

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.

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 | \$ 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.