

LIQUIDITY SERVICES INC

Form 4

July 06, 2017

**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 \*  
Rallo James M

(Last) (First) (Middle)

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

(Street)

WASHINGTON, DC 20036

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)  
07/03/2017

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
President RSCG

6. Individual or Joint/Group Filing(Check Applicable Line)  
 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 Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V Amount (A) or (D) Price   |   |  |                                   |
| Common Stock                    | 07/03/2017                           |  | J <sup>(1)</sup>               | 3,054 A \$ 6.26   | 3,054   | D  |                                   |
| Common Stock                    | 07/03/2017                           |  | S <sup>(2)</sup>               | 3,054 D \$ 6.26   | 0   | D  |                                   |
| Common Stock                    |                                      |  |                                |   | 15,039 <sup>(3)</sup>   | I  | By James M. Rallo 401k            |
| Common Stock                    |                                      |  |                                |   | 8,000   | I  | By James M. Rallo                 |

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|              |     |   |   |
|--------------|-----|---|---|
| Common Stock | 685 | I | IRA<br>By James M. Rallo<br>Cust. Michael Rallo MD<br>UTMA <sup>(4)</sup> |
| Common Stock | 460 | I | By James M. Rallo<br>Cust. Melissa Rallo MD<br>UTMA <sup>(4)</sup>        |

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

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(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) | 8. Amount or Number of Shares |                            |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|----------------------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                         | Amount or Number of Shares |
| Employee Stock Option                      | \$ 7.48  |                                      |  |                                |   | <u>(5)</u>   | 10/01/2018  | Common Stock                  | 2,338                      |
| Employee Stock Option                      | \$ 15.47   |                                      |  |                                |   | <u>(6)</u>   | 10/01/2020  | Common Stock                  | 6,678                      |
| Employee Stock Grant                       | \$ 15.47   |                                      |  |                                |   | <u>(7)</u>   | 10/01/2020  | Common Stock                  | 5,527                      |
| Employee Stock Option                      | \$ 31.37   |                                      |  |                                |   | <u>(8)</u>   | 10/01/2021  | Common Stock                  | 12,358                     |

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|                       |          |            |  |                  |       |             |            |              |        |
|-----------------------|----------|------------|--|------------------|-------|-------------|------------|--------------|--------|
| Employee Stock Option | \$ 38.09 |            |  |                  |       | <u>(9)</u>  | 10/01/2022 | Common Stock | 3,335  |
| Employee Stock Grant  | \$ 29.47 | 07/03/2017 |  | J <sup>(1)</sup> | 3,054 | <u>(10)</u> | 07/18/2023 | Common Stock | 3,054  |
| Employee Stock Option | \$ 29.47 |            |  |                  |       | <u>(11)</u> | 07/18/2023 | Common Stock | 24,871 |
| Employee Stock Grant  | \$ 21.99 |            |  |                  |       | <u>(12)</u> | 10/01/2023 | Common Stock | 1,173  |
| Employee Stock Option | \$ 21.99 |            |  |                  |       | <u>(13)</u> | 10/01/2023 | Common Stock | 9,938  |
| Employee Stock Grant  | \$ 13.57 |            |  |                  |       | <u>(14)</u> | 05/14/2024 | Common Stock | 11,054 |
| Employee Stock Grant  | \$ 10.41 |            |  |                  |       | <u>(15)</u> | 10/01/2024 | Common Stock | 23,150 |
| Employee Stock Option | \$ 10.41 |            |  |                  |       | <u>(16)</u> | 10/01/2024 | Common Stock | 12,675 |
| Employee Stock Grant  | \$ 6.63  |            |  |                  |       | <u>(17)</u> | 10/01/2025 | Common Stock | 19,140 |
| Employee Stock Grant  | \$ 6.63  |            |  |                  |       | <u>(7)</u>  | 10/01/2025 | Common Stock | 6,380  |
| Employee Stock Option | \$ 6.63  |            |  |                  |       | <u>(18)</u> | 10/01/2025 | Common Stock | 13,987 |
| Employee Stock Option | \$ 6.63  |            |  |                  |       | <u>(19)</u> | 10/01/2025 | Common Stock | 3,497  |
| Employee Stock Grant  | \$ 8.3   |            |  |                  |       | <u>(20)</u> | 10/01/2026 | Common Stock | 7,850  |
| Employee Stock Grant  | \$ 8.3   |            |  |                  |       | <u>(7)</u>  | 10/01/2026 | Common Stock | 7,850  |
| Employee Stock        | \$ 8.3   |            |  |                  |       | <u>(21)</u> | 10/01/2026 | Common Stock | 4,650  |

|          |        |  |      |            |                    |
|----------|--------|--|------|------------|--------------------|
| Option   |        |  |      |            |                    |
| Employee |        |  |      |            |                    |
| Stock    | \$ 8.3 |  | (19) | 10/01/2026 | Common Stock 4,650 |
| Option   |        |  |      |            |                    |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |                |       |
|---|---------------|-----------|----------------|-------|
|   | Director      | 10% Owner | Officer        | Other |
| Rallo James M<br>C/O LIQUIDITY SERVICES, INC.<br>1920 L STREET, N.W., 6TH FLOOR<br>WASHINGTON, DC 20036 |               |           | President RSCG |       |

## Signatures

/s/ Mark A. Shaffer, by power of attorney  
Date: 07/06/2017

\*\*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) Represents the vesting of restricted stock.
- (2) Represents reporting person's advance election to sell upon vesting such restricted shares.
- (3) 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.
- (4) Mr. Rallo disclaims beneficial ownership of these shares.
- (5) These options became fully vested on October 1, 2013.
- (6) These options became fully vested on October 1, 2014.
- (7) These restricted shares will vest, if at all, based on the Issuer's achievement of certain financial milestones.
- (8) These options became fully vested on October 1, 2015.
- (9) These options became fully vested on October 1, 2016.
- (10) These restricted shares became fully vested on July 1, 2017.
- (11) 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.
- (12) Twenty-five percent of this restricted stock grant vested on October 1, 2014 and thereafter 1/4th of the restricted stock grant will vest on October 1 of each year for three years.
- (13) Twenty-five percent of this option grant vested on October 1, 2014 and thereafter 1/48th of the option grant will vest each month for thirty-six months.
- (14) Fifty percent of this restricted stock grant vested on November 1, 2015 and thereafter 1/4th of the restricted stock grant will vest on November 1 of each year for two years.
- (15) Twenty-five percent of this restricted stock grant vested on October 1, 2015 and thereafter 1/8th of the restricted stock grant will vest on April 1 and October 1 of each year for three years.

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- (16) 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.
- (17) 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.
- (18) 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.
- (19) This option becomes exercisable, if at all, based on the Issuer's achievement of certain financial milestones.
- (20) Twenty-five percent of this restricted stock grant will vest 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.
- (21) 18/48th of this option grant will vest on April 1, 2018 and thereafter 1/48th of this option grant will vest each month for thirty months.

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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