

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

1. Name and Address of Reporting Person* <u>CLOUGH PHILLIP A</u>			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)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) <u>02/01/2017</u>			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person		
<u>400 EAST PRATT STREET, SUITE 910</u>			4. If Amendment, Date of Original Filed (Month/Day/Year)					
(Street) <u>BALTIMORE MD 21202-3116</u>								
(City) (State) (Zip)								

**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	02/01/2017		J <sup>(10)</sup>		12,082	A	\$9.75	40,117	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	Title	Amount or Number of Shares				
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							(6)	02/01/2026	Common Stock	14,730		14,730	D	
Restricted Stock Grant	\$6.29	02/01/2017		J <sup>(10)</sup>		12,082		(7)	02/01/2026	Common Stock	12,082	\$9.75	0	D	
Employee Stock Option	\$9.75	02/01/2017		A		3,561		(8)	02/01/2027	Common Stock	3,561	\$0	3,561	D	
Restricted Stock Grant	\$9.75	02/01/2017		A		7,795		(9)	02/01/2027	Common Stock	7,795	\$0	7,795	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 became fully vested on February 1, 2017.
- These restricted shares became fully vested on February 1, 2017.
- These options have a one-year vesting period such that 100% of this option grant will vest on February 1, 2018.
- These restricted shares have a one-year vesting period such that 100% of this restricted share grant will vest on February 1, 2018.
- Represents the vesting of restricted stock

/s/ Mark A. Shaffer, by power of attorney

02/03/2017

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.**

POWER OF ATTORNEY

The undersigned hereby constitutes and appoints Mark A. Shaffer, Michael E. Sweeney and Jorge A. Celaya the undersigned's true and lawful attorneys-in-fact to:

- (1) execute for and on behalf of the undersigned Forms 3, 4 and 5 in accordance with Section 16(a) of the Securities Exchange Act of 1934 and the rules thereunder;
- (2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to complete the execution of any such Form 3, 4, or 5 and the timely filing of such form with the United States Securities and Exchange Commission and any other authority; and
- (3) take any other action of any type whatsoever in connection with the foregoing which, in the opinion of such attorney-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned.

The undersigned hereby grants to each such attorney-in-fact full power and authority to do and perform all and every act and thing whatsoever requisite, necessary, and proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such attorney-in-fact, or such attorney-in-fact's substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers herein granted. The undersigned acknowledges that the foregoing attorneys-in-fact, in serving in such capacity at the request of the undersigned, is not assuming any of the undersigned's responsibilities to comply with Section 16 of the Securities Exchange Act of 1934. This Power of Attorney can only be revoked by delivering a signed, original "Revocation of Power of Attorney" to the attorneys-in-fact.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 30th day of April, 2016.

/s/ Phillip A. Clough

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Name: Phillip A. Clough  
Title: Director