

**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) **August 19, 2011**

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 1.01. Entry into a Material Definitive Agreement.

On August 19, 2011, Liquidity Services, Inc. (the "Company") and the Defense Logistics Agency Disposition Services (the "DLA Disposition Services") entered into a Supplemental Agreement (the "Amendment") relating to Surplus Usable Property Sales Contract (Sales Contract Number 08-0001-0001), between the Company and the Defense Reutilization and Marketing Service of the U.S. Department of Defense (the "Surplus Contract"), which was previously filed by the Company as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission (the "SEC") on August 6, 2008. The Surplus Contract, entered into on July 31, 2008, was previously amended pursuant to an amendment filed by the Company as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on February 5, 2009. A copy of the associated press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Pursuant to the Amendment, which is effective as of August 19, 2011, the DLA Disposition Services exercised its option to extend the performance period of the Surplus Contract by one year to February 15, 2013.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

The following exhibit is filed as part of this report:

99.1 Press Release, dated August 22, 2011, with respect to the amendment to the Surplus Contract.

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: August 22, 2011

By: /s/ James E. Williams
Name: James E. Williams
Title: Vice President, General Counsel and
Corporate Secretary

3

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated August 22, 2011

4

Liquidity Services, Inc. Receives Contract Extension for DoD Surplus Useable Property Sales

WASHINGTON — August 22, 2011 — Liquidity Services, Inc. (NASDAQ: LQDT) today announced that the Defense Logistics Agency (DLA) has exercised the first of two potential 12-month extension periods under its Surplus Useable Property sales contract (Surplus Contract) with Liquidity Services to sell surplus assets of the U.S. Department of Defense (DoD). Through a unilateral contract modification, the Surplus Contract's performance period has been extended through February 15, 2013. During the extended performance period, the DoD will continue to use Liquidity Services as the primary channel for the disposition of useable surplus property that is approved by the DoD for sale to the public.

Under the Surplus Contract, Liquidity Services manages the receipt, storage, marketing and disposition of virtually all useable surplus personal property generated by DoD installations throughout the United States. Assets are offered for sale through Liquidity Services' online auction marketplace, www.govliquidation.com.

"As an innovative solution provider and recognized cost saver for the DoD for over ten years, we are pleased that the DLA has elected to extend our contract for the sale of surplus assets," said Bill Angrick, Chairman and CEO of Liquidity Services. "Our solution has proven to be the most effective disposition and resale process for DoD surplus property that focuses on protecting national security, reducing costs and providing a valuable revenue stream to the U.S. Treasury."

The principal terms of the modification to the Surplus Contract are described in an 8-K filed today with the SEC. All other principal terms of the original contract remain in effect.

About Liquidity Services, Inc. (LQDT)

Liquidity Services, Inc. (NASDAQ: LQDT) provides leading corporations, public sector agencies and buying customers the world's most transparent, innovative and effective online marketplaces and integrated services for surplus assets. On behalf of its clients, Liquidity Services has completed the sale of over \$2.0 billion of surplus, returned and end-of-life assets, in over 500 product categories, including consumer goods, capital assets and industrial equipment. The company is based in Washington, D.C. and has approximately 700 employees. Additional information can be found at: www.liquidityservicesinc.com.

Forward-Looking Statements

This document contains forward-looking statements regarding the contract extension and other matters that are made pursuant to the Private Securities Litigation Reform Act of 1995. The outcome of the events described in these forward-looking statements is subject to known and unknown risks, uncertainties and other factors that may cause our actual results to differ materially from any future results expressed or implied by these forward-looking statements. Important factors that could cause our actual results to differ materially from those implied by the forward-looking statements are set forth in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2010, including, but not limited to, those set forth in Part I, Item IA (Risk Factors). There may be other factors of which we are currently unaware that may adversely affect our actual results. All forward-looking statements apply only as of the date of this document and are expressly qualified in their entirety by the cautionary statements included in this document. Except as may be required by law, we undertake no obligation to publicly update or revise any forward-looking statement occurring after the date of this document.

###

Media and Investor Contact

Julie Davis
202.558.6234
julie.davis@liquidityservicesinc.com
