

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>Guzman Sam</u> (Last) (First) (Middle) C/O LIQUIDITY SERVICES, INC. 6931 ARLINGTON ROAD, SUITE 200 (Street) BETHESDA MD 20814 (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol LIQUIDITY SERVICES INC [LQDT] | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) VP & Chief Accounting Officer |
| | 3. Date of Earliest Transaction (Month/Day/Year) 12/03/2019 | |
| 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 | | | |

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 | | Date Exercisable | Expiration Date | | | | | | Title |
| Employee Stock Option | \$6.69 | 12/03/2019 | | A | | 5,300 | (1) | 12/03/2029 | Common Stock | 5,300 | \$0 | 5,300 | D | |
| Employee Stock Option | \$6.69 | 12/03/2019 | | A | | 5,300 | (2) | 12/03/2029 | Common Stock | 5,300 | \$0 | 5,300 | D | |
| Employee Stock Grant | (3) | 12/03/2019 | | A | | 2,250 | (4) | 01/01/2024 | Common Stock | 2,250 | \$0 | 2,250 | D | |
| Employee Stock Grant | (3) | 12/03/2019 | | A | | 2,250 | (5) | 01/01/2024 | Common Stock | 2,250 | \$0 | 2,250 | D | |
| Employee Stock Grant | (3) | | | | | | (6) | 08/01/2028 | Common Stock | 30,000 | | 30,000 | D | |
| Employee Stock Option | \$6.11 | | | | | | (1) | 10/01/2028 | Common Stock | 19,200 | | 19,200 | D | |
| Employee Stock Grant | (3) | | | | | | (4) | 10/01/2028 | Common Stock | 3,100 | | 3,100 | D | |
| Employee Stock Option | \$6.11 | | | | | | (7) | 10/01/2028 | Common Stock | 19,200 | | 19,200 | D | |
| Employee Stock Grant | (3) | | | | | | (8) | 10/01/2028 | Common Stock | 3,100 | | 3,100 | D | |

Explanation of Responses:

- This option becomes exercisable, if at all, based on total shareholder return (TSR) milestones. TSR is calculated based on the change in a the issuer's stock price during the performance period, taking into account any dividends paid during that period, which are assumed to be reinvested in the stock.
- 12/48th of this option grant will vest on January 1, 2021 and, thereafter, 1/48th of the option grant will vest each month for thirty-six months.
- Each restricted stock unit is the economic equivalent of one share of Liquidity Services, Inc. Common Stock.
- These restricted stock units vest, if at all, based on total shareholder return (TSR) milestones. TSR is calculated based on the change in a the issuer's stock price during the performance period, taking into account any dividends paid during that period, which are assumed to be reinvested in the stock.
- Twenty-five percent of this restricted stock grant will vest on January 1, 2021 and thereafter 1/4th of the restricted stock grant will vest on each of January 1, 2022, January 1, 2023 and January 1, 2024.
- Twenty-five percent of this restricted stock grant vested on August 1, 2019 and thereafter 1/4th of this restricted stock grant will vest on August 1, 2020, August 1, 2021, and August 1, 2022.
- 15/48th of this option grant will vest on January 1, 2020 and thereafter 1/48th of the option grant will vest each month for thirty three months.
- Twenty-five percent of this restricted stock grant will vest on January 1, 2020 and thereafter 1/4th of the restricted stock grant will vest on each October 1, 2020, October 1, 2021, and October 1, 2022.

Remarks:

/s/ Mark. A Shaffer, by power
of attorney 12/05/2019

** 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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