

**FORM 5**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

OMB APPROVAL	
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**ANNUAL 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).
- Form 3 Holdings Reported.
- Form 4 Transactions Reported.

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>GROSS PATRICK W</u>  (Last) (First) (Middle) <u>C/O LIQUIDITY SERVICES, INC.</u> <u>1920 L STREET, N.W., 6TH FLOOR</u>  (Street) <u>WASHINGTON DC 20036</u>  (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 10% Owner  Officer (give title below) Other (specify below)
	3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year) <u>09/30/2012</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	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

**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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				Amount	(A) or (D)	Price			
Common Stock	12/19/2011		G	533 <sup>(1)</sup>	D	\$0	5,200	D	
Common Stock	12/21/2011		G	6,230 <sup>(1)</sup>	D	\$0	5,200	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)
					(A)	(D)	Date Exercisable	Expiration Date					
Employee Stock Option	\$12.89						(2)	04/03/2016	Common Stock	20,000	20,000	D	
Employee Stock Option	\$14.75						(3)	10/02/2016	Common Stock	11,271	11,271	D	
Employee Stock Option	\$11.19						(4)	10/01/2017	Common Stock	10,272	10,272	D	
Employee Stock Option	\$11.66						(5)	06/03/2018	Common Stock	4,457	4,457	D	
Employee Stock Option	\$8.55						(6)	04/28/2019	Common Stock	21,086	21,086	D	
Employee Stock Option	\$10.7						(7)	02/01/2020	Common Stock	18,612	18,612	D	
Employee Stock Option	\$14.3						(8)	02/01/2021	Common Stock	15,012	15,012	D	
Employee Stock Option	\$42.31						(9)	02/01/2022	Common Stock	5,328	5,328	D	
Restricted Stock Grant	\$42.31						(10)	02/01/2022	Common Stock	851	851	D	

**Explanation of Responses:**

- The gifted shares reported in this Form 5 were reflected in the adjustment to the beneficially owned securities held by the reporting person as reported in the Form 4 filed March 2, 2012. As a result, the total of 5,200 directly held shares remains unchanged from the previous report.
- These options became fully vested on April 3, 2008.
- These options became fully vested on October 2, 2007.
- These options became fully vested on October 1, 2008.

5. These options became fully vested on June 3, 2009.
6. These options became fully vested on February 18, 2010.
7. These options became fully vested on February 1, 2011.
8. These options became fully vested on February 1, 2012.
9. These options have a one-year vesting period such that 100% of this option grant will vest on February 1, 2013.
10. These restricted shares have a one-year vesting period such that 100% of this restricted share grant will vest on February 1, 2013.

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

11/14/2012

\*\* 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.**