

Kramer Franklin D  
Form 4  
May 15, 2012

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

OMB APPROVAL

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**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 \*  
Kramer Franklin D

2. Issuer Name and Ticker or Trading Symbol  
LIQUIDITY SERVICES INC  
[LQDT]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
05/11/2012

Director  10% Owner  
 Officer (give title below)  Other (specify below)

C/O LIQUIDITY SERVICES, INC., 1920 L STREET, N.W., 6TH FLOOR

(Street)

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

WASHINGTON, DC 20036

(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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	05/11/2012		M		20,000	A	\$ 12.89
Common Stock	05/11/2012		M		11,271	A	\$ 14.75
Common Stock	05/11/2012		M		10,272	A	\$ 11.19
Common Stock	05/11/2012		M		15,082	A	\$ 11.66
	05/11/2012		M		5,475	A	\$ 8.55
							134,063

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Common Stock							
Common Stock	05/11/2012	S	62,100	D	\$ 64.74	71,963	D
Common Stock	05/14/2012	M	15,611	A	\$ 8.55	87,574	D
Common Stock	05/14/2012	M	18,612	A	\$ 10.7	106,186	D
Common Stock	05/14/2012	M	3,677	A	\$ 14.3	109,863	D
Common Stock	05/14/2012	S	37,900	D	\$ 63.17	71,963	D
Common Stock	05/15/2012	S	50,000	D	\$ 62.19	21,963	D

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)

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	\$ 12.89	05/11/2012		M	20,000	<u>(1)</u> 04/03/2016	Common Stock 20,000
Employee Stock Option	\$ 14.75	05/11/2012		M	11,271	<u>(2)</u> 10/02/2016	Common Stock 11,271
Employee Stock Option	\$ 11.19	05/11/2012		M	10,272	<u>(3)</u> 10/01/2017	Common Stock 10,272
Employee Stock	\$ 11.66	05/11/2012		M	15,082	<u>(4)</u> 06/03/2018	Common Stock 15,082

Option									
Employee Stock Option	\$ 8.55	05/11/2012	M	5,475	<u>(5)</u>	04/28/2019	Common Stock	21,086	
Employee Stock Option	\$ 8.55	05/14/2012	M	15,611	<u>(5)</u>	04/29/2019	Common Stock	15,611	
Employee Stock Option	\$ 10.7	05/14/2012	M	18,612	<u>(6)</u>	02/01/2020	Common Stock	18,612	
Employee Stock Option	\$ 14.3	05/14/2012	M	3,677	<u>(7)</u>	02/01/2021	Common Stock	15,012	
Employee Stock Option	\$ 42.31				<u>(8)</u>	02/01/2022	Common Stock	5,328	
Restricted Stock Grant	\$ 42.31				<u>(9)</u>	02/01/2022	Common Stock	851	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Kramer Franklin D C/O LIQUIDITY SERVICES, INC. 1920 L STREET, N.W., 6TH FLOOR WASHINGTON, DC 20036	X			

## Signatures

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

05/15/2012

\*\*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) These options became fully vested on April 3, 2008.
- (2) These options became fully vested on October 2, 2007.
- (3) These options became fully vested on October 1, 2008.
- (4) These options became fully vested on June 3, 2009.
- (5) These options became fully vested on February 18, 2010.
- (6) These options became fully vested on February 1, 2011.

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- (7) These options became fully vested on February 1, 2012.
- (8) These options have a one-year vesting period such that 100% of this option grant will vest on February 1, 2013.
- (9) These restricted shares have a one-year vesting period such that 100% of this restricted share grant will vest on February 1, 2013.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.