,014,396 | I | By the William P. Angrick III Revocable Trust ⁽²⁾ |
| Common Stock | | | | | | | | 114,106 | D | |
| Common Stock | | | | | | | | 873,379 | I | By the William P. Angrick III 2005 Irrevocable Trust ⁽²⁾ |
| Common Stock | | | | | | | | 314,468 | I | By the Stephanie S. Angrick Revocable Trust ⁽³⁾ |
| Common Stock | | | | | | | | 289,377 | I | By the Stephanie S. Angrick 2005 Irrevocable Trust ⁽³⁾ |
| Common Stock | | | | | | | | 99,367 | I | By the Stephanie S. Angrick 2005 Qualified Grantor Retained Annuity Trust ⁽³⁾ |

**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 | Amount or Number of Shares | | | | |
| Employee Stock Grant | \$17.02 | | | | | | | (4) | 10/01/2020 | Common Stock | 43,776 | | 43,776 | D | |
| Employee Stock Option | \$17.02 | | | | | | | (5) | 10/01/2020 | Common Stock | 29,625 | | 29,625 | D | |
| Employee Stock Grant | \$17.02 | | | | | | | (6) | 10/01/2020 | Common Stock | 20,000 | | 20,000 | D | |
| Employee Stock Grant | \$9.96 | | | | | | | (7) | 10/01/2019 | Common Stock | 26,334 | | 26,334 | D | |
| Employee Stock Option | \$9.96 | | | | | | | (8) | 10/01/2019 | Common Stock | 75,343 | | 75,343 | D | |
| Employee Stock Option | \$8.23 | | | | | | | (9) | 10/01/2018 | Common Stock | 66,667 | | 66,667 | D | |
| Employee Stock Option | \$12.02 | | | | | | | (10) | 10/01/2017 | Common Stock | 84,000 | | 84,000 | D | |
| Employee Stock Option | \$17.63 | | | | | | | (11) | 09/21/2016 | Common Stock | 100,000 | | 100,000 | D | |

Explanation of Responses:

- The transactions reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on February 22, 2010.
- These shares are held in a trust for the benefit of the reporting person. The reporting person disclaims beneficial ownership of these securities, and the filing of this report is not an admission that the reporting person is the beneficial owner of the securities for the purposes of Section 16 or for any other purpose.
- These shares are held in a trust for the benefit of the reporting person's spouse, who is also trustee of the trust. The reporting person disclaims beneficial ownership of these securities, and the filing of this report is not an admission that the reporting person is the beneficial owner of the securities for the purposes of Section 16 or for any other purpose.
- Twenty-five percent of this restricted stock grant will vest on October 1, 2011 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 will vest on October 1, 2011 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
- These restricted shares will vest, if at all, based on the Issuer's achievement of certain financial milestones.
- Twenty-five percent of this restricted stock grant vested on October 1, 2010 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, 2010 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
- Twenty-five percent of this option grant vested on October 1, 2009 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
- Twenty-five percent of this option grant vested on October 1, 2008 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
- These options became fully vested on September 21, 2010.

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

03/02/2011

** 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.