

Roy G Cayce  
 Form 4  
 December 10, 2009

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Roy G Cayce

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  
 Officer (give title below)  Other (specify below)  
 Exec. VP/Pres. Asset Recovery

(Last) (First) (Middle)  
 C/O LIQUIDITY SERVICES,  
 INC., 1920 L STREET, N.W., 6TH  
 FLOOR

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 12/01/2009

(Street)  
 WASHINGTON, DC 20036

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(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 Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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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 Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option	\$ 9.05	12/01/2009		A	9,422	(1) 10/01/2019	10/01/2019	Common Stock	9,422
Employee Stock Option	\$ 9.05	12/01/2009		A	29,481	(2) 10/01/2019	10/01/2019	Common Stock	29,481
Employee Stock Option	\$ 9.05	12/01/2009		A	4,000	(3) 10/01/2019	10/01/2019	Common Stock	4,000
Employee Stock Option	\$ 10.82					(4) 07/30/2018	07/30/2018	Common Stock	320,000
Employee Stock Option	\$ 10.82					(5) 07/30/2018	07/30/2018	Common Stock	280,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Roy G Cayce C/O LIQUIDITY SERVICES, INC. 1920 L STREET, N.W., 6TH FLOOR WASHINGTON, DC 20036			Exec. VP/Pres. Asset Recovery	

## Signatures

/s/ James E. Williams, by power of attorney  
12/10/2009

\*\*Signature of Reporting Person

Date

## Explanation of Responses:

\* 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).

(1) Twenty-five percent of this restricted stock grant will vest on October 1, 2010 and thereafter 1/4th of the restricted stock grant will vest on October 1 of each year for three years.

(2)

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Twenty-five percent of this option grant will vest on October 1, 2010 and thereafter 1/48th of the option will vest each month for thirty-six months.

- (3) These restricted shares will vest, if at all, based on the Issuer's achievement of certain financial milestones.
- (4) The option becomes vested and exercisable, if at all, based on the Issuer's Asset Recovery Division's achievement of certain financial milestones.
- (5) Twenty-five percent of this option grant vested on August 25, 2009 and thereafter 1/48th of the option will vest each month for thirty-six months.

### **Remarks:**

No non-derivative securities are beneficially owned.

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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