

**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 4, 2007

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)

Registrant's telephone number, including area code

20036

(Zip 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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On December 4, 2007, the Compensation Committee of the Board of Directors of Liquidity Services, Inc. ("LSI") established the base salary levels for LSI's executive officers for the fiscal year ending September 30, 2008, with effect from October 1, 2007. The base salary levels for the Chairman and Chief Executive Officer and the other four most highly compensated executive officers of LSI in the fiscal year ending September 30, 2008 are set forth below.

Name and Principal Position	Annual Base Salary for Fiscal Year 2008
William P. Angrick, III <i>Chairman and Chief Executive Officer</i>	\$288,750
Jaime Mateus-Tique <i>President, Chief Operating Officer</i>	\$260,000
James M. Rallo <i>Chief Financial Officer and Treasurer</i>	\$252,000
Eric C. Dean <i>Chief Information Officer</i>	\$250,000
Thomas B. Burton <i>President and Chief Operating Officer, Government Liquidation.com, LLC</i>	\$255,000

