

Rallo James M
Form 4
December 06, 2018

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 *
Rallo James M

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)
12/04/2018

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
President RSCG and CAG

C/O LIQUIDITY SERVICES, INC., 6931 ARLINGTON ROAD, SUITE 200

(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

BETHESDA, MD 20814

(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) Price | | | |
| Common Stock | | | | | 15,039 ⁽¹⁾ | I | By James M. Rallo 401k |
| Common Stock | | | | | 8,000 | I | By James M. Rallo IRA |
| Common Stock | | | | | 685 | I | By James M. Rallo Cust. Michael |

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| | | | | | | | |
|--------------|--|--|--|-----|---|--|--|
| | | | | | | | |
| Common Stock | | | | 460 | I | | Rallo MD UTMA ⁽²⁾ By James M. Rallo Cust. Melissa Rallo MD UTMA ⁽²⁾ |

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

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 control number.

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 | \$ 7.48 | | | | | <u>(3)</u> | 10/01/2018 | Common Stock | 2,338 |
| Employee Stock Option | \$ 15.47 | | | | | <u>(4)</u> | 10/01/2020 | Common Stock | 6,678 |
| Employee Stock Grant | \$ 15.47 | | | | | <u>(5)</u> | 10/01/2020 | Common Stock | 5,527 |
| Employee Stock Option | \$ 31.37 | | | | | <u>(6)</u> | 10/01/2021 | Common Stock | 12,358 |
| Employee Stock Option | \$ 38.09 | | | | | <u>(7)</u> | 10/01/2022 | Common Stock | 3,335 |
| Employee Stock Option | \$ 29.47 | | | | | <u>(8)</u> | 07/18/2023 | Common Stock | 24,871 |

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| | | | | | | | | | |
|-----------------------|----------|------------|--|---|-------------|-------------|--------------|--------------|--------|
| Employee Stock Option | \$ 21.99 | | | | <u>(9)</u> | 10/01/2023 | Common Stock | 9,938 | |
| Employee Stock Option | \$ 10.41 | | | | <u>(10)</u> | 10/01/2024 | Common Stock | 12,675 | |
| Employee Stock Grant | \$ 6.63 | | | | <u>(11)</u> | 10/01/2025 | Common Stock | 6,380 | |
| Employee Stock Grant | \$ 5.8 | | | | <u>(5)</u> | 10/01/2025 | Common Stock | 6,380 | |
| Employee Stock Option | \$ 6.63 | | | | <u>(12)</u> | 10/01/2025 | Common Stock | 13,987 | |
| Employee Stock Option | \$ 6.63 | | | | <u>(13)</u> | 10/01/2025 | Common Stock | 3,497 | |
| Employee Stock Grant | \$ 8.3 | | | | <u>(14)</u> | 10/01/2026 | Common Stock | 3,925 | |
| Employee Stock Grant | \$ 8.3 | | | | <u>(5)</u> | 10/01/2026 | Common Stock | 7,850 | |
| Employee Stock Option | \$ 8.3 | | | | <u>(15)</u> | 10/01/2026 | Common Stock | 4,650 | |
| Employee Stock Option | \$ 8.3 | | | | <u>(13)</u> | 10/01/2026 | Common Stock | 4,650 | |
| Employee Stock Option | \$ 4.47 | | | | <u>(16)</u> | 10/01/2027 | Common Stock | 93,420 | |
| Employee Stock Grant | \$ 4.47 | | | | <u>(17)</u> | 10/01/2027 | Common Stock | 24,540 | |
| Employee Stock Option | \$ 4.47 | | | | <u>(18)</u> | 10/01/2027 | Common Stock | 62,280 | |
| Employee Stock Grant | \$ 4.47 | | | | <u>(19)</u> | 10/01/2027 | Common Stock | 16,360 | |
| Employee Stock | \$ 6.11 | 12/04/2018 | | A | 36,550 | <u>(20)</u> | 10/01/2028 | Common Stock | 36,550 |

| | | | | | | | | | |
|-----------------------|---------|------------|---|--------|------|------------|--------------|--------|--|
| Option | | | | | | | | | |
| Employee Stock Grant | \$ 6.11 | 12/04/2018 | A | 5,950 | (21) | 10/01/2028 | Common Stock | 5,950 | |
| Employee Stock Option | \$ 6.11 | 12/04/2018 | A | 36,550 | (16) | 10/01/2028 | Common Stock | 36,550 | |
| Employee Stock Grant | \$ 6.11 | 12/04/2018 | A | 5,950 | (17) | 10/01/2028 | Common Stock | 5,950 | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Rallo James M C/O LIQUIDITY SERVICES, INC. 6931 ARLINGTON ROAD, SUITE 200 BETHESDA, MD 20814 | | | President RSCG and CAG | |

Signatures

/s/ Mark A. Shaffer, by power of attorney
12/06/2018

**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) The number of securities shown as being held in Issuer's 401(k) account for the Reporting Person's benefit is the approximate number of shares of common stock. De minimis fractional interests reported by the Issuer's 401(k) Plan trustee/administrator and held indirectly through the Plan's stock purchase account are not reflected.
 - (2) Mr. Rallo disclaims beneficial ownership of these shares.
 - (3) These options became fully vested on October 1, 2013.
 - (4) These options became fully vested on October 1, 2014.
 - (5) These restricted stock units will vest, if at all, based on the Issuer's achievement of certain financial milestones.
 - (6) These options became fully vested on October 1, 2015.
 - (7) These options became fully vested on October 1, 2016.
 - (8) Twenty-five percent of this option grant vested on July 18, 2014 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
 - (9) These options became fully vested on October 1, 2017.
 - (10) Twenty-five percent of this option grant vested on October 1, 2015 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
 - (11) Twenty-five percent of this restricted stock grant vested on October 1, 2016 and thereafter 1/4th of the restricted stock grant will vest on October 1 of each year for three years.

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- (12) Twenty-five percent of this option grant vested on October 1, 2016 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
- (13) This option becomes exercisable, if at all, based on the Issuer's achievement of certain financial milestones.
- (14) Twenty-five percent of this restricted stock grant vested on April 1, 2018 and thereafter 1/4th of the restricted stock grant will vest on each of October 1, 2018, October 1, 2019, and October 1, 2020.
- (15) 18/48th of this option grant vested on April 1, 2018 and thereafter 1/48th of this option grant will vest each month for thirty months.
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
- (16) 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.
- (17) 15/48th of this option grant will vest on January 1, 2019 and thereafter 1/48th of the option grant will vest each month for thirty three months.
- (18) Twenty-five percent of this restricted stock grant will vest on January 1, 2019 and thereafter 1/4th of the restricted stock grant will vest on each October 1, 2019, October 1, 2020, and October 1, 2021.
- (19) 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.
- (20) 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.

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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